

*Saint Mary's
Episcopal Cathedral*

Diocese of Glasgow & Galloway

ANNUAL REPORT

(Year to 30th September 2010)

~~~ Supplement ~~~

*Treasurer's Report, Balance Sheet,
Statement of Accounts
&
Notes*

Please bring this Supplement with you to the AGM

TREASURER'S REPORT & ANNUAL ACCOUNTS TO 30 SEPTEMBER 2010

Included with this report are the **draft** annual accounts for the Cathedral year ending September 30th. They consist of a *Balance Sheet* at 30 September, a *Statement of Financial Activities (SOFA)* for the year ending 30 September, plus notes 1 – 15 which add detail to the broad entries found in the Balance Sheet and the SOFA. The accounts are draft at this time as there are ongoing discussions with our financial examiner on the best representation of the major fiscal event of the year just past – the repayment of the Diocesan loan to the Restoration Fund.

The Cathedral's accounts have shown a separation of General and Restoration Funds for many years. The Restoration Fund exists to control and protect funds devoted specifically to the restoration of the Cathedral fabric. While the major structural restoration work is complete the fund faces reparation work from time to time and the allocation of some quite major work in the year just gone properly belongs with the Restoration Fund. The details of this are also being worked out with our Financial examiner as they depend ultimately on the handling of cash flows between the General and the Restoration funds..

The *Balance Sheet* lists the assets and liabilities of the Cathedral separated into the two funds mentioned above and compares them with the values for the previous year

Habitually I have commented on the Restoration fund as highlighted by note 3. At this point it is not useful to pay attention to the detail of this note as regards the Restoration fund as it certainly will be changed by the outcome of the discussions referred to above. The ongoing income to the Restoration fund comes mainly from letting activities, especially the mobile phone mast and Synod Hall and Cathedral letting. In the year just past a serious accounting mix-up between Episcopal cathedrals in Glasgow and in Edinburgh by the owner of the mobile phone mast has meant we are still waiting for the payment of a full year's rental. The facts are now agreed and payment is expected shortly.

Also from note 3 you can see that there is a serious decrease in the General Fund of £210,373; £135,863 was the repayment cost of the Restoration loan and £85,000 is money placed with Brewin Dolphin - an investment house – which is designed to provide income from equities – this £85,000 will be shown in note 2 before the accounts are finalised. Consequently to get a clearer picture of our month by month finances over the last year the sum of £220,863 needs to be deducted from the General Fund loss. This yields a small surplus of £10,490. This, however, includes an appreciation in the SEC Unit Trust Pool value due to dividend re-investment and the positive change in value of the UTP unit price. Since we do not propose to access any of this enhanced value a clearer picture of deficit/surplus over the year requires deduction of the UTP value change of £28,208. The final results then yield a General Fund deficit of £17,718. Taken with a surplus in the Restoration Fund of £11,307 which is shown on the same basis as previous year's calculations, we have had an overall deficit of £6,411 and this must be enhanced by our only debtor owing £8312 giving an overall total surplus of £1,901. Given that we had significant major expenditure of fabric repairs amounting to around £30,000 to show even a small surplus is an achievement. As mentioned above some of this expense needs to be reallocated to the Restoration fund though re-allocation does not affect the overall financial picture. However, the detail of our income discussed below shows there are exceptional factors at work on the income side so this small surplus would very easily have been a small loss.

Note 4 shows the one debtor we have at this year's end – the mobile phone mast rental. Note 5 shows we have no creditors. This differs from previous years when outstanding Away Giving payments necessarily had to be shown as creditors as they could not be calculated before the finalised year's accounts were available after the year's end.

The *Statement of Financial Activities* (SOFA) shows what came in and what went out during the year, with Notes 6 to 15 providing analysis. This format shows whether income is voluntary, from fund-raising, from investment, or from charitable activities. Similarly, expenditure is divided between the cost of generating funds and charitable activities, which has been further sub-divided. The SOFA shows total income at £195,060 (£201,402 last year), and total expenditure at £422,333 (adjusted down to £201,470) (£181,961 last year), giving net incoming resources of -£227,274 (adjusted to -£6411) (£19,441 last year).

