

Old Saint Paul's
Episcopal Church

SCOTTISH CHARITY NUMBER SC017399

**Report and Accounts
for the Year ended
30 September 2008**

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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:
Janet de Vigne

Vestry Clerk: Virginia Franklin

Treasurer: Nigel Cook

Lay Representative: Lynne Niven (*retired 9 December 2007*)
Helen Tyrrell (*elected 9 December 2007*)

Ordinary members: Nicholas Adams (*retired 9 December 2007*)
Tom Birch (*appointed 17 September 2008*)
James Campbell (*retired 9 December 2007*)
Caroline Gooch (*elected 9 December 2007*)
Caroline Hextall
James Hutchinson (*resigned 18 June 2008*)
David McLellan (*elected 9 December 2007*)
Maggie Stanfield
Helen Tyrrell (*retired on election as Lay Representative
9 December 2007*)
James Wynn-Evans (*co-option lapsed on election 9 December 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: Sarah Wolffe
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 2008

As Trustees of Old Saint Paul's Episcopal Church, the Vestry presents its report and accounts for the year ended 30 September 2008. These have been prepared in accordance with applicable charities law and 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. Casual vacancies may be filled by the Vestry, and up to 3 members may be co-opted by the Vestry for a period not exceeding one year.

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.

Resolutions of General Synod of the Scottish Episcopal Church provide that the primary duties of every congregation are to provide the

prescribed stipend and allowances for its cleric(s) and to contribute to central funds through payment of Quota.

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

Last year the Vestry was looking ahead to the results of the stewardship renewal programme held in autumn 2007. This was an important development which, the Vestry hoped, would underpin its immediate development goals of strengthening liturgical resources, boosting children's ministry, protecting our buildings, and supporting the work of our clergy team.

We were gratified to be able to report to the Annual Meeting in 2007 that pledged giving had been increased by 55%, and subsequently we learned that the reduction in Gift Aid due to the lower rate of income tax had effectively been deferred by 3 years.

Pledged and payroll giving for 2007-08 (including Gift Aid) has increased from £67,800 to £98,200, and is forecast to exceed £105,000 in 2008-09 (the first full accounting year to benefit).

This was a welcome endorsement of the Vestry's vision for the future maintenance and development of the Congregation. It has enabled the Vestry to commence, maintain or enhance activities adopted in pursuit of its goals.

Report of the Vestry (continued) Year ended 30 September 2008

Achievements and performance (continued)

Last year, we reported the recruitment of Michelle Brown as part-time children's worker. Michelle has brought new life and direction to our children's ministry, and in February the Vestry was able to increase the number of paid hours, when the need for this was demonstrated.

We also reported changes in music staffing. Since last year we have completed recruitment of an organ scholar and 4 choral scholars, who provide a firm base for the choir. All contribute to the life of the Congregation in other ways, and each has returned for a second year.

Significant developments have arisen concerning our buildings this year. During the early part of the year much-needed upgrading and modernisation of plumbing arrangements was carried out in the Rectory. Early in 2009, the draughty and leaking rooflights will be renewed in connection with redevelopment of the curate's accommodation at 41 Jeffrey Street.

Redevelopment work at 41 Jeffrey Street will also include much-needed modernisation of plumbing facilities, provision of a modern kitchen, and re-organisation of the space. In both properties insulation will be improved.

The Vestry has received the results of the latest quinquennial survey of all our properties. This brought the message that, whilst continuing maintenance had preserved an acceptable level of repair, it was now time to embark on urgently required works to prevent the onset of accelerated deterioration.

Fortunately, many of these works are eligible for grant funding under Historic Scotland's repair scheme for listed places of worship. The indicative total cost of eligible repairs amounts to £840,000. Since this exceeds the maximum for any one application, the Vestry is proceeding on a phased basis. We have already submitted an application for a phase 1 project, amounting to £382,000, and have received indications of grant support totalling £191,200.

The balancing sum will need to be met, partly from the Vestry's reserves and partly by fund-raising. Further information concerning this, and covering the cost of subsequent phases, will be presented to the Annual Meeting and circulated within the Congregation.

Finally, we have been able once again to consider the appointment of a full-time stipendiary assistant curate. A Provincial grant towards part of stipend was available, and so the Bishop approved the appointment of Simon Tibbs, who was then in training at Westcott House, Cambridge. Simon is no stranger to Old Saint Paul's, having worshipped here while a student in Edinburgh over ten years ago. He was ordained to the diaconate on 5 October

2008, and is continuing his training at Old Saint Paul's while also being a member of the ministry team.

Other developments during the year included the launch of a replacement website in December 2007, the formation of an eco-congregation group and continuation of involvement in Fairtrade, discussions on blocked sewers with Scottish Water, two members of the children's team participated in a Youth Camp in the Diocese of Cape Coast (one of our companion dioceses), and the proposed Anglican Covenant briefly reared its head in the Vestry.

Towards the end of 2007 we learned with concern that Canon Ian Paton was to undergo surgery in the new year, and would be away from duty for 3 months. We are glad to report a successful outcome to surgery, and offer our appreciation of the contribution of our non-stipendiary clergy and other helpers during the Rector's absence (which included a busy Holy Week and Easter).

We have recently said farewell to Father Ross Bell, who has left us to concentrate on his involvement as Community Development Officer with the Granton Waterfront project, and also to Father Anderson Jeremiah, who has left us for a part-time stipendiary position at Christ Church, Morningside, while he completes his doctoral thesis.

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 2008, the UTP decreased in value by 15.7%. This compares with a return of -7.4% from a weighted index based on 70% shares and 30% stocks. Whilst 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), recent market collapses are naturally a cause of concern, given the need to realise investments to fund expenditure on buildings.

The Vestry has approved a partial realisation of its UTP holding, and the total realisation of its smaller holding in JPM Global Fund, combined with a spreading of its cash resources over a greater number of institutions, to take full advantage of the benefits of the Depositor Protection Scheme.

Financial review

On the general fund (which meets all normal operating expenses) there was a net operating surplus for the year of £20,343, compared with a net surplus of £929 in the preceding year. This improved result is principally the result of the stewardship renewal programme held during the year.

