



Eco-Congregation Scotland

a company limited by guarantee

Company No: SC372366

Charity No: SCO41287

**Report and Financial Statements for the
year ended 31 December 2016**

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Eco-Congregation Scotland

Report and Financial Statements for the year ended 31 December 2016

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Eco-Congregation Scotland

Report and Financial Statements for the year ended 31 December 2016

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity for the year ending year ended 31 December 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

The company has benefitted from funding from the Scottish Government since 2011/12 to implement its business plan and provide for the appointment of a manager. This has subsequently been extended most recently for 2016/17. Discussions are currently under way with the Scottish Government with a view to obtaining a further one year extension.

The Charity has developed a new strategic plan based on themes emerging from its Values, Vision and Mission statement that are shown below. This has subsequently informed the new business plan for 2017 which seeks to ensure that Eco-Congregation Scotland is financially sustainable and resilient, that it is making a significant contribution to Scotland's carbon reduction targets and that it can continue to grow and develop. There is a focus on diversifying its sources of income and increasing that from its membership in order to put into effect its charitable objects.

To meet the business plan, the Company seeks to:

- ensure that 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,
- grow income from church denominations and related church funds,
- grow the income stream from member congregations, and
- promote the newly-established monthly scheme that allows individuals and others to make regular donations to the company.

In February 2014 the Board adopted the following vision, values and mission statement after a period of consultation with stakeholders including members, supporters, staff and trustees.

Our Vision

A Scotland that cares for God's creation, now and forever.

Our Values

- We care passionately for God's creation
- We are a faith based movement
- We are rooted in local groups of Christians
- We work co-operatively with each other and with others who care about the environment
- We encourage transformational change at individual, community and national levels

Our Mission

- In prayer, worship and conversation we discover what it means to care for God's creation
- We put that care into action individually, locally, nationally and globally, desiring to live justly in a transformed world
- We commit ourselves to campaigning on urgent threats to the web of life in our vulnerable world

Eco-Congregation Scotland

Report and Financial Statements for the year ended 31 December 2016 (cont'd)

Achievements and Performance

Annual Gathering

The ninth Eco-Congregation Scotland Annual Gathering took place in Perth on 22nd April 2016. The speakers were Stuart Housden, head of RSPB Scotland and Andy Lester of A Rocha UK. The theme was "A place for nature in your church".

Over 100 delegates met to celebrate the continued growth of our movement and find out more about conservation issues through workshops and informal information sharing. This will continue to be an annual event. Mini-gatherings will be held at other venues.

Activities

During 2016 we targeted our practical work around the 10 Key behaviour changes highlighted in the review of the climate challenge fund as well as encouraging involvement by congregations in other environmental activities. We have also undertaken a review of our own work which resulted in a new Strategic Plan which identified targets and priorities for 2017.

We also led eight Scottish Government consultations across Scotland on the proposed Climate Plan which will set out Scottish Government climate change targets and priorities for the next few years.

2016 also saw the charity employ a new part time Programme Coordinator to work directly with local networks and congregations.

Membership and Networks

379 church congregations are currently registered as eco-congregations and taking part in our programme. This is 9.4% of all churches in Scotland.

129 of these hold Eco-Congregation Awards in recognition of outstanding achievement. The awards are assessed by independent assessors and are designed to recognise achievements and affirm good practice that promotes or contributes to sustainability and witness to the importance of caring for creation. The awards are time limited for three years.

42 of these hold their second award and 9 their third award. A further four have held an award for more than nine years and they are assessed every two years to retain their continuing award status.

21 local voluntary networks meet every two or three months to provide peer support. We hold an annual training seminar for our volunteer network leaders.

Local Network Activity

Our 21 local networks have remained very active during 2016. This list shows what some of them have done during the year.

Aberdeen : Hosted a play about climate change in the run up to Paris COP21. Ran a debate on "Should the Church invest in fossil fuels?".

Angus and Dundee : Held a discussion event with the Eco-Congregation Scotland Chaplain on "Saint Francis Today: Inspiring us to care for God's creation." Held a COP21 coffee morning to raise awareness of the issues.

