

# **Eco-Congregation Scotland**



**Company No: SC372366**

**Charity No: SC041287**

**Report and Financial Statements for the  
period ended 31 December 2010**

## **Eco-Congregation Scotland**

### **Report and Financial Statements for the period ended 31 December 2010**

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## **Eco-Congregation Scotland**

### **Report and Financial Statements for the period ended 31 December 2010**

#### **Reference and Administrative Information**

Eco-Congregation Scotland is a company limited by guarantee with no share capital. The company is governed by its Memorandum and Articles of Association and was incorporated on 4th February 2010.

Company Name:	Eco-Congregation Scotland
Company Registration Number	SC372366
Charity Registration Number:	SC041287
Registered Address	121 George Street Edinburgh EH2 4YN

#### **Directors**

The following Directors served during 2010 or in the subsequent period up to the date of signing of this report.

<b>Director</b>	<b>From</b>	<b>To</b>
Rev Ewan Aitken	4 February 2010	
Stephen Alexander	26 March 2010	
Rev Canon Dr John Armes	19 April 2010	17 November 2010
Alison Boyes	29 March 2010	
John Butterfield	3 August 2010	
Alan Werritty	4 February 2010	
Sheena Wurthmann	8 March 2010	

#### **Principal Office-bearers**

Chair and Convenor	Rev Ewan Aitken
Company Secretary	Adrian Shaw (appointed 4 February 2010)
Treasurer	Alan Kennedy (appointed 17 November 2010)

#### **Independent Examiner**

Sarah Hollis, CA  
Hollis Accounting Limited  
3 Melville Crescent  
Edinburgh  
EH3 7HW

#### **Bankers**

Triodos Bank  
Brunel House  
11 The Promenade  
Bristol  
BS8 3NN

## **Eco-Congregation Scotland**

### **Report and Financial Statements for the period ended 31 December 2010**

The Directors present their annual report and financial statements for the period ended 31 December 2010. The Directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (revised 2005) and the Companies Act 2006 in preparing the Annual Report and Financial Statements of the Company.

## **Structure, Governance and Management**

### **Incorporation and Governing Document**

The Company was incorporated on 4th February 2010 and is limited by guarantee. The Company is constituted by its Memorandum and Articles of Association and is recognised as a Charity for tax purposes.

### **Organisational Structure**

The structure of the Company consists of the Members and the Directors. Members who have been nominated by church congregations or church-related organisations ("Partner Members") have voting rights and, in particular, they elect people to serve as Directors and take decisions in relation to changes to the Articles of Association. The Directors generally control and supervise the activities of the Company and are responsible for monitoring its financial position.

### **Recruitment and Appointment of Directors**

Partner Members elect the Directors at each Annual General Meeting. Directors may appoint individuals to be Directors at other times. The maximum number of Directors is twelve. Any Director appointed since the previous AGM and one third of the other Directors retire each year. They may stand for re-election at the AGM but can only serve for a maximum of six years continuously. Employees of the Company may not be Directors. The Company is encouraging Partner Members to volunteer to be Directors bringing with them their varied experience and expertise.

### **Objectives and Activities**

The company's objects are:

- (a) The advancement of environmental protection or improvement through a structured programme for congregations of self audit and practical activities to protect the environment;
- (b) The advancement of education through raising awareness and understanding of environmental issues and their relationship to faith and community;
- (c) The advancement of religion through publication of materials and practical environmental action showing how care for creation and Christian faith and understanding can promote environmental protection;
- (d) The advancement of citizenship or community development through encouraging participating congregations to support each other and local communities in developing environmental awareness and action; and
- (e) The promotion of religious or racial harmony through a demonstration that care for creation is an essential part of all faiths and by working with other faiths to promote this understanding.

The company was established on 4th February 2010 and subsequently registered as a charity with the Office of the Scottish Charity Regulator. The new charity builds on the work of the previous unincorporated association Eco-Congregation Scotland which was founded in 2001.

A board of directors was appointed in March 2010 from people previously involved in the steering group of the association. These directors will serve until a new board is elected by the members at the AGM in March 2011.

The company subsequently secured funding from the Scottish Government to develop a business plan and appoint a manager. Gordon Hudson was appointed as manager on 13th December 2010.