Report of the Vestry (continued)

Year ended 30 September 2008

Financial review (continued)

However, the Vestry has also expended from the buildings fund £34,531 on upgrading Lauder House and £6,771 on church roof maintenance, and income of £1,300 from the John Steer endowment fund has supported liturgical music.

Without these reserve funds, the expenditure detailed above would require to be met from the general fund. Including these funds, the Vestry had a net operating deficit of £22,259 (2007 – deficit £6,552).

The financial result of the year is summarised as follows:

	<i>Unrestricted funds</i>	<i>Restricted funds</i>
	<i>£'000s</i>	<i>£'000s</i>
Voluntary income	116	6
Fundraising	18	–
Investment income	20	3
Total generated funds	154	9
Other income	8	2
Total incoming resources	162	11
Resources expended	182	28
Net (outgoing) resources	(20)	(17)
Unrealised investment losses	(80)	–
Net movement for year	(100)	(17)

Both the buildings fund and the John Steer fund have benefitted through substantial legacies from former members of the Congregation. This may be an appropriate time to remind members of the Congregation of the value of including the church in their wills. The Treasurer or Stewardship Recorder can give appropriate advice.

Expenditure on grants and supporting expenditure from the Overseas Fund amounted to £26,456.

Income

Voluntary income comprises regular giving by the Congregation, other donations and legacies. Open plate giving declined slightly (by £600), but from January pledged and payroll giving benefitted from the results of the stewardship programme, increasing by £30,400 (including Gift Aid). We also continued to benefit from a number of generous donations from individuals.

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. Investment income declined slightly, partly due to funding of expenditure and partly due to progressive reductions (from 5.75% to 5%) in bank base rate across the year.

Expenditure

Direct operational costs increased significantly this year – by £52,000 or 34%. This is not an indicator of profligacy on the part of the Vestry! This increase results from two causes –

embarkation on our expansion programme, and carrying out essential upgrading on our properties. A smaller contributor is the fact that costs in 2007 were lower, due to a reduction then in stipendiary clergy and transition in the music department.

During 2008, programme expansion resulted in children's ministry consuming an additional £7000, music an additional £1000, and tithing grants an additional £4000 (this increase being a direct function of increasing income). The remainder of the increase is accounted for by already mentioned buildings costs totalling £41,000.

Grants totalling £25,695 were made from the overseas fund (supported by inbound grants and donations of £5,591), and tithing grants amounted to £8,200. The overseas fund, created by legacy from the late Hubert Fortune, a former member of the Congregation, is approaching extinction, with perhaps one more year of disbursement remaining. In preparation for this consideration is being given to merging the groups responsible for this fund and for tithing.

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.

Report of the Vestry (continued) Year ended 30 September 2008

Plans for future periods

The Vestry looks forward to continuing to benefit from a healthy level of giving from members of the Congregation, and will seek opportunities for maintaining or improving the value of giving.

This support will enable the Vestry to continue its funding of children's ministry and liturgical resources. The work of our clergy team will be supported through the recent appointment of a stipendiary curate and maintaining acceptable housing standards.

The Vestry will support the development of eco-congregation issues and Fairtrade involvement. New opportunities for ministry and mission will be sought, and existing avenues supported.

A major consideration for the immediate future will be securing allocated grant aid from Historic Scotland and the Heritage Lottery Fund towards the cost of urgent building repairs, and additional fund-raising towards the cost of this and further essential projects.

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

3 December 2008

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

3 December 2008

Committee reports

Finance Committee

Members of the Committee during the year were: Nicholas Adams (*until December*), Margaret Aspen, Nigel Cook, Paul Jourdan, Sam Lever (*until December*), David McLellan (*from April*), and Ian Paton.

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, gives advice to the Vestry on various matters, and assists in preparation of the annual accounts the budget. The committee is also responsible for insurance protection and investment strategy.

This year in particular the committee has considered and given advice to the Vestry on the security of its investments and deposits, on

various building projects undertaken or to be undertaken, and on grant applications currently in progress to support these projects.

Early in the year Nicholas Adams and Sam Lever resigned from the committee due to work commitments, and Nicholas Adams stood down as Convenor. We thank them both for the care and insight they brought to the committee's deliberations. Ian Paton served as interim Convenor, until David McLellan joined the committee in April and was appointed Convenor.

NIGEL COOK

Property Committee

Members of the Committee during the year were: Tim Blackmore, James Campbell, Jennie Gardner, Carrie Gooch, Trevor Harding, Stephen Harries, James Hutchinson, Robb Liddle, Lynne Niven, Ian Paton, Arthur Williams, and Jim Wynn-Evans.

In addition to the 'painting the Forth Bridge' type of work on lights and drains—some leak, some block, we have done some work on 39 Jeffrey Street and have arrangements in hand for some more, and a very considerable modernisation of 41 Jeffrey Street in the new year.

The highlight of the year has been our successful application to Historic Scotland and the Heritage Lottery Fund for a grant of 50% of

the cost of work on the upper parts of the church: stonework, leadwork, gutters. The bad news is that we shall have to find the other 50% and, apart from the absence of puddles, we shan't notice the difference at ground level!

A restoration project will address a more ambitious programme, so that we shall be able to deal with work where the difference will be visible and rewarding.

James Hutchinson retired from the committee during the year on going to work abroad. We shall miss his reliable work and lively contributions to our meetings.

JIM WYNN-EVANS

Group reports

Reports submitted by congregational groups appear below. Groups with content on the Church website (www.osp.org.uk) have the location of their page(s) indicated, where more information about the group is available, including contact details.

Choir

osp.org.uk/index.php/liturgy/choir/

I am extremely gratified with the choir's development over the past year. Four choral scholars were appointed by early 2008, and volunteer numbers in the choir have increased since then. Calum Robertson, our organ scholar, has continued to contribute much to our musical life and has ably taken charge on a few occasions when I have been absent.

Kathryn Jourdan, assisted by Jennie Gardner and other choir members, works hard with the junior choristers, who now sing more frequently. We have an extremely committed choir, who greatly appreciate the support they receive from the Vestry and Congregation.