Ayrshire : Fairlie Parish Church celebrated Earth Hour with a quiz, a Fairtrade stall and a demonstration of growing mini-salads on your window sill. The film 'The Symphony of the Soil' was also shown.

Central Borders : A new network with only seven congregations. Its main purpose for 2016/17 is recruiting new eco-congregations. There has also been good contact with churches in the border area of England.

Dumfries and Galloway : Members took young visitors on a trip into the future from their Eco-Congregation stall at the recent Dumfries Environment Fair. Youngsters were invited to climb into a "Tardis" and after suitable time machine noises they emerged into the future to see how we are tackling current environmental challenges.

Eco-Congregation Scotland

Report and Financial Statements for the year ended 31 December 2016 (cont'd)

Achievements and Performance (continued)

Local Network Activity (continued)

East Lothian : Organised a walk to Lindisfarne and has been involved in discussions about fracking.

Edinburgh : Organised a screening of the film "This Changes Everything" followed by a discussion led by Bishop David Chillingworth, Primate of the Scottish Episcopal Church.

Fife : Involved in the establishing of the "Fife Pilgrim Way" which has a sustainability element to it. In the near future, we may split this network to have a separate West Fife one.

Glasgow : Involved in campaigning for clean air neighbourhoods. Organised guided walks of local nature reserves.

Helensburgh & Lomond : Working on the reduction of carbon in church buildings e.g. St Michael's has shown a saving in gas heating of 27% over 2 years with careful monitoring of use. Electricity use is also down 15%.

Highland : Meets less frequently due to the geographical spread of congregations but they held a meeting on "Dominion: Is it a dirty word" aimed at creating some local interest. Main aim is encouraging local activity and the number of Eco-Congregations in Highland and the number of awards issued has been increasing.

Mid Argyll : Held a public meeting with Brendan O'Hara MSP to discuss environmental and climate change issues. Held a "Speak out against Climate Change" Meeting in Ardrishaig Public Hall.

Moray : Organised a visit to the Transition Towns community garden in Forres. Currently organising a "mini gathering" for 2017.

North Argyll : This network was launched in March and is currently looking to recruit more eco-congregations and build a base from which to start holding events and meetings.

Orkney : Shapinsay church registered during the year and also achieved their first award. This is a very close knit network with regular contact and encouragement between the churches. The Eco-Congregation Chaplain also visited congregations in Orkney during 2016.

Perth : Assisted with a guide published by Tayside Biodiversity: "Making Way for Nature in our gardens, allotments, orchards and community spaces."

South Lanarkshire : Not particularly active during 2016 but with a few new congregations registering recently it is hoped that activity in this area will increase during 2017.

Stirling : Has been very active. Held an environmental hustings meeting before the 2016 election and a post COP21 public meeting "What Next?".

West Lothian and Falkirk : Had a stall at the "Simply Church" event at Linlithgow which was aimed at raising awareness of our work and the need to respond to climate change. It meets regularly and is involved in encouraging local changes by congregations and individuals.

Partnerships and Projects

Strategic partnerships have continued with Christian Aid and the Scottish Catholic International Aid Fund. The charity has continued to play an active role in Stop Climate Chaos Scotland and took part in their campaigns "For The Love Of" and "Scotland's Climate March". We have also worked with WWF Scotland, producing a special churches brochure for Earth Hour and encouraging around 100 congregations to take part in this international event.

We continue to work with Edinburgh University on a major research project "Caring for the Future Through Ancestral Time: Engaging the Cultural and Spiritual Presence of the Past to Promote a Sustainable Future." This project is examining the effectiveness of the Eco-Congregation Scotland programme and how it relates to other environmental movements in Scotland.

Our environmental chaplaincy project, funded by the United Reformed Church as a "special categories ministry" has continued. As well as speaking at churches, the chaplain has coordinated the writing of material for Creation Time by an ecumenical writing group. This has been used by around 1,500 congregations in Scotland and further afield.

Eco-Congregation Scotland

Report and Financial Statements for the year ended 31 December 2016 (cont'd)

Financial Review

The Company's operations continue to be financially supported to a substantial degree by donations from sponsoring organisations including those supporting the post of Environmental Chaplain that was established during 2013.