Note 6 shows Voluntary Income. Our core income comes, of course, from the generosity of our members who pledge. This year pledged income has increased significantly but at the same time Gift Aided income has declined as have cash collections and other donations - perhaps we have moved income between categories with Gift Aided and other 'spontaneous' giving being rolled into pledged income - only individuals will know if this analysis is true for them or not. Perhaps the financial climate has meant that ad hoc giving would have declined anyhow. Note 7 shows a negative sum due to a decline in the cash held in a separate choir bank account. The income from letting of non-investment property is worthy of comment. Though this suffers from the loss of phone most rental (being a cathedral debtor) it also contains a significant but one off contribution from two major events held in the cathedral - Songs of Praise and the Scottish National Youth Orchestra. Note 8 shows capital investment income and flat letting; capital investment receipts (almost totally UTP dividends) are down on the previous year reflecting a poorer rate of return on equities - these funds by the way are currently re-invested; flat income is also down due to some major remedial expenditure to repair water damage that arose on two occasions. Note 9 shows income from charitable activities; this is dominated by support from the Diocese especially the Cathedral Support Grant. The fact that the support grant is down on last year is an accident of timing relating to the repayment of the Restoration Loan. In a full year we would have received £17,070 which is ahead of the previous support arrangements and the agreement specifies that the grant is tied to the clergy stipend. Only the Tradecraft sum (which is the income side of income and expenditure) is non Diocese derived.

Note 10 shows minor fund raising costs. Note 11 shows the costs of keeping the Cathedral open - the cost of heating and lighting has gone up yet again (I wrote that last year too) by around 20% during the year. Note 12 shows the costs of our activities (mainly liturgical) within the building. This has declined slightly in all categories except flowers.

Note 13 shows the costs of running the Cathedral office, with staff costs analysed in Note 14. Finally, Note 15 shows the funds we have received and disbursed for Away Giving. In passing I would note that the office fabric costs are not separately recorded and it may well be prudent to separate these out in a further refinement of these accounts.

Last year I wrote 'there are difficulties ahead, as ever, with major fabric work pending (£13,000 or so this year and £14000 or so over the longer term)'. In practice we have incurred most of these costs this year.

Further I wrote 'the Vestry has agreed to an ambition to appoint another full-time member of staff for 3 years. The gross costs of this over three years will be around £100,000 with net costs estimated to be around £60,000 on the presumption that several additional income streams can be brought to pass'. The ambition has been realised - the finances also now have to be realised.

*Roger Mackenzie, Treasurer
November 2010*

THE CATHEDRAL CHURCH OF SAINT MARY THE VIRGIN
300 Great Western Road, Glasgow G4 9JB

Registered charity number SC006225

STATEMENT OF ACCOUNTS

BALANCE SHEET
at 30 September 2010

		2,010			2009		
		£	£	£	£	£	£
		Unrestricted Funds	Restricted Funds	Combined Funds	Unrestricted Funds	Restricted Funds	Combined Funds
FIXED ASSETS							
Tangible Assets	note 1	96,000	0	96,000	96,000	0	96,000
Investment Assets	note 2						
Investments		251,396	0	251,396	212,050	0	212,050
Investment Property		306,898	0	306,898	306,898	0	306,898
		654,295	0	654,295	614,948	0	614,948
CURRENT ASSETS							
Debtors	note 4	(8,131)	0	(8,131)	4,161	0	4,161
Cash at bank and in hand		61,042	10,170	71,212	289,046	8,650	297,696
		52,911	10,170	63,081	293,207	8,650	301,857
Less creditors due within one year	note 5	(1,485)	0	(1,485)	(1,849)	0	(1,849)