JOHN KITCHEN

Servers

osp.org.uk/index.php/groups/group/servers/

During 2008 the servers have been coping with absence with customary resilience, when a variety of reasons led to several of their number being unavailable at various times.

We fitted in an extra outing before Christmas when we followed the yellow brick road to the Lyceum Theatre, but have still to schedule a summer outing postponed due to absences.

Active numbers remain at 17, but there's always room for new recruits – willingness to learn and sense of humour are the only skills required.

NIGEL COOK

Liturgical rotas

(readers, intercessors, offertory procession)

Readers: We have a large number of readers – though not at Evensong – anyone wishing to be on the list is invited to ask.

osp.org.uk/index.php/groups/group/readers/

Intercessors: Members of the group lead the prayers of the congregation during High Mass on Sundays. Training sessions are held 2 or 3 times a year and new people are always welcome.

Offertory procession: Two people each Sunday take the bread and wine up to the altar. Everybody should have the chance to do this if they wish to. Please ask.

We are grateful to all who make this essential contribution to the liturgy.

**SHEILA BROCK
JANET DE VIGNE**

Children's ministry

osp.org.uk/index.php/groups/group/childrens_ministry/

This year we continued to tell *Godly Play* on two Sundays a month. On other Sundays, lessons were based on the readings in church. In the summer, we studied the Lord's Prayer through arts and crafts, games and bible stories.

The crèche has been re-decorated, complete with a mural painted by Theo Upton and John Thompson. On Sunday mornings, the new space is enjoyed by the youngest church members along with a rotation of crèche volunteers.

Our youth group, Young Saint Paul's (YSP), started up again. We met twice a month for a Bible Study prior to High Mass. YSP also met for cooking, baking, a pizza party and painting the crèche mural.

Jennie Gardner joined the Children's Ministry team this year which is also comprised of Steven Martz, Paul Lugton, John Thompson and Emma Johnston.

MICHELLE BROWN

Flowers

This year's flowers have received much appreciation, and there were many notable arrangements. We lost Linda Griffiths to her hard work for noble causes but acquired a glamorous arranger in Sarah Wilkinson. Now our floral contributions range from the most natural and whimsical at one end to the most studied and formal at the other. We even managed a gloriously hot summer trip to Malleny House Garden.

We have provided displays in three or four places in church every week for an amazingly low cost. I am grateful to all the team members for their dedication and hard work, and for their constant willingness to step in.

TINA WOOD

Pastoral activities

The monthly hall Masses continue to be a very important activity for the group. Here, the older members of the Congregation can share the Eucharist with friends and then share lunch together. The pastoral visiting team have continued to visit the housebound and those in hospital and information about anyone who would benefit from regular visiting should be passed to either a member of the clergy or me.

LYNNE NIVEN

Group reports (continued)

Social activities

osp.org.uk/index.php/groups/group/parish_lunch_group/

The parish lunch group prepares three lunches each year, on our patronal feasts and on Christ the King. In addition, we provide a buffet on Refreshment Sunday, and breakfast after the Easter Vigil Mass. We also assist with things such as the recent refreshments to mark Simon Tibbs' first full Sunday with us.

I am deeply grateful to the volunteers who give up most of a weekend to get the food on the table for a lunch, those who undertake the Easter breakfast when I am usually on holiday, and all those who cheerfully deal with much washing up.

JAMES CAMPBELL

Walking osp.org.uk/index.php/groups/group/walking_group/

Companionship, fresh air, exercise, the beauties of the countryside surrounding Edinburgh — these are the things that the walking group has enjoyed in the last twelve months. Walks have ranged from moderately strenuous ones, such as St Abbs to Fast Castle, where the spectacular cliff scenery delighted us and the bracing air invigorated us, to gentler ones like that by the Falls of Clyde.

Members, their friends and relatives are most welcome to come along, usually on the fourth Saturday of each month from September to June. Stout walking boots or shoes and warm waterproof gear are, of course, essential as well as a 'get up and go' attitude!

**CHRISTINE STEVENSON
BRENDA WHITE**

Overseas funding

During the past year we have again supported the Lisu people in Burma and the Cultural Centre in Jenin. The tithing group sent additional money to Burma to provide support for the victims of the cyclone disaster. Money was also sent through Jagat Santra to help Christians who have been victims of hostility and violence in parts of India. Smaller donations have been made to causes in Swaziland and Russia.

SHEILA BROCK

The following other groups exist but have not submitted a report:

Development group seeks to communicate our community within the church and the wider world
JEAN KELTIE
osp.org.uk/index.php/groups/group/development_group/

Publications group is responsible for production of our monthly newsletter and annual magazine
STEPHEN HARRIES and SHEILA BROCK
osp.org.uk/index.php/groups/group/white_rose_group/