During 2016, the Company again benefitted from a Scottish Government grant that provides up to £50,000 per annum that was extended to cover the 2016/17 financial year. Discussions will shortly commence about a further extension to that funding.

The Company receives donations from partnership organisations. Christian Aid provided £2,000 (2015 £2,000) the Scottish Catholic International Aid Fund contributed £2,938 (2015 nil).

The Company received no special donations in 2016 (2015 £3,487).

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

Unrestricted Funds

Net income in the General Fund (before transfers) was £20,664 (2015 £20,266). Transfers of £9,497 (2015 £13,278) were made to cover shortfalls in other funds (see below) which resulted in a surplus in the General Fund of £11,167 (2015 £6,988).

Restricted Funds

Development Fund - This fund was established on 1 April 2012 to ring fence the expenditure associated with Scottish Government grants of up to £50,000 per annum. Eligible expenditure in the fiscal year 2016/17 is currently running very close to the maximum level of the grant and any deficit will be covered by a transfer from the General Fund.

Module Revision Fund - No module redevelopment costs were incurred in 2016 (2015 nil) but plans are being developed to adapt the modules for on-line.

Local & Network Support Fund - Income of £7,450 (2015 also £7,450) was entirely from membership subscriptions while expenditure totalled £16,242 (2015 £20,317). The deficit of £8,792 (2015 £12,867) was covered by a transfer from the General Fund.

Environmental Chaplaincy Fund - Income included donated services of £30,000 (for employment costs) from the United Reformed Church and £12,000 from the Church of Scotland (for manse provision). The Scottish Episcopal Church made a donation of £7,000 for this work. All three amounts were at the same level as in 2015. Expenditure (other than that provided by donated services) consisted of £7,705 (2015 £7,411) for running costs. The resulting deficit of £705 (2015 £411) was covered by a transfer from the General Fund.

Investment Policy

The company has no investments.

The Company's bank is Triodos Bank NV whose stated mission is "to make money work for positive social, environmental and cultural change".

Triodos Bank NV is incorporated under the laws of the Netherlands with limited liability. It is authorised by the Dutch Central Bank and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority.

Deposits in Triodos Bank are protected by the Dutch statutory Deposit Guarantee Scheme, executed by De Nederlandsche Bank N.V. (Dutch Central Bank) (DNB). The limit of protection is EUR 100,000.

Eco-Congregation Scotland

Report and Financial Statements for the year ended 31 December 2016 (cont'd)

Risk Management

The Company addressed the need to set up a Risk Register when developing its 3 year strategic plan and its business plan for 2017. It continues to focus on improving its links with congregations and networks and ensuring it has the necessary human and financial resources. These issues are described further in the planning and reserves sections of the report.

The Directors are aware that the Company's bank deposits are protected by the Dutch Central Bank rather than by the Bank of England and remain comfortable with that arrangement - see foot of previous page for details.

Reserves Policy and Going Concern Basis

- Reserves Policy

The policy was developed during 2015 and is kept under review. The reserves are determined on a fund-by-fund basis taking account of current levels of expenditure and possible future changes. They are held in the General Fund as it is used to meet deficits in the restricted funds.

Development Fund reserves have been set to be £11,000 (£11,000 2015) as this represents the employment and redundancy costs that would be incurred in respect of the manager's position from 31 March 2017 in the event of the Company being unsuccessful in obtaining further funding from the Scottish Government from that date.

Environmental Chaplaincy Fund reserves are only held in respect of expenditure not covered by donated services since these relate to the chaplain's employment by the United Reformed Church. The Company's policy is to hold a reserve of at least 6 months' such expenditure i.e. £3,852 (£3,706 2015).

For the **Local & Network Support Fund**, the policy is to hold a reserve of at least 6 months' expenditure. As at 31 December 2016, that is 50% of £16,242 = £8,121. However, from this amount is deducted £4,625 of advance membership fees for 2017 that are not included in the 2016 accounts. The total reserve is therefore £3,496 (£6,500 2015).

