

Old Saint Paul's
Episcopal Church

SCOTTISH CHARITY NUMBER SC017399

**Report and Accounts
for the Year ended
30 September 2007**

Contents

	<i>page</i>
Reference and administrative details	2
Report of the Vestry (Trustees' report)	3
Statement of responsibilities of the Members of the Vestry	6
Committee reports	6
Group reports	7
Summary of accounts	10
Independent examiner's report	11
Statement of financial activities	12
Balance sheet	13
Notes to the accounts	14

Reference and administrative details

NAME OF CHARITY Old Saint Paul's Episcopal Church

SCOTTISH CHARITY NUMBER SC017399

PRINCIPAL ADDRESS Old Saint Paul's Church
Jeffrey Street
Edinburgh EH1 1DH

Email: info@osp.org.uk
Internet: <http://www.osp.org.uk>

THE VESTRY

Rector: The Reverend Canon Ian Paton

Churchwardens: *Appointed by the Rector:*
Sheila Brock

Elected by the Congregation in Annual Meeting:
Jack Thorpe (*retired 10 December 2006*)
Janet de Vigne (*elected 10 December 2006*)

Vestry Clerk: Stephen Burge (*resigned 10 December 2006*)
Virginia Franklin (*appointed 11 January 2007*)

Treasurer: Nigel Cook

Lay Representative: Lynne Niven

Ordinary members: Nicholas Adams
Stephen Burge (*resigned 10 December 2006*)
James Campbell
Stephen Harries (*retired 10 December 2006*)
Caroline Hextall (*elected 10 December 2006*)
James Hutchinson
Maggie Stanfield (*elected 10 December 2006*)
Helen Tyrrell
James Wynn-Evans (*co-opted 11 January 2007*)

CHARITY TRUSTEES The members of the Vestry are the Charity Trustees of Old Saint Paul's Episcopal Church.

TRUSTEES FOR THE CHARITY The following officials of the Diocese of Edinburgh are Trustees for the Church in respect of heritable property:

Bishop: The Right Reverend Brian Smith
Dean: The Very Reverend Kevin Pearson
Chancellor: Brian Dale (*retired 30 September 2007*)
Sarah Wolffe (*appointed 1 October 2007*)
Registrar: Robin Morton

Certain investment assets are registered in the name of Scottish Episcopal Church Nominees, a company limited by guarantee, whose members and directors are Trustees of the Scottish Episcopal Church.

BANKERS The Royal Bank of Scotland plc
31 North Bridge
Edinburgh EH1 1SF

SOLICITORS Bell & Scott LLP
16 Hill Street
Edinburgh EH2 3LD

INDEPENDENT EXAMINER James H Younger, CA
Chiene + Tait
Chartered Accountants and Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL

Except where stated otherwise, all Trustees served throughout the financial year.

Report of the Vestry (Trustees' report) Year ended 30 September 2007

As Trustees of Old Saint Paul's Episcopal Church, the Vestry presents its report and accounts for the year ended 30 September 2007. These have been prepared in accordance with the requirements of the Statement of Recommended Practice : Accounting and Reporting by Charities (March 2005).

Reference and administrative details

Reference and administrative details are presented on page 2.

Structure, governance and management

The Church is an unincorporated association, governed by Constitution dated 16 January 1938, and last amended in January 2003. For the purposes of charities law, the members of the Vestry are the Trustees of the Church.

Apart from the Rector, Vestry members are appointed from the Congregation. The Rector is appointed by the Vestry and the Bishop of the diocese; one Churchwarden is appointed by the Rector; the Clerk and the Treasurer are appointed by the Vestry; one Churchwarden, the Lay Representative and six ordinary members of the Vestry are elected by the Congregation in annual meeting. Ordinary members of the Vestry serve 2-year terms, and may serve a maximum of two consecutive terms.

The obligations and responsibilities of trustees are considered as required by the Vestry. New Vestry members receive printed guidance explaining their duties and responsibilities.

The Vestry is responsible for managing and safeguarding the assets of the Church, and assists the Rector in matters affecting the spiritual welfare of the Congregation. The Vestry is supported by its Finance and Property Committees, which operate with specific remits under delegated powers. Activity groups operate on a semi-autonomous basis within budgets agreed with the Vestry. Individual members of the Vestry act as liaison between the Vestry and activity groups.

The Church is a member congregation of the Diocese of Edinburgh in the Scottish Episcopal Church. The Bishop of Edinburgh has pastoral oversight of all congregations within the diocese, and all congregations are subject to Canon Law of the Scottish Episcopal Church. The Rector and the Lay Representative represent the Congregation at Diocesan Synod. The Church contributes to the costs of the Diocese through payment of Quota, and may be eligible to receive grants from central funds.

The Vestry reviews on a regular basis the major risks to which the Church is exposed, and systems or procedures have been established to manage those risks.

Objectives and activities

The objectives of the Vestry are to advance the mission of the Christian Church, through worship, service, and fellowship. These objectives are carried out primarily through direct activities, but the Vestry also awards grants in furtherance of its objectives.

The principal activities of the Church are public worship, the spiritual development of its members, and social responsibility.

Formal grant making takes place through tithing the Church's disposable income, and from a large bequest by a former member of the Congregation. Grants are targeted at charitable causes which provide tangible benefit to disadvantaged communities, at home and overseas.

In carrying out its objectives the Vestry depends considerably on the contribution of many volunteers from the Congregation. Activities carried out include contributions preparatory to and during worship, service on committees and through activity groups, care and maintenance of premises and fabric, and pastoral and social activities. These contributions are highly valued, and all members of the Congregation are encouraged to participate.

Achievements and performance

Buildings seem to have loomed large on the Vestry's agenda during the year: whether responding to acts of vandalism, pursuing its vision for the future use of our buildings, or simply taking care of the ongoing maintenance which our buildings require.

Following malicious vandalism in October 2006, restoration and re-dedication of the Lady Chapel took place in April this year, which coincided with commemoration of the 70th anniversary of the death of Canon Albert Laurie, renowned Rector from 1898 to 1937.

Significant maintenance work this year included felling of dangerous trees, rot treatment in the church hall, and attention to several health and safety matters. We have also been installing a new higher capacity electricity supply.

The vision project for our buildings moves forward slowly, but with recognition that some unity of approach is required when considering future ambitions and ongoing maintenance. The next quinquennial property survey is due to be undertaken during the forthcoming year.

Use of buildings is only one aspect of the Vestry's vision. Other aspects include the Vestry's resolve to invest in children's work and our liturgy, and so preserve and enhance the effectiveness of the Church's mission for future generations.

Report of the Vestry (continued)

Year ended 30 September 2007

Achievements and performance (continued)

For many years, dedicated and committed parents and other helpers have provided a crèche and children's activities on Sunday mornings, but it had become evident to them that developing requirements could not be satisfied. We are grateful to them for their past efforts and achievements.

During the year, the Vestry therefore recruited a part-time children's worker, and Michelle Brown took up appointment on 1 October 2007. Michelle has wide-ranging experience in children's ministry, and she will provide age-appropriate programmes for our children, arrange the crèche, and co-ordinate and train the volunteers who will help her in this work.

There have also been significant changes within our music personnel. Leslie Shankland, our Director of Music for more than 27 years, retired at the end of June for health reasons. A presentation was made to him on 1 July as a token of the Congregation's appreciation.