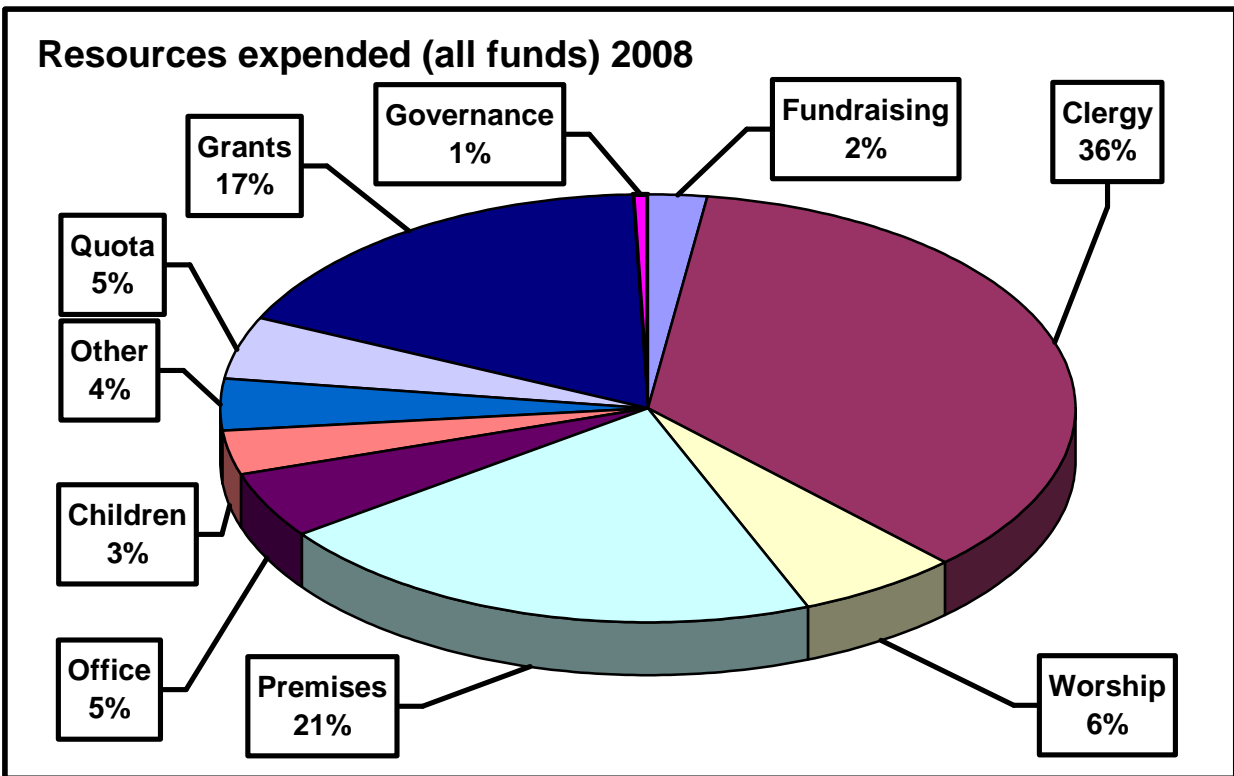
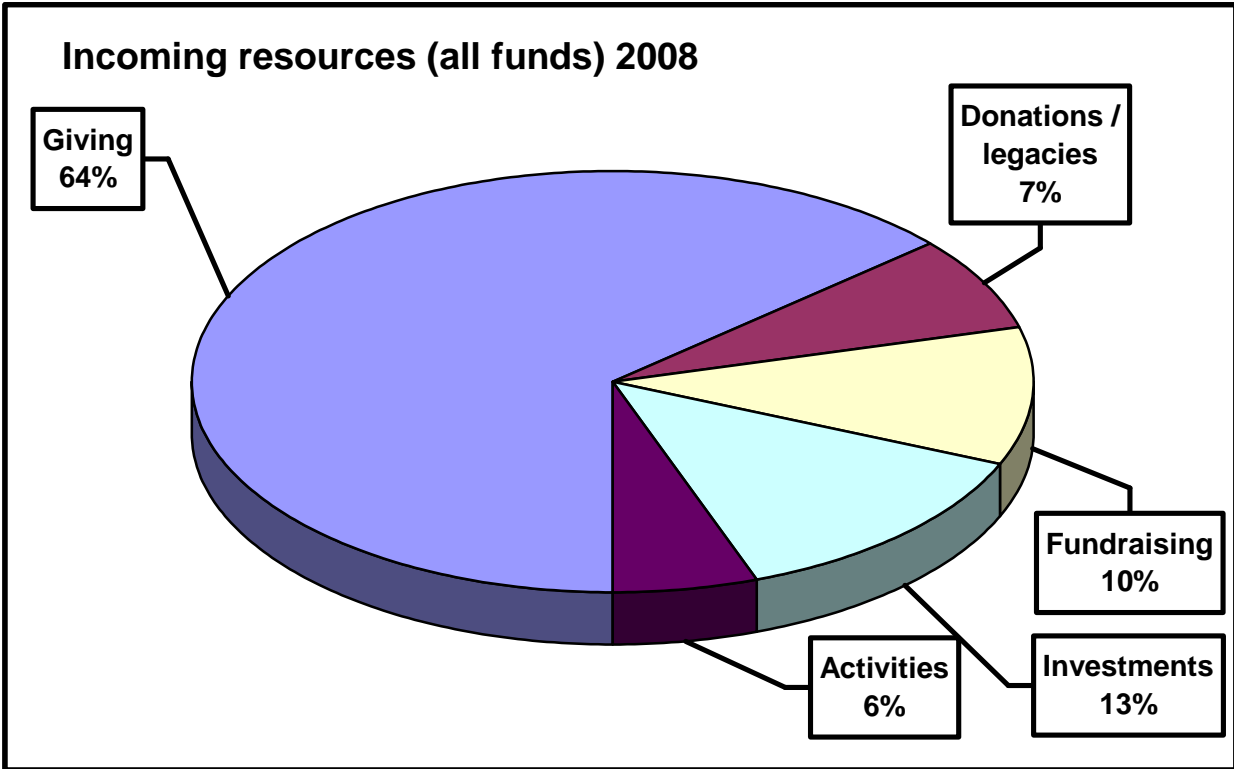
Sacristans maintain the church's vestments and other liturgical wares and supplies
PETER UNSWORTH
osp.org.uk/index.php/groups/group/sacristans/

Tithing group collates and considers proposals for distribution of the Vestry's tithing fund
MAGGIE STANFIELD
osp.org.uk/index.php/groups/group/tithing_group/

