



Report and Accounts for the year ended 30 September 2019

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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
website	http://www.osp.org.uk

THE VESTRY

Rector	Fr Ian Paton until 19 October 2018; then vacant to 15 October 2019 when Fr John McLuckie was instituted.
Church Wardens	<i>Appointed by the rector:</i> Eric Stoddart (appointed 11 December 2017) <i>Elected by the congregation in Annual Meeting:</i> † Lesley Blackmore (re-elected 11 December 2016)
Vestry Clerk	Kimberley Moore Ede
Treasurer	Malcolm Macrae (from 10 April 2018).
Lay Representative	† David McLellan (elected 10 December 2017)
Alternate Lay Representative	† Helen Tyrell (elected 10 December 2017)
Ordinary Members	‡ Sheila Brock (re-elected 16 December 2018; first 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 (elected 16 December 2018) Eleanor Smith (elected 16 December 2018) Ian Stewart (until 16 December 2018) Elizabeth Spence (until 16 December 2018)

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	Anna Poole QC
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 AND CUSTODIAN NOMINEES

Alliance Trust Savings Ltd t/a Stocktrade
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 2019 Annual Meeting and is eligible for re-election.

‡ indicates a trustee whose term of office expires at the 2019 Annual Meeting and is not eligible for re-election.



www.osp.org.uk



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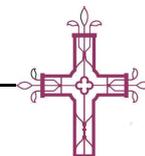


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Report of the Vestry (Trustees' report) Year ended 30 September 2019

As Trustees of Old Saint Paul's Episcopal Church, the Vestry presents its report and accounts for the year ended 30 September 2019. 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 up-dated through Update Bulletin 2 published on 5 October 2018).

Objectives and activities

The primary charitable purpose of the church is the advancement of religion and to provide public benefit. The Vestry's objective is 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

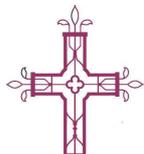
The 21-year ministry of Fr Ian Paton concluded on 19 October 2018 with his consecration as bishop of the diocese of St Andrews, Dunkeld and Dunblane on the following day. The vestry is confident that they echo the congregation's heartfelt appreciation to Bishop Ian for his deep spirituality in which we were formed through his care, teaching and sacramental ministry.

Although the office of rector has been vacant since 20 October 2018 we continued to provide the weekly and daily round of liturgy through the changing seasons, and sought 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 is indebted to our interim pastor, Fr Tony Bryer who, along with other retired clergy, met liturgical and pastoral needs until our new rector, Fr John McLuckie, was instituted on 15 October 2019. We are also extremely grateful to both Wardens, Lesley Blackmore and Eric Stoddart, for the additional burden they have shouldered during the vacancy.

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. While the vestry turned its attention to calling a new rector and overseeing substantial repairs to the rectory and the Laurie Halls, less effort was spent on the hall project. Since the appointment in July 2019 of Fr McLuckie as rector-elect, the vestry have resumed consideration of the timescale of the hall project. The failure of the stairlift, despite repeated repairs, is of deep regret. Energetic explorations of medium-term solutions are underway to provide access for people with a mobility disability to a building that reflects the challenging topography of the Royal Mile.

The vestry have continued to deliberate on how to encourage the involvement and support of all members of the congregation for the church's activities. Our Giving Group was assigned an extended remit of encouraging stewardship and additional group members were appointed. The efforts of our members help us to be a church that serves its members, the local community, and the city as a whole.

Major repairs and renovations to the rectory took place over the summer and planning was undertaken for repairs to the Laurie Halls (housing priests' and servers' and choir vestries) scheduled for the autumn of 2019.



The communications group launched our new website in April 2019 with further developments to come. 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 260 recipients.

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 and Orrissa Christian College. We have also continued to provide space most weeks to Souper Saturday. Details of all this year's grants can be found in note 17.

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	156.9	6.9
Charitable activities	2.6	-
Other trading activities	28.7	1.6
Investments	11.9	-
Other	-	-
Total income	<u>200.1</u>	<u>8.5</u>
Expenditure on:		
Raising funds	7.8	-
Charitable activities	289.6	10.5
Total expenditure	<u>297.4</u>	<u>10.5</u>
Net operating income/(expenditure)	(97.3)	(2.0)
Gains on investments	7.6	-
Net movement in funds	<u>(89.7)</u>	<u>5.7</u>
Total funds 30 September 2019	<u>653.8</u>	<u>110.2</u>

Restricted funds include endowment funds.