No reserve is needed for the **Module Revision Fund** but its assets are not available to cover the reserves required in other funds (nil 2015).

General Fund expenditure in 2016 was £24,090 of which only £90 was not covered by donated services. The Company's policy is to hold a reserve equivalent to 6 months for this element but only 3 months for the donated services recognising their higher stability. Six months' office cost charges of £1,200 are added in case these would no longer be met from the Scottish Government grant. The total is £49 + £6,000 + £1,200 = £7,249 (£7,367 2015).

The total reserve required at 31 December 2016 based on the above policy is £25,597 (£28,573 2015) while actual unrestricted funds total £41,461 (£30,294 2015).

It is intended that the increase in "funds in excess of reserves" be built up in order to fund the recruitment of a second part time Programme Coordinator.

- Going Concern Basis

The Directors have assessed the company's ability to continue as a going concern particularly given the uncertainty associated with seeking grant funding from the Scottish Government on a year-by-year basis. They repeated the exercise carried out a year ago in similar circumstances and developed cost-cutting contingency plans in the event of the loss of that funding. Furthermore, the level of reserves is sufficient while the company either adapts to a "lower cost" way of working or succeeds in finding alternative funding. They therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing these accounts.

Plans for Future Periods

The company wishes to recruit a second part-time salaried member of staff as a programme coordinator to work with congregations and networks but, on the grounds of financial prudence, it was decided to defer that second appointment until 2018. The 2017 business plan therefore allows for a further build-up of reserves to enable that appointment to be made. The coordinators will help current members and networks to promote the benefits of membership to other congregations.

As stated elsewhere, the company continues to seek ways of diversifying its sources of income but many charities are not prepared to support projects that involve both faith-based organisations and those involved in the environment.

Eco-Congregation Scotland

Report and Financial Statements for the year ended 31 December 2016 (cont'd)

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. It is recognised as a Charity for tax purposes.

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

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.

Directors

The Directors of the Charitable Company are its Trustees for the purposes of charity law. The Trustees and Officers serving during the year and since the year-end were as follows:

Current Directors

Mary Sweetland (Chair)	Mark Kirkbride
Elizabeth South (Deputy Chair)	Richard Murray
Bill Craigie	Frances Rayner (appointed 23/04/2016)
Len Gregory	Malcolm Rooney
Norman Hutcheson (appointed 23/04/2016)	John Seenan (appointed 23/04/2016)
Alan Kennedy	

Other Directors who served

Sheena Wurthmann (resigned 23/04/2016)	Alan Werritty (resigned 23/04/2016)
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Principal Office-bearers

Chair and Convener	Mary Sweetland (from 23/06/2016) succeeding Sheena Wurthmann
Secretary	Gordon Hudson (from 13/04/2016) succeeding Adrian Shaw
Treasurer	Alan Kennedy

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
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Eco-Congregation Scotland
Report and Financial Statements for the year ended 31 December 2016 (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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 (as amended). 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 22nd February 2017 and signed on its behalf by:

.....*Mary Sweetland*.....

Date: *22/2/17*.....

Mary Sweetland
Chair and Convener

Eco-Congregation Scotland
Report and Financial Statements for the year ended 31 December 2016

Independent Examiner's Report to the Trustees

I report on the accounts of the charity for the year ended 31 December 2016 which are set out on pages 11 to 19.

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 (as amended). 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 (as amended). 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 2006 (as amended)have 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: 23/2/17

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

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Statement of Financial Activities

