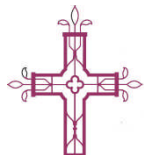




Report and Accounts for the Year ended 30 September 2011

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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:

Frank Ribbons (*retired 12 December 2010*)

Thomas Clement (*elected 12 December 2010*)

Vestry Clerk: Kimberley Moore Ede

Treasurer: Nigel Cook

Lay Representative: Helen Tyrrell

Ordinary members: Sophie Cartwright (*elected 12 December 2010*)

Jane Gardner (*retired 12 December 2010*)

Caroline Gooch

James Hutchinson

David McLellan

Mhairead Monelle (*elected 12 December 2010*)

Eric Stoddart (*elected 12 December 2010*)

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 (*retired 15 August 2011*)

Dean: The Very Reverend Kevin Pearson (*resigned 15 November 2010*)

The Very Reverend John Armes (*appointed 15 November 2010*)

Chancellor: Sarah Wolffe

Registrar: Robin Morton

BANKERS

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

SOLICITORS

Anderson Strathern LLP
1 Rutland Court
Edinburgh EH3 8EY

INDEPENDENT EXAMINER

Jeremy Chittleburgh BSc CA
Chiene + Tait
Chartered Accountants and Independent Examiners
61 Dublin Street
Edinburgh EH3 6NL

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



Profile of the Congregation

During winter of 2011-12, the Diocese of Edinburgh is seeking a new Bishop. As part of this process each charge in the Diocese contributed a page to a profile of the diocese, for the benefit of prospective candidates. The following information was provided by Old Saint Paul's and reflects circumstances as understood in May 2011.

Old Saint Paul's Episcopal Church, Jeffrey Street, Edinburgh EH1 1DH



Description of the Charge

Old Saint Paul's Church (OSP) is one of the original Episcopal churches in Edinburgh, situated in the historic Old Town and formed when Bishop Rose and his congregation left Saint Giles' Cathedral in 1689, when Presbyterianism was established.

The church is beautiful and still, a refuge from the noise and pressure of city-centre life, sustaining a pattern of worship, music and prayer in the anglo-catholic tradition – High Mass and Benediction on Sundays, and daily offices on weekdays. However, OSP also affirms the wide theological and spiritual backgrounds of its members.

OSP provides a spiritual home for a lively and diverse gathered congregation of around 300 members, plus visitors and occasional attenders. These now include people from a variety of Christian backgrounds. Church and hall are in constant and increasing use by the congregation and the wider Old Town for social and community activities.

Income and expenditure are closely balanced. There was a small unrestricted funds deficit of under £1,000 in 2010. Annual giving stood at £112k and fundraising for a major roof project raised £290k from a variety of sources.

Old Saint Paul's supports one full-time rector and a training curacy (half-funded by the Province), plus a non-stipendiary deacon and occasional voluntary input from other clergy. The ministry of women priests is welcomed.

Significant changes and developments in recent years

OSP has experienced a 20% growth in numbers in recent years, with a parallel reduction in its age profile. New members are now more actively welcomed and Church members contribute to daily worship and pastoral care, fundraising, property development and social events.

We now employ a part-time children's ministry worker, developing the use of Godly Play in children's worship. The young adults' group – XYMonday – meets to explore issues of contemporary Christianity and for social events. An ongoing Restoration and Renewal project is gradually making the church building more accessible and welcoming.

Where Old Saint Paul's does well

OSP continues to make high quality music an integral part of worship, benefitting from the addition of an organ scholar and four choral scholars, reinforcing a strong volunteer choir.

In addition, successful concerts and performances have enabled OSP to be part of the Edinburgh Festival Fringe – recently through its Hot Chocolate concert series.

The Church is a member of the Eco-congregation movement and regularly sets up a Fair Trade stall.

OSP tithes an agreed proportion of its annual income to local projects – most recently to The Yard and the Canongate Youth Project. It also hosts the Bethany Christian Trust's winter Night Shelter project. Through a legacy, the Church has supported overseas development and missionary work in the West Bank, Africa, India and south-east Asia.

Where Old Saint Paul's could do better

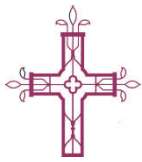
OSP believes that it could do more to support pastoral care of its members and the wider community.

Greater efforts could be made to collaborate with neighbouring churches of other denominations.

Opportunities for the future

Through God's grace, Old Saint Paul's strives to:

- welcome more people at daily worship
- recruit more volunteers to clean the church
- have more people give regularly by standing order, through Gift Aid
- improve communication, e.g. through its website
- welcome more families with children
- better use the skills, experience and energy of recently retired people
- establish stronger links with our local community.



Report of the Vestry (Trustees' report) Year ended 30 September 2011

As Trustees of Old Saint Paul's Episcopal Church, the Vestry presents its report and accounts for the year ended 30 September 2011. 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.

Except for 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 guidance explaining their duties and responsibilities. The Vestry welcomes new legislation permitting the purchase of trustee indemnity insurance.

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.

The Church is a 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 of the Church's 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

During 2010 the Vestry had responded to adverse influences on its financial operations with a number of changes in procedures and continuing careful monitoring of resources. This has continued throughout the current year, and has led to a small improvement in the net position.

This will continue to be a requirement for the immediate future. The transitional relief scheme which boosted Gift Aid income ended in April, and so income from congregational giving and donations is now worth 2.4% less. Like everyone else, we are now paying more in VAT and national insurance. The Vestry is therefore increasing its focus on encouraging committed and realistic giving. We will also draw attention to new tax reliefs on charitable bequests for deaths occurring after April 2012.



Report of the Vestry (continued) Year ended 30 September 2011

Achievements and performance (continued)

Through the Restoration and Renewal committee the Vestry has been moving towards Phase 2 of the programme. This focuses on improving the accessibility and visibility of the Jeffrey Street entrance. Key parts of this include installation of a wheelchair platform lift on the Calvary staircase, new doors, notice boards and lighting, and cleaning of internal stonework. Following consultation with the Congregation, proposals are now agreed and formal application for consent has been made to the Diocese.

At the same time, fundraising for the project has continued. Generous donations of varying size have been received, a third series of Festival concerts was held, and a winter bazaar is due to be held in December. A substantial contribution has been promised towards the platform lift. A dedicated group is also making approaches to likely trusts and other grant awarding bodies.

At the other end of the building, a group of volunteers from the Congregation has been transforming the memorial garden. The property committee has arranged for essential maintenance on the Laurie Halls roofs and drainage, and a barrage of complaints has been made to the local council about conditions in Carrubbers Close.

During the summer, Father Simon Tibbs' term as stipendiary curate was approaching its conclusion when he announced that he had been appointed Lecturer at the College of the Transfiguration in Grahamstown, South Africa for a temporary period of one year. Simon's last Sunday was 26 June, when we also said farewell to Bishop Brian, who was retiring in August. We miss Simon, but follow news of his progress with interest.

This means that we are now reduced to one full-time stipendiary cleric – the Rector. The nature of our Congregation and extent of its activities, particularly in liturgy, make heavy demands. The volume of support from non-stipendiary or retired clergy is also now lower than previously.

The Vestry is expecting to appoint a new curate in autumn 2012. We are also seeking additional non-stipendiary support. Meanwhile, we express our gratitude to Canon Paton for holding everything together in sometimes difficult circumstances.

The Vestry has continued to support all the different activities of the Church as necessary. All have continued in their customary manner, and further information about various activity groups can be read in the reports which follow.