Our organist Dr John Kitchen was appointed in his place, and he is now assisted by an organ scholar. For some time we have been experiencing difficulty in recruiting singers, and the Vestry is now recruiting 4 choral scholars to provide a firm base for the choir.

During the Edinburgh Festival the Vestry invited Sister Nancy of the Adrian Dominican Sisters, Michigan to present her acclaimed one-woman show based on the life of Catherine of Siena. More than 500 people attended the performances, and after meeting costs we were able to make a donation to the Dominican Sisters from the surplus.

The major portion of the Church's investments is its holding in the Scottish Episcopal Church Unit Trust Pool (UTP). During the 12 months to 30 June 2007, the UTP increased in value by 10.6%. This compares with a return of 12.6% from a weighted index based on 70% shares and 30% stocks. In the 3 months to the date of these accounts the unit value had reduced by 1.6%, but by 31 October had increased by 1.3% over the June value.

Our investments provide a reasonable rate of return (in the case of the UTP this is enabled through use of a distribution equalisation reserve, which maintains the real value of distributions). However, the last 6 months have seen a troubled climate, particularly in the banking sector. 46% of the UTP is held in the financial sector. Over the last 12 months, the smaller investment in the JPM Global Fund has under-performed, only a quarter as well as its sector average, and this holding is under review.

Financial review

The financial result of the year is summarised as follows:

	<i>Unrestricted funds</i> £'000s	<i>Restricted funds</i> £'000s
Voluntary income	88	5
Fundraising	18	-
Investment income	20	3
Total generated funds	126	8
Other income	6	1
Total incoming resources	132	9
Resources expended	137	26
Net (outgoing) resources	(5)	(17)
Unrealised investment gains	5	-
Net movement for year	0	(17)

The net operating surplus on general fund for the year of £929 compares with a deficit of £2766 for the previous year. However, beyond that, rot treatment works in the hall costing £6432 were met from the buildings fund, and our music was supported by income of £1049 from the John Steer endowment fund. Taking all this together results in a combined deficit of £4484 (2006-deficit £3005). This result excludes net expenditure totalling £17,208 from the Overseas Fund.

Income

Voluntary income comprises regular giving by the Congregation, other donations and legacies. This year has seen a reversal of the trend which saw 'open plate' giving moving to pledged giving. Pledged giving decreased by £650, while 'open plate' giving rose by £1164 and payroll giving increased by £2154. The overall giving increase was 3.8%. A budget shortfall on giving was made good by a few generous donations totalling around £13,000 (including Gift Aid).

Fundraising activity constitutes letting of the church and hall for a variety of events, from the annual Fringe letting to weekly dance classes and band rehearsals. After discounting exceptional income of £4900 in 2006, income from this source continues to grow.

Expenditure

Fundraising expenditure includes further costs totalling £4797 towards preparing for letting 41 Jeffrey Street. Expenditure included application for a multiple occupancy licence, for which the property proved to be unsuitable.

Direct operational costs increased this year by a small margin of 1.6%, demonstrating the Vestry's ongoing commitment to contain expenditure. Further savings in clergy costs resulted from the reduction in number of stipendiary clergy, and music costs were lower due to transition in personnel arrangements. However, premises maintenance costs (all essential works) more than doubled.

Report of the Vestry (continued) Year ended 30 September 2007

Financial review (continued)

Grants totalling £24,490 were made from the overseas fund (supported by inbound grants and donations of £5360), and tithing grants amounted to £7000. For 2006, the level of these grants had been restricted to 5%, but this year was restored to 10% of the Vestry's disposable income.

Financial procedures

Each year the Vestry agrees an operating budget after consultation with Church activity groups. Reports on performance against budget are circulated to the Finance Committee monthly, and to the Vestry quarterly. Material budget variances are analysed, and where necessary corrective action is taken. This is coupled with a financial procedures system, which provides for a varying level of approval for expenditure, according to amount and whether it has been budgeted.

Policy on reserves

The Vestry adopts a cautious and prudent approach to reserves. The bulk of unrestricted reserves derives from legacies and the sale of investments and properties. The view of the Vestry is that these funds provide a resource for major projects (including refurbishment of our buildings), and that they should not be used to finance ordinary working expenses. However, the Vestry relies on income generated by investment of reserves to assist funding of Church activities.

Policy on investments

As noted above, the majority of the Church's investments are held in the Scottish Episcopal Church Unit Trust Pool (UTP). The investment policy of the UTP, which accords with that of the Vestry, is to earn a return on the assets, over the long term, sufficient at least to maintain the real value of the distribution to unit holders. The UTP maintains an ethical investment policy.

Plans for future periods

During autumn 2007 the Vestry held a stewardship renewal programme. Through a series of area gatherings, culminating in an open church evening, members of the Congregation were invited to reconsider their commitment to the Church.

The focus of this programme summarises the Vestry's goals for the immediate future:

- strengthening our liturgical resources
- boosting our children's ministry
- protecting the future of our buildings
- supporting the work of our clergy team

Meanwhile, our programme of providing financial support to disadvantaged communities will continue, through the tithing scheme and the overseas fund. We encourage members of the congregation to consider submitting proposals for disbursement from these funds.

Conclusion

In conclusion, the Vestry wishes to thank all members of the Congregation who assist in so many different ways in carrying on the work of the Church, without whom nothing would be possible.

ON BEHALF OF THE VESTRY

VIRGINIA FRANKLIN

Vestry Clerk

28 November 2007

Statement of responsibilities of the Members of the Vestry

Scottish charity law requires the members of the Vestry, as Trustees, to prepare for each financial year a statement of account which gives a true and fair view of the Church's financial activities in the year and of the state of its affairs at the end of the year. In preparing those accounts the members of the Vestry are required to:

- follow the methods and principles set out in the Statement of Recommended Practice for Accounting and Reporting by Charities;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

As Trustees, the members of the Vestry are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Church and enable them to ensure that the accounts comply with the relevant legislation. The members of the Vestry are also responsible for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE VESTRY

VIRGINIA FRANKLIN

Vestry Clerk

28 November 2007

Committee reports

Finance Committee

Members of the Committee during the year were: Nicholas Adams, Margaret Aspen, Nigel Cook, Paul Jourdan, and Sam Lever.

The committee has continued to exercise its role of supporting the Treasurer and the Vestry in financial administration. The committee regularly monitors income and expenditure, advises the Vestry on salaries and other matters, and assists in preparation of the annual accounts the budget. The committee is also responsible for insurance protection and investment strategy.

The committee has supported the work of the stewardship renewal steering group, providing analysis and statistics for inclusion in the programme material. We have also advised

the Vestry on the re-organisation of the music department, and the recruitment of a children's worker.

The committee has considered and advised the giving groups on the effect of new Revenue & Customs guidelines on payments to overseas bodies following new provisions for charities introduced by Finance Act 2006.

The committee has liaised with the Property Convenor on current proposals for church buildings, arising from both the vision project and the quinquennial survey.

NIGEL COOK

Committee reports (continued)

Property Committee

Members of the Committee during the year were: Peder Aspen, Tim Blackmore, James Campbell, Jennie Gardiner, Trevor Harding, Steve Harries, James Hutchinson, Ian Paton, Jack Thorpe, Arthur Williams, and Jim Wynn-Evans.

