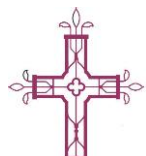




Report and Accounts for the year ended 30 September 2018

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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 (until 19 October 2018); position currently vacant.

Churchwardens: *Appointed by the Rector:*

Eric Stoddart (appointed 10 December 2017); Jubin Santra (until 10 December 2017)

Elected by the Congregation in Annual Meeting:

Lesley Blackmore (re-elected 11 December 2016)

Vestry Clerk: Kimberley Moore Ede

Treasurer: Malcolm MacRae (from 10 April 2018); post was vacant from 8 November 2017. Nigel Cook until 7 November 2017).

Lay Representative † David McLellan (elected 10 December 2017); Victoria Stock (until 10 December 2017)

Alternate Lay Representative: † Helen Tyrell (elected 10 December 2017); David McLellan (until 10 December 2017)

Ordinary members: ‡ Ian Stewart (elected December 2015)

Sheila Brock (elected 11 December 2016)

Elizabeth Spence (elected 11 December 2016)

Jonathan Ireland (re-elected 10 December 2017; first elected December 2014)

Gavin McEwan (elected 10 December 2017)

Nicholas Hotham (elected 10 December 2017)

Mark Gibson, and Anne Wyllie (retired 10 December 2017)

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 John Armes

Dean: The Very Reverend Frances Burberry

Chancellor: Iain Peebles, Lord Bannatyne

Registrar: Colin Heggie

BANKERS

Reliance Bank Ltd, Faith House, 23-24 Lovat Lane, London EC3R 8EB

SOLICITORS

Anderson Strathern LLP, 1 Rutland Court, Edinburgh EH3 8EY

INVESTMENT BROKERS

Alliance Trust Savings Ltd t/a Stocktrade

AND CUSTODIAN NOMINEES

7th Floor, Atria One, 144 Morrison Street, Edinburgh EH3 8EX

INDEPENDENT EXAMINER

Jeremy Chittleburgh BSC CA, Chiene + Tait LLP

Chartered Accountants and Independent Examiners

61 Dublin Street, Edinburgh EH3 6NL

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

† indicates a trustee whose term of office expires at the 2018 Annual Meeting and is eligible for re-election. ‡ indicates a trustee whose term of office expires at the 2018 Annual Meeting and is not eligible for re-election. # indicates a trustee whose term of office will expire at the 2018 Annual Meeting subject to ballot to determine one of two retirees and is eligible for re-election.



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Report of the Vestry (Trustees' report) Year ended 30 September 2018

As Trustees of Old Saint Paul's Episcopal Church, the Vestry presents its report and accounts for the year ended 30 September 2018. These have been prepared in accordance with applicable charities law and the requirements of the Statement of Recommended Practice Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (as updated through Update Bulletin 1 published on 2 February 2016).

Objectives and activities

The primary charitable purpose of the Church is the advancement of religion and to provide public benefit. The Vestry's objectives 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 giving a proportion of the Church's income. 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 in supporting our work.

Achievements and performance

We continue to provide the weekly and daily round of liturgy through the changing seasons and seek to maintain our worship space as a place of calm and quiet in a busy city open to all for reflection, prayer and meditation.

The Vestry sustains its commitment to promote the Church as being welcoming and fully inclusive to all. Our purpose is to invite everyone to discover God's love through our liturgical worship and congregational life, and through our service and support of people in the community. Our intention is to offer pastoral care without discrimination and to seek to further the Common Good in collaboration with other groups in wider society.

At the Annual Meeting in December 2017 the congregation adopted a scheme for the restoration and renewal of the church halls. With a view to completing this work over a number of years, investigation of funding opportunities has begun and approval was given for the appointment of a professional fund raiser. Careful consideration has been given to integrating this project within the vision of the congregation and that of Edinburgh City Council for the generation of this part of the Old Town. Preliminary exploration into the changing needs of people in this part of Edinburgh has commenced. We are paying particular attention to the support of vulnerable sectors of the resident and transient community.

During 2017 we commissioned restoration work on the reredos above the altar in the Lady Chapel, partly funded by the balance of donations left over from earlier work on the gilded reredos above the high altar.

We have continued to deliberate on how to encourage the involvement and support of all members of the congregation for the Church's activities. The efforts of our members serve to help us to be a Church that serves its members, the local community, and the city as a whole.

In recognition of his significant role in the high quality of the music, for which our services are widely known, we were delighted to promote Calum Robertson to the post of Assistant Director of Music, working under the direction of Dr John Kitchen whose 30 years of continuous service was marked in August by the installation of an additional, cymbalstern, stop to the organ.

Our communications group continues to develop and implement our communications strategy, particularly towards launching a new website in early 2019 for which approval was given to appoint a professional design company. The monthly e-mail newsletter, providing up-to-date information about news and developments, continues to go out every month, and is now dispatched to over 540 recipients.

We note with sadness the death of our long-serving Treasurer, Nigel Cook, in November 2017. His immense contribution to the life of the congregation is deeply appreciated and the Vestry has worked diligently to distribute his considerable workload amongst a number of members of the congregation.

Mtr Jenny Wright completed her curacy under Fr Ian's mentoring and has been appointed to a post at Christ Church, Morningside, Edinburgh.



Report of the Vestry (continued)

Year ended 30 September 2018

Achievements and performance (continued)

On 2 June 2018 our Rector, Canon Ian Paton, was elected Bishop of St Andrews, Dunkeld and Dunblane and demitted office at Old St Paul's with effect from 19 October 2018. After 21 years of service in this congregation he leaves us in high regard and with our profound gratitude for his leadership and service

We have continued to support a variety of organisations both through cash grants and offering use of our space free of charge. This year's principal recipients included the Hospital Divina Providencia, a palliative care resource in San Salvador, Edinburgh Street Pastors and Orissa Christian College. We have also continued to provide space most weeks to Souper Saturday. Details of all this year's grants will be found on page 20.

The Vestry has continued to support all the different activities of the Church as necessary. Further information about various activity groups can be read in the reports which follow.