	<u>Note</u>	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
<u>Income</u>							
Donations and Legacies	1	20,733	7,000	27,733	20,568	7,000	27,568
Charitable Activities	1	24,000	98,831	122,831	24,000	99,391	123,391
Other Trading Activities	1	-	-	-	-	-	-
Investments	1	28	-	28	31	-	31
Other	1	-	-	-	-	-	-
		44,761	105,831	150,592	44,599	106,391	150,991
<u>Expenditure</u>							
Cost of Raising Funds	2	62	-	62	53	-	53
Charitable Activities	2	24,035	115,328	139,363	24,281	119,669	143,950
		24,097	115,328	139,425	24,334	119,669	144,003
Net incoming/outgoing resources before transfers		20,664	(9,497)	11,167	20,266	(13,278)	6,988
Transfers between funds	12	(9,497)	9,497	-	(13,278)	13,278	-
Net incoming/outgoing resources before other recognised gains and losses		11,167	-	11,167	6,988	-	6,988
Gain/Loss on revaluation of investments	7	-	-	-	-	-	-
Net movement in funds		11,167	-	11,167	6,988	-	6,988
Total funds brought forward	12	30,294	1,375	31,669	23,306	1,375	24,681
<u>Total funds carried forward</u>	12	41,461	1,375	42,836	30,294	1,375	31,669

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Report and Financial Statements for the year ended 31 December 2016

Balance Sheet

At 31 December	Note	Unrestricted			Unrestricted		
		Funds	Funds	Total	Funds	Funds	Total
		2016	2016	2016	2015	2015	2015
		£	£	£	£	£	£
Fixed Assets							
Tangible assets	6	-	-	-	-	-	-
Investments	7	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current Assets							
Debtors	8	366	8,996	9,361	259	10,039	10,298
Cash at bank and in hand		41,104	(1,622)	39,481	30,045	(1,070)	28,975
		<u>41,469</u>	<u>7,374</u>	<u>48,843</u>	<u>30,304</u>	<u>8,969</u>	<u>39,272</u>
Liabilities							
Creditors falling due within one year	9	8	5,998	6,007	10	7,593	7,603
		<u>41,461</u>	<u>1,375</u>	<u>42,836</u>	<u>30,294</u>	<u>1,375</u>	<u>31,669</u>
Net Current Assets							
		-	-	-	-	-	-
Net Assets		<u>41,461</u>	<u>1,375</u>	<u>42,836</u>	<u>30,294</u>	<u>1,375</u>	<u>31,669</u>
Unrestricted Funds							
General funds (excl designated)	12			41,461			30,294
Designated funds				-			-
				<u>41,461</u>			<u>30,294</u>
Restricted Funds	12			1,375			1,375
Total Funds	12			<u>42,836</u>			<u>31,669</u>

For the year ended 31 December 2016 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 22nd February 2017 and signed on their behalf by:

.....


Mary Sweetland
Chair and Convener

Eco-Congregation Scotland

Report and Financial Statements for the year ended 31 December 2016

Statement of Cash Flows

At 31 December

	<u>Note</u>	Unrestricted			Restricted			Total		
		Funds			Funds			Funds		
		2016	2016	2016	2015	2015	2015	2015	2015	2015
		£	£	£	£	£	£	£	£	
Net Cash Used in Operating Activities	10	11,030	(552)	10,478	6,573	(12,178)	(5,605)			
Cash Flows from Investing Activities										
Interest and Dividends	1	28	-	28	31	-	31			
less Purchase of Fixed Assets	6	-	-	-	-	-	-			
Proceeds from Sale of Investments	7	-	-	-	-	-	-			
Net Cash Provided by Investing Activities		28	-	28	31	-	31			
Cash Flows from Financing Activities										
Repayment of Borrowings		-	-	-	-	-	-			
less Borrowings		-	-	-	-	-	-			
Net Cash from Financing Activities		-	-	-	-	-	-			
Change in Cash and Cash Equivalents in Year	total	11,059	(552)	10,507	6,604	(12,178)	(5,574)			
Cash and Cash Equivalents Brought Forward	BS	30,045	(1,070)	28,975	23,441	11,108	34,549			
Cash and Cash Equivalents Carried Forward	BS	41,104	(1,622)	39,481	30,045	(1,070)	28,975			

Eco-Congregation Scotland

Report and Financial Statements for the year ended 31 December 2016

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 first paragraph is The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006."

The charity meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. They determined that no such restatement was required.

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.

Income

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.

Expenditure

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

A detailed analysis of Expenditure on Charitable Activities is provided in note 3. The allocation basis used for Support Costs and Governance Costs is as follows. It is based on approximate time allocations.

Governance Costs consist of the items listed including an allowance for company secretarial and other assistance of 5% of the total value of the Donated Services provided for administration.