John Sanders of Simpson & Brown, Architects, has made his quinquennial inspection and will now begin to put together an application for grant aid from Historic Scotland. This will give us a long term programme to which to work, starting from the top down. We will also explore the possibilities of grants for geothermal heating and solar power. Meanwhile we will continue with general maintenance but not embark upon ambitious projects.

Arranging for the new electricity supply has been time-consuming and we have yet to be connected up! A lot of tidying up work has been

done on the roof of the church, the Laurie Halls and Lauder House. The drains continue to need regular inspection and frequent attention. We are likely to continue to have damage and vandalism in the two closes while the whole surrounding area is undeveloped and without permanent residents.

At a personal level, I would be grateful if property problems could be brought to my attention at coffee *after the service*!! We are grateful for all the work done during Jack Thorpe's time as Convenor and for his gift for finding the reliable and skilled tradesmen who keep things in working order.

JIM WYNN-EVANS

Group reports

Details of congregational groups appear below. Nearly all groups have contributed a report on their activities. Where a group has not provided a report, an editorial summary of the group's function is provided in italics. Further information about groups, together with contact details, is available on the Church website www.osp.org.uk

Candles

The group orders and maintains the stock of candles, and prepare them for use in church.

Leaders: LIZ SIM AND STEVE HARRIES

Choir

Over the past months there have been significant changes in the musical arrangements at OSP. The Director of Music, Les Shankland, resigned from his post in June 2007 after many years' unstinting service. John Kitchen, organist since 1988, is now Director of Music, and is assisted by Calum Robertson, who was appointed organ scholar in July.

In response to increasing difficulties in recruiting singers, the Vestry generously agreed to fund four choral scholarships; at the time of writing a soprano and a bass scholar have been appointed. Junior choristers, trained by Kath Jourdan, join the adult choir members from time to time.

JOHN KITCHEN

Flowers

The year started with a well attended flower event courtesy of the charming Emily Reading, who provided us with ample flowers and expertise alike. Subsequently, a fairly large group of flower arrangers emerged whose efforts have received wide appreciation.

Christmas 2006 was themed in red and white to great effect. Other highlights of 2006-07 were the celebration of Alison Watt's award for 'Still,' Easter 2007 and the flower displays for Malcolm and Nicola's wedding. The team has remained fairly large and has shown admirable enthusiasm, commitment and skill throughout.

TINA WOOD

Intercessors

Members of the group lead the prayers of the congregation during High Mass on Sundays.

Leader: JANET DE VIGNE

Group reports (continued)

Readers

We have a full complement of readers with the result that people, generally, are reading only once every three months. The exception to that is Evensong when the Readers not only read more often but they read both lessons. It is good that so many people wish to participate in this way and we are grateful to all who make this essential contribution to our worship.

SHEILA BROCK

Sacristans

The group cares for the church's vestments and silverware, and make all necessary preparations for services.

Leader: PETER UNSWORTH

Servers

The servers continue to provide their quiet supporting role, assisting with the celebration of the liturgy. We were amused to discover on YouTube video of our Petertide procession in the Royal Mile at the end of June. Kim and Lisa have joined us, making our current number 17.

For our summer outing this year we ventured into foreign territory with our visit to Lindisfarne (in a steady drizzle). We have held other outings, to theatres or for meals (or both). We have been involved in a re-awakening of Servers' Guild activities in Edinburgh.

NIGEL COOK

Sunday school

Children's ministry has continued to establish children's worship through the use of *Godly Play* on two Sundays a month along with a children's Mass on the first Sunday of the month. On other Sundays the group has provided lessons based on the readings in church or exploring topics related to the world, our church, worship and the church year. The crèche has been building a core group of volunteers to rotate care for the youngest church members each week.

John Thompson joined the group this year which also comprises Heidi Adams, Steven Martz, Paul Lugton and Emma Johnston. Lydia Schumacher concluded her role with the group at the close of September and her service over the past two years has been much appreciated! The group has worked with the Vestry over the past year to hire a worker for a ten hour post as co-ordinator of children's ministry. On 1 October, Michelle Brown began working for Old Saint Paul's.

MICHELLE BROWN

Young Adults

The group has continued to hold a number of low key social events throughout the year, including Sunday lunches and drinks at the Halfway House. Young adults as a group continue to play an active part in all areas of parish life and the church is clearly attracting many of them. The group plays an important role in providing a chance for them to meet socially, although there is deliberately no prescribed age group.

PAUL LUGTON

Stewards

The group provides a welcome to those attending Sunday services, and take the collection during the service.

Leader: JANET DE VIGNE

Hall Masses

The group arranges a celebration of Mass in the hall once a month, followed by lunch, for those who find the stairs to church difficult, and coach outings are held regularly.

Leader: MARY THORPE

Development

The group seeks to build and communicate OSP's sense of community both within the Church and in the outside world. As a group we meet every month or two, usually at Lauder House. Over the past year we have been able to assist at a number of community based events including a Burns Supper, two musical evenings and two popular productions of Gilbert and Sullivan.

Looking to the future, the group spent a stimulating evening discussing its purpose in a theological context. Before Easter, we accepted with sadness the resignation as convenor of Richard Bloomfield, who had done so much to enrich life at OSP.

We were delighted to welcome Tom Birch, Frank Ribbons and Lorraine Simpson as new members of the group. Alastair Learmont became the new convenor. All members of OSP are very welcome to seek the assistance of the group for any community based event.

ALASTAIR LEARMONT

Group reports (continued)

Publications

The group is responsible for the monthly newsletter of news and events and the twice-yearly White Rose magazine.

Magazine: SHEILA BROCK

Newsletter: STEVE HARRIES

Social activities

Refreshments are provided in the hall after High Mass on Sundays, and on a number of occasions through the year there is a parish lunch, with breakfast provided after the Easter Vigil.

Refreshments: JANET DE VIGNE

Lunches: JAMES CAMPBELL

Walking

The group organizes walks for members of the congregation and their friends on a regular basis, usually on the fourth Saturday of each month. Walks are generally within easy reach of Edinburgh and a perfect opportunity to meet other members of OSP in a relaxed, informal and generally uncluttered setting. We usually finish with tea or a drink. Photographs of our walks, laid out on the piano at the back of the church, have become a regular feature of life at OSP.

In 2007, there have been ten walks, ranging from the Ochil Hills (and our visit to "Castle Gloom") to the Berwickshire coastal path, from part of the John Buchan Way to St Mary's Loch. Closer to home we enjoyed a city walk in Edinburgh linking Craigmillar Castle with Blackford Hill and, for the second year running, a fascinating ranger-led walk in Holyrood Park. We have had an adventure or two, as well, not least our gallant group leader unsuccessfully attempting to make friends with a beautiful piebald horse near Peebles and being chased out of a field.

ALASTAIR LEARMONT

Tithing

The Tithing Group made some revisions to its guidelines and worked to encourage more applications from a broader section of groups. Our membership has altered slightly with the addition of Janet de Vigne, Lynne Niven and Jubin Santra. Along with Andy Collier, Steve Harries and Maggie Stanfield, the total of six people offers a good mix. We made 5 awards this year, totalling £7000, to the following organisations:

- The Ark Trust received £1500 for a group of homeless people to visit to the Camas Centre.
- Caladh Trust received £2000 to employ a cleaner/kitchen assistant from a difficult home background of parental alcohol addiction.
- The Cyrenians received £1300 to run a refrigerated van for FareShare, redistributing food to the homeless.
- Queensferry Churches Care in the Community received £1000 to bring a group of children with learning disabilities to three entertainment events.
- The Refugee Survival Trust received £1200 towards providing short-term support for destitute refugees and asylum seekers.