Financial review

Review of financial position

The financial result of the year is summarised as follows:

£'000s	Unrestricted funds	Restricted funds
Income and endowments from:		
Donations and legacies	145.2	15.7
Charitable activities	21.6	–
Other trading activities	28.7	0.4
Investments	11.7	–
Other	–	–
Total income	207.2	16.1
Expenditure on:		
Raising funds	7.0	–
Charitable activities	189.6	10.4
Total expenditure	196.6	10.4
Net operating income/ (expenditure)	10.6	5.7
Gains on investments	28.2	–
Net movement in funds	38.8	5.7
Total funds 30 September 2018	743.5	112.2

Restricted funds include endowment funds.

The general fund (which meets all normal operating expenses) resulted in a net surplus for the year, before gains on investment assets and transfers between funds, of £13,664, compared with a surplus of £21,983 in the preceding year.

Clergy costs were lower this year as a result of maternity leave, but other costs were broadly similar.

Total income from donations and legacies dropped from £243k to £161k, but excluding the legacy of £95k in 2017, income from donations and legacies has risen in the year.

Unrestricted purpose giving by the Congregation, including tax claims, remained steady at £139k. The remainder of our income stems principally from letting of space to other groups and organisations (£25.5k), investment income (£11.7k), and curate grant from the Diocese (£17.1k).

The largest proportions of expenditure are on supporting our clergy (£74.6k) and on maintenance and use of our premises (£49.5k). The Cavaye music fund continues to support 50% of all liturgical music costs.

The Finance committee regularly monitors financial performance, and we continue to seek ways of maintaining or improving value, while containing or reducing costs.

As detailed in note 19(a), the portfolio is divided between the Unit Trust Pool of the Scottish Episcopal Church and a range of ethical and sustainable investment products. The Vestry's investment policy is, first, to place its surplus funds with products which enables ethical and responsible usage of world resources, and, secondly, to produce a return on the assets, over the long term, sufficient at least to maintain their real value.

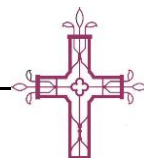
Our portfolio of ethical investment holdings continues to perform well, delivering both capital growth and strong income. We continue to increase diversification and to rebalance the relationship between our holding in the SEC Unit Trust Pool and other funds.

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.

The Vestry seeks to preserve as liquid funds sufficient to meet six months operational costs together with any remaining committed expenditure on special projects. Cash not required for this purpose is invested in ethical investment products.

At the date of these accounts freely disposable reserves, expressed as the general fund value excluding fixed assets and investments, had risen to £197,380. On an annualised basis, this now represents a little more than 12 months' projected normal ongoing ex-



Report of the Vestry (continued)

Year ended 30 September 2018

penditure, according to the 2019 budget. This is to be welcomed as boosting the level of internal funding available for embarking on our redevelopment project.

Details of other fund reserves and their purpose are disclosed on page 23.

Structure, governance and management

The Church is an unincorporated association, governed by Constitution dated 25 May 2016. 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, Alternate Lay Representative and six ordinary members of the Vestry are elected by the Congregation in annual meeting.

Following a decision by General Synod in 2017, the Alternate Lay Representative, also elected by the Congregation, became an *ex officio* member of the Vestry with effect from 20 July 2017.

Ordinary members of the Vestry serve 3-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 briefing and 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; other committees are formed as required. 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 and their individual members 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.

Reference and administrative details

Reference and administrative details are presented on page 2.

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

2019



Statement of responsibilities of the Members of the Vestry

The Members of the Vestry, as Trustees, are responsible for preparing the Annual 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 its income and expenditure for that period. In preparing these accounts members of the Vestry are required to:

- select suitable accounting policies and 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Church will continue in operation.

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 Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Church's Constitution.