At the beginning of the calendar year, the Vestry held an away day in Melrose when it considered the question of communication. A wide array of ideas was floated, out of which a small communications group now meets regularly. Initially, the group is working to improve the effectiveness and reach of our existing communication media, and calls on additional support when appropriate. However, new ideas are emerging.

2011 was the second year of our new tithing arrangement, whereby each year a single beneficiary is adopted to receive the whole tithing contribution for the year. During this year we have been supporting Canongate Youth Project, a very local project supporting teenagers, which had been started by Provost Graham Forbes whilst Curate here during the late 1970s.

During the year, the Vestry sold the last of a series of investment properties which had been purchased in different times. This particular property had not been productive for many years and was demanding disproportionate contributions of time by Vestry members. The opportunity arose to sell the property for a fair valuation, and the funds realised can now be applied for a better purpose.

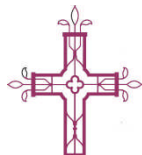
Financial review

The financial result of the year is summarised as follows:

	<i>Unrestricted funds</i> £'000s	<i>Restricted funds</i> £'000s
Voluntary income	197.8	25.8
Activities for generating funds	24.4	7.7
Investment income	7.4	0.0
Total generated funds	<u>229.6</u>	<u>33.5</u>
Income from charitable activities	15.2	–
Total incoming resources	<u>244.8</u>	<u>33.5</u>
Cost of generating funds	6.3	4.6
Charitable activities	145.8	15.0
Governance costs	1.5	–
Total resources expended	<u>153.6</u>	<u>19.6</u>
Net incoming / (outgoing) resources	91.2	13.9
Transfers between funds	–	–
Investment losses	(9.1)	–
Net movement for year	<u>82.1</u>	<u>13.9</u>

Restricted funds include endowment funds.

The general fund (which is one of the unrestricted funds and meets all normal operating expenses) achieved a net operating surplus for the year of £13,844, compared with a net surplus of £3,621 in the preceding year. The principal contributors to this improvement were the lack of a stipendiary curate during the final quarter and reduced expenditure on maintenance of premises and fabric.



Report of the Vestry (continued) Year ended 30 September 2011

Financial review (continued)

Income

Voluntary income comprises regular giving by the Congregation, other donations and legacies. It also includes grants and donations to the appeal for the restoration and renewal project.

This year we received a legacy of £77,369 from the estate of Peter Unsworth, formerly our sacristan. A smaller legacy was also received from the estate of Ella McLaren. In accordance with the Vestry's policy for large legacies, the Unsworth legacy has been transferred to the memorial fund, and proposals for its application are under consideration.

Activities for generating funds includes letting of the church and hall for a variety of events, and continues to rise.

Expenditure

Overall, the Vestry has been able to hold direct operational costs under control. However, increases in some areas have been offset through savings in other areas.

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 corrective action is taken where necessary. 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 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

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

The Vestry aims to continue its support for all current activities, and will seek to improve its income while closely monitoring expenditure for effect and value.

We shall continue to utilise all possible avenues for raising funds to support the restoration and renewal project, and embark on further development as soon as resources permit.

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

KIMBERLEY MOORE EDE

Vestry Clerk

30 November 2011



Statement of responsibilities of the Members of the Vestry

The members of the Vestry, as trustees, are responsible for preparing the Trustees' Report (Report of the Vestry) and the Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the members of the Vestry to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Church and of the incoming resources and application of resources of the Church for that period. In preparing these accounts, the members of the Vestry are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles set out in the Charities Statement of Recommended Practice;
- 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 Church will continue its activities.

The members of the Vestry are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Church and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended. The applicable law also sets out the responsibilities of the members of the Vestry for the preparation and content of the Annual Report.

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.

The members of the Vestry are responsible for the maintenance and integrity of the charity and financial information included on the Church's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ON BEHALF OF THE VESTRY

KIMBERLEY MOORE EDE

Vestry Clerk

30 November 2011

Committee reports

Finance Committee

The committee provides support, advice and assistance to the Treasurer in financial management and strategy.

We were glad to welcome back our Convenor, David McLellan, after a long spell of hospitalisation during 2010. In the early part of this year John Dale handed over responsibility as stewardship recorder to Lynne Niven. We thank John for his contribution, and we welcome Lynne (who is no stranger to the

committee). We also thank Paul Jourdan, who retired during the year, for his contributions.

Following David's return, the committee has now resumed business as normal monitoring income and expenditure, assisting with the budget and the annual accounts, supervising hall letting, and providing advice to the Vestry on various issues as required.

NIGEL COOK

MEMBERSHIP:

Nigel Cook
John Dale (*until January*)
Caroline Gooch (*from January*)

Paul Jourdan (*until March*)
David McLellan (*Convenor*)
Lynne Niven (*from January*)

Canon Ian Paton
Barrie Wilkinson



Committee reports (continued)

Property Committee

The committee has had a busy year, trying to keep on top of the seemingly endless round of maintenance and repair which buildings like ours require. It is now three years since our last quinquennial inspection, and we've been gradually ticking off the highlighted issues, including roof repairs to the Laurie halls and some damp issues (a perennial problem in a church which is partially underground).

The new fire alarm system, installed at the start of the year, remains pleasingly discreet, and the lighting in the chancel is now fully functional again. Vandalism to the outside of the church building always keeps us on our toes. New window grilles in Carrubbers Close

should keep the glass safe and replacement costs down.

The garden is starting to take shape under the care of a new team, and the holy dusters continue to do invaluable work keeping the church buildings clean and shining. Looking forward, there are plans afoot to tackle storage issues in the Laurie halls, and to find a more permanent solution to the problems we keep having with the drains.

JAMES HUTCHINSON

MEMBERSHIP:

James Campbell (*until January*)
Thomas Clement (*from January*)
Jennie Gardner (*until January*)
Caroline Gooch (*until January*)

Stephen Harries
James Hutchinson (*Convenor*)
Canon Ian Paton
Eric Stoddart (*from January*)

David Taylor
Nicholas Uglow
Sarah Wilkinson (*from January*)

Restoration and Renewal Committee

The committee is responsible for controlling all aspects of the restoration project, including fundraising. This includes supporting the project manager (David Taylor), reporting to the Vestry, and keeping the Congregation informed and involved.

Completion of phase 1 (high level roof repairs) rumbled on through the year. Historic Scotland's defects list was finally cleared in October 2011. Meanwhile, the committee has continued to work through the requirements for phase 2 (accessibility and visibility of the Jeffrey Street entrance).

We now have a costed design, and, following consultation with the Congregation and other interested parties earlier in the year, application for approval has recently been submitted to the Diocese.

The cost indication is currently around £123,000, for which about £26,000 is currently available from fundraising and we have been promised a donation of £25,000. We hope that work may be completed by summer 2012.

Apart from the third *Hot Chocolate* festival concerts season, the main fundraising during this year was the continued *Food for Thought* series. The next major fundraising will be the Winter Bazaar on 3 December, which we hope will be well and widely supported. We are also targeting trusts to contact who may be persuaded to give financial support.

NIGEL COOK

MEMBERSHIP:

Sheila Brock
Nigel Cook

Niall Franklin (*until February*)
David McLellan

Canon Ian Paton (*Convenor*)
David Taylor



Activity 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/

The choir's work continues, matching the various liturgical periods of the year with appropriate music. This requires an extensive repertoire, and we are fortunate in having a team of singers who can read and learn new music very quickly – an essential talent for a busy liturgical choir.