MAGGIE STANFIELD

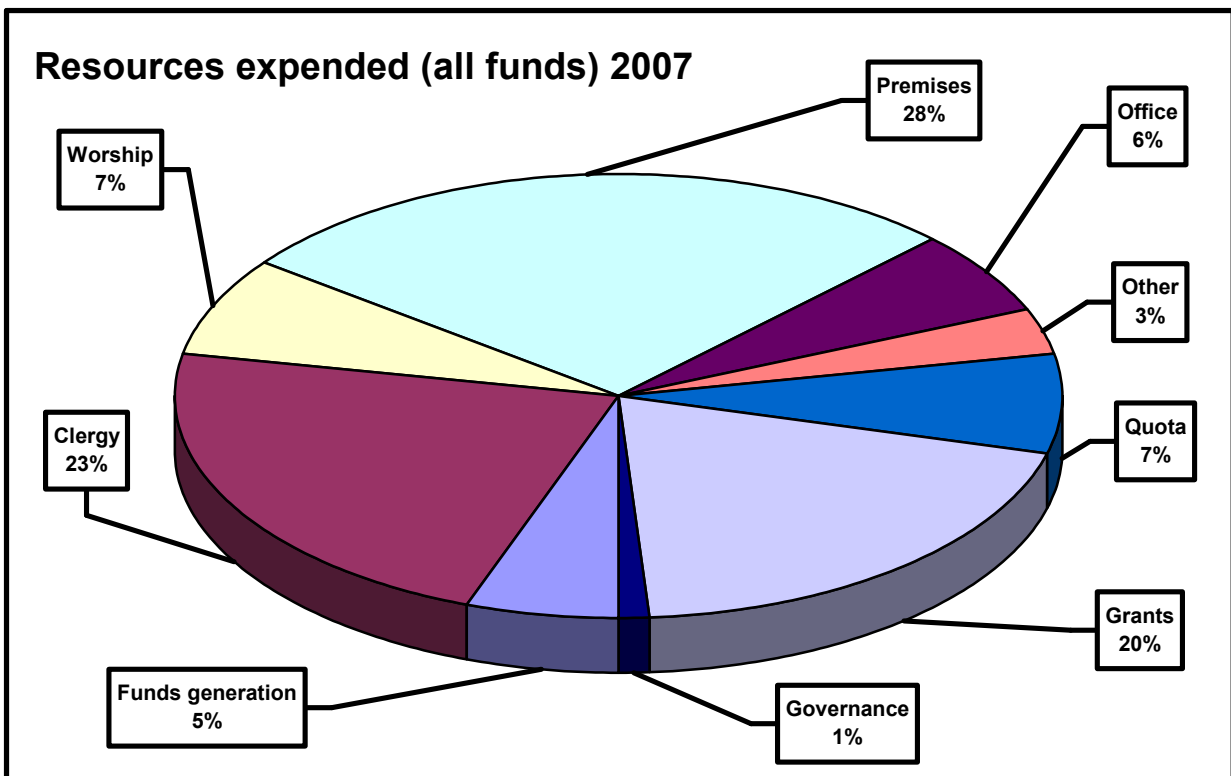
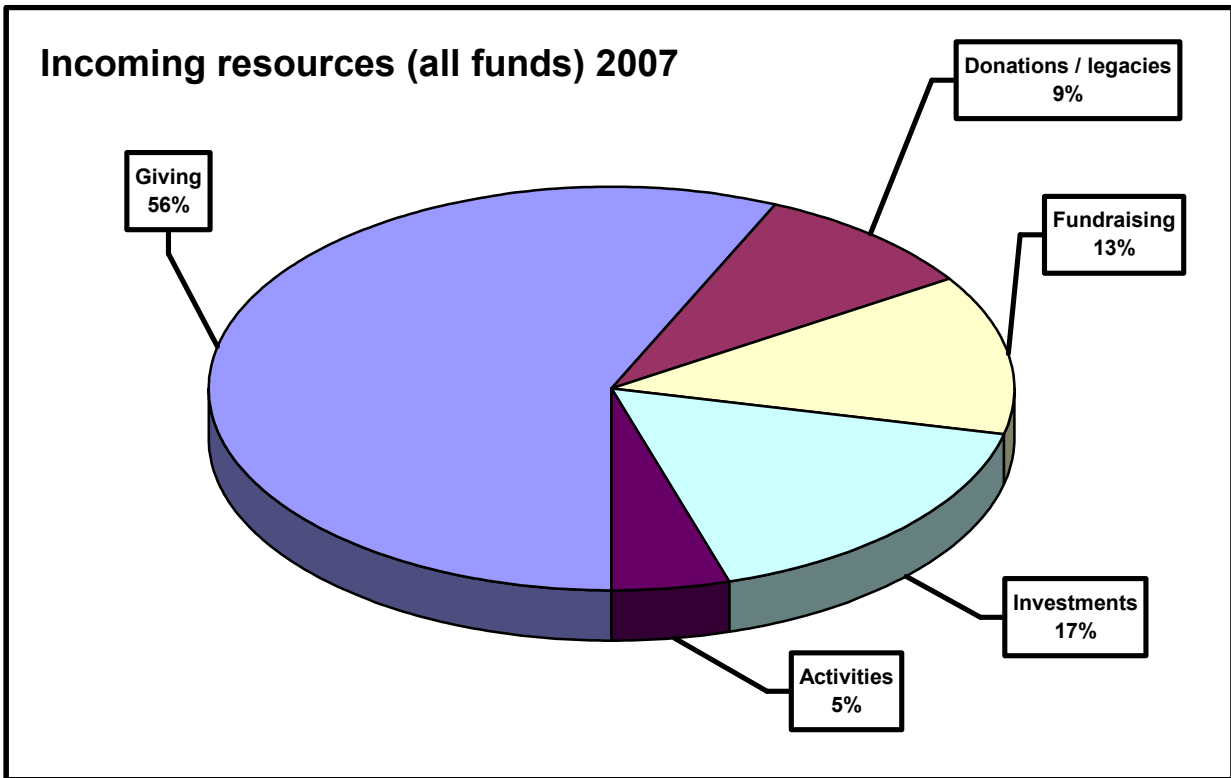
Overseas funding

In the past year we have again supported the Lisu people in Burma and the Cultural Centre in Jenin. Our support for Malindi Orphan Care was terminated at the suggestion of the originators, as it was merged into a larger charitable organisation. Smaller donations have been made to a variety of causes: in India, Bangladesh, Uganda and Northern Cambodia. A small grant was given to Charlie Davis towards his travel to Jenin where he again spent time helping at the Centre and teaching English.

SHEILA BROCK

Further details of the groups can be obtained from their leaders, and all welcome new members.