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

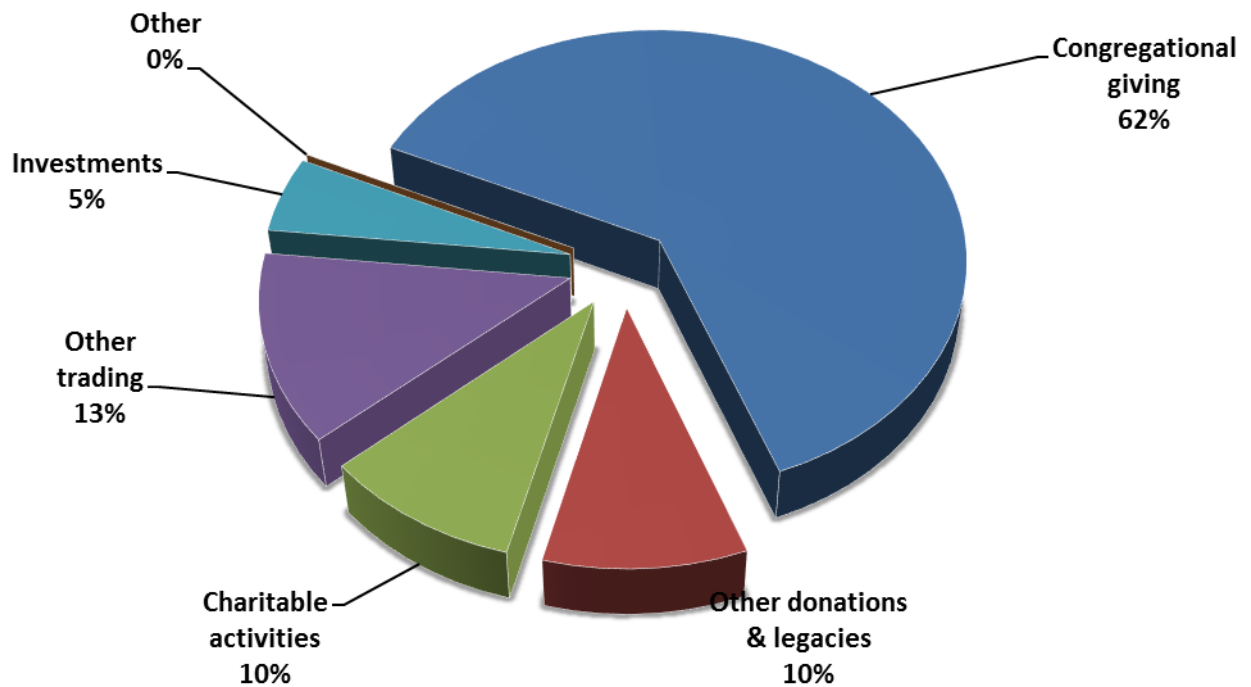
Vestry Clerk

2019

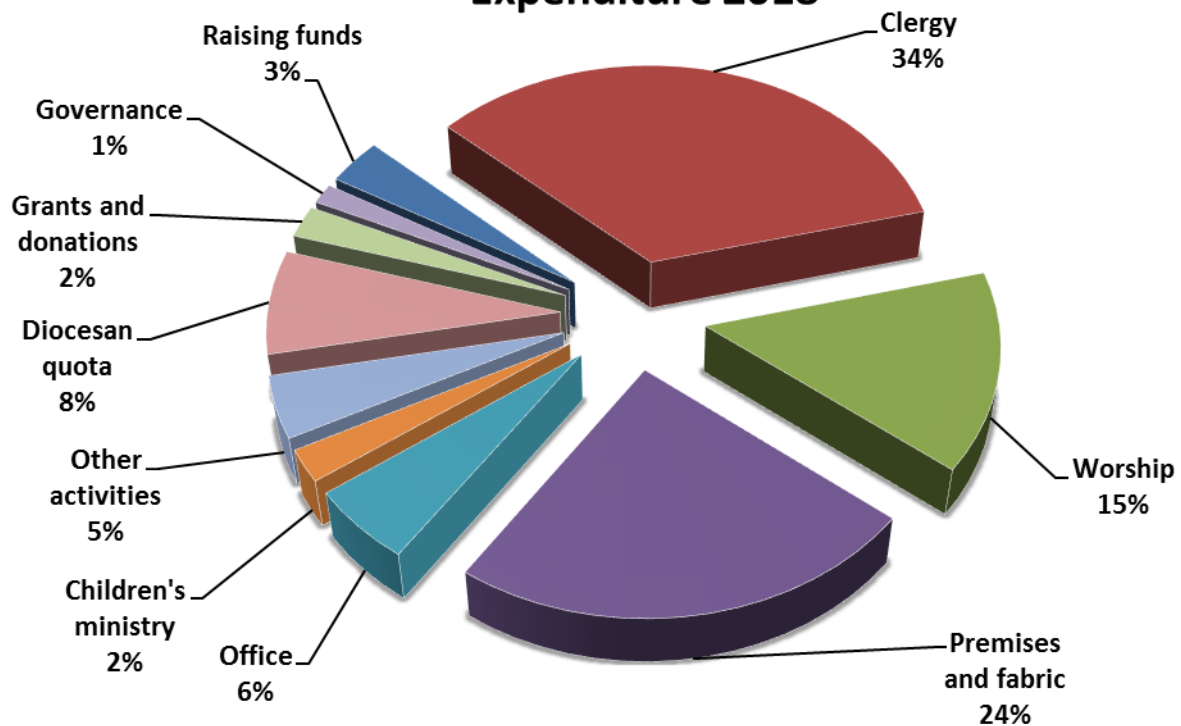


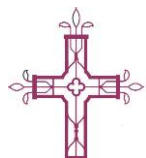
Summary of accounts Year ended 30 September 2018