The manager is currently working to implement the project plan agreed with the Scottish Government which is to ensure that by 31 March 2012 Eco-Congregation Scotland is financially sustainable and resilient; is making a significant contribution to Scotland's carbon reduction targets, and can continue to grow and develop; in particular that it has a secure and growing income from membership and other sources to put into effect its charitable objects.

The initial outputs are to meet those target figures for income set out in the business plan. These are to:

- ensure all participating congregations measure and seek to reduce their carbon footprints,
- encourage all eco-congregations to actively participate in the Scottish Government public engagement strategy on climate change,
- grow membership and the number of participating congregations to a target of 400 congregations by 31 March 2012,
- grow income from church denominations and related church funds,
- generate an income stream from congregations, and
- establish a supporters scheme that allow individuals or organizations to show support for ECS with an appropriate fee structure helping to meet the targets from trusts and other income.

## **Eco-Congregation Scotland**

### **Report and Financial Statements for the period ended 31 December 2010 (cont'd)**

#### **Achievements and Performance**

The third Eco-Congregation Scotland Annual Gathering took place in Stirling on 20th March 2010. Over 80 delegates met to celebrate the work of eco-congregations in Scotland, the continuing growth of the movement, and its incorporation as a Scottish Charity. The meeting also offered the opportunity to consider the continuing challenges posed by climate change: both practical and spiritual through workshops, addresses from knowledgeable speakers and informal information sharing. This will continue to be an annual event.

The number of registered eco-congregations and award holders at the beginning and end of this accounting period were as follows.

Date	04/02/2010*	31/12/2010
Number of registered eco-congregations	233	262
1st Awards	78	89
2 <sup>nd</sup> Awards	16	20
3 <sup>rd</sup> Awards	3	3
Members	-	19

\*Date of the founding of the company and charity.

This represents an increase of 12% in participating congregations and 14% in award holders. Currently only 33% of registered congregations have progressed to the first award. One of the challenges will be to increase this number. Because many of these registered congregations are already active in environmental work we are confident that they can be assisted to achieve their first Eco-Congregation Scotland award.

The number of congregations with representatives approved for membership by the board was 19 by the year end. This number is expected to grow considerably. There is currently no membership fee, but all participating congregations have been invited to contribute £100 a year to help defray the costs of the programme. To date 6 congregations have contributed £635.

#### **Financial Review**

##### **Unrestricted Funds**

The Company's operations were financially supported to a substantial degree by donations from sponsoring organisations including donated services. The business development project has recently started and one of its aims is to reduce the Company's dependence on these organisations for financial and logistical support.

The Company also benefits from the services of unpaid volunteers. The value to the Company of their time cannot be quantified but it is greatly appreciated.

##### **Restricted Funds**

The business development project was initiated with the appointment of a dedicated manager on 13 December 2010. The Scottish Government is providing grant funding for this project as described in note 12.

#### **Reserves Policy**

Ideally the Directors would seek to build up reserves of four months' operating expenditure though this was not feasible in this first period. The Directors intend to establish a formal reserves policy during 2011.

## Eco-Congregation Scotland

### Report and Financial Statements for the period ended 31 December 2010 (cont'd)

#### Statement of Directors' Responsibilities

The Directors (who are also the Trustees of the Charity) are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors' Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

#### Approval

This report was approved by the Board of Directors and Trustees on 16 February 2011 and signed on its behalf by:



Date: 16/02/11

Rev Ewan Aitken

Chair

## Eco-Congregation Scotland

### Report and Financial Statements for the period ended 31 December 2010

#### Independent Examiner's Report to the Trustees

I report on the accounts of the charity for the period ended 31 December 2010 which are set out on pages 8 to 14.