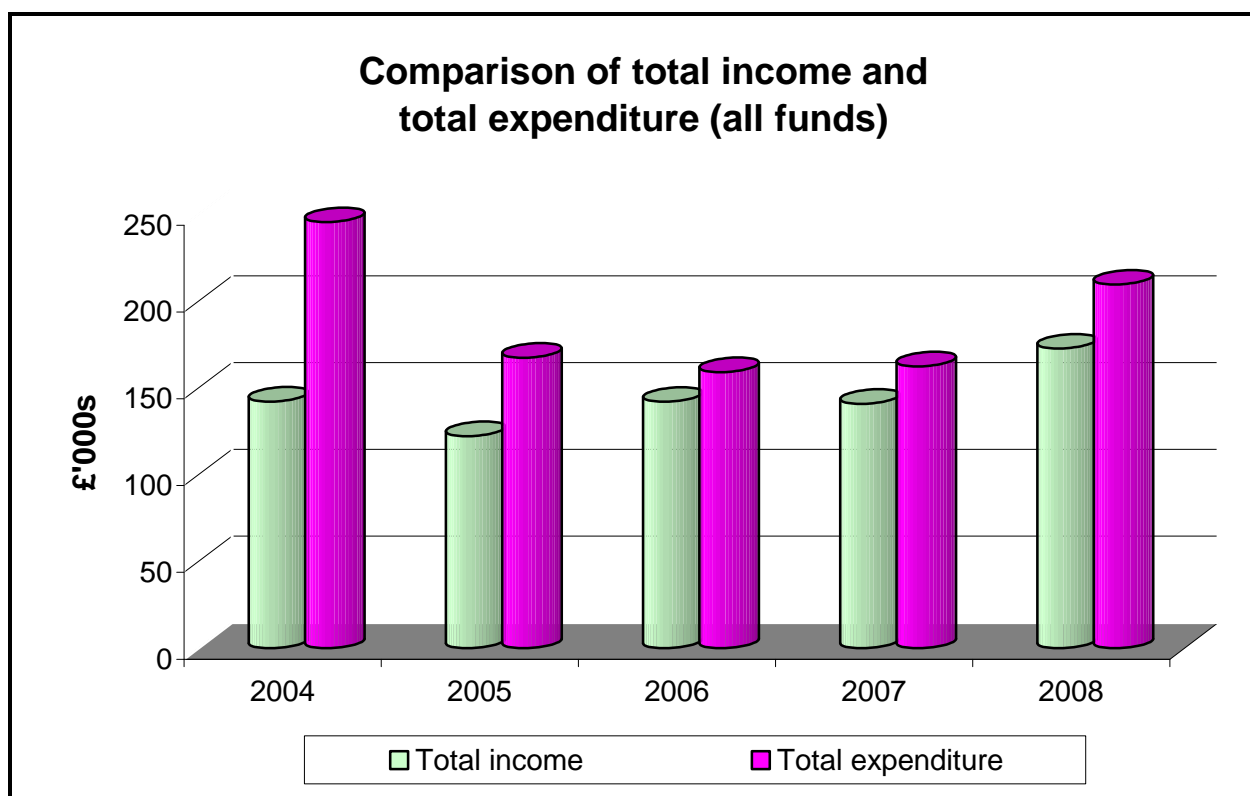
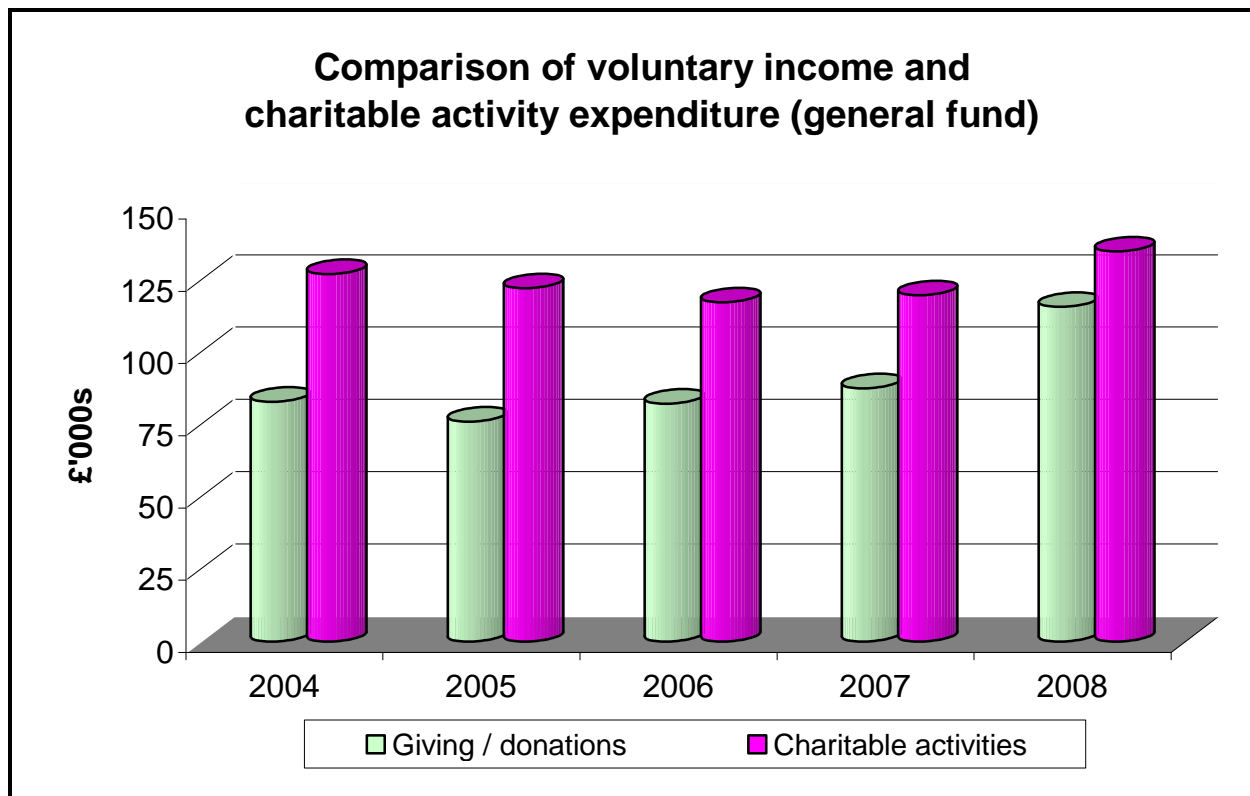
Young adults social group in the 20-/30- age range meets regularly for a blether
PAUL LUGTON
osp.org.uk/index.php/groups/group/young_adults_group/

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

Summary of accounts Year ended 30 September 2008



Summary of accounts (continued) Year ended 30 September 2008





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 2008 which are set out on pages 13 to 24.