As always, the personnel changes each year, and in June we said goodbye to Alice McMichael (alto choral scholar) and Hope Murray, both regular members of the choir for some time. Since then we have been fortunate to welcome a number of new singers, and at the time of writing have a full complement of four choral scholars (SATB) – three of them music students – as well as the willing volunteers. Calum Robertson, now a postgraduate student, continues to provide invaluable service as organ scholar.

JOHN KITCHEN

Servers

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

In line with their calling, the servers have had an unusually quiet year. Gordon and Jacob took leave of us in the early part of the year. Subsequently, we welcomed Kim and Jonathan when they joined the team.

A late Easter gave us a busy time at the end of June, when we helped say farewell to Father Simon on the feast of Corpus Christi, and three days later we helped say farewell to Bishop Brian on the feast of Saints Peter and Paul.

That didn't leave us much time for summer socialising, but I expect that will be compensated for when Christmas comes.

NIGEL COOK

Liturgical rotas osp.org.uk/index.php/groups/group/readers/
osp.org.uk/index.php/groups/group/intercessors/

We value the great number of people who contribute to worship on Sunday by reading or being intercessors. Some do both. Many visitors comment on the high standards shown, which is a tribute to the experience and commitment of those who participate in this way. We are always delighted to have more volunteers.

SHEILA BROCK

Flowers

The past year has perhaps been notable for the retirement of Tina Wood as leader of the group. I'm sure everyone will join me in thanking Tina for her tireless work in that role for several years. Tina remains a stalwart of the flower team.

Also notable is an experiment since Easter in having flowers only on certain feast days during Ordinary Time of the church calendar. This is due largely to financial constraints. This is related to the issue of whether or not to fundraise specifically for flowers. I believe these are issues that will require further and urgent thought during the coming year.

Many thanks to the members of the flower team. And many thanks also to the wedding parties that have donated their flowers for the following Sunday.

ADAM O'BRIEN

Welcomers

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

A team of around thirty people continue to take responsibility for welcoming both the regular congregation and visitors to the services each Sunday and on the major feast days. In addition to this primary function the team see to the distribution of service sheets, taking up of the collection and ensuring the smooth administration of Holy Communion. The welcomers also help ensure the safety of the congregation during services. The group is always happy to hear from members who would like to help in offering these services.

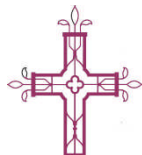
THOMAS CLEMENT

Children and vulnerable adults protection

Volunteers are the lifeblood of the Church; their time is given generously and greatly appreciated. Unfortunately, transition to the new Protecting Vulnerable Groups Scheme for obtaining disclosure checks has led to delays and frustration. However, in the long term it should be a better and more straightforward system than before.

Good training and support is essential for the safety and wellbeing of all our children and adults but especially for those who are particularly vulnerable. We always welcome new volunteers, especially to work with children and young people in order that we may encourage more families and provide a wider range of activities.

LESLEY BLACKMORE



Activity group reports (continued)

Children and young people's ministry

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

We continue to be well resourced by the congregation with the continued employment of a part-time assistant and with sufficient budgetary provision for the purchase of materials.

Godly Play has continued in use for Sunday school, for which we are fully resourced in terms of materials. We have started in-house training of *Godly Play* storytellers. Other forms of teaching have involved music, games, artwork and the Bible.

The crèche continues to provide a safe and enjoyable environment for under 5s and the adults looking after them. Young Saint Paul's, for those over 10, has met occasionally throughout the year.

Volunteers have been recruited in 2011, but due to problems with the disclosure process beyond our control, we have had a shortage of disclosed volunteers, making completing the monthly rota difficult. These problems have now been resolved, and the intention is to recruit more volunteers in early 2012.

PAUL LUGTON

Halfway House (formerly XYMonday) (young adults group)

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

The group began the financial year as XYMonday. We have held a wide range of weekly events, including bible studies, discussions, pub nights and various forms of worship. We have made a particular effort to hold regular worship events as part of our programme. Over the course of the past year, the group has served multiple interrelated purposes; it is a supportive and friendly space, connected to the church, for a relatively small group (6-10) of people to meet on a regular basis. It has also offered thought-provoking, and exciting events, attracting a wider number of people and providing a connection between Old Saint Paul's and wider Edinburgh, in particular, Edinburgh University and other Christian communities.

Such events included a workshop led by Dr Cecelia Clegg on conflict transformation, a panel debate on God and sex, and a talk by Professor Graham Ward on unity and the Church. The 'God and Sex' event prompted a discussion group on Christian sexual ethics to be set up by members of the congregation. In September, we decided to meet on Wednesdays, rather than Mondays, for a trial period, and we decided to change our name to Halfway House, because we had found that the name XY misled some people about the group's nature and purpose.

SOPHIE CARTWRIGHT

Pastoral support

Our group of dedicated visitors has continued to cast a pastoral eye over the Congregation over the past year. Some visit elderly housebound people regularly, some take Communion into hospital, some have a particular group such as the Sunday School or Choir for whom they have some pastoral responsibility, others keep in touch with particular individuals who may at times find it difficult to come to church. This care is often not seen, it is hidden ministry, but the level of commitment and dedication is at times humbling.

The Hall Mass is still popular with a small group, but is about to change to Fridays instead of Wednesdays, sharing the midday Eucharist and meeting afterwards for lunch. The pastoral group is beginning to grow and add new members. It meets a few times a year, for mutual support and some input from our Rector.

ELSPETH STRACHAN

Social activities

There seems to have been quite a bit of social activity in the congregation over the last year – much of it not specifically organised as social activity but because we have so busy. The group who were confirmed in the summer for example have just had supper together; the book group has re-started, and has met in various homes as well as Lauder House; and the property committee organised a very enjoyable dinner in January for everyone involved in the upkeep and cleaning of the church.

A recent development has been regular suppers after Evensong, organised by an offshoot of the Halfway House group. The idea was to be a welcoming place for students arriving for the new academic year, as well as providing a context where those attending Evensong could meet with each other. These have proved popular – every Sunday evening since the end of September, between fifteen and twenty five of us have met in the hall for a bowl of soup and a blether. This has provided a nice balance to the quiet reflectiveness of Evensong and Benediction, which many of the evening congregation seem to enjoy.

JEAN KELTIE



Activity group reports (continued)

Parish lunches

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

The group continues its basic activity of providing three parish lunches each year on our patronal feasts and the feast of Christ the King. The main development has been the number of people attending. We now provide lunch for well over 100 people each time. There is a core team of helpers who give up most of their weekend to prepare the food and set up the hall on these occasions.

There are also many others who assist on the day, serving, organising, washing up, clearing up, and so forth. There are also the insomniac volunteers who have managed to maintain the tradition of the Easter Vigil breakfast! I name no names but everyone I have mentioned knows who they are, and I take this opportunity to offer heartfelt thanks to them all from myself and on behalf of the Congregation.

JAMES CAMPBELL

Walking

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

After several seasons of very enjoyable walks, it's sad to have to say that, for the time being at least, the group is no longer in existence. There are several reasons for this. The very bad weather last winter meant that some of the monthly walks had to be cancelled. And while we did have some excellent walks in the spring and early summer – perhaps most memorably a glorious day in the Lammermuir hills followed by a relaxing pit stop in the garden of the Goblin Ha' at Gifford – the number of walkers noticeably declined, reaching an all time low of three on the June walk.