Summary of accounts Year ended 30 September 2007





Independent examiner's report to the Trustees and Members of Old Saint Paul's Episcopal Church

I report on the accounts of Old Saint Paul's Episcopal Church for the year ended 30 September 2007 which are set out on pages 12 to 23.

This report is made to the trustees and members of the Church, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Church and its trustees and members, as a body, for my work or for this report.

Respective responsibilities of trustees and examiner

The Members of the Vestry, as Trustees, are responsible for the preparation of the report and accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The 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 examiner's statement

My examination is 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 Church and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures

in the accounts, and seeks explanations from the 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 2005 Act and regulation 4 of the 2006 Regulations, and
 - to prepare accounts which accord with the accounting records and comply with regulation 8 of the 2006 Regulationshave 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.

James H Younger ca
CHIENE + TAIT
Chartered Accountants and
Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL
30 November 2007

Statement of financial activities

Year ended 30 September 2007

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2007	Total funds 2006
		General	Designated				
		£	£	£	£	£	£
Incoming resources							
Incoming resources from generated funds:							
Voluntary income	2(a)	87,606	641	4,360	-	92,607	89,200
Activities for generating funds	2(b)	18,123	-	-	-	18,123	20,830
Investment income	2(c)	19,845	180	2,202	1,247	23,474	23,063
<i>Total generated funds</i>		125,574	821	6,562	1,247	134,204	133,093
Incoming resources from charitable activities	3	5,666	-	1,000	-	6,666	8,938
Total incoming resources		131,240	821	7,562	1,247	140,870	142,031
Resources expended							
Costs of generating funds:							
Fundraising costs	4	8,815	-	-	-	8,815	9,253
Investment management costs		-	-	-	-	-	338
<i>Total costs of generating funds</i>		8,815	-	-	-	8,815	9,591
Charitable activities:	6						
Clergy costs		36,723	-	-	-	36,723	42,157
Worship costs		10,566	-	-	1,049	11,615	14,153
Premises and fabric costs		37,743	6,432	-	-	44,175	34,101
Office costs		10,058	-	12	-	10,070	10,304
Other activities and costs		5,235	-	190	-	5,425	6,519
Diocesan quota		11,878	-	-	-	11,878	11,745
Grants and donations	13	7,615	-	24,490	-	32,105	29,159
<i>Total costs of charitable activities</i>		119,818	6,432	24,692	1,049	151,991	148,138
Governance costs	7	1,678	-	-	-	1,678	1,381
Total resources expended		130,311	6,432	24,692	1,049	162,484	159,110
Net incoming / (outgoing) resources before transfers		929	(5,611)	(17,130)	198	(21,614)	(17,079)
Gross transfers between funds	8	14,824	(14,824)	-	-	-	-
Net incoming / (outgoing) resources before other recognised gains and losses		15,753	(20,435)	(17,130)	198	(21,614)	(17,079)
Other recognised gains and losses:							
Gains on investment assets	9	5,084	-	-	-	5,084	21,540
Net movement in funds		20,837	(20,435)	(17,130)	198	(16,530)	4,461
Reconciliation of funds:							
Total funds at 1 October 2006		419,460	149,259	64,658	39,295	672,672	668,211
Total funds at 30 September 2007	19	440,297	128,824	47,528	39,493	656,142	672,672

All incoming and outgoing resources derive from continuing operations. The Church has no gains and losses other than those recognised above.

The notes on pages 14 to 23 form an integral part of these accounts.

Balance sheet 30 September 2007

	Note	2007		2006	
		£	£	£	£
Fixed assets					
Tangible assets held for Church use	14		70,732		57,607
Investments:					
Investments held for a financial return	15(a)	497,313		529,780	
Programme-related (social) investments	15(b)	632		629	
			<u>497,945</u>		<u>530,409</u>
			<u>568,677</u>		<u>588,016</u>
Current assets					
Debtors	16	24,668		25,158	
Cash in building society		59,260		49,183	
Cash at bank and in hand		27,155		18,760	
			<u>111,083</u>		<u>93,101</u>
Liabilities					
Creditors: amounts falling due within one year	17	23,618		8,445	
				<u>8,445</u>	
Net current assets			87,465		84,656
Net assets			<u>656,142</u>		<u>672,672</u>
Funds					
Endowment fund	18		39,493		39,295
Restricted income funds	18		47,528		64,658
Unrestricted income funds	18		569,121		568,719
Total charity funds			<u>656,142</u>		<u>672,672</u>

The notes on pages 14 to 23 form an integral part of these accounts.

**APPROVED FOR ISSUE BY THE MEMBERS OF THE VESTRY (TRUSTEES) ON 28 NOVEMBER 2007
AND SIGNED ON THEIR BEHALF BY**

VIRGINIA FRANKLIN
Vestry Clerk

Notes to the accounts Year ended 30 September 2007

1. Accounting policies

(a) Basis of preparation

These accounts are prepared in accordance with the Charities Accounts (Scotland) Regulations 2006, the Statement of Recommended Practice (SORP) : Accounting and Reporting by Charities (published in March 2005), and the Financial Reporting Standard for Smaller Entities (FRSSE) (effective January 2007), under the historical cost convention as modified by the inclusion of investments at market value.

(b) Incoming resources

Incoming resources are recognised when there is legal entitlement to the income, certainty of receipt, and the amount can be quantified with reasonable accuracy.

Voluntary income comprises giving by members of the Congregation, legacies and other donations. Gift aid receivable is allocated to the related source of income.

Legacy income is recognised when there is reasonable certainty that it will be received, and that its value can be measured.

Gifts in kind and donated services and facilities (including the services of volunteers) are not recognised in the Statement of Financial Activities.

Income from letting and from investment assets is recognised as it falls due, subject to provision for bad or doubtful debts.

Incoming resources from charitable activities include income generated as a result of Church activities, and grants specifically for or connected to the provision of goods and services as part of Church activities.

Grants may be receivable under the Listed Places of Worship Grant Scheme for recovery of VAT incurred on the repair and maintenance of listed ecclesiastical buildings begun on or after 1 April 2001. Grants receivable are recognised when they are received, and offset against the related expenditure.

(c) Resources expended

Resources expended are accounted for on an accruals basis, being recognised when there is a legal or constructive obligation to pay. All costs are directly attributed, without apportionment or allocation of support or management costs, except for allocation of premises and office costs to space letting, in proportion to income generated.

Costs of generating funds include specifically identifiable costs of fundraising, and costs of investment management including maintenance of investment properties, together with an allocated proportion of premises and office costs.

Costs of charitable activities include all costs incurred in undertaking Church activities, including support costs. These include both costs directly incurred by the Church and grant funding of third parties in furtherance of programmes that contribute to the Church's objectives.

Governance costs include the costs associated with general running of the organisation as opposed to

costs associated with fundraising and charitable activity. These include external scrutiny, legal advice, trustee meetings, and other costs associated with constitutional and statutory requirements. They include costs associated with strategic as opposed to day to day management of activities.

(d) Taxation

The Church is a registered Scottish charity exempt from corporation tax on income and gains applied to charitable purposes. Income tax is recoverable in respect of gift aided donations.

The Church is not registered for Value Added Tax and accordingly expenditure is shown gross of irrecoverable VAT.

(e) Fund accounting

The general fund comprises accumulated surpluses less deficits that may be used at the discretion of the Vestry for any purpose in furtherance of the Church's objectives.