#### Respective responsibilities of trustees and examiner

The Charity's Trustees (who are also the Directors of the Company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities & Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Charity's Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

#### Basis of independent examiner's statement

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

#### Independent examiner's statement

In the course of my examination, no matter has come to my attention :

1. which gives me reasonable cause to believe that in any material respect the requirements :
  - to keep accounting records in accordance with Section 44 (1)(a) of The Charities and Trustee Investment (Scotland) Act 2005 and Regulation 4 of the 2006 Accounts Regulations; and
  - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the Charities Accounts (Scotland) Regulations 2006have not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Examiner: Sarah Hollis

Date: 3/3/11

Sarah Hollis, CA  
Hollis Accounting Limited  
3 Melville Crescent  
Edinburgh  
EH3 7HW

# Eco-Congregation Scotland

## Report and Financial Statements for the period ended 31 December 2010

### Statement of Financial Activities

		Unrestricted Funds 2010 £	Restricted Funds 2010 £	Total 2010 £
<b><u>Incoming Resources</u></b>				
<b>Incoming resources from generated funds</b>				
Voluntary income	1	41,141	2,279	43,420
Activities for generating funds	1	-	-	-
Investment income	1	2	-	2
<b>Incoming resources from charitable activities</b>		-	-	-
<b>Other incoming resources</b>		-	-	-
<b><u>Total Incoming Resources</u></b>		41,143	2,279	43,423
<b><u>Resources Expended</u></b>				
<b>Costs of generating funds</b>				
Costs of generating voluntary income	2 & 3	6,600	1,710	8,310
Fundraising trading costs	2	-	-	-
Investment management costs	2	40	-	40
<b>Charitable activities</b>	2 & 3	28,257	570	28,827
<b>Governance costs</b>	2	515	-	515
<b>Other resources expended</b>	2	-	-	-
<b><u>Total Resources Expended</u></b>		35,412	2,279	37,691
<b>Net incoming/outgoing resources before transfers</b>		5,731	-	5,731
<b>Transfers between funds</b>	11	-	-	-
<b>Net incoming/outgoing resources before other recognised gains and losses</b>		5,731	-	5,731
<b>Gain/Loss on revaluation of investments</b>		-	-	-
<b>Net movement in funds</b>		5,731	-	5,731
<b>Total funds brought forward</b>	11	-	-	-
<b><u>Total funds carried forward</u></b>	11	5,731	-	5,731



**Eco-Congregation Scotland - Company No: SC372366**  
**Report and Financial Statements for the period ended 31 December 2010**

**Balance Sheet**

<u>At 31 December</u>		2010	
		£	£
	<u>Note</u>		
<b>Fixed Assets</b>			
Tangible Fixed assets	6	nil	
Investments	7	nil	
		-----	-
<b>Current Assets</b>			
Debtors	8	2,280	
Bank and cash		5,406	
		-----	
		7,686	
<b>Creditors</b>			
Accruals	9	1,954	
Loans	9	-	
		-----	
		1,954	
<b>Net Current Assets</b>			5,731
<b>Net Assets</b>			----- ----- 5,731
<b>Unrestricted Funds</b>			
General funds (excl designated)	11	5,731	
Designated funds		-	
		-----	5,731
<b>Restricted Funds</b>	11		-
<b>Total Funds</b>	11		----- ----- 5,731

For the period ended 31 December 2010 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Directors and authorised for issue on 16th February 2011 and signed on their behalf by:

  
 .....

Rev Ewan Aitken

Chair

## **Eco-Congregation Scotland**

### **Report and Financial Statements for the period ended 31 December 2010**

#### **Accounting Policies**

The principal accounting policies, which have been applied consistently in the current and preceding year in dealing with items which are considered material to the accounts, are set out below.

#### **Basis of preparation**

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention, modified to reflect the inclusion of investments at market value, and in accordance with the Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities (2005).

#### **Funds**

Funds are classified according to the following definitions.

Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

Endowment funds are funds which have been given on the condition that the original capital sum is not reduced, but the income there from is used for the purpose defined in accordance with the objects of the charity.

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the Directors for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the Directors' discretion to apply the funds.

The Company has no endowment funds and no designated unrestricted funds.

#### **Incoming resources**

All donations, grants, legacies and gifts are included within incoming resources under either unrestricted or restricted funds according to the terms under which each is made and when the amount can be quantified with reasonable certainty. They are brought into the accounts at their market value to the charity. Tax recoveries for Gift Aid are recognised in the same period as the corresponding donations are received.

#### **Resources expended**

Expenditure and any interest on loans is recognised on an accruals basis as the liability is incurred.

The basis of the attribution of support costs between the generation of voluntary income and charitable activities is as follows. This was determined following discussions with those involved in each activity.