While we have greatly enjoyed being co-coordinators of the walking group in recent years, Brenda, mainly because of her other commitments, decided to step down. Christine is willing to continue, but someone else is needed who is prepared to give time and commitment to help plan the monthly walks, do the reconnaissance and prepare the information sheets. Many thanks to a few people who have expressed a willingness to help, but it really needs someone to say firmly that they are prepared to put in a considerable amount of time and effort to keep the walking group going. Christine would be delighted to hear from anyone who feels they can do this.

CHRISTINE STEVENSON and BRENDA WHITE

Giving

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

The group considers nominations for recipients of money from our Overseas fund or as part of the tithing programme. Those selected are then considered for approval by the Vestry. Over the years, a legacy for overseas work has been able to make donations to charities in many parts of the world but as the fund has diminished our focus has been mainly on the Jenin Cultural Centre in Palestine.

We now consider one recipient for support through tithing each year. Nominations are made by members of the Congregation, and the Vestry presents one beneficiary for approval by the Annual Meeting. This year, we have been supporting Canongate Youth Project.

SHEILA BROCK

Communications and media

osp.org.uk/index.php/news/white_rose/

In January the Vestry agreed to establish a small group to review and oversee all our communications. The group has been particularly concerned with the newsletter, which is primarily intended for the congregation, although it is freely available to visitors.

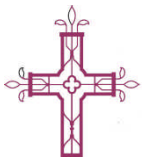
Steve Harries, the newsletter editor, has had to be away from Edinburgh a lot recently for family reasons, but due to the marvels of technology is still able to edit the newsletter from afar. We are now able to maintain the monthly cycle, and thank all who assist with this, particularly Steve.

Attention is now turning to the website as an increasingly important means of communication with those outside the Congregation. Much consideration is being given to where the focus should be aimed, and how that is best achieved.

The group also reviews other printed material, and arranges for its publication.

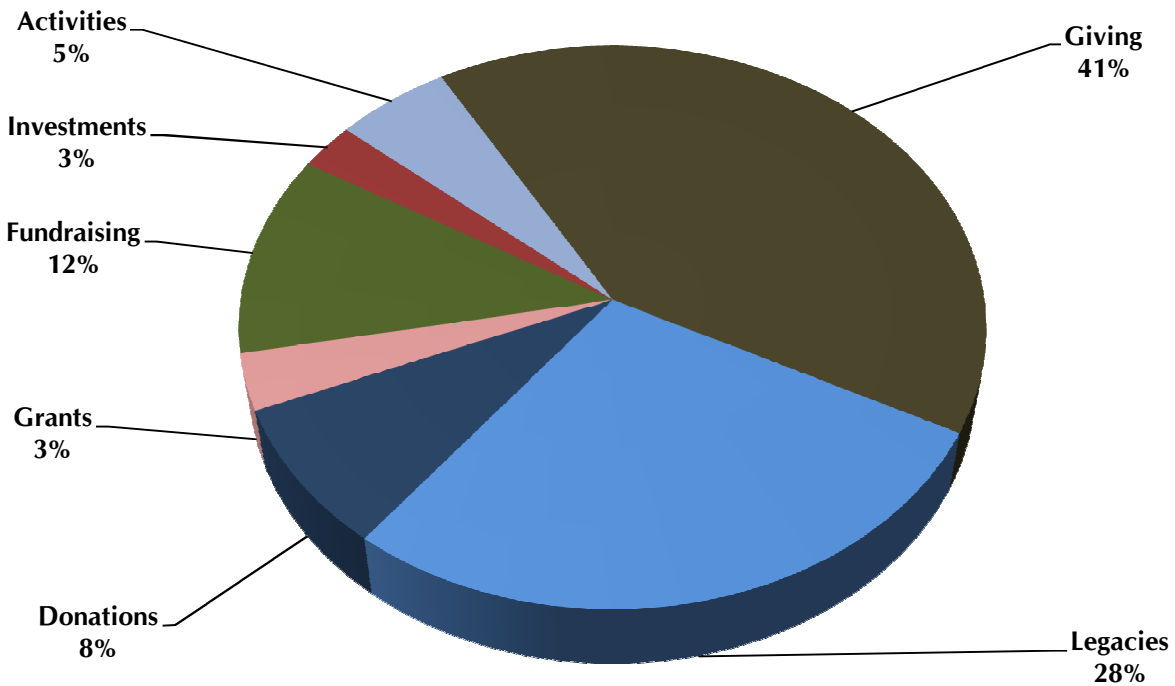
SHEILA BROCK

Details of all groups appear on the Church website at <http://www.osp.org.uk/index.php/groups/>