Designated funds comprise unrestricted funds that have been put aside by the Vestry for particular purposes. Individual donations and legacies in excess of £5000 which have no restriction on their use are added to the memorial fund.

Restricted income funds are subject to specific restrictions imposed by the grantor or with their authority.

Endowment funds are held for specific purposes, without power to convert a fund into income.

Investment income, gains and losses are allocated to restricted and endowment funds as appropriate.

The purpose and use of funds are set out in note 19.

(f) Tangible assets held for use by the Church

Prior to 1 October 2000 neither the original cost of nor improvements to the church, and the rectory at Lauder House, 39 Jeffrey Street, Edinburgh were capitalised. These properties are considered to form part of the permanent endowment of the Church, since it is unlikely that they would ever be sold to realise cash. Values for original cost and improvements prior to 1 October 2000 are not available. The Vestry considers that the cost of carrying out a professional valuation to include these properties in the accounts would be disproportionate to any additional benefit derived by users of these accounts.

Since 1 October 2000 all additions and improvements to buildings costing more than £1000 are capitalised and depreciated. Other tangible fixed assets costing more than £500 are capitalised and depreciated.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Heritable property improvements	5% reducing balance
Other tangible assets	25% reducing balance

Notes to the accounts (continued)

Year ended 30 September 2007

1. Accounting policies (continued)

(g) Investment assets

Heritable properties held for investment purposes are recorded in the accounts at the Vestry's best estimate of market value, undertaken at 5-yearly intervals. Other investment assets are recorded at market valuation. Programme-related (social) investments are shown at cost, less any required impairment adjustment.

Included in investment assets is an amount which represents the uninvested proceeds from disposals of investments, less expenditure on major repairs or capital improvements met from the buildings fund, together with the unexpended portion of income received for restricted purposes.

(h) Retirement benefits

The Scottish Episcopal Church operates a defined benefit non-contributory pension scheme for clergy. The Congregation pays contributions to this multi-employer scheme in respect of its stipendiary clergy. Contributions to the scheme are set at rates designed to spread the cost of pensions over the working lives of the clergy, and are charged in the accounts on a due and payable basis. The rate of contributions is determined by a qualified actuary. The amount of charges for the year is disclosed in note 12.

2. Analysis of incoming resources from generated funds

(a) Voluntary income

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2007	Total funds 2006
	General	Designated				
	£	£	£	£	£	£
<i>Congregational giving:</i>						
'Open plate' giving	12,018	-	-	-	12,018	10,854
Pledged giving	47,543	-	-	-	47,543	48,193
Gift Aid claimed on giving	13,425	-	-	-	13,425	13,201
Payroll giving	6,836	-	-	-	6,836	4,682
<i>Total congregational giving</i>	79,822	-	-	-	79,822	76,930
Legacies	-	-	-	-	-	1,216
Donations (including Gift Aid)	7,784	641	4,360	-	12,785	11,054
	87,606	641	4,360	-	92,607	89,200

(b) Activities for generating funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2007	Total funds 2006
	General	Designated				
	£	£	£	£	£	£
Space letting	18,123	-	-	-	18,123	20,370
Other fundraising income	-	-	-	-	-	460
	18,123	-	-	-	18,123	20,830

(c) Investment income

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2007	Total funds 2006
	General	Designated				
	£	£	£	£	£	£
Investment properties	3,770	-	-	-	3,770	3,968
Listed securities and unit trusts	12,124	-	-	-	12,124	11,683
Programme-related investments	3	-	-	-	3	4
Interest on cash deposits	3,948	180	2,202	1,247	7,577	7,408
	19,845	180	2,202	1,247	23,474	23,063

Notes to the accounts (continued)

Year ended 30 September 2007

3. Analysis of incoming resources from charitable activities

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2007	Total funds 2006
		General	Designated				
		£	£	£	£	£	£
Church fees		223	-	-	-	223	870
Activities	5	5,271	-	-	-	5,271	1,818
Central grants		-	-	1,000	-	1,000	1,000
Other grants		-	-	-	-	-	5,000
Other income		172	-	-	-	172	250
		5,666	-	1,000	-	6,666	8,938

4. Analysis of costs of generating funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2007	Total funds 2006
	General	Designated				
	£	£	£	£	£	£
<i>Space letting:</i>						
Property maintenance	3,135	-	-	-	3,135	1,528
Professional fees and costs	1,662	-	-	-	1,662	2,606
Allocated premises and office costs	4,018	-	-	-	4,018	4,984
<i>Total space letting</i>	8,815	-	-	-	8,815	9,118
Other fundraising costs	-	-	-	-	-	135
<i>Total fundraising costs</i>	8,815	-	-	-	8,815	9,253
Investment management	-	-	-	-	-	338
	8,815	-	-	-	8,815	9,591

5. Activities income and expenditure

	Incoming resources	Resources expended	Net incoming / (outgoing) resources 2007	Net incoming / (outgoing) resources 2006
			£	£
Sunday school	-	279	(279)	(510)
Pastoral group	410	715	(305)	(303)
Social activities	416	317	99	-
Magazine and newsletter	-	1,111	(1,111)	(1,060)
Festival production <i>Catherine of Siena</i>	2,393	1,501	892	-
Parish lunches	978	247	731	682
Sunday refreshments	1,074	387	687	367
	5,271	4,557	714	(824)

Catherine of Siena: During the Edinburgh Festival 2007 the Vestry promoted performances of *Catherine of Siena*, written and presented by Sister Nancy Murray, a member of the Adrian Dominican Sisters, Michigan in the United States. The net surplus from the production was shared between Old Saint Paul's and the Adrian Dominican Sisters. Details of this donation are contained within note 13.

Notes to the accounts (continued)

Year ended 30 September 2007

6. Analysis of resources expended on charitable activities

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2007	Total funds 2006
		General	Designated				
		£	£	£	£	£	£
Clergy costs							
Stipends and pensions	12	28,253	-	-	-	28,253	34,893
Allowances and training		2,215	-	-	-	2,215	1,810
Housing utilities and insurance		4,715	-	-	-	4,715	3,823
Housing maintenance		588	-	-	-	588	394
Travelling expenses		952	-	-	-	952	1,237
		36,723	-	-	-	36,723	42,157
Worship costs							
Music salaries	12	7,161	-	-	-	7,161	7,671
¹ Other music costs		246	-	-	1,049	1,295	2,319
² Other worship costs		3,159	-	-	-	3,159	4,163
		10,566	-	-	1,049	11,615	14,153
Premises and fabric costs							
Utilities		8,067	-	-	-	8,067	9,084
Cleaning		7,553	-	-	-	7,553	7,245
Repairs and maintenance		11,333	6,432	-	-	17,765	7,853
Insurance		9,061	-	-	-	9,061	8,642
Premises and plant depreciation		4,140	-	-	-	4,140	4,729
Allocation to space letting		(2,411)	-	-	-	(2,411)	(2,990)
		37,743	6,432	-	-	44,175	34,101
Office costs							
Salaries	12	7,411	-	-	-	7,411	7,058
Printing and stationery		818	-	-	-	818	1,752
Postage and telephone		1,486	-	12	-	1,498	1,587
³ Other office costs		868	-	-	-	868	622
Office equipment depreciation		1,082	-	-	-	1,082	1,279
Allocation to space letting		(1,607)	-	-	-	(1,607)	(1,994)
		10,058	-	12	-	10,070	10,304
Other activities and costs							
Activities	5	4,557	-	-	-	4,557	2,642
Advertising and publicity		425	-	-	-	425	851
Legal and professional fees		(456)	-	-	-	(456)	2,336
Bank charges		29	-	127	-	156	396
Other costs		680	-	63	-	743	294
		5,235	-	190	-	5,425	6,519
Total directly funded		100,325	6,432	202	1,049	108,008	107,234
Diocesan quota		11,878	-	-	-	11,878	11,745
Grants and donations	13	7,615	-	24,490	-	32,105	29,159
		119,818	6,432	24,692	1,049	151,991	148,138