- 75% of the Business Development costs including the costs of employing the Manager have been assessed as being in respect of generating of voluntary income.
- 30% of the administration assistance donated by the Church of Scotland has been assessed as being in respect of generating voluntary income.
- All other administration costs are assessed as being in respect of charitable activities.
- All of the consultancy costs have been assessed as being in respect of charitable activities.

#### **Tangible fixed assets**

Tangible fixed assets costing in excess of £500 that have a value to the Company for greater than one year are capitalised. Depreciation is provided on a straight-line basis to write off the cost or initial value, less residual value, of tangible fixed assets over their estimated useful lives:

Office equipment, fixtures & fittings 3 years

#### **Investments**

The charity has no investments other than bank deposits and hence there are no realised or unrealised gains or losses.

#### **Taxation**

The Company is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. The charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

**Eco-Congregation Scotland**  
**Notes to the Financial Statements for the period ended 31 December 2010**

	<b>Unrestricted Funds 2010 £</b>	<b>Restricted Funds 2010 £</b>	<b>Total 2010 £</b>
<b>1 Incoming Resources from Generated Funds</b>			
<b>Voluntary Income</b>			
Donations from Sponsoring Organisations	18,000	-	18,000
Grants	-	2,279	2,279
Other Donations & Subscriptions	1,141	-	1,141
Gift Aid Tax Recovery	-	-	-
Donated Services (see note 4)	22,000	-	22,000
	<u>41,141</u>	<u>2,279</u>	<u>43,420</u>
<b>Activities for Generating Funds</b>			
Fund Raising Events	<u>-</u>	<u>-</u>	<u>-</u>
<b>Investment Income</b>			
Bank Interest	<u>2</u>	<u>-</u>	<u>2</u>
<b>Total</b>	<u>41,143</u>	<u>2,279</u>	<u>43,423</u>
Grants were receivable in respect of the period from the Scottish Government to support the delivery of the company's business plan development project. See also note 12.			
<b>2 Resources Expended</b>			
<b>Costs of Generating Funds</b>			
Costs of Generating Voluntary Income (note 3)	6,600	1,710	8,310
Fundraising Trading Costs	-	-	-
Bank Charges	40	-	40
	<u>6,640</u>	<u>1,710</u>	<u>8,349</u>
<b>Charitable Activities (notes 3 &amp; 4)</b>	<u>28,257</u>	<u>570</u>	<u>28,827</u>
<b>Governance Costs</b>			
Legal Fees	-	-	-
Board Meetings	-	-	-
Independent Examiner's Fee	300	-	300
OSCR	-	-	-
HMRC	-	-	-
Companies Act Compliance	40	-	40
SCVO Subscription	175	-	175
AGM & Annual Report	-	-	-
	<u>515</u>	<u>-</u>	<u>515</u>
<b>Other Resources Expended</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>35,412</u>	<u>2,279</u>	<u>37,691</u>

**Eco-Congregation Scotland****Notes to the Financial Statements for the period ended 31 December 2010**

	<b>Unrestricted Funds 2010 £</b>	<b>Restricted Funds 2010 £</b>	<b>Total 2010 £</b>
<b>3 Support Costs</b>			
<b>Administration Costs</b>			
Insurance	283	-	283
Event Expenses (excl AGM)	50	-	50
Awards	117	-	117
Depreciation	-	-	-
Donated Services (see note 4)	22,000	-	22,000
	<u>22,450</u>	<u>-</u>	<u>22,450</u>
<b>Employment Costs</b>			
Net Salary	-	1,088	1,088
Employer NIC	-	111	111
Employer Pension	-	134	134
Employee NI, PAYE & Pension	-	256	256
Payroll Services	-	64	64
Recruitment	-	625	625
Training	-	-	-
	<u>-</u>	<u>2,279</u>	<u>2,279</u>
<b>Consultancy Costs</b>			
Consultancy Fees	11,250	-	11,250
Telecomms	393	-	393
Travel, Parking & Subsistence	733	-	733
Postage	12	-	12
Printing, copying & stationery	20	-	20
	<u>12,407</u>	<u>-</u>	<u>12,407</u>
<b>Total</b>	<u>34,857</u>	<u>2,279</u>	<u>37,137</u>
<b>Attribution of Support Costs</b>			
Costs of Generating Voluntary Income	6,600	1,710	8,310
Charitable Activities	28,257	570	28,827
	<u>34,857</u>	<u>2,279</u>	<u>37,137</u>