Income 2018



Expenditure 2018

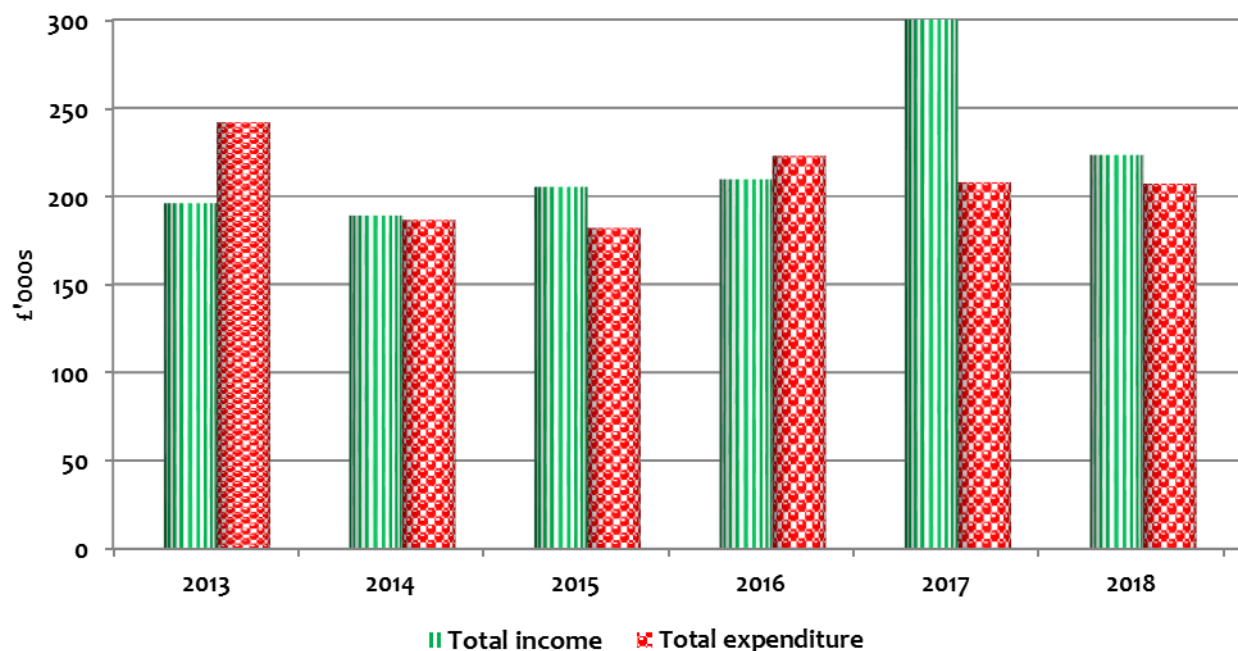




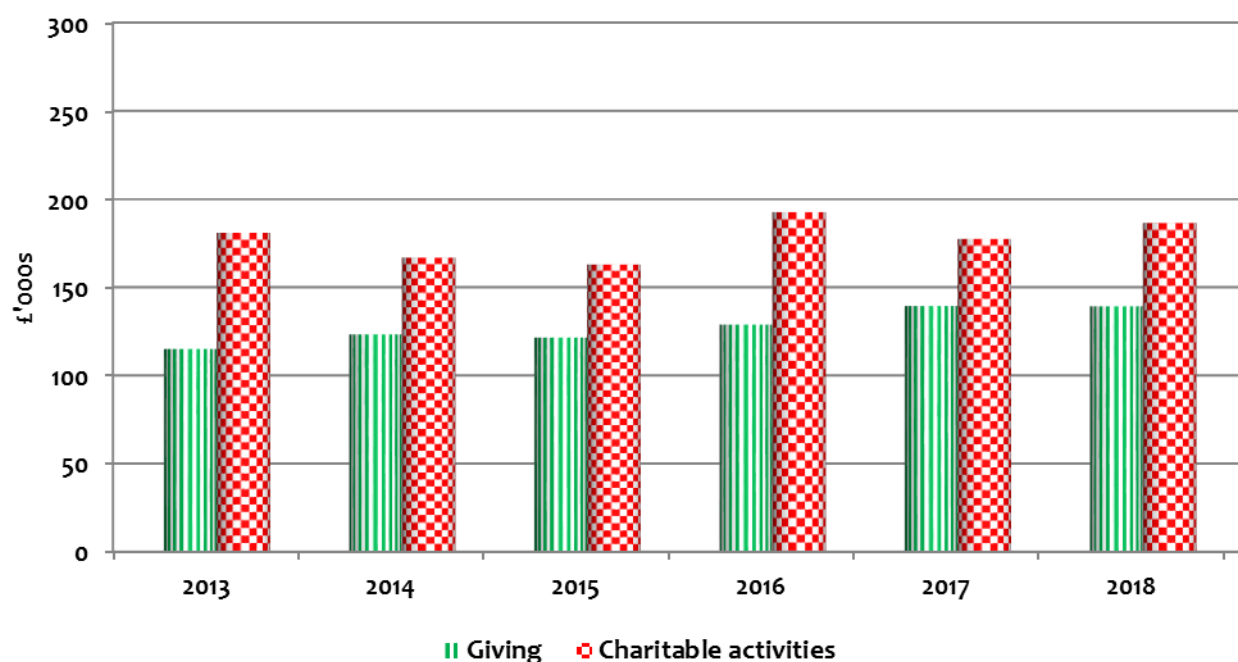
Summary of accounts (continued)

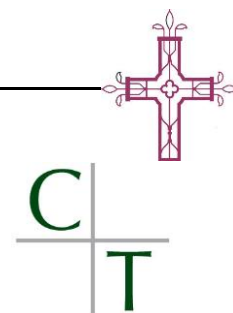
Year ended 30 September 2018

Comparison of total income with total expenditure (all funds)



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





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 2018 which are set out on pages 10 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 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.

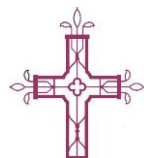
Independent examiner's statement

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 Regulations
 have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Jeremy Chittleburgh BSc CA
CHIENE + TAIT LLP
Chartered Accountants and
Independent Examiners
 61 Dublin Street
 Edinburgh EH3 6NL

2019



Statement of financial activities

Year ended 30 September 2018

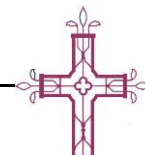
	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2018	Total funds 2017
		General	Designated				
		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	3						
Congregational giving		139,118				139,118	139,370
Other donations and legacies		6,109		15,677		21,786	103,312
		145,227		15,677		160,904	242,682
Charitable activities	4	21,578				21,578	20,856
Other trading activities	5	28,689		424		29,113	29,123
Investments	6	11,693				11,693	11,762
Other	7	-				-	1,000
Total income		207,187		16,101		223,288	305,423
Expenditure on:							
Raising funds	8	7,038				7,038	8,306
Charitable activities	9						
Clergy		71,098				71,098	83,604
Worship		16,532	3,145	9,674	696	30,046	23,152
Premises and fabric		49,592				49,592	45,131
Office		11,443				11,443	11,116
Children's ministry		4,903				4,903	4,906
Other activities and costs		9,338				9,338	9,001
Diocesan quota		15,705				15,705	15,587
Grants and donations	17	4,849				4,849	5,274
Governance		3,024				3,024	1,755
		186,485	3,145	9,674	696	200,000	199,526
Total expenditure		193,523	3,145	9,674	696	207,038	207,832
Net operating income / (expenditure)		13,664	(3,145)	6,427	(696)	16,250	97,591
Gains on investments	11	28,256				28,256	34,232
Net income / (expenditure)		41,919	(3,145)	6,427	(696)	44,505	131,823
Transfers between funds	12	(5,799)	5,799				-
Net movement in funds		36,120	2,654	6,427	(696)	44,505	131,823
Reconciliation of funds:							
Total funds brought forward		456,859	247,835	64,578	41,862	811,134	679,311
Total funds carried forward		492,979	250,489	71,005	41,166	855,639	811,134

All income and expenditure derive from continuing operations.

All income, gains, expenditure and losses recognised in the period are included above.

Comparative information for all fund values presented above is given in the relevant note.

The notes on pages 12 to 24 form an integral part of these accounts.



