

Troon Church of Scotland
(Scottish Charity Number: SC015019)
2024 Accounts Briefing Paper

1.0 Introduction

- 1.1. I thought that it might be helpful to prepare a briefing paper, ahead of the Stated Annual Meeting, to answer those queries and questions that have arisen from production of the Trustees Report and 2024 Accounts. I appreciate that these Accounts are complex and, unless you are familiar with consolidated accounts like this, are not the easiest to follow, especially where we have brought the accounts of all three congregations into one for the first time. Future year accounts, although these will still need to be in a consolidated format, will be much more straightforward.
- 1.2. Producing these accounts was a huge task. The starting point was the 3 individual sets of accounts from each of the legacy congregations; each of which, unhelpfully, was produced in a different accounting format. This introduced an additional level of complexity, not least in relation to how each congregation accounted for its expenditure (i.e., how it categorised expenditure). The first thing to do was to establish an “opening balance”, i.e., a place from which to start that accurately represented the closing balances of each of the three congregations at the point of union. Because of the different ways in which each congregation presented their accounts, this was not as easy as just adding the cash in the bank together, we therefore had to approach this professionally in line with the regulations and legal requirements laid down by our regulators (the Office of the Scottish Charities Regulator, OSCR) and the accounting standards (Statement of Recommended Practice, SORP, FRS 102, i.e., to ensure that as Trustees of a Charity we prepared our accounts as per the requirements of the UK-Irish Accounting Standards).

2.0 Approach

- 2.1. Firstly, we had to deconstruct all 3 sets of 2023 accounts; 2 were cash accounts (Portland and Troon Old), the other accrued accounts (St Meddan’s). We had to then prepare these as accrued accounts for 2023. It was essential that we did this because we needed each congregation to have a closing balance in the same accounting format. This, as I mentioned above, was necessary for us to establish an Opening Balance for the 2024 Troon Church of Scotland Accounts.

We had to get this right, if we were to have any assurance as Trustees of our starting point.

- 2.2. The former Portland bank account was designated and retained as the general account and renamed as Troon Church of Scotland in time for the union in July 2024. The St Meddan's bank account was transferred in September 2024; and at this point Troon Church of Scotland took over payment of all invoices. The Troon Old bank account proved more problematic to transfer and was not finally transferred to the Troon Church of Scotland account until 9-months later, in May 2025.
- 2.3. Despite the delay in transferring the Troon Old bank account payment of all invoices, as I noted earlier, was made from the Troon Church of Scotland bank account from July 2024, and the Hall Let income was lodged in this account (also from July 2024).
- 2.4. It should be noted that the Standing Orders for Gift Aid payments for both the legacy St Meddan's Church and Troon Old Churches have remained unchanged; albeit the names of these accounts have been changed to Troon Church of Scotland accounts.

3.0 Accounts Analysis – Financial Year 2024 (01.01.2024 until 31.12.2024)

Going through the year that was the 2024 Accounts, I would draw your attention to the following:

- 3.1. **Income** (in 2024) was £421,265. This was £82,218 less than the combined 2023 income (which was £503,483). Please note, however, that the 2023 figure includes a legacy donation of £125,000.
- 3.2. **Expenditure** (in 2024) was £400,866, this was lower than the combined expenditure in 2023, which was £468,680; a reduction of £67,814.
- 3.3. **Gift Aid reclamation** accounted for £97,267 in 2024 compared to £62,247 in 2023. However, this is not as straightforward as it might seem. The reason for the higher level of reclamation in 2024 is because Portland Church had a backlog of several years of Gift Aid to claim, which it managed to do before the July 2024 Union.

3.4. **Restricted & Designated Funds.** Whilst Troon Church of Scotland may, on the surface, appear to be financially comfortable, the vast majority of this money is tied up in Restricted or Designated Funds; as a congregation we may be asset rich in terms of valuable buildings etc., but cash is relatively tight. We may have made a small surplus of £25,589 but this only represents 6% of our 2024 annual income (of £421,265).

3.5. **Endowment Fund:** Portland's manse is treated as an endowment fund with a value placed on it of £600,000. Traditionally, this is how it has always been treated in Portland's accounts and because of this we need to continue doing this for the time being.

3.6. **Restricted Funds:** these are made up of all of the bequests / legacies that have conditions attached to them (e.g., monies that must be used for the fabric / upkeep of the Church building, the Church clock or steeple, advancement of the work of the Church, the organ / musical excellence, graves or stone works, etc.).

3.7. **Unrestricted Funds:** these are bequests / legacies that have been given to the Church but do not have any specific conditions (or restrictions) attached but have been designated for specific purposes e.g. Reserve Fund, General Fund, Congregational Fund.

3.8. In 2024 £10,078 was collected and donated to other charities e.g., the proceeds from the Garden Day and the takings from the Saturday Café. This compares to a similar figure of £10,035 collected for other charities in 2023.

3.9. In Financial Year 2024

3.9.1. Restricted Funds:	£233,767	
3.9.2. Unrestricted funds:	£873,945	
3.9.3. Endowment Fund:	£600,000	
3.9.4. Total Funds:		£1,707,711

3.10. Although Restricted and Unrestricted (which in the majority of cases are designated) funds have different uses, the money must be used for the specific purposes of that fund and, therefore, these are not available for general purpose use.

4.0. Further Points of Explanation – 2024 Accounts

4.1 Expenditure. The table on **page 20** of the Accounts requires some explanation, please see below.

4.2 There were no Presbytery Dues (i.e., the fees paid to the local Presbytery based on an assessment of income and paid annually) in 2024, but this was followed by two invoices in 2025, one of which was a “catch-up” from 2024.

4.3 Pulpit Supply and Locum Minister expenditure in 2023 and for half of 2024, requires further explanation. The Rev. Andrew McGurk was being paid by the congregation of St Meddan’s, whilst the Rev. Gillean Richmond was being paid directly by the Church of Scotland under specific national arrangements. The figure of £15,483 for Pulpit supplies and Locum Minister expenditure will not recur in 2025.

4.4 Cleaning. This figure increased from £3,529 to £15,744. Troon Old previously employed domestic (cleaning) staff who were paid through PAYE. Following their retirement in July 2024, this service was outsourced to a cleaning services contractor. These costs also include sundry costs such as lavatory paper, hand towels, kitchen supplies, etc., which were previously accounted for separately.

4.5 Fabric repairs and maintenance. Of the £65,688 spent on fabric repairs and maintenance, all of this was on Church buildings, including new boilers and repairs to the stone works in the Portland and Troon Old buildings. No money was identified specifically for work on any of the manses, although there were small amounts paid for repairs, but in total these amounted to less than £2,000 and are, therefore, not material for the purposes of these accounts.

4.6 We currently have 8 employees representing an annual salary cost in 2024 of £72,423 (this includes employers PAYE). None of our employees have accepted the offer of an employment related pension, so there were no pension contributions.

Catriona McKellar
Treasurer
17.09.2025