NET CURRENT ASSETS		51,426	10,170	61,596	291,358	8,650	300,008
Long Term Liability							
Diocesan Loan		56,417	79,446	135,863	46,630	89,233	135,863
TOTAL NET ASSETS		649,303	(69,276)	580,027	859,676	(80,584)	779,093
FUNDS							
Capital accounts	note 3	649,303	(69,276)	580,027	859,676	(80,584)	779,093

THE CATHEDRAL CHURCH OF SAINT MARY THE VIRGIN					
300 Great Western Road, Glasgow G4 9JB					
<i>Registered charity number SC0 062225</i>					
STATEMENT OF ACCOUNTS					
STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)					
for the year ended 30 September 2010					
		2010		2009	
		£	£	£	£
		Unrestricted Funds	Restricted Funds	Combined Funds	Combined Funds
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	note 6	142,691	1,520	144,211	147,185
Activities for generating funds	note 7	(7)	10,230	10,223	12,753
Investment income	note 8	18,121	0	18,121	22,351
Incoming resources from charitable activities	note 9	14,498	0	14,498	18,645
Other incoming resources		8,007	0	8,007	469
Total incoming resources		183,310	11,750	195,060	201,402
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: cost of goods sold	note 10	1,602	443	2,044	2,589
Investment management costs		221,909	0	221,909	1,914
Charitable Activities					
- Diocesan Quota		19,595	0	19,595	17,667
- Fabric	note 11	74,360	0	74,360	46,246
- Church activities	note 12	7,152	0	7,152	10,553
- Office	note 13	7,155	0	7,155	7,326
- Staff	note 14	87,558	0	87,558	94,363
- Away Giving	note 15	101	0	101	1,277
Governance Costs: Remuneration of Auditor		0	0	0	0
Transfer to realised investment gain reserve		0	0	0	0
Other material expenditure		2,460	0	2,460	25
Total resources expended		421,891	443	422,333	181,961
Net incoming/(outgoing) resources before transfers		(238,581)	11,307	(227,274)	19,441
TRANSFERS					
Gross transfers between funds		0	0	0	0
Other Recognised Gains/Losses		(238,581)	11,307	(227,274)	19,441
OTHER RECOGNISED GAINS/LOSSES					
Gains/Losses on revaluation of fixed assets for Church use		0	0	0	0
Gains/Losses on revaluation or disposal of investment assets		28,208	0	28,208	2,326
Net movement in funds		(210,373)	11,307	(199,066)	21,767
RECONCILIATION OF FUNDS					
Total funds brought forward		859,676	(80,584)	779,093	757,326
Total funds carried forward		649,303	(69,276)	580,027	779,093
All incoming resources and resources expended derive from continuing activities					

THE CATHEDRAL CHURCH OF SAINT MARY THE VIRGIN
300 Great Western Road, Glasgow G4 9JB

Registered charity number SCO 06225

STATEMENT OF ACCOUNTS

NOTES TO ACCOUNTS
at 30 September 2010

Note 1 Tangible Assets

Property	2010	2009
3 Napiershall Street	36,000	36,000
	36,000	36,000

Note 2 Investments

Unit Trusts	Holding	Cost	Market Value	Market Value
		£	£	£
SEC Unit Trust Pool				
Valuation at 30 September 2009/2008	22,980	211,580	212,050	168,713
Additions to investments at cost	1,141	11,139	11,139	41,012
Add/Deduct: Net Gain/Loss on revaluation			28,208	2,326
Valuation at 30 September 2010/2009	24,121	222,719	251,396	212,050

Property - 5 Napiershall Street

Acquisition cost of property, September 2006	306,838	306,838	306,838
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Equities with Brewin Dolphin

Cash Investment September 2010	85,000	85,000
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Note 3 Capital Funds

	At 1 October 2009	Consolidation	Transfers	Surplus/ (deficit) for year	At 30 September 2010
Unrestricted Funds					
Clergy Residences	65,718	0	0	0	65,718
General Fund	423,223	0	0	(210,373)	212,850
realization of 45 Rowallan Gardens	370,735	0	0	0	370,735
Total Unrestricted Funds	859,676	0	0	(210,373)	649,303
Restricted Funds					
Restoration Fund	(80,584)	0	0	11,307	(69,276)
Total Restricted Funds	(80,584)	0	0	11,307	(69,276)

Note 4 Debtors	2010			2009		
	Unrestricted Funds	Restricted Funds	Combined Funds	Unrestricted Funds	Restricted Funds	Combined Funds
	£	£	£	£	£	£
MBNL (Hutchison 3G)	0	8,131	8,131	0	0	0
HMRC	0	0	0	4,161	0	4,161
	£0	£8,131	£8,131	£4,161	£0	£4,161
Note 5 Creditors						
	Unrestricted Funds	Restricted Fund	Combined Funds	Unrestricted Funds	Restricted Fund	Combined Funds