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
5 December 2008

Statement of financial activities

Year ended 30 September 2008

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2008	Total funds 2007
		General	Designated				
		£	£	£	£	£	£
Incoming resources							
Incoming resources from generated funds:							
Voluntary income	2(a)	115,806	-	4,091	2,564	122,461	92,607
Activities for generating funds	2(b)	18,016	-	-	-	18,016	18,123
Investment income	2(c)	19,509	220	1,678	1,249	22,656	23,474
<i>Total generated funds</i>		153,331	220	5,769	3,813	163,133	134,204
Incoming resources from charitable activities	3	7,564	-	2,000	-	9,564	6,666
Total incoming resources		160,895	220	7,769	3,813	172,697	140,870
Resources expended							
Costs of generating funds:							
	4	4,463	-	-	-	4,463	8,815
Charitable activities:							
Clergy costs	6	40,041	34,531	-	-	74,572	36,723
Worship costs		11,657	-	-	1,300	12,957	11,615
Premises and fabric costs		37,287	6,771	-	-	44,058	44,175
Office costs		10,724	-	-	-	10,724	10,070
Children's ministry costs		7,215	-	-	-	7,215	279
Other activities and costs		6,828	-	761	-	7,589	5,146
Diocesan quota		10,382	-	-	-	10,382	11,878
Grants and donations	13	10,871	-	25,695	-	36,566	32,105
<i>Total costs of charitable activities</i>		135,005	41,302	26,456	1,300	204,063	151,991
Governance costs	7	1,084	-	-	-	1,084	1,678
Total resources expended		140,552	41,302	26,456	1,300	209,610	162,484
Net incoming / (outgoing) resources before transfers		20,343	(41,082)	(18,687)	2,513	(36,913)	(21,614)
Gross transfers between funds	8	7,209	(7,209)	-	-	-	-
Net incoming / (outgoing) resources before other recognised gains and losses		27,552	(48,291)	(18,687)	2,513	(36,913)	(21,614)
Other recognised gains and losses:							
(Losses)/gains on investment assets	9	(79,583)	-	-	-	(79,583)	5,084
Net movement in funds		(52,031)	(48,291)	(18,687)	2,513	(116,496)	(16,530)
Reconciliation of funds:							
Total funds at 1 October 2007		440,297	128,824	47,528	39,493	656,142	672,672
Total funds at 30 September 2008	19	388,266	80,533	28,841	42,006	539,646	656,142

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 15 to 24 form an integral part of these accounts.

Balance sheet

30 September 2008

	Note	2008		2007	
		£	£	£	£
Fixed assets					
Tangible assets held for Church use	14		76,013		70,732
Investments:					
Investments held for a financial return	15(a)	361,987		497,313	
Programme-related (social) investments	15(b)	639		632	
			<u>362,626</u>		<u>497,945</u>
			438,639		568,677
Current assets					
Debtors	16	27,097		24,668	
Cash in building society		79,824		59,260	
Cash at bank and in hand		9,967		27,155	
		<u>116,888</u>		<u>111,083</u>	
Liabilities					
Creditors: amounts falling due within one year	17	15,881		23,618	
				<u>101,007</u>	<u>87,465</u>
Net current assets					
			<u>539,646</u>		<u>656,142</u>
Net assets					
Funds					
Endowment fund	18		42,006		39,493
Restricted income funds	18		28,841		47,528
Unrestricted income funds	18		468,799		569,121
			<u>539,646</u>		<u>656,142</u>
Total charity funds					

The notes on pages 15 to 24 form an integral part of these accounts.

**APPROVED FOR ISSUE BY THE MEMBERS OF THE VESTRY (TRUSTEES) ON 3 DECEMBER 2008
AND SIGNED ON THEIR BEHALF BY**

VIRGINIA FRANKLIN
Vestry Clerk

Notes to the accounts Year ended 30 September 2008

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 2008

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 2008	Total funds 2007
	General	Designated				
	£	£	£	£	£	£
<i>Congregational giving:</i>						
'Open plate' giving	11,410	-	-	-	11,410	12,018
Pledged giving	67,184	-	-	-	67,184	47,543
Gift Aid claimed on giving	18,488	-	-	-	18,488	13,425
Payroll giving	12,560	-	-	-	12,560	6,836
<i>Total congregational giving</i>	109,642	-	-	-	109,642	79,822
Donations (including Gift Aid)	6,164	-	4,091	2,564	12,819	12,785
	115,806	-	4,091	2,564	122,461	92,607

(b) Activities for generating funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2008	Total funds 2007
	General	Designated				
	£	£	£	£	£	£
Space letting	18,016	-	-	-	18,016	18,123

(c) Investment income

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2008	Total funds 2007
	General	Designated				
	£	£	£	£	£	£
Investment properties	4,012	-	-	-	4,012	3,770
Listed securities and unit trusts	12,344	-	-	-	12,344	11,683
Programme-related investments	7	-	-	-	7	4
Interest on cash deposits	3,146	220	1,678	1,249	6,293	7,577
	19,509	220	1,678	1,249	22,656	23,474

Notes to the accounts (continued)

Year ended 30 September 2008

3. Analysis of incoming resources from charitable activities

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2008	Total funds 2007
		General	Designated				
Church fees		£	£	£	£	£	£
Activities	5	-	-	-	-	-	223
Central grants		7,464	-	-	-	7,464	5,271
Other grants		-	-	1,500	-	1,500	1,000
Other income		-	-	500	-	500	-
		100	-	-	-	100	172
		7,564	-	2,000	-	9,564	6,666

4. Analysis of costs of generating funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2008	Total funds 2007
	General	Designated				
<i>Space letting:</i>	£	£	£	£	£	£
Property maintenance	90	-	-	-	90	3,135
Professional fees and costs	-	-	-	-	-	1,662
Allocated premises and office costs	4,373	-	-	-	4,373	4,018
<i>Total space letting</i>	4,463	-	-	-	4,463	8,815