¹ Other music costs comprise payments to junior choristers, purchase of music, maintenance of instruments and vesture, fees and subscriptions

² Other worship costs comprise consumables for the Eucharist, maintenance of vestments and ornaments, candles, and flowers

³ Other office costs comprise maintenance of office equipment and miscellaneous expenses

Notes to the accounts (continued)

Year ended 30 September 2007

7. Analysis of governance costs

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2007	Total funds 2006
	General	Designated				
	£	£	£	£	£	£
External scrutiny of accounts	1,322	-	-	-	1,322	1,369
Vestry meetings	256	-	-	-	256	12
	1,678	-	-	-	1,678	1,381

8. Analysis of transfers between funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2007	Total funds 2006
	General	Designated				
	£	£	£	£	£	£
Transfer to Organ fund	(1,200)	1,200	-	-	-	-
Property improvements	16,024	(16,024)	-	-	-	-
	14,824	(14,824)	-	-	-	-

Each year the Vestry transfers the sum of £1200 to the Organ fund to provide for the cost of non-routine maintenance of the organ.

Capitalised improvements to church properties are funded by transfer from the Buildings fund, as described in note 19.

9. Analysis of gains and losses on investment assets

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2007	Total funds 2006
	General	Designated				
	£	£	£	£	£	£
Unrealised gains on revaluation	5,084	-	-	-	5,084	21,540

10. Analysis of net movement in funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2007	Total funds 2006
	General	Designated				
	£	£	£	£	£	£
Net movement in funds per Statement of Financial Activities	20,837	(20,435)	(17,130)	198	(16,530)	4,461
Net income / (expenditure) on functional fixed assets	(13,125)	-	-	-	(13,125)	4,136
Other adjustments	(3)	-	-	-	(3)	(87)
Net increase / (decrease) in liquid funds	7,709	(20,435)	(17,130)	198	(29,658)	8,510

11. Trustee remuneration, benefits and expenses

The Rector is *ex officio* a member of the Vestry and a trustee, and receives remuneration, benefits, and reimbursement of expenses in respect of services as a stipendiary cleric in line with scales determined by General Synod of the Scottish Episcopal Church.

No other member of the Vestry received remuneration or reimbursement of expenses, other than reimbursement of purchases made on behalf of the Church.

Notes to the accounts (continued)

Year ended 30 September 2007

12. Clergy and staff costs and emoluments

	2007		2006	
	£		£	
Gross stipends and salaries	35,147		41,845	
Employers' national insurance contributions	2,403		2,666	
Cost of pension contributions	5,275		5,111	
	42,825		49,622	

	Average headcount		Average full time equivalent	
	2007	2006	2007	2006
Clergy	1.0	1.8	1.0	1.4
Music	2.0	2.0	0.3	0.3
Office	1.0	1.0	0.4	0.4
	4.0	4.8	1.7	2.1

No employee received emoluments in excess of £60,000.

Information regarding stipendiary members of the clergy, who are not employees but self-employed office-holders, is included above.

Pension contributions in respect of stipendiary clergy are paid to the Scottish Episcopal Church Pension Fund. No information is available regarding the assets and liabilities of the fund relating to individual members. Contributions are therefore accounted for as if the scheme was a defined contribution scheme.

Following the periodic actuarial valuation of the entire fund as at 31 December 2002, which estimated a deficit of £1.2 million, the scheme actuary recommended that the contribution rate be increased to 25.3%. The actuarial valuation as at 31 December 2005 showed that the entire fund was in surplus by £389,525, but the actuary has recommended that the contribution rate remain unaltered, due to increasing life expectancy of members and pensioners.

There were no unpaid contributions outstanding at 30 September 2007 payable by the Vestry.

13. Grants and donations

Included in the accounts are the following grants and donations awarded during the year:

	£
From the General Fund as part of the Tithing programme:	
The Ark Trust <i>To fund a visit by a group of homeless young people to the Camas Centre on Mull</i>	1,500
Caladh Trust <i>A Christian group working with people affected by addiction; to support the cost of a janitor and a graphics package</i>	2,000
Fare Share Trust <i>An organisation which redistributes food to disadvantaged people; to maintain and fuel two refrigerated vans</i>	1,300
Queensferry Churches Care in the Community Cool Club <i>An organisation which provides outings for local disabled young people</i>	1,000
Refugee Survival Trust <i>An organisation which supports refugees facing extreme poverty</i>	1,200
Tithing Total	7,000
Adrian Dominican Sisters (United States) <i>A Dominican house in Michigan; donated share of the surplus from Edinburgh Festival performances of Catherine of Siena by Sister Nancy Murray</i>	510
Small payments of under £100 totalling	105
General Fund Total	7,615

Note continues on following page.

Notes to the accounts (continued)

Year ended 30 September 2007

13. Grants and donations (continued)

<i>General Fund Total brought forward</i>	£ 7,615
From the Overseas Fund:	
Grants to individuals (total)	
<i>Grants paid to individuals include assistance with university fees for overseas students studying in the United Kingdom, and assistance with travelling costs for UK students making voluntary working trips overseas. These payments were in part covered by donations and grants from individuals and other organisations.</i>	4,850
Grants to institutions:	
Childaid to Russia and the Republics <i>A UK Christian charity funding children's charities in the Russian republics</i>	2,000
Church of Scotland World Mission Council <i>To support a project in Bangladesh seeking to reduce human trafficking through awareness and networking</i>	2,640
Jenin Cultural Centre (Palestine) (two grants) <i>A multi-cultural organisation for young people on the West Bank; to provide musical instruments and second-hand computers</i>	5,000
Lisu Project (Burma) (two grants) <i>To support vocational skills training for income-generating projects and development awareness training for the minority Lisu people of northern Burma</i>	5,000
Malindi (Malawi) Association for Christian Support <i>An Anglican charity seeking to improve the quality of life for people in Malawi</i>	500
Stourbridge Quaker Meeting <i>To support the Hope Project in the Rwenzori Mountains of Uganda, which seeks to bring peace and conflict resolution to a region affected by civil war</i>	2,000
Sally Mair Blind Children's Trust (India) <i>An organisation which promotes the welfare of blind or visually impaired children and young people in South India who suffer other disability</i>	1,000
VSO Shine Project <i>A project which aims to reduce poverty in Cambodia through sharing of skills and learning</i>	1,500
<i>Total institutional grants</i>	19,640
Overseas Fund Total	24,490
Total grants and donations	32,105

Funds raised for third parties:

Not included in the accounts are the following sums raised by the congregation for third parties:

* The Ark Trust	£ 1,593
Bishop of Edinburgh's Lent Appeal	1,126
Christian Aid	161

* On the advice of the Judicial Factor of The Ark Trust, the sum raised has been retained meanwhile by the Vestry, and is included within other creditors, pending resolution of various issues relating to the future of The Ark.