Support Costs are taken to be 25% of the total costs for administration including the associated donated services.

The sums shown in the administration and employment sections of the analysis exclude the amounts allocated to Governance and Support.

Tangible fixed assets

Tangible fixed assets costing in excess of £1,000 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.

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Notes to the Financial Statements for the year ended 31 December 2016

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
1 Income						
Donations and Legacies						
Donations from Sponsoring & Partnership Organisations	15,938	7,000	22,938	13,000	7,000	20,000
Other Donations	4,343	-	4,343	7,140	-	7,140
Gift Aid Tax Recovery	453	-	453	429	-	429
	20,733	7,000	27,733	20,568	7,000	27,568
Charitable Activities						
Grants	-	49,381	49,381	-	49,941	49,941
Membership Fees	-	7,450	7,450	-	7,450	7,450
Donated Services for Chaplaincy (see note 4)	-	42,000	42,000	-	42,000	42,000
Other Donated Services (see note 4)	24,000	-	24,000	24,000	-	24,000
Fees for Goods & Services Provided	-	-	-	-	-	-
	24,000	98,831	122,831	24,000	99,391	123,391
Other Trading Activities						
Fund Raising Events	-	-	-	-	-	-
Investments						
Bank Interest	28	-	28	31	-	31
Other						
Other	-	-	-	-	-	-
Total	44,761	105,831	150,592	44,599	106,391	150,991
2 Expenditure (see note 3)						
Cost of Raising Funds						
Bank Charges	44	-	44	42	-	42
Administration Fees for Regular Giving	19	-	19	11	-	11
	62	-	62	53	-	53
Charitable Activities						
Administration	16,800	3,662	20,462	16,800	4,264	21,064
Employment	-	49,829	49,829	-	36,794	36,794
Chaplaincy	-	49,705	49,705	-	49,430	49,430
Membership Support	-	9,734	9,734	-	22,964	22,964
Governance	1,235	1,178	2,413	1,481	707	2,188
Support Costs	6,000	1,221	7,221	6,000	5,510	11,510
	24,035	115,328	139,363	24,281	119,669	143,950
Total	24,097	115,328	139,425	24,334	119,669	144,003

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Notes to the Financial Statements for the year ended 31 December 2016

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total 2015 £
3 Analysis of Costs of Charitable Activities						
Administration						
Office Rent	-	1,800	1,800	-	1,800	1,800
Insurance	-	223	223	-	222	222
Website	-	147	147	-	76	76
Publicity & Printing	-	283	283	-	1,239	1,239
Office supplies	-	54	54	-	12	12
Telecomms & IT costs	-	537	537	-	-	-
Travel, Parking & Subsistence	-	374	374	-	635	635
Postage	-	4	4	-	84	84
Conferences & Subscriptions	-	240	240	-	196	196
Donated Services (Administration)	16,800	-	16,800	16,800	-	16,800
	<u>16,800</u>	<u>3,662</u>	<u>20,462</u>	<u>16,800</u>	<u>4,264</u>	<u>21,064</u>
Employment						
Net Salary	-	32,392	32,392	-	21,175	21,175
Employer NIC	-	1,138	1,138	-	1,581	1,581
Employer Pension	-	4,036	4,036	-	3,177	3,177
Employee NI, PAYE & Pension	-	12,252	12,252	-	10,591	10,591
Recruitment	-	11	11	-	270	270
	<u>-</u>	<u>49,829</u>	<u>49,829</u>	<u>-</u>	<u>36,794</u>	<u>36,794</u>
Chaplaincy						
Donated Services (Chaplaincy)	-	30,000	30,000	-	30,000	30,000
Donated Services (Chaplaincy housing)	-	12,000	12,000	-	12,000	12,000
Housing Costs (Chaplaincy)	-	5,881	5,881	-	5,748	5,748
Telecomms & IT costs (chaplaincy)	-	28	28	-	-	-
Travel, Parking & Subsistence (chaplaincy)	-	1,796	1,796	-	1,682	1,682
	<u>-</u>	<u>49,705</u>	<u>49,705</u>	<u>-</u>	<u>49,430</u>	<u>49,430</u>
Membership Support						
Consultancy Fees	-	3,965	3,965	-	17,550	17,550
Telecomms & IT costs	-	777	777	-	572	572
Travel, Parking & Subsistence	-	2,508	2,508	-	2,154	2,154
Postage	-	10	10	-	41	41
Event Expenses	-	1,518	1,518	-	1,976	1,976
Awards & Assessment Costs	-	955	955	-	671	671
	<u>-</u>	<u>9,734</u>	<u>9,734</u>	<u>-</u>	<u>22,964</u>	<u>22,964</u>
Governance						
Board Meetings	-	685	685	281	89	370
Independent Examiner's Fee	-	450	450	-	540	540
Companies Act Compliance	-	13	13	-	13	13
SCVO Membership, Data Protection etc	35	30	65	-	65	65
Donated Services (Administration)	1,200	-	1,200	1,200	-	1,200
	<u>1,235</u>	<u>1,178</u>	<u>2,413</u>	<u>1,481</u>	<u>707</u>	<u>2,188</u>
Support Costs						
Administration Costs	-	1,221	1,221	-	1,421	1,421
Employment Costs (prior to 2016)	-	-	-	-	4,088	4,088
Donated Services	6,000	-	6,000	6,000	-	6,000
	<u>6,000</u>	<u>1,221</u>	<u>7,221</u>	<u>6,000</u>	<u>5,510</u>	<u>11,510</u>
Total	<u>24,035</u>	<u>115,328</u>	<u>139,363</u>	<u>24,281</u>	<u>119,669</u>	<u>143,950</u>