	£	£	£	£	£	£
Away giving	0	0	0	1,485	0	1,485
Other	0	0	0	364	0	364
	£0	£0	£0	£1,849	£0	£1,849
Note 6 Voluntary income						
Pledges	90,712	1,340	92,052	81,331	1,760	83,091
Gift Aid	6,899	0	6,899	12,468	0	12,468
Income tax	27,913	383	28,297	27,561	429	27,990
Cash collections	11,827	0	11,827	14,058	0	14,058
Donations	4,957	180	5,137	8,897	180	9,077
Legacies	0	0	0	500	0	500
	£142,308	£1,903	£144,211	£144,816	£2,369	£147,185
Note 7 Activities for Generating Funds						
Concerts, recitals	0	100	100	0	0	0
Other events	(7)	0	(7)	(2,823)	150	(2,673)
Souvenirs	0	0	0	91	0	91
Letting of non-investment property	0	10,130	10,130	0	15,335	15,335
	-£7	£10,230	£10,223	-£2,732	£15,485	£12,753
Note 8 Investment income						
Interest on account	0	0	0	7	3	11
Investment receipts	11,168	0	11,168	15,001	326	15,326
War loan	4	0	4	4	0	4
Income from flat	6,948	0	6,948	7,010	0	7,010
	£18,121	£0	£18,121	£22,022	£329	£22,351
Note 9 Incoming Resources from Charitable Activities						
Web income	0	0	0	2,100	0	2,100
Traidcraft	1,726	0	1,726	1,518	0	1,518
Grants from Diocese - Youth work	0	0	0	0	0	0
- Cathedral Support Grant	11,381	0	11,381	14,001	0	14,001
- Hospital Fees	966	0	966	536	0	536
- Travel Grant	425	0	425	490	0	490
Other charitable activities	0	0	0	0	0	0
	£14,498	£0	£14,498	£18,645	£0	£18,645
Note 10 Fundraising Trading: costs of goods						
Traidcraft	1,482	0	1,482	1,682	0	1,682
Souvenirs	0	0	0	646	0	646
'Inspires'	120	0	120	160	0	160
Costs of letting non-investment property	0	413	413	0	30	30
Events - Concerts, recitals	0	30	30	0	71	71
- Other events	0	0	0	0	0	0
	£1,602	£443	£2,044	£2,488	£101	£2,589
Note 11 Fabric						
Insurance	13,177	0	13,177	12,848	0	12,848
Heat, light	19,255	0	19,255	16,150	0	16,150
Water rates	1,027	0	1,027	1,039	0	1,039
Cleaning	4,759	0	4,759	4,317	0	4,317
Repairs	33,572	0	33,572	7,546	0	7,546
Capital Purchases	2,570	0	2,570	39	0	39
Restoration Works	0	0	0	0	0	0
Loan interest	0	0	0	0	4,308	4,308
	£74,360	£0	£74,360	£ 41,939	£ 4,308	£ 46,246
Note 12 Church Activities						
Service to altar	1,554	0	1,554	1,891	0	1,891
Music/Choirs	3,283	0	3,283	5,477	0	5,477
Flowers	769	0	769	614	0	614
General expenses	1,545	0	1,545	2,571	0	2,571
	£7,152	£0	£7,152	£10,553	£0	£10,553

Note 13	Office	2010			2009		
		Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
		Funds	Fund	Funds	Funds	Fund	Funds
	£	£	£	£	£	£	
	Premises	1,886	0	1,886	2,427	0	2,427
	Printing and stationery	3,758	0	3,758	3,308	0	3,308
	Telephone and postage	1,512	0	1,512	1,531	0	1,531
		£7,155	£0	£7,155	£7,326	£0	£7,326
Note 14	Staff						
	Office staff	10,967	0	10,967	10,676	0	10,676
	Organists	27,335	0	27,335	25,364	0	25,364
	Clergy Stipends	27,313	0	27,313	35,998	0	35,998
	Clergy Pensions	7,289	0	7,289	7,905	0	7,905
	Clergy Expenses and Travel	468	0	468	1	0	1
	Staff Development	23	0	23	261	0	261
	Accommodation Allowance	14,163	0	14,163	14,159	0	14,159
		£87,558	£0	£87,558	£94,363	£0	£94,363
	Staff remuneration, including trustees remuneration -				2010	2009	
	Stipends and Salaries				63,470	76,654	
	Employers' National Insurance				6,111	6,428	
	Pensions				3,130	3,807	
	Other Costs				2,787	1,795	
					£87,558	£94,683	
					The Provost is full time, the Assistant Priest is half-time, the office post and two music posts are part-time.		
	Remuneration paid to one Trustee, the Provost						
	Remuneration				37,417	37,764	
	Pension Costs				7,283	5,588	
	Expenses				100	500	
					£44,806	£43,852	
					The remuneration is an enhanced SEC Stipend plus accommodation payments approved by the Vestry.		
Note 15	Away Giving/Hypothecated Income						
		Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
		Funds	Fund	Funds	Funds	Fund	Funds
		£	£	£	£	£	£
	Receipts						
	Coffee Money	0	0	0	1,548	0	1,548
	Funeral Collections	653	0	653	123	0	123
		£653	£0	£653	£1,671	£0	£1,671
	Grants						
	Diocesan Project, Byumba	0	0	0	300	0	300
	Sophis Mission School, Burma	0	0	0	1,250	0	1,250
	Wells for India	0	0	0	1,276	0	1,276
	Funeral Collections	653	0	653	123	0	123
		£653	£0	£653	£2,948	£0	£2,948
	Net grants	£0	£0	£0	£1,277	£0	£1,277