Notes continue on following page.

Notes to the accounts (continued)

Year ended 30 September 2007

14. Tangible fixed assets held for Church use

	Property improve- ments £	Plant and machinery £	Office equipment £	Total £
Cost				
Balance at 1 October 2006	57,921	40,235	6,974	105,130
Additions in year	16,024	623	1,700	18,347
Balance at 30 September 2007	73,945	40,858	8,674	123,477
Depreciation				
Balance at 1 October 2006	10,633	33,754	3,136	47,523
Charge for the year	2,364	1,776	1,082	5,222
Balance at 30 September 2007	12,997	35,530	4,218	52,745
Net book value				
At 30 September 2007	60,948	5,328	4,456	70,732
At 30 September 2006	47,288	6,481	3,838	57,607

The Congregation also owns the church, and the rectory at Lauder House, both in Jeffrey Street, Edinburgh. The original value of these assets and the cost of improvements prior to 1 October 2000 are not available and have not been included because, in the opinion of the Vestry, the cost of professionally valuing them to include a value in the accounts outweighs the benefits to users of the accounts.

On 1 March 2007 the church and Lauder House were insured for £13,397,130, which is an estimate of the replacement cost of buildings and all contents (including plant and machinery and office equipment disclosed separately in the above table). Replacement building cost does not represent market value of the properties, and does not include valuation of the land on which the properties are situated.

15. Investment assets

(a) Investments held to provide a financial return

	Invest- ment property £	Listed securities and unit trusts £	Unin- vested cash £	Total £
Valuation				
Carrying value at 1 October 2006	24,615	337,616	167,549	529,780
Reduction in uninvested cash	-	-	(37,551)	(37,551)
Unrealised gain on revaluation	-	5,084	-	5,084
Carrying value at 30 September 2007	24,615	342,700	129,998	497,313
Historical cost at 30 September 2007	6,907	148,841	129,998	285,746

In accordance with the policy described in note 1(g), investment properties were valued by the Vestry as at 1 April 2005 on an estimated, conservative basis by applying a discounted notional yield factor to the rateable value of the property applying on that date.

Investments in listed securities (or ones valued by reference to such investments, such as unit trusts) are shown at market price on 28 September 2007 (the last business day of the financial year).

All investments are held in the United Kingdom.

Details of investments which are material in the context of the investment portfolio:

	Carrying value 2007 £
Scottish Episcopal Church Unit Trust Pool	273,245
JPM Global Fund	69,455
Dunfermline Building Society deposit	129,998

Note continues on following page.

Notes to the accounts (continued)

Year ended 30 September 2007

15. Investment assets (continued)

(b) Programme-related investments (social investments)

	2007	2006
	£	£
Shared Interest Society Ltd – equity capital shown at amount invested	632	629

Shared Interest Society Ltd is a UK based co-operative lending society that aims to reduce world poverty by providing fair and just financial services. It uses the pooled savings of its members to facilitate fair trade. Working with fair trade businesses all over the world, it provides credit to help the development of fair trade. Funds invested in the Society are held as repayable share capital, on which a low rate of interest is paid. The entitlement of members to the assets of the Society is limited to repayment of shares, together with interest payable on shares.

The Society is incorporated with limited liability under the Industrial and Provident Societies Acts. Net profits may only be distributed as a rebate on charges to customers or applied for educational or charitable purposes. The latest accounts of the Society (for the year to 30 September 2006) disclose net profit of £44.9k, net assets of £21.8m, and share capital of £20.5m.

16. Debtors

	2007	2006
	£	£
Gift aid receivable	4,300	4,007
Interest receivable	6,102	5,778
Other debtors	9,952	9,221
Prepayments	4,314	6,152
	24,668	25,158

All amounts fall due within one year.

17. Creditors: amounts falling due within one year

	2007	2006
	£	£
Grants awarded but not paid	12,150	500
Other creditors	2,940	677
Taxation and social security	2,635	2,421
Accruals and deferred income	5,893	4,847
	23,618	8,445

18. Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds
	General	Designated			
	£	£	£	£	£
Tangible assets	70,732	–	–	–	70,732
Investment assets	290,522	112,362	56,629	38,432	497,945
Net current assets / (liabilities)	79,043	16,462	(9,101)	1,061	87,465
Fund balances	440,297	128,824	47,528	39,493	656,142

Notes to the accounts (continued)

Year ended 30 September 2007

19. Summary of fund movements

	Brought forward	Incoming resources	Resources expended	Transfers	Gains and losses	Carried forward
	£	£	£	£	£	£
Endowment fund						
John Steer music fund	39,295	1,247	1,049	-	-	39,493
Restricted funds						
Overseas fund	62,509	7,484	24,692	-	-	45,301
Jerusalem Still fund	2,149	78	-	-	-	2,227
	64,658	7,562	24,692	-	-	47,528
Unrestricted funds						
<i>Designated funds:</i>						
Buildings fund	134,818	-	6,432	(16,024)	-	112,362
Memorial fund	7,088	-	-	-	-	7,088
Organ fund	7,353	821	-	1,200	-	9,374
	149,259	821	6,432	(14,824)	-	128,824
General fund	419,460	131,240	130,311	14,824	5,084	440,297
	568,719	132,061	136,743	-	5,084	569,121
Total charity funds	672,672	140,870	162,484	-	5,084	656,142

The **John Steer music fund** was founded in February 1999, and is funded by donations. The Vestry is required to retain the fund for a specific purpose, and has no power to convert the fund into income. Interest received by the fund is used to support expenditure on liturgical music as determined by the Vestry.

The **Overseas fund** was created by a bequest from the late Hubert Fortune. The terms of the bequest provide that the fund shall be used to support the work of the Church overseas.

The **Jerusalem Still fund** was created by grant from The Jerusalem Trust for the conservation, permanent exhibition, insurance and maintenance of the artwork *Still* by Alison Watt loaned to the Church and exhibited in the Memorial Chapel. To the extent that the grant cannot be used for this purpose, it must be returned.

The **Buildings fund** provides for any required expenditure (capital or revenue) on Church properties beyond normal recurring or routine maintenance. It is funded by a substantial legacy received in 1995, by subsequent gains on disposals of investment assets, and by specific donations and legacies.

The **Memorial fund** is credited with legacies transferred in accordance with the policy described in note 1(e). The fund is available for specific projects at the discretion of the Vestry.

The **Organ fund** provides for the cost of non-routine maintenance of the organ. The fund is maintained through periodic contributions from the general fund, and specific donations.

20. Material commitments

At the balance sheet date the Vestry had made the following material expenditure commitments:

	Total amount committed	Amount outstanding brought forward	Amounts charged during the year	Amounts released during the year	Amount outstanding carried forward
	£	£	£	£	£
Preparation of building development plan	3,525	1,189	(900)	2,089	-
Multiple occupancy licensing	12,000	7,866	4,798	3,068	-
Roof maintenance	5,993	-	-	-	5,993
	21,518	9,055	3,898	5,157	5,993

All outstanding amounts are payable within one year.