5. Activities income and expenditure

	Incoming resources	Resources expended	Net incoming / (outgoing) resources 2008	Net incoming / (outgoing) resources 2007
			£	£
Pastoral group	-	-	-	(305)
Social activities	463	591	(128)	99
Magazine and newsletter	-	1,177	(1,177)	(1,111)
Festival productions	4,759	2,994	1,765	892
Parish lunches	943	124	819	731
Sunday refreshments	1,299	376	923	687
	7,464	5,262	2,202	714

6. Analysis of resources expended on charitable activities

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2008	Total funds 2007
		General	Designated				
Clergy costs		£	£	£	£	£	£
Stipends and pensions	12	28,325	-	-	-	28,325	28,253
Allowances and training		2,177	-	-	-	2,177	2,215
Housing utilities and insurance		4,900	-	-	-	4,900	3,823
Housing maintenance		3,607	34,531	-	-	38,138	588
Travelling expenses		1,032	-	-	-	1,032	952
		40,041	34,531	-	-	74,572	36,723
<i>Carried forward</i>		40,041	34,531	-	-	74,572	36,723

Notes to the accounts (continued)

Year ended 30 September 2008

6. Analysis of resources expended on charitable activities (continued)

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2008	Total funds 2007
		General	Designated				
		£	£	£	£	£	£
<i>Brought forward</i>		40,041	34,531	-	-	74,572	36,723
Worship costs							
Music salaries	12	8,206	-	-	-	8,206	7,161
¹ Other music costs		96	-	-	1,300	1,396	1,295
² Other worship costs		3,355	-	-	-	3,355	3,159
		11,657	-	-	1,300	12,957	11,615
Premises and fabric costs							
Utilities		8,210	-	-	-	8,210	8,067
Cleaning		8,242	-	-	-	8,242	7,553
Repairs and maintenance		9,955	6,771	-	-	16,726	17,765
Insurance		9,370	-	-	-	9,370	9,061
Premises and plant depreciation		4,134	-	-	-	4,134	4,729
Allocation to space letting		(2,624)	-	-	-	(2,624)	(2,411)
		37,287	6,771	-	-	44,058	44,175
Office costs							
Salaries	12	7,785	-	-	-	7,785	7,411
Printing and stationery		1,395	-	-	-	1,395	818
Postage and telephone		1,438	-	-	-	1,438	1,498
³ Other office costs		556	-	-	-	556	868
Office equipment depreciation		1,299	-	-	-	1,299	1,279
Allocation to space letting		(1,749)	-	-	-	(1,749)	(1,607)
		10,724	-	-	-	10,724	10,070
Children's ministry costs							
Salaries	12	4,804	-	-	-	4,804	-
Allowances and training		472	-	-	-	472	-
Other children's costs		1,939	-	-	-	1,939	279
		7,215	-	-	-	7,215	279
Other activities and costs							
Activities	5	4,762	-	500	-	5,262	4,278
Advertising and publicity		578	-	-	-	578	425
Legal and professional fees		999	-	-	-	999	(456)
Bank charges		171	-	261	-	432	156
Other costs		318	-	-	-	318	743
		6,828	-	761	-	7,589	5,146
Total directly funded		113,752	41,302	761	1,300	157,115	108,008
Diocesan quota		10,382	-	-	-	10,382	11,878
Grants and donations	13	10,871	-	25,695	-	36,566	32,105
		135,005	41,302	26,456	1,300	204,063	151,991

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 2008

7. Analysis of governance costs

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2008	Total funds 2007
	General	Designated				
	£	£	£	£	£	£
External scrutiny of accounts	1,081	-	-	-	1,081	1,322
Vestry meetings	3	-	-	-	3	256
	1,084	-	-	-	1,084	1,678

8. Analysis of transfers between funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2008	Total funds 2007
	General	Designated				
	£	£	£	£	£	£
Transfer to Organ fund	(1,200)	1,200	-	-	-	-
Property improvements	8,409	(8,409)	-	-	-	-
	7,209	(7,209)	-	-	-	-

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 2008	Total funds 2007
	General	Designated				
	£	£	£	£	£	£
Unrealised (losses)/gains on revaluation	(79,583)	-	-	-	(79,583)	5,084

10. Analysis of net movement in funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2008	Total funds 2007
	General	Designated				
	£	£	£	£	£	£
Net movement in funds per Statement of Financial Activities	(52,031)	(48,291)	(18,687)	2,513	(116,496)	(16,530)
Net income / (expenditure) on functional fixed assets	(5,281)	-	-	-	(5,281)	(13,125)
Other adjustments	7	-	-	-	7	(3)
Net increase / (decrease) in liquid funds	(57,305)	(48,291)	(18,687)	2,513	(121,770)	(29,658)

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 2008

12. Clergy and staff costs and emoluments

	2008	2007
	£	£
Gross stipends and salaries	41,292	35,147
Employers' national insurance contributions	2,402	2,403
Cost of pension contributions	5,426	5,275
	49,120	42,825

	Average headcount		Average full time equivalent	
	2008	2007	2008	2007
Clergy	1.0	1.0	1.0	1.0
Music	6.3	2.0	0.8	0.3
Office	1.0	1.0	0.4	0.4
Children's ministry	1.0	-	0.3	-
	9.3	4.0	2.5	1.7

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 2008 payable by the Vestry.

13. Grants and donations

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

	£
<i>From the General Fund as part of the Tithing programme:</i>	
Faith in Older People <i>To support the quarterly newsletter of an organisation that aims to celebrate the lives of older people and support their spiritual care</i>	1,500
Fareshare Trust <i>An organisation which redistributes food to disadvantaged people</i>	1,500
Lisu Project (Burma) <i>To assist minority Christians in Burma with cyclone relief</i>	2,000
Positive Action in Housing <i>A Scottish charity providing housing for migrant refugees from ethnic minorities</i>	2,000
Streetwork UK <i>To support a new social enterprise giving young homeless people training and employment opportunities</i>	1,200
Tithing Total	8,200
The Ark Trust <i>To assist with the legal expenses of converting the legal form of the enterprise from judicial factory to company limited by guarantee</i>	2,424
Small payments of under £100 totalling	247
General Fund Total	10,871

Note continues on following page.