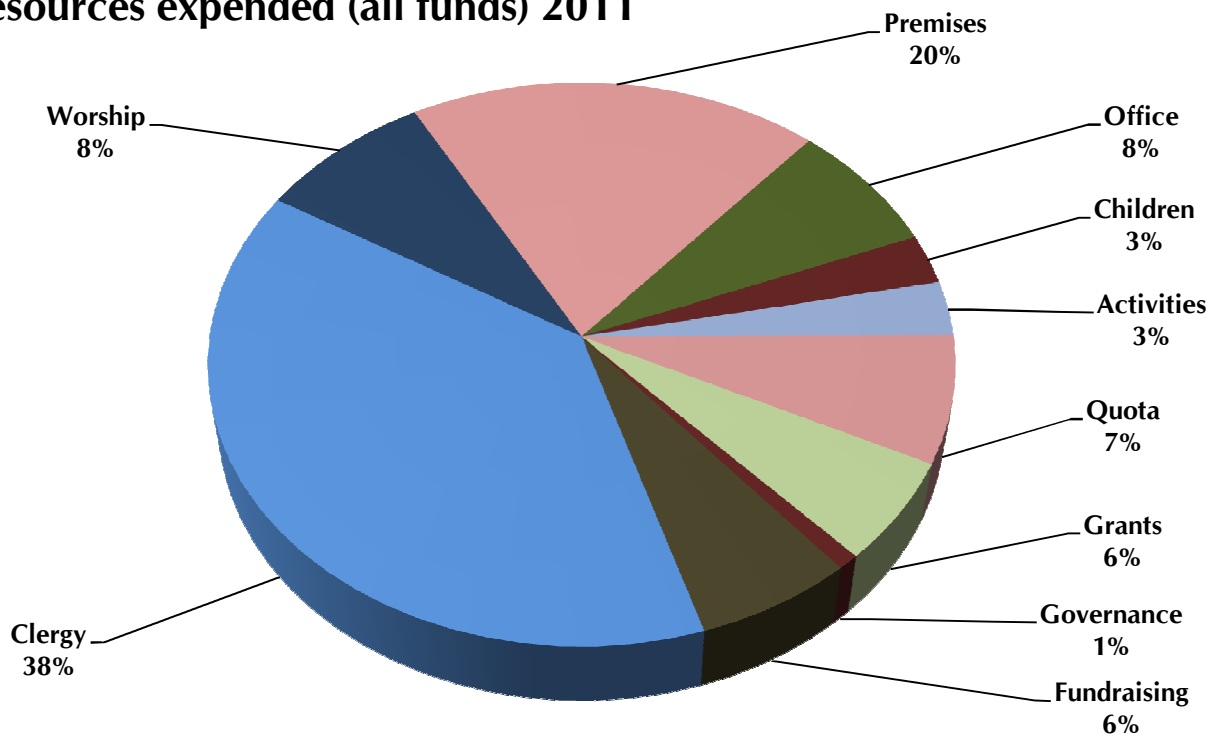


Summary of accounts Year ended 30 September 2011

Incoming resources (all funds) 2011



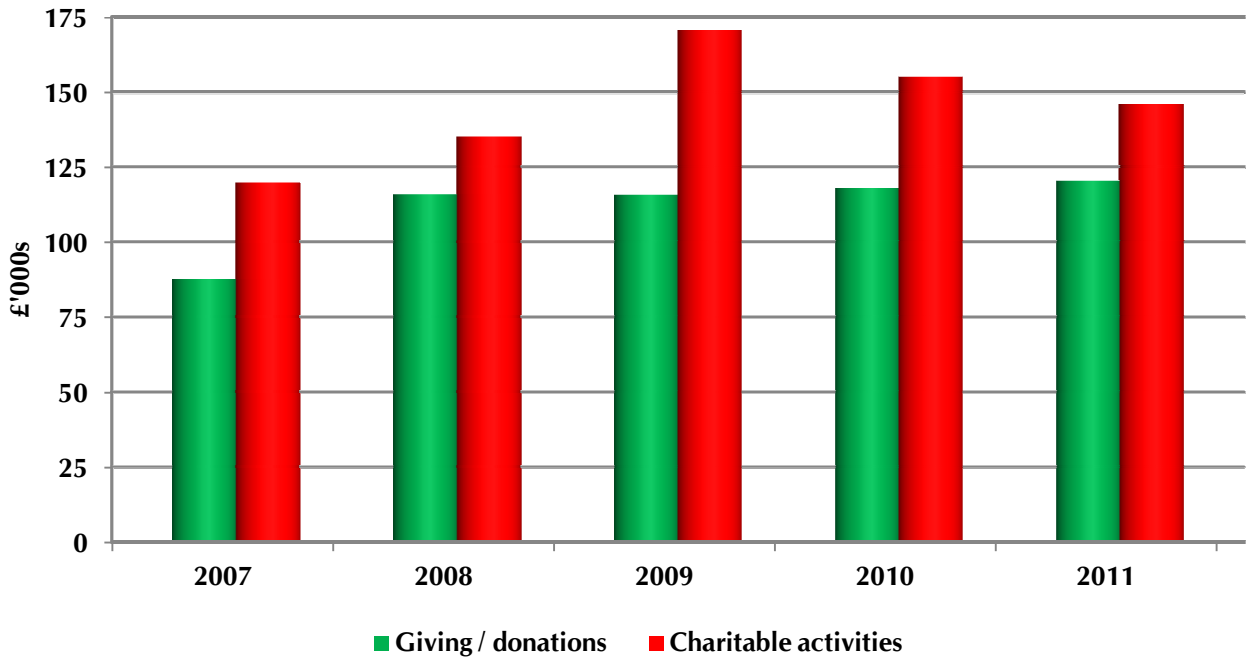
Resources expended (all funds) 2011



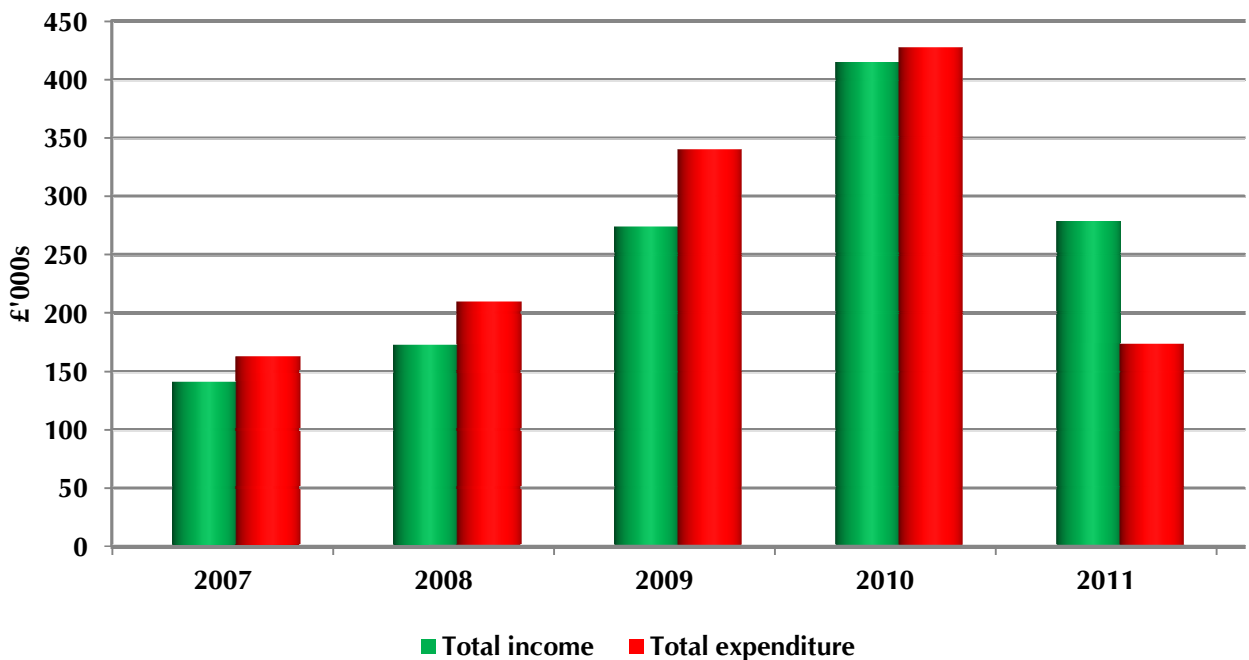


Summary of accounts (continued)
Year ended 30 September 2011

Comparison of congregational giving with charitable activity expenditure (general fund only)



Comparison of total income with total expenditure (all funds)





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 2011 which are set out on pages 15 to 28.

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 independent examiner

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

The trustees consider that the audit requirement of regulation 10(1) (a) to (c) of the Regulations does not apply.

It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with regulation 11 of the Regulations. 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

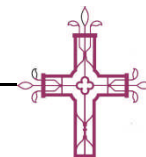
the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

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 Act and regulation 4 of the Regulations, and
 - to prepare accounts which accord with the accounting records and comply with regulation 8 of the 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.