## Eco-Congregation Scotland

### Notes to the Financial Statements for the period ended 31 December 2010

#### 4 Staff Costs and Numbers

2010

£

Salaries and wages	1,345
Pensions	111
Employer social security	<u>134</u>
Total staff costs	<u><u>1,591</u></u>

A full time project manager was appointed on 13 December 2010 in order to develop the business plan. This business development activity benefits from a grant from the Scottish Government. No other members of staff were employed during the period. Full time members of staff are entitled to join a defined contribution pension scheme and the company pays employer contributions if the employee makes pension contributions.

Donated Services were provided on a part-time basis by employees of The Church of Scotland. The value of these services has been assessed to be £2,000 per calendar month from February 2010 onwards. The value appears in the financial statements both as income (donated services received) and as expenditure (cost of donated services).

#### 5 Directors' Remuneration and Related Party Transactions

No Directors received any remuneration or reimbursement of expenses during the year.

No Director or a person related to a Director had any personal interest in any contract or transaction entered into by the Company during the year.

#### 6 Tangible Fixed Assets

The Company holds no tangible fixed assets nor has it acquired or disposed of any.

#### 7 Investments

The Company holds no investments nor has it acquired or disposed of any.

**Eco-Congregation Scotland**  
**Notes to the Financial Statements for the period ended 31 December 2010**

<b>8 Debtors</b>	<b>2010</b>
	<b>£</b>
Grants Due	2,279
Gift Aid Tax Refund Due	-
Uncashed Cheques	-
Interest	0
	<u>2,280</u>

<b>9 Creditors</b>	<b>2010</b>
	<b>£</b>
Accrued Expenditure	1,954
Uncashed Cheques	-
Loan Interest	-
	<u>1,954</u>

**10 Analysis of Net Assets Among Funds**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed Assets	nil	nil	-
Investments	nil	nil	-
Current Assets	<u>6,031</u>	<u>1,654</u>	<u>7,686</u>
	6,031	1,654	7,686
less Creditors	<u>300</u>	<u>1,654</u>	<u>1,954</u>
<b>Net assets at 31 December</b>	<u><u>5,731</u></u>	<u><u>-</u></u>	<u><u>5,731</u></u>

**11 Movements in Funds**

	<b>At 4 Feb</b>	<b>Incoming</b>	<b>Outgoing</b>		<b>At 31 Dec</b>
	<b>2010</b>	<b>Resources</b>	<b>Resources</b>	<b>Transfers</b>	<b>2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted funds</b>					
Business Plan Development Fund	nil	2,279	2,279	-	-
Other Restricted Funds	nil	-	-	-	-
	<u>-</u>	<u>2,279</u>	<u>2,279</u>	<u>-</u>	<u>-</u>
<b>Unrestricted funds</b>					
General Fund	nil	41,143	35,412	-	5,731
Designated Funds	nil	-	-	-	-
	<u>-</u>	<u>41,143</u>	<u>35,412</u>	<u>-</u>	<u>5,731</u>
<b>Total funds</b>	<u><u>-</u></u>	<u><u>43,423</u></u>	<u><u>37,691</u></u>	<u><u>-</u></u>	<u><u>5,731</u></u>

**12 Description of Funds**

Purposes of Restricted Funds

**Business Development Fund:** This fund was established to ring fence the expenditure associated with the business plan development project that is being grant aided by the Scottish Government. Eligible costs for which the grant can be claimed are (a) recruitment, (b) salaries and other staff costs, (c) general office expenses and (d) travel and subsistence costs. The grant is limited to £25,000 for the year to 31 March 2011 and £40,000 for the year to 31 March 2012. Grants may be drawn down quarterly in respect of eligible expenditure in the previous quarter and subject to monitoring by the Scottish Government.

There are no other restricted funds.

Purposes of Unrestricted Funds

**General Fund:** This fund covers all matters not falling within the remit of the Business Development Fund.

There are no other unrestricted funds and no designated funds.