Notes to the accounts (continued)

Year ended 30 September 2008

13. Grants and donations (continued)

<i>General Fund Total brought forward</i>	£ 10,871
From the Overseas Fund:	
Grants to individuals (total)	5,695
<i>Grants paid to individuals include assistance with university fees and accommodation costs for overseas students studying in the United Kingdom. These payments were in part covered by donations and grants from individuals and other organisations.</i>	
Grants to institutions:	
Olive Orissa (India)	
<i>To complete the construction of a building providing medical support</i>	2,000
<i>To assist humanitarian relief following sectarian attacks on Christians</i>	5,000
Childaid to Russia and the Republics	
<i>A UK Christian charity funding children's charities in the Russian republics</i>	2,000
Jenin Cultural Centre (Palestine)	(two grants) 5,000
<i>A multi-cultural organisation for young people on the West Bank; to provide musical instruments and second-hand computers</i>	
Lisu Project (Burma)	(two grants) 5,000
<i>To support vocational skills training for income-generating projects and development awareness training for the minority Lisu people of northern Burma</i>	
Swaziland Schools Project	1,000
<i>A UK charity which provides facilities for primary education in Swaziland</i>	
<i>Total institutional grants</i>	20,000
Overseas Fund Total	25,695
Total grants and donations	36,566

Funds raised for third parties:

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

Bishop of Edinburgh's Lent Appeal	£ 958
Christian Aid	653

During 2007, the Congregation raised £1,593 for The Ark, a local centre for the homeless which is currently closed. Pending resolution of various issues relating to the future of The Ark, the sum raised has been retained meanwhile by the Vestry, and is included within other creditors.

Notes continue on following page.

Notes to the accounts (continued)

Year ended 30 September 2008

14. Tangible fixed assets held for Church use

	Property improve- ments £	Plant and machinery £	Office equipment £	Total £
Cost				
Balance at 1 October 2007	73,945	40,858	8,674	123,477
Additions in year	8,406	1,045	1,263	10,714
Balance at 30 September 2008	82,351	41,903	9,937	134,191
Depreciation				
Balance at 1 October 2007	12,997	35,530	4,218	52,745
Charge for the year	2,599	1,535	1,299	5,433
Balance at 30 September 2008	15,596	37,065	5,517	58,178
Net book value				
At 30 September 2008	66,755	4,838	4,420	76,013
At 30 September 2007	60,948	5,328	4,456	70,732

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 2008 the church and Lauder House were insured for £13,995,125, 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 2007	24,615	342,700	129,998	497,313
Reduction in uninvested cash	-	-	(55,743)	(55,743)
Unrealised (loss)/gain on revaluation	-	(79,583)	-	(79,583)
Carrying value at 30 September 2008	24,615	263,117	74,255	361,987
Historical cost at 30 September 2008	6,907	148,841	74,255	230,003

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 30 September 2008.

All investments are held in the United Kingdom.

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

	Carrying value 2008
	£
Scottish Episcopal Church Unit Trust Pool	206,746
JPM Global Fund	56,371
Dunfermline Building Society deposit	74,255

Note continues on following page.

Notes to the accounts (continued)

Year ended 30 September 2008

15. Investment assets (continued)

(b) Programme-related investments (social investments)

	2008	2007
	£	£
Shared Interest Society Ltd – equity capital shown at amount invested	639	632

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 2007) disclose net profit after share interest of £83k, net assets of £23.1m, and share capital of £21.7m.

16. Debtors

	2008	2007
	£	£
Gift aid receivable	5,816	4,300
Interest receivable	4,579	6,102
Other debtors	7,980	9,952
Prepayments and accrued income	8,722	4,314
	27,097	24,668

All amounts fall due within one year.

17. Creditors: amounts falling due within one year

	2008	2007
	£	£
Grants awarded but not paid	5,000	12,150
Other creditors	3,124	2,940
Taxation and social security	2,817	2,635
Accruals and deferred income	4,940	5,893
	15,881	23,618

18. Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds
	General	Designated			
	£	£	£	£	£
Tangible assets	76,013	–	–	–	76,013
Investment assets	210,253	80,354	31,023	40,996	362,626
Net current assets / (liabilities)	102,000	179	(2,182)	1,010	101,007
Fund balances	388,266	80,533	28,841	42,006	539,646

Notes to the accounts (continued)

Year ended 30 September 2008

19. Summary of fund movements

	Brought forward	Incoming resources	Resources expended	Transfers	Gains and losses	Carried forward
	£	£	£	£	£	£
Endowment fund						
John Steer music fund	39,493	3,813	1,300	-	-	42,006
Restricted funds						
Overseas fund	45,301	6,985	25,956	-	-	26,330
Jerusalem Still fund	2,227	284	-	-	-	2,511
Other funds	-	500	500	-	-	-
	47,528	7,769	26,456	-	-	28,841
Unrestricted funds						
<i>Designated funds:</i>						
Buildings fund	112,362	-	41,302	(8,409)	-	62,651
Memorial fund	7,088	-	-	-	-	7,088
Organ fund	9,374	220	-	1,200	-	10,794
	128,824	220	41,302	(7,209)	-	80,533
General fund	440,297	160,895	140,552	7,209	(79,583)	388,266
	569,121	161,115	181,854	-	(79,583)	468,799
Total charity funds	656,142	172,697	209,610	-	(79,583)	539,646

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 which are not included in the balance sheet as liabilities:

	Total amount committed	Amount outstanding brought forward	Amounts charged during the year	Amounts released during the year	Amount outstanding carried forward
	£	£	£	£	£
Renovation of 41 Jeffrey Street	120,000	-	13,666	-	106,334

All outstanding amounts are payable within one year.

In addition, the Vestry has in principle agreed to embark on a first phase of high level roof repairs with a cost value of £382,266. It is anticipated that repair grants for this work totalling £191,200 will be received from Historic Scotland and the Heritage Lottery Fund. At this stage, however, nothing has been committed by any party, beyond professional fees expended on developing the Vestry's funding application.