Balance sheet

30 September 2018

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds	Total funds
		General	Designated			2018	2017
		£	£	£	£	£	£
Fixed assets							
Tangible assets	18	53,326				53,326	58,790
Investments:							
held for a financial return	19(a)	241,610	187,128	50,507	41,166	520,411	483,674
programme-related (social)	19(b)	664				664	664
		242,274	187,128	50,507	41,166	521,075	484,338
Total fixed assets		295,600	187,128	50,507	41,166	574,401	543,128
Current assets							
Debtors	20	13,832				13,832	27,338
Cash in building society		73,933	21,671			95,604	52,542
Cash at bank and in hand		160,556	41,690	20,498		222,744	195,865
		248,321	63,361	20,498		332,180	275,745
Liabilities							
Creditors: amounts falling due within one year	21	50,942				50,942	7,739
Net current assets		197,380	63,361	71,005	-	281,238	268,006
Total net assets		492,979	250,489	71,005	41,166	855,639	811,134
Funds of the charity							
Endowment fund					41,166	41,166	41,862
Restricted income funds				71,005		71,005	64,578
Unrestricted funds:							
Designated funds			250,489			250,489	247,835
General fund		492,979				492,979	456,859
Total unrestricted funds		492,979	250,489			743,468	704,694
Total charity funds		492,979	250,489	71,005	41,166	855,639	811,134

The notes on pages 12 to 24 form an integral part of these accounts.

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

2019

KIMBERLEY MOORE EDE
Vestry Clerk



Notes to the accounts

Year ended 30 September 2018

1. Accounting policies

(a) Basis of preparation

These accounts have been prepared under the historical cost convention with items being recognised at cost or transaction value unless otherwise stated in the relevant note to the accounts, and are in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (as updated through Update Bulletin 1 published on 2 February 2016), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Church constitutes a public benefit entity as defined by FRS102.

(b) Going concern

The accounts have been prepared on a going concern basis. The members of the Vestry have assessed the Church's ability to continue as a going concern and have reasonable expectation that the Church has adequate resources to continue in operational existence for the foreseeable future, and for at least 12 months. They thus continue to adopt the going concern basis of accounting in preparing these accounts.

(c) Transition from and reconciliation with previous Generally Accepted Accounting Practice

The date of transition is 1 October 2015, with the financial statements for the year ended 30 September 2016 being the last prepared under the old UK GAAP.

In preparing the accounts, the Vestry have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

(d) Fund accounting

Unrestricted funds may be used at the discretion of the Vestry to further any of the purposes of the Church, including to supplement expenditure from restricted funds.

The Vestry may choose to set aside part of the unrestricted funds as a designated fund for a particular future project or commitment. Individual donations and legacies in excess of £5,000 which have no restriction on their use are added to the memorial fund.

Restricted funds can lawfully only be used for the purpose specified by the donor or resulting from the terms of an appeal.

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

The purpose and use of individual funds are set out in note 22.

(e) Recognition of income

Income is recognised in the statement of financial activities when the Church becomes entitled to the income, there is probability of receipt, and its monetary value, including any associated costs, can be measured reliably. Income is deferred where it relates to activities or services delivered in a later accounting period.

Income from donations and legacies includes giving by members of the Congregation, other donations of a general nature, and legacies. In the case of legacy income where there is uncertainty as to amount, the fair value of the income receivable may be estimated on the basis of available information.

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

Income from charitable activities comprises sums 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.

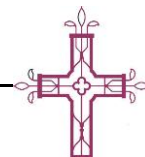
Income from other trading activities includes receipts from fundraising and from letting of surplus space, which is recognised as it falls due for payment.

Income from investments, derived from securities and deposits, is recognised as it falls due for payment.

Grants may be receivable under the Listed Places of Worship Grant Scheme for recovery of Value Added Tax incurred on the repair and maintenance or alteration of listed ecclesiastical buildings. Grants receivable are offset against the related expenditure.

(f) Recognition of expenditure

Expenditure is accounted for on an accruals basis, being recognised when there is a legal or constructive obligation to pay, probability that settlement will be required, and the amount can be measured or estimated reliably.



Notes to the accounts (continued)

Year ended 30 September 2018

1. Accounting policies (continued)

Expenditure on raising funds includes specifically identifiable costs of fundraising, and costs of investment management, together with a proportion of premises and office costs attributable to space letting.

Expenditure on charitable activities includes 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.

Liability for grants payable is recognised at the time of the grant being awarded.

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

Governance costs represent the costs associated with general running of the Church as an organisation as opposed to costs associated with fundraising and charitable activity. These include external scrutiny, legal advice, trustee and member 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.

(e) Allocation of support and governance costs

There is considered to be one sole activity, the mission of the Church. Support costs (including governance) are therefore presented as an additional component of expenditure on charitable activities, except for allocation of premises and office costs to space letting, in proportion to income generated.

(f) Taxation

The Church is a registered Scottish charity exempt from 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.

(g) Tangible assets

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 £1,000 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

(h) Financial instruments

The Church carries only basic financial assets and liabilities. These may comprise investments in securities, amounts receivable and payable, and cash deposited with banks and building societies. Financial assets and liabilities are initially recorded at cost; subsequently, investment assets are valued at market valuation (excluding any costs of realisation or disposal) and other assets and liabilities are valued at the best estimate of settlement amount.

(i) Investment assets

Investment assets are recorded at market valuation. Programme-related (social) investments are shown at cost, less any required impairment adjustment.

Investment assets include an amount representing any unexpended portion of income received for restricted purposes.

(j) Gains and losses

Realised gains and losses on security investments are calculated as the difference between the net sales proceeds and their valuation at the start of the year (or subsequent cost) and are recognised in the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market valuation during the year (or since subsequent purchase) and are recognised in the statement of financial activities based on market valuation at year end.

(k) 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 /...



Notes to the accounts (continued)

Year ended 30 September 2018

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 15.

2. Related party transactions

FRS102 requires disclosure of material related party transactions and year-end balances with related parties.

During the year the Church paid quota amounting to £15,705 (2017–£15,587) to the Diocese of Edinburgh to fund the costs of the Diocese and received from the Diocese curate grant amounting to £17,099 (2017–£16,861).