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Notes to the Financial Statements for the year ended 31 December 2016

4 Staff Costs & Numbers and Donated Services	2016	2015
	£	£
Salaries and Wages	44,644	31,766
Employer Social Security Payments	1,138	1,581
Employer Pension Contributions	4,036	3,177
Recruitment	11	270
Total staff costs	<u>49,829</u>	<u>36,794</u>

A full time project manager was appointed on 13 December 2010 in order to develop the business plan. A part-time project co-ordinator was appointed on 14 March 2016. 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 full-time basis by the Environmental Chaplain, an employee of The United Reformed Church. The value of these services has been assessed to be £2,500 per calendar month from 15 April 2013 onwards.

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.

Donated Services were also provided by the Church of Scotland through the provision of rent-free accommodation for the Environmental Chaplain. The value of these services has been assessed to be £1,000 per calendar month from 15 April 2013 onwards.

The value of all the above Donated Services 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 during the year.

The following Directors were reimbursed for travel and accommodation expenses incurred during the year:- Norman Hutchinson £58.40 (2015 nil), Alan Kennedy £23.30 (2015 nil), Mark Kirkbride £229.27 (2015 nil), Malcolm Rooney £37.50 (2015 nil) and Elizabeth South £15.40 (2015 nil). Reimbursements to Directors in 2015 were Sheena Wurthmann £734.74, Alan Werritty £45.70, Len Gregory £42.65, Richard Murray £169.95 and Rosemary Hoskins £57.85. The total for 2016 was £363.87 (2015 £1050.89 including former directors).

During the year a total of £603 was donated to the charity by Directors. All but £45 of that contribution was made under Gift Aid and so the charity also benefitted from the corresponding tax recoveries.

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

Fixed assets have been fully depreciated. The company holds office equipment, fixtures and fittings which cost £990 which were depreciated at the start of the year by £990. There have been no movements during the year making the net book value at both the start and end of the year £nil.