Jeremy Chittleburgh BSC CA
CHIENE + TAIT
Chartered Accountants and
Independent Examiners
61 Dublin Street
Edinburgh EH3 6NL
2 December 2011



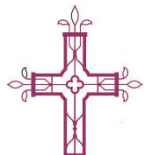
Statement of financial activities

Year ended 30 September 2011

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2011	Total funds 2010
		General	Designated				
		£	£	£	£	£	£
Incoming resources							
Incoming resources from generated funds:							
Voluntary income	2(a)	120,400	77,369	25,082	681	223,532	351,331
Activities for generating funds	2(b)	24,397	–	7,748	–	32,145	36,736
Investment income	2(c)	7,433	13	–	41	7,487	7,277
Total generated funds		152,230	77,382	32,830	722	263,164	395,344
Incoming resources from charitable activities	3	15,239	–	–	–	15,239	19,076
Total incoming resources		167,469	77,382	32,830	722	278,403	414,420
Resources expended							
Costs of generating funds							
	4	6,320	–	4,606	–	10,926	9,806
Charitable activities:							
	5						
Clergy costs		66,447	–	–	–	66,447	77,009
Worship costs		9,465	–	4,914	41	14,420	13,539
Premises and fabric costs		31,418	–	2,350	–	33,768	245,449
Office costs		13,126	–	–	–	13,126	14,287
Children's ministry costs		4,932	–	–	–	4,932	5,679
Other activities and costs		3,949	–	1,458	–	5,407	36,198
Diocesan quota		12,584	–	–	–	12,584	12,043
Grants and donations	13	3,893	–	6,253	–	10,146	12,357
Total costs of charitable activities		145,814	–	14,975	41	160,830	416,561
Governance costs	6	1,491	–	–	–	1,491	1,081
Total resources expended		153,625	–	19,581	41	173,247	427,448
Net incoming / (outgoing) resources before transfers		13,844	77,382	13,249	681	105,156	(13,028)
Gross transfers between funds	7	(29,397)	29,397	–	–	–	–
Net incoming / (outgoing) resources before other recognised gains and losses		(15,553)	106,779	13,249	681	105,156	(13,028)
Other recognised gains and losses:							
Gains/(losses) on investment assets	8	(9,140)	–	–	–	(9,140)	19,923
Net movement in funds		(24,693)	106,779	13,249	681	96,016	6,895
Reconciliation of funds:							
Total funds at 1 October 2010		295,585	24,093	109,317	41,181	470,176	463,281
Total funds at 30 September 2011	18	270,892	130,872	122,566	41,862	566,192	470,176

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 17 to 28 form an integral part of these accounts.

**Balance sheet**
30 September 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets held for Church use	14		72,739		68,522
Investments:					
Investments held for a financial return	15(a)	322,328		339,237	
Programme-related (social) investments	15(b)	648		648	
			<u>322,976</u>	<u>339,885</u>	
			395,715		408,407
Current assets					
Debtors	16	19,994		22,967	
Cash in building society		27,846		23,747	
Cash at bank and in hand		130,412		28,287	
			<u>178,252</u>	<u>75,001</u>	
Liabilities					
Creditors: amounts falling due within one year	17	7,775		13,232	
Net current assets					
			170,477		61,769
Net assets					
			<u>566,192</u>		<u>470,176</u>
Funds					
Endowment fund	18		41,862		41,181
Restricted income funds	18		122,566		109,317
Unrestricted income funds	18		401,764		319,678
Total charity funds					
			<u>566,192</u>		<u>470,176</u>

The notes on pages 17 to 28 form an integral part of these accounts.

APPROVED FOR ISSUE BY THE MEMBERS OF THE VESTRY (TRUSTEES) ON 30 NOVEMBER 2011
AND SIGNED ON THEIR BEHALF BY

KIMBERLEY MOORE EDE
Vestry Clerk



Notes to the accounts

Year ended 30 September 2011

1. Accounting policies

(a) Basis of preparation

These accounts are prepared in accordance with the Charities Accounts (Scotland) Regulations 2006 as amended, 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 April 2008), 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.

Voluntary income also comprises grants provided by government and charitable foundations to support specific projects.

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. These grants can no longer be guaranteed, so are recognised when received; they are 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.

Costs may be netted with income where the Church seeks to recover only costs incurred from participants in congregational activities.

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.

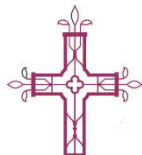
Designated funds comprise unrestricted funds that have been put aside by the Vestry for particular purposes. Individual donations and legacies in excess of £5000 which have no restriction on their use are added to the memorial fund.

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 individual funds are set out in note 18.



Notes to the accounts (continued)

Year ended 30 September 2011

1. Accounting policies (continued)

(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

(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 unexpended portion of income received for restricted purposes.

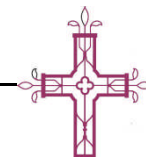
(h) Retirement benefits

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 11.

2. Analysis of incoming resources from generated funds

(a) Voluntary income

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2011	Total funds 2010
	General	Designated				
	£	£	£	£	£	£
<i>Congregational giving:</i>						
'Open plate' giving	14,046	–	–	–	14,046	13,909
Pledged giving	68,024	–	–	–	68,024	69,228
Gift Aid claimed on giving	18,541	–	–	–	18,541	19,776
Payroll giving	13,211	–	–	–	13,211	9,702
<i>Total congregational giving</i>	113,822	–	–	–	113,822	112,615
Legacies received	500	77,369	–	–	77,869	102,000
Donations (including Gift Aid)	6,078	–	16,132	681	22,891	22,631
Grants receivable	–	–	8,950	–	8,950	114,085
	120,400	77,369	25,082	681	223,532	351,331



Notes to the accounts (continued)

Year ended 30 September 2011

2. Analysis of incoming resources from generated funds (continued)

(b) Activities for generating funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2011	Total funds 2010
	General	Designated				
	£	£	£	£	£	£
Fundraising activities	9	–	7,748	–	7,757	15,142
Space letting	24,388	–	–	–	24,388	21,594
	24,397	–	7,748	–	32,145	36,736

(c) Investment income

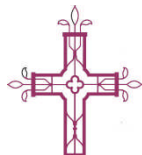
	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2011	Total funds 2010
	General	Designated				
	£	£	£	£	£	£
Listed securities and unit trusts	7,309	–	–	–	7,309	7,234
Programme-related investments	–	–	–	–	–	1
Interest on cash deposits	124	13	–	41	178	42
	7,433	13	–	41	7,487	7,277

3. Analysis of incoming resources from charitable activities

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2011	Total funds 2010
		General	Designated				
		£	£	£	£	£	£
Church fees		1,260	–	–	–	1,260	1,190
Activities	12	2,244	–	–	–	2,244	2,699
Central grants		11,735	–	–	–	11,735	15,187
		15,239	–	–	–	15,239	19,076

4. Analysis of costs of generating funds

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2011	Total funds 2010
		General	Designated				
		£	£	£	£	£	£
Voluntary income		445	–	426	–	871	380
<i>Activities for generating funds:</i>							
Fundraising activities		–	–	4,180	–	4,180	3,546
Space letting salaries	11	2,302	–	–	–	2,302	2,071
Space letting costs		3,348	–	–	–	3,348	3,226
<i>Total generating funds</i>		5,650	–	4,180	–	9,830	8,843
Investment property costs		225	–	–	–	225	583
		6,320	–	4,606	–	10,926	9,806



Notes to the accounts (continued)

Year ended 30 September 2011

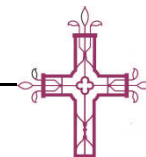
5. Analysis of resources expended on charitable activities