Canon Ian Paton, Nigel Cook and Victoria Stock were Trustees of the Church and Members of the Diocesan Standing Committee. Quota and Curate grants are routine transactions between a diocese and its congregations. The amounts concerned are amounts concerned are calculated according to long established formulae, widely publicised within the Diocese. No balances were outstanding for payment on 30 September 2018 or 2017.

The total amount of unconditional donations received from trustees and other related parties was £16,653 (2017–£17,343).

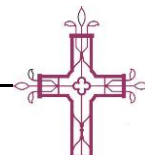
Apart from the disclosures made in note 13, there were no other related party transactions which require to be disclosed

3. Income from donations and legacies

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2018	Total funds 2017
	General	Designated			2018	2017
	£	£	£	£	£	£
Congregational giving						
'Open plate' giving	14,558				14,558	11,115
Pledged giving	87,805				87,805	90,872
Gift Aid claimed on giving	23,450				23,450	23,679
Payroll giving	13,305				13,305	13,704
	139,118		-		139,118	139,370
Other donations and legacies						
Other donations (incl. Gift Aid)	4,054		5,647		9,701	8,352
Legacies	1,085		10,030		11,115	95,000
Grants	970				970	(40)
	6,109		15,677		21,786	103,312
	145,227		15,677		160,904	242,682
Fund totals 2017:						
Congregational giving	139,370	-	-	-	139,370	
Other donations and legacies	7,727	95,000	585	-	103,312	
	147,097	95,000	585	-	242,682	

4. Income from charitable activities

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2018	Total funds 2017
	General	Designated			2018	2017
	£	£	£	£	£	£
Church fees	560				560	1,585
Activities	3,919				3,919	2,410
Diocesan curate grant	17,099				17,099	16,861
	21,578				21,578	20,856
Fund totals 2017	20,856	-	-	-	20,856	



Notes to the accounts (continued)

Year ended 30 September 2018

5. Income from other trading activities

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2018	Total funds 2017
	General	Designated				
	£	£	£	£	£	£
Fundraising activities	3,142		424		3,566	3,830
Space letting	25,547				25,547	25,293
	28,689		424		29,113	29,123
<i>Fund totals 2017</i>	25,293	-	3,830	-	29,123	

6. Income from investments

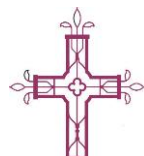
	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2018	Total funds 2017
	General	Designated				
	£	£	£	£	£	£
Listed securities and unit trusts	11,326				11,326	11,288
Programme-related investments	0				0	3
Interest on cash deposits	366				366	471
	11,693				11,693	11,762
<i>Fund totals 2017</i>	11,524	28	-	210	11,762	

7. Other income

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2018	Total funds 2017
	General	Designated				
	£	£	£	£	£	£
Utility supply compensation	-	-		-	-	1,000

8. Expenditure on raising funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2018	Total funds 2017
	General	Designated				
	£	£	£	£	£	£
Donations and legacies	53				53	210
Trading activities						
Fundraising activities	1,221				1,221	1,944
Space letting salaries	-				-	-
Space letting cleaning	2,194				2,194	2,342
Space letting allocated costs	3,570				3,570	3,810
	6,985				6,985	8,096
	7,038				7,038	8,306
<i>Fund totals 2017</i>	6,362	-	1,944	-	8,306	



Notes to the accounts (continued)

Year ended 30 September 2018

9. Expenditure on charitable activities

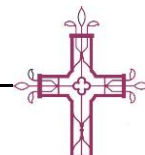
		Unrestricted funds		Restricted funds	Endowment fund	Total funds 2018	Total funds 2017
	Note	General	Designated			2018	2017
		£	£	£	£	£	£
Clergy							
Stipends and pensions	14	57,717				57,717	66,534
Allowances and training		522				522	401
Housing utilities and insurance		9,670				9,670	10,049
Housing maintenance		3,177				3,177	5,694
Travelling expenses		12				12	926
		71,098				71,098	83,604
Worship							
Music salaries	14	19,348				19,348	16,924
¹ Other music costs		1,936	3,145		696	5,777	2,493
Contribution from other funds		(9,674)		9,674		-	-
² Other worship costs		4,922				4,922	3,735
		16,532	3,145	9,674	696	30,046	23,152
Premises and fabric							
Utilities		14,479				14,479	8,734
Cleaning		1,818				1,818	2,120
Repairs and maintenance		18,257				18,257	19,956
Insurance		12,202				12,202	11,500
Premises and plant depreciation		4,976				4,976	6,140
Allocated to space letting		(2,140)				(2,140)	(3,319)
		49,592				49,592	45,131
Office							
Salaries	14	8,513				8,513	8,424
Printing and stationery		2,157				2,157	2,350
Postage and telephone		1,367				1,367	1,816
³ Other office costs		349				349	88
Office equipment depreciation		488				488	651
Allocated to space letting		(1,430)				(1,430)	(2,213)
		11,443				11,443	11,116
Children's ministry							
Salaries	14	4,848				4,848	4,800
Other staff costs		-				-	-
Other children's ministry costs		55				55	106
		4,903				4,903	4,906
Carried forward		153,568	3,145	9,674	696	167,083	167,909

Note continues on following page.

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 2018

9. Expenditure on charitable activities (continued)

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2018	Total funds 2017
		General	Designated			2018	2017
		£	£	£	£	£	£
Brought forward		153,568	3,145	9,674	696	167,083	167,909
Other activities and costs							
Activities	16	5,097				5,097	3,195
Advertising and publicity		3,733				3,733	731
⁴ Legal and professional fees		-				-	4,618
Bank charges		279				279	240
Other costs		229				229	217
		9,338				9,338	9,001
Total activities directly funded		162,905	3,145	9,674	696	176,420	176,910
Diocesan quota		15,705				15,705	15,587
Grants and donations	17	4,849				4,849	5,274
Governance							
Preparation and External scrutiny of accounts	10	3,024				3,024	1,346
Meeting expenses		-					409
		3,024				3,024	1,755
		186,485	3,145	9,674	696	200,000	199,526
Fund totals 2017:							
Clergy		83,604	-	-	-	83,604	
Worship		13,764	-	9,178	210	23,152	
Premises and fabric		32,908	11,839	384	-	45,131	
Office		11,116	-	-	-	11,116	
Children's ministry		4,906	-	-	-	4,906	
Other activities and costs		8,511	490	-	-	9,001	
Diocesan quota		15,587	-	-	-	15,587	
Grants and donations		5,274	-	-	-	5,274	
Governance		1,755	-	-	-	1,755	
		177,425	12,329	9,562	210	199,526	

10. Independent examiner's remuneration

Fees paid to the independent examiner of £1,374 (2017-£1,346) consist solely of the fee for independent examination of the trustees' report and accounts.