7 Investments

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

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Notes to the Financial Statements for the year ended 31 December 2016

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £
8 Debtors						
Grants Due	-	8,996	8,996	-	10,039	10,039
Gift Aid Tax Refund Due	229	-	229	71	-	71
Donation Due in Year	135	-	135	185	-	185
Bank Interest	2	-	2	3	-	3
	<u>366</u>	<u>8,996</u>	<u>9,361</u>	<u>259</u>	<u>10,039</u>	<u>10,298</u>
9 Creditors						
Accrued Expenditure	-	1,373	1,373	-	1,893	1,893
Administration Fees for Regular Giving	4	-	4	5	-	5
Bank Charges	4	-	4	5	-	5
	<u>8</u>	<u>1,373</u>	<u>1,382</u>	<u>10</u>	<u>1,893</u>	<u>1,903</u>
Prepayment of Membership Fees	-	4,625	4,625	-	5,700	5,700
Prepayment of Grant	-	-	-	-	-	-
	<u>8</u>	<u>5,998</u>	<u>6,007</u>	<u>10</u>	<u>7,593</u>	<u>7,603</u>
10 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities						
Net Movement in Funds	11,167	-	11,167	6,988	(0)	6,988
Add back Depreciation Charge	-	-	-	-	-	-
Deduct Investment Income	(28)	-	(28)	(31)	-	(31)
Deduct Gains / (Losses) on Investments	-	-	-	-	-	-
Decrease / (Increase) in Debtors	(107)	1,043	936	(246)	(10,039)	(10,285)
Increase / (Decrease) in Creditors	(2)	(1,595)	(1,597)	(138)	(2,139)	(2,277)
Net Cash Used in Operating Activities	<u>11,030</u>	<u>(552)</u>	<u>10,478</u>	<u>6,573</u>	<u>(12,178)</u>	<u>(5,605)</u>
11 Analysis of Net Assets Among Funds	Unrestricted £	Restricted £	Total £			
Fixed Assets	-	-	-			
Investments	-	-	-			
Current Assets	41,469	7,374	48,843			
	<u>41,469</u>	<u>7,374</u>	<u>48,843</u>			
less Creditors	8	5,998	6,007			
Net assets at 31 December	<u>41,461</u>	<u>1,375</u>	<u>42,836</u>			
12 Movements in Funds	At 1 Jan 2016 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 Dec 2016 £	
Restricted funds						
Development Fund	-	49,381	49,381	-	-	
Environmental Chaplaincy Fund	-	49,000	49,705	705	-	
Local & Network Support Fund	-	7,450	16,242	8,792	-	
Module Revision Fund	1,375	-	-	-	1,375	
	<u>1,375</u>	<u>105,831</u>	<u>115,328</u>	<u>9,497</u>	<u>1,375</u>	
Unrestricted funds						
General Fund	30,294	44,761	24,097	(9,497)	41,461	
Designated Funds (none)	-	-	-	-	-	
	<u>30,294</u>	<u>44,761</u>	<u>24,097</u>	<u>(9,497)</u>	<u>41,461</u>	
Total funds	<u>31,669</u>	<u>150,592</u>	<u>139,425</u>	<u>-</u>	<u>42,836</u>	

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Notes to the Financial Statements for the year ended 31 December 2016

13 Description of Funds

Purposes of Restricted Funds

Local & Network Support Fund: At the 2012 AGM, the membership approved the introduction of membership fees with effect from 1 January 2013 on the basis that the fees would be used solely to help pay for the cost of supporting local congregations and networks. This fund was established to ring fence that income and ensure it only meets the agreed expenditure.

Environmental Chaplaincy Fund: This fund was established in 2012 to ring fence the income and expenditure associated with the appointment of an Environmental Chaplain.

Development Fund: This fund was established (as the 2012/15 Development Fund) to ring fence the expenditure associated with the Scottish Government grant of up to £50,000 per year payable over the financial years 2012/13, 2013/14 and 2014/15. The eligible costs for which the Grant can be claimed are operating costs as set out within the ECS financial projections for 2012/13. In practice, this covers all operating costs other than those that are met by other Restricted Funds. The same fund has since been used for the extension of the Scottish Government grant to the 2015/16 and 2016/17 financial years.

Module Revision Fund: This fund was established to ring fence the expenditure associated with the revision of the ECS modules used by member congregations for which the Scottish Episcopal Church provided a grant.

Purposes of Unrestricted Funds

General Fund: This fund is in respect of all income and expenditure not falling with the coverage of the other funds including making good any deficits in the other funds.

There are no other unrestricted funds and no designated funds.

Purposes of Endowment Funds

There are no endowment funds.