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2011	Total funds 2010
		General	Designated				
		£	£	£	£	£	£
Clergy costs							
Stipends and pensions	11	56,082	–	–	–	56,082	61,841
Allowances and training		370	–	–	–	370	293
Housing utilities and insurance		7,172	–	–	–	7,172	8,182
Housing maintenance		1,491	–	–	–	1,491	5,418
Travelling expenses		1,332	–	–	–	1,332	1,275
		66,447	–	–	–	66,447	77,009
Worship costs							
Music salaries	11	9,046	–	–	–	9,046	8,150
¹ Other music costs		1,260	–	–	–	1,260	1,282
Contribution from other funds		(4,955)	–	4,914	41	–	–
² Other worship costs		4,114	–	–	–	4,114	4,107
		9,465	–	4,914	41	14,420	13,539
Premises and fabric costs							
Utilities		8,959	–	–	–	8,959	9,373
Cleaning		1,442	–	–	–	1,442	1,726
Repairs and maintenance		7,367	–	2,350	–	9,717	222,474
Insurance		9,998	–	–	–	9,998	10,005
Premises and plant depreciation		5,661	–	–	–	5,661	3,807
Allocation to space letting		(2,009)	–	–	–	(2,009)	(1,936)
		31,418	–	2,350	–	33,768	245,449
Office costs							
Salaries	11	8,225	–	–	–	8,225	8,182
Printing and stationery		2,388	–	–	–	2,388	2,042
Postage and telephone		1,931	–	–	–	1,931	2,593
³ Other office costs		801	–	–	–	801	926
Office equipment depreciation		1,120	–	–	–	1,120	1,834
Allocation to space letting		(1,339)	–	–	–	(1,339)	(1,290)
		13,126	–	–	–	13,126	14,287
Children's ministry costs							
Salaries	11	4,594	–	–	–	4,594	4,320
Allowances and training		–	–	–	–	–	340
Other children's costs		338	–	–	–	338	1,019
		4,932	–	–	–	4,932	5,679
<i>Carried forward</i>		125,388	–	7,264	41	132,693	355,963

¹ Other music costs comprise 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 2011

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

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2011	Total funds 2010
		General	Designated				
		£	£	£	£	£	£
<i>Brought forward</i>		125,388	–	7,264	41	132,693	355,963
<i>Other activities and costs</i>							
Activities	12	1,693	–	–	–	1,693	1,700
Advertising and publicity		1,003	–	–	–	1,003	782
⁴ Legal and professional fees		100	–	1,422	–	1,522	31,694
Bank charges		581	–	36	–	617	736
Other costs		572	–	–	–	572	1,286
		3,949	–	1,458	–	5,407	36,198
<i>Total directly funded</i>		129,337	–	8,722	41	138,100	392,161
<i>Diocesan quota</i>		12,584	–	–	–	12,584	12,043
<i>Grants and donations</i>	13	3,893	–	6,253	–	10,146	12,357
		145,814	–	14,975	41	160,830	416,561

6. Analysis of governance costs

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2011	Total funds 2010
	General	Designated				
	£	£	£	£	£	£
External scrutiny of accounts	1,140	–	–	–	1,140	1,081
Vestry meetings	351	–	–	–	351	–
	1,491	–	–	–	1,491	1,081

7. Analysis of transfers between funds

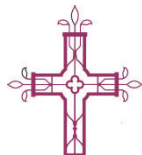
	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2011	Total funds 2010
	General	Designated				
	£	£	£	£	£	£
Transfer to organ fund	(1,200)	1,200	–	–	–	–
Transfer to buildings fund	(28,197)	28,197	–	–	–	–
	(29,397)	29,397	–	–	–	–

Each year the Vestry transfers the sum of £1,200 to the organ fund to provide for the cost of non-routine maintenance of the organ.

The sum transferred to the buildings fund consists of the net proceeds from the sale of investment property (£24,304) and an annual contribution from the general fund equivalent to the amount of tithing (£3,893).

Wholly within restricted funds, the balance of £2,753 on Fr Simon Tibbs' Walsingham fund has been transferred to the restoration and renewal fund. Restricted funds are disclosed individually in note 18.

⁴ Legal and professional fees were paid to architects and surveyors engaged in connection with property maintenance contracts.



Notes to the accounts (continued)

Year ended 30 September 2011

8. Analysis of gains and losses on investment assets

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2011	Total funds 2010
	General	Designated				
	£	£	£	£	£	£
Gain on disposals (against original cost)	17,397	–	–	–	17,397	59,792
Less: Revaluation gains brought forward	(17,708)	–	–	–	(17,708)	57,873
Recognised gain/(loss) on disposals	(311)	–	–	–	(311)	1,919
Unrealised gains/(losses) on revaluation	(8,829)	–	–	–	(8,829)	18,004
	(9,140)	–	–	–	(9,140)	19,923

9. Trustee remuneration, benefits and expenses

The Rector is *ex officio* a member of the Vestry and therefore 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. The Rector is engaged on a full-time basis and payment of remuneration is authorised under article 19 of the Constitution. Amounts paid during the year comprised stipend of £22,725 and pension contributions of £7,931. As part of his remuneration, the Rector also has occupancy of the Rectory.

The Rector received reimbursement of expenses incurred. The total amount of expenses reimbursed during the year to the Rector was £982, paid in respect of mileage allowances and parking fees. No other member of the Vestry received remuneration or reimbursement of expenses, other than reimbursement of purchases made on behalf of the Church.

10. Related party transactions

The Church owns property at 41 Jeffrey Street which is held for occupation as clergy accommodation. This property fell vacant during July 2011 and is not expected to be required for clergy occupation until autumn 2012. To maintain the property and to generate income, the Vestry has let the property until 30 June 2012. The tenants include Thomas Clement, who is a Trustee, and his partner. The amount payable by Mr Clement and his partner each month is £667. The rent charged for the property has been compared against the local market and is considered to be equitable. No amounts were outstanding for payment at the date of these accounts, and no amounts have been written off during the year.

There were no other related party transactions which require to be disclosed.



Notes to the accounts (continued)

Year ended 30 September 2011

11. Clergy and staff costs and emoluments

	2011	2010
	£	£
Gross stipends and salaries	62,481	65,636
Employers' national insurance contributions	3,896	4,350
Cost of pension contributions	13,872	14,578
	80,249	84,564

	Average headcount		Average full time equivalent	
	2011	2010	2011	2010
Clergy	1.75	2.00	1.8	2.0
Music	4.75	4.67	0.8	0.8
Office	1.00	1.00	0.4	0.4
Children's ministry	1.00	0.92	0.3	0.3
Space letting	1.00	1.00	0.1	0.2
	9.50	9.59	3.4	3.7

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.

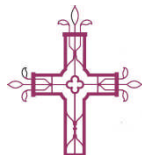
Pension contributions in respect of stipendiary clergy are paid to the Scottish Episcopal Church Pension Fund. No information is available regarding the assets and liabilities of the fund relating to individual members. Contributions are therefore accounted for as if the scheme was a defined contribution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

The periodic actuarial valuation of the entire fund as at 31 December 2008 revealed a deficit of £8.8 million. The Pensions Regulator has approved a recovery plan, under which the contribution rate was increased from 25.3% to 34.9% with effect from 1 January 2010.

There were no unpaid contributions outstanding at 30 September 2011 payable by the Vestry.