⁴ Legal and professional fees were paid to architects and surveyors engaged in connection with property repair and maintenance, and proposals for development of the church hall.



Notes to the accounts (continued)

Year ended 30 September 2018

11. Gains and losses on investment assets

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2018	Total funds 2017
	General	Designated				
	£	£	£	£	£	£
Gain on disposals (against original cost)	-	-	-	-	-	11,927
Revaluation gains previously recognised	-	-	-	-	-	11,984
(Loss) on disposals recognised in these accounts	-	-	-	-	-	(57)
Unrealised gains on revaluation	43,150	-	-	-	43,150	34,289
	43,150	-	-	-	43,150	34,232
<i>Fund totals 2017</i>	<i>34,232</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>34,232</i>	

12. Transfers between funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2018	Total funds 2017
	General	Designated				
	£	£	£	£	£	£
Transfer to organ fund	(1,200)	1,200	-	-	-	-
Transfer to buildings fund	(4,600)	4,600	-	-	-	-
	(5,800)	5,800	-	-	-	-
<i>Fund totals 2016</i>	<i>(5,615)</i>	<i>5,615</i>	<i>-</i>	<i>-</i>	<i>-</i>	

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 represents an annual contribution from the general fund equivalent to the amount of grants paid as part of the giving programme.

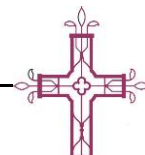
13. Trustee remuneration, benefits and expenses

No Trustee or member of the Vestry received remuneration or benefits in respect of service as trustee.

The Rector, Canon Ian Paton, 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 22 of the Constitution.

Amounts paid during the year comprised stipend of £25,823 and pension contributions of £8,315. As part of his remuneration, the Rector also has occupancy of

the Rectory, in respect of which the Vestry pays Council Tax and property insurance.



Notes to the accounts (continued)

Year ended 30 September 2018

The Rector received reimbursement of expenses incurred in performing pastoral duties. The total amount of expenses reimbursed during the year to the Rector was £nil.

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

14. Clergy and staff costs and emoluments

	2018		2017	
	£		£	
Gross stipends and salaries	71,532		78,928	
Employers' national insurance contributions	2,263		1,432	
Cost of pension contributions	16,630		16,322	
	90,425		96,682	

	Average headcount		Average full time equivalent	
	2018	2017	2018	2017
Clergy	2.00	2.00	2.00	2.00
Music	5.08	5.08	0.86	0.86
Office	1.00	1.00	0.40	0.40
Children's ministry	1.00	1.00	0.27	0.27
Space letting	–	–	–	–
	9.08	9.08	3.53	3.53

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.

15. Retirement benefits

Pension contributions in respect of stipendiary clergy are paid to the Scottish Episcopal Church Pension Fund which is a non-contributory defined benefit scheme. The Church is unable to identify its share of the underlying assets and liabilities of the Fund on a consistent and reasonable basis and so accounts for its contributions as if the scheme were 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 approved a recovery plan, as part of which the contribution rate was increased from 25.3% to 34.9% with effect from 1 January 2010. The valuation as at 31 December 2011 showed that the deficit had fallen to £3 million. However, the cost of future benefits had increased materially, meaning that the reduction of the deficit was taking longer than planned.

The increased contribution level was therefore maintained.

With effect from 1 January 2014, pensionable retirement age was increased to 67, and the annual increase in pensionable salary capped at the increase in the retail prices index.

The latest valuation as at 31 December 2014 disclosed that the past service deficit has been eliminated and that the Fund was in surplus by £1.3 million. As a result of the changes introduced on 1 January 2014, the cost of future benefit accrual has been reduced and the contribution rate was reduced to 32.2% of pensionable stipend with effect from 1 January 2016.

There were no unpaid contributions outstanding at 30 September 2018 payable by the Vestry.



Notes to the accounts (continued)

Year ended 30 September 2018

16. Activities income and expenditure

	Total income	Total expendi- ture	Net income / (expense)	
	£	£	2018 £	2017 £
Parish retreats and residential weekends	1,573	1,892	(319)	30
Study groups		-	-	145
Newsletter		-	-	(281)
Social activities	369	445	(76)	(582)
Parish lunches	779	151	628	366
Sunday refreshments	932	848	84	380
OSP Remembers (publication)	266	1,761	(1,495)	(843)
	3,919	5,097	(1,178)	(785)

17. Grants and donations

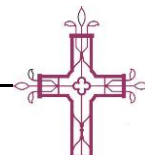
Included in the accounts are the following grants and donations awarded during the year:

	£
Awarded as part of the giving programme:	2018
Archbishop Romero Trust	750
<i>To support palliative care at the Hospitalo Divina Providencia, San Salvador</i>	
Edinburgh Street Pastors	1,064
Orissa Christian College	1,064
,	
Souper Saturday	1,722
<i>* an organisation providing a weekly opportunity for nourishment and social interaction for homeless people (currently hosted by Old Saint Paul's during development work at its usual venue, the Church of Saint John the Evangelist)</i>	
Giving total	4,600
Other grants awarded:	
Other institutional grants individually of less than £500	250
Grants to individuals	-
Other grants total	250
Total grants and donations	4,850

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):

	£
Bishop of Edinburgh's Lent appeal	365
Souper Saturday (collections at Advent and Christmas carol services)	1,026



Notes to the accounts (continued)

Year ended 30 September 2018

18. Tangible assets

	Property improve- ments £	Plant and ma- chinery £	Office equipment £	Total £
Cost				
At 1 October 2017 and 30 September 2018	86,238	76,468	8,739	171,445
Accumulated depreciation				
At 1 October 2017	40,072	65,794	6,789	112,655
Charge for year	2,308	2,668	488	5,464
At 30 September 2018	42,380	68,462	7,277	118,119
Net book value				
At 30 September 2018	43,858	8,006	1,462	53,326
At 30 September 2017	46,166	10,674	1,950	58,790

In addition to assets included above 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 2018 the church and rectory were insured for £19,399,711, which is an estimate of the replacement cost of buildings and all contents owned by the Church (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.