12. Activities income and expenditure

	Incoming resources	Resources expended	Net resources 2011	Net resources 2010
	£	£	£	£
Halfway House (formerly XYMonday) (young adults group)	–	255	(255)	(374)
Sunday school income	–	–	–	284
Retreats and weekends	–	217	(217)	(170)
Magazine and newsletter	–	536	(536)	(472)
Social activities	202	355	(153)	34
Parish lunches	921	–	921	967
Sunday refreshments	1,121	330	791	730
	2,244	1,693	551	999



Notes to the accounts (continued) Year ended 30 September 2011

13. Grants and donations

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

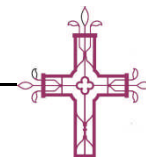
	£
From the general fund as part of the tithing programme:	
Canongate Youth Project <i>A locally based organisation which offers a broad range of services to teenagers</i>	3,893
Tithing total	3,893
General fund total	3,893
From the overseas fund:	
Jenin Cultural Centre (Palestine) <i>A multi-cultural organisation for young people on the West Bank; to provide musical instruments and second-hand computers</i>	2,500
Burma Assist <i>A UK based organisation that supports community based projects helping to develop sustainable livelihoods for socially and economically disadvantaged Burmese people</i>	1,000
Overseas fund total	3,500
From the ST Walsingham fund:	
Christian Aid Scotland <i>Funds raised to sponsor Fr Simon Tibbs walking to Walsingham have been shared equally between Christian Aid Scotland and Old Saint Paul's restoration and renewal appeal.</i>	2,753
ST Walsingham fund total	2,753
Total grants and donations	10,146

Funds raised for third parties:

Not included in the accounts are the following sums raised by the Congregation for third parties (including Gift Aid relief):

	£
Christian Aid Scotland	609
The Bishop of Edinburgh's Lent Appeal	63
	672

During 2007, the Congregation raised £1,593 for The Ark, a local centre for the homeless now closed. Pending resolution of various issues relating to the future of The Ark's work, the sum raised had been retained by the Vestry. During the year this amount was disbursed to Streetwork, which now provides services to the homeless in the local area.



Notes to the accounts (continued)

Year ended 30 September 2011

14. Tangible fixed assets held for Church use

	Property improve- ments £	Plant and machinery £	Office equipment £	Total £
Asset cost				
Balance at 1 October 2010	82,351	41,903	10,114	134,368
Additions	–	10,998	–	10,998
Disposals	–	–	–	–
Balance at 30 September 2011	82,351	52,901	10,114	145,366
Accumulated depreciation				
Balance at 1 October 2010	21,031	39,182	5,633	65,846
Charge for year	3,066	2,595	1,120	6,781
Disposals	–	–	–	–
Balance at 30 September 2011	24,097	41,777	6,753	72,627
Net book value				
At 30 September 2011	58,254	11,124	3,361	72,739
At 30 September 2010	61,320	2,721	4,481	68,522

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.

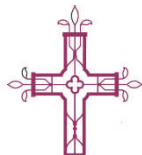
On 1 March 2011 the church and Lauder House were insured for £15,394,038, which is an estimate of the replacement cost of buildings and all contents (including plant and machinery and office equipment disclosed separately in the above table). Replacement building cost does not represent market value 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 2010	24,615	157,064	157,558	339,237
Disposals at carrying value	(24,615)	–	–	(24,615)
Increase in uninvested cash	–	–	16,535	16,535
(Loss) on revaluation	–	(8,829)	–	(8,829)
Carrying value at 30 September 2011	–	148,235	174,093	322,328
Historical cost at 30 September 2011	–	97,761	174,093	271,854

Note continues on following page.



Notes to the accounts (continued)

Year ended 30 September 2011

15. Investment assets (continued)

Investments in listed securities (or ones valued by reference to such investments, such as unit trusts) are shown at market price on 30 September 2011. All investments are held in the United Kingdom.

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

	Carrying value 2011
	£
Scottish Episcopal Church Unit Trust Pool	148,235
Dunfermline Building Society cash deposit	59,057
The Royal Bank of Scotland plc cash deposit	115,036
	<u> </u>

(b) Programme-related investments (social investments)

	2011	2010
	£	£
Shared Interest Society Ltd – equity capital shown at amount invested	648	648
	<u> </u>	<u> </u>

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 all over the world. 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.

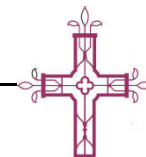
16. Debtors

	2011	2010
	£	£
Grants receivable	10,000	10,387
Gift aid receivable	4,535	5,767
Other debtors	664	2,015
Prepayments and accrued income	4,795	4,798
	<u>19,994</u>	<u>22,967</u>

All amounts fall due within one year.

17. Creditors: amounts falling due within one year

	2011	2010
	£	£
Grants awarded but not paid	1,176	2,025
Other creditors	614	2,283
Taxation and social security	1,041	1,525
Accruals and deferred income	4,944	7,399
	<u>7,775</u>	<u>13,232</u>



Notes to the accounts (continued)

Year ended 30 September 2011

18. Summary of fund movements

	Brought forward	Incoming resources	Resources expended	Transfers	Gains and losses	Carried forward
	£	£	£	£	£	£
Endowment fund						
John Steer music fund	41,181	722	41	–	–	41,862
Restricted funds						
Overseas fund	18,188	–	3,536	–	–	14,652
Jerusalem Still fund	2,546	–	–	–	–	2,546
Repair grants fund	(11,375)	8,950	–	–	–	(2,425)
Restoration and renewal fund	–	22,681	8,373	2,753	–	17,061
Cecilia Cavaye music fund	95,646	–	4,914	–	–	90,732
ST Walsingham fund	4,312	1,199	2,758	(2,753)	–	–
	109,317	32,830	19,581	–	–	122,566
Unrestricted funds						
<i>Designated funds:</i>						
Buildings fund	3,767	–	–	28,197	–	31,964
Memorial fund	7,088	77,369	–	–	–	84,457
Organ fund	13,238	13	–	1,200	–	14,451
	24,093	77,382	–	29,397	–	130,872
General fund	295,585	167,469	153,625	(29,397)	(9,140)	270,892
	319,678	244,851	153,625	–	(9,140)	401,764
Total charity funds	470,176	278,403	173,247	–	(9,140)	566,192

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 **Repair grants fund** holds the unexpended balance of grants awarded for the roof repair project. The fund deficit at 30 September 2011

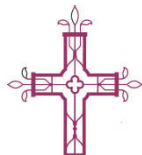
will be cleared by anticipated final grant receipts, less contractor's retention payment.

The **Restoration and renewal fund** receives the proceeds of fundraising for the roof project and other development. Funds are transferred when required to meet the cost of projects.

The **Cecilia Cavaye music fund** was created by bequest from the late Cecilia Cavaye, who directed that the fund be used to support the cost of liturgical music. The Vestry has resolved that for each of the five years to 30 September 2014, one half of music costs will be met from the fund.

The **ST Walsingham fund** received donations raised by Father Simon Tibbs, who walked to Walsingham during June 2010. The proceeds have been shared equally between Christian Aid and the Church restoration and renewal fund. The fund is now closed.

Note continues on following page.



Notes to the accounts (continued)

Year ended 30 September 2011

18. Summary of fund movements (continued)

The **Buildings fund** provides for any required expenditure (capital or revenue) on Church properties beyond normal recurring or routine maintenance. The original fund was extinguished in 2009; each year, commencing in 2010, a sum, equivalent to the amount paid in tithing, is transferred from the general fund to rebuild the fund. The net proceeds of investment property disposals is also credited to the fund.

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.

19. Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2011
	General	Designated			
	£	£	£	£	£
Tangible assets	72,739	–	–	–	72,739
Investment assets	148,883	24,304	107,927	41,862	322,976
Net current assets / (liabilities)	49,270	106,568	14,639	–	170,477
Fund balances	270,892	130,872	122,566	41,862	566,192

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
	£	£	£	£	£
Roof maintenance	345,158	7,667	–	–	7,667
Fire detection and alarm system	7,802	7,802	7,802	–	–
Jeffrey Street entrance renewal project	122,795	–	–	–	122,795
Laurie Halls roofing and drainage maintenance	9,366	–	–	–	9,366

All outstanding amounts are payable within one year.