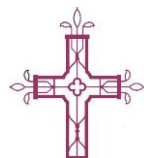
19. Investment assets

(a) Investments held to provide a financial return

	Listed se- curities and unit trusts £	Cash in building society £	Total £
Valuation			
Carrying value at 1 October 2017	441,812	41,862	483,674
Additions at cost	25,054	–	25,054
Disposals at carrying value	(–)	(16,573)	(16,573)
Gain on revaluation	28,256	–	28,256
Carrying value at 30 September 2018	495,122	25,289	520,411
Historical cost at 30 September 2018	291,451	25,289	316,740

Investments in listed securities (or ones valued by reference to such investments, such as unit trusts) are shown at market price on 30 September 2018. All investments are held in the United Kingdom.

Note continues on following page.



Notes to the accounts (continued)

Year ended 30 September 2018

19. Investment assets (continued)

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

	Carrying Value 2018 £	Carrying value 2017 £
Scottish Episcopal Church Unit Trust Pool	273,255	225,342
AXA Ethical Distribution Fund	25,497	26,114
Eden Tree Amity UK Income Fund	27,648	27,360
Henderson Global Care UK Income Fund	26,917	27,572
Kames Ethical Cautious Managed Fund	27,824	27,884
Legal & General Ethical Trust	28,123	27,633
Liontrust UK Ethical Fund	28,027	25,089
Premier Ethical Fund	28,507	28,538
Rathbone Ethical Bond Fund	25,474	26,280
Standard Life Investments UK Ethical Fund	26,231	-
Nationwide Building Society cash deposit	25,289	41,862

(b) Programme-related investments (social investments)

	2018 £	2017 £
Shared Interest Society Ltd – equity capital shown at amount invested	664	664

Shared Interest Society Ltd is a UK based co-operative lending society whose object is to provide financial services, especially for production and trade, in a manner reflecting the fundamental principles of the Christian faith, in order to promote wholesome, dignified and sustainable employment for the benefit of people in need, particularly in poor countries.

The Society is incorporated with limited liability under the Co-operative and Community Benefit Societies Act 2014. The entitlement of members to the assets of the Society is limited to repayment of shares, together with interest payable on shares. Net profits may only be distributed as a rebate on charges to customers or applied for charitable purposes.

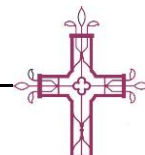
20. Debtors

	2018 £	2017 £
Gift Aid	6,079	6,300
Prepayments and accrued income	6,271	6,565
Other debtors	1,483	14,473
	13,832	27,338

All amounts fall due within one year.

21. Creditors: amounts falling due within one year

	2018 £	2017 £
Grants awarded	2,127	1,251
Accruals and deferred income	7,739	3,681
Other creditors	40,586	1,804
Taxation and social security	490	1,003
	50,942	7,739



Notes to the accounts (continued)

Year ended 30 September 2018

22. Summary of fund movements

	Brought forward £	Income £	Expenditure £	Gains and losses £	Transfers £	Carried forward £
Endowment fund						
John Steer music fund	41,862	-	696	-	-	41,166
Restricted funds						
Jerusalem Still fund	2,546	-	-	-	-	2,546
Restoration and renewal fund	10,492	6,071	-	-	-	16,563
Cecilia Cavaye music fund	47,961	10,030	9,674	-	-	48,317
Reredos restoration fund	3,579	-	-	-	-	3,579
Miscellaneous funds	-	-	-	-	-	-
	64,578	16,101	9,674	-	-	71,005
Unrestricted funds						
<i>Designated funds:</i>						
Buildings fund	38,853	-	-	-	4,599	43,452
Memorial fund	187,128	-	-	-	-	187,128
Organ fund	21,854	-	3,145	-	1,200	19,909
	247,835	-	3,145	-	5,799	250,489
General fund	456,859	207,187	193,523	28,256	(5,799)	492,979
	704,694	207,187	196,668	28,256	-	743,468
Total charity funds	811,134	223,288	207,038	28,256	-	855,639

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 **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 OBE 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 **Restoration and renewal fund** receives the proceeds of fundraising for development projects. Funds are transferred when required to meet project costs.

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

2019, one half of the costs of liturgical music will be met from the fund.

The **Reredos restoration fund** holds donations received towards the cost of restoration of the high altar reredos. This work was carried out during October 2015. Consideration is currently being given to appropriate use of the remaining sum.

The **Buildings fund** provides for any required expenditure (capital or revenue) on Church properties beyond normal recurring or routine maintenance. Since 2010, a sum, equivalent to the amount paid through the giving programme, has been transferred each year from the general fund to augment the fund.

The **Memorial fund** is credited with legacies transferred in accordance with the policy described in n. 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.



Notes to the accounts (continued)

Year ended 30 September 2018

23. 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 outstand- ing brought forward	Amounts charged during the year	Amounts added/ (released) during the year	Amount outstand- ing carried forward
	£	£	£	£	£
Development of website	-	6,300	(3,030)	-	3,270
Lady Chapel reredos refurbishment	-	3,072	-	-	3,072
Roof gutter clearing	-	3,780	-	-	3,780
	-	13,152	(3,030)	-	10,122

The above amounts include Value Added Tax where applicable, for which grants may be available through the Listed Places of Worship grant scheme.

All outstanding amounts are expected to be paid within one year.