The general fund (which meets all normal operating expenses) resulted in a net deficit for the year, before gains on investment assets and transfers between funds, of £98,550, compared with a surplus of £13,664 in the preceding year. This reflects the cost of the maintenance work on the rectory.

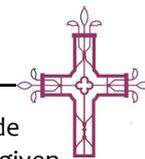
Total income from donations and legacies rose from £160,904 to £163,876 including the Walter Wood legacy of £5,000, available as a contribution towards maintenance of the Memorial Gardens.

Unrestricted purpose giving by the Congregation, including tax claims, increased from £139,118 to £145,244. The remainder of our income stems principally from letting of space to other groups and organisations (£26,608) and investment income (£11,945).

The largest proportion of unrestricted expenditure was on maintenance and use of our premises (£199,006, or 68%). Expenditure this year was particularly high as a result of the expenditure on repairs to the rectory. The Cavaye music fund continues to support 50% of all liturgical music costs. Clergy costs were substantially lower than last year following the departure of Fr Ian at the start of the year and the resulting vacancy.

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, the church's 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 to invest reserves likely to be held for the long term in balanced funds which take account of ethical and sustainability factors, with the aim of producing a real return on the assets over the long term.



Around £106K was realised through the sale of four of the ethical fund holdings in May 2019 in order to provide funds for the work carried out on the rectory and the Laurie Halls. The funds retained were those which had given the best risk-adjusted returns over the prior 3 and 5 years. The value of these funds fell during the market sell off at the end of 2018 and then recovered during 2019. Of the five holdings retained, one broke even across the year, two produced a gain of around 5%, and two produced a gain of around 9%. The return from the SEC Unit Trust Pool was 3.28% over the period

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 such as the rectory and Laurie Halls), 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 fallen to £141,874. On an annualised basis, this now represents a little more than projected expenditure, according to the 2019-20 budget.

Details of other fund reserves and their purpose are disclosed in note 22.

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.

Ordinary members of the vestry normally serve three-year terms (subject to the constitutional requirement that the two longest serving members must retire each year) and may serve a maximum of two consecutive terms. Casual vacancies may be filled by the vestry, and up to three 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

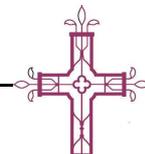
In conclusion, the vestry wishes to thank all members of the Congregation who assist in so many different ways in carrying on the work of the church, without whom nothing would be possible.

ON BEHALF OF THE VESTRY

KIMBERLEY MOORE EDE

Vestry Clerk

DATE



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



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 2019 which are set out on pages 9 to 25.

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.

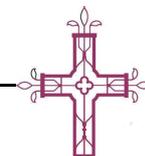
Independent examiner's statement

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 LLP
Chartered Accountants and
Independent Examiners
61 Dublin Street
Edinburgh EH3 6NL

2019

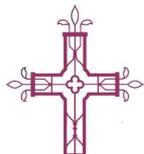


Statement of financial activities

Year ended 30 September 2019

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2019	Total funds 2018
		General	Designated				
		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies							
Congregational giving		145,244	0	0	0	145,244	139,118
Other donations and legacies		11,661	40	5,931	1,000	18,632	21,786
	3	156,905	40	5,931	1,000	163,876	160,904
Charitable activities	4	2,559	0	0	0	2,559	21,578
Other trading activities	5	28,726	0	1,032	575	30,333	29,113
Investments	6	11,945	0	0	0	11,945	11,693
Other	7	0	0	0	0	0	-
Total income		200,135	40	6,963	1,575	208,714	223,288
Expenditure on:							
Raising funds	8	7,765	0	0	0	7,765	7,038
Charitable activities							
Clergy	9	18,897	0	0	0	18,897	71,098
Worship		14,099	1,089	10,519	0	25,707	30,046
Premises and fabric		199,006	0	0	0	199,006	49,592
Office		15,204	0	0	0	15,204	11,443
Children's ministry		5,321	0	0	0	5,321	4,903
Other activities and costs		8,036	0	0	0	8,036	9,338
Diocesan quota		18,069	0	0	0	18,069	15,705
Grants and donations		6,247	0	0	0	6,247	4,849
Governance		6,041	0	0	0	6,041	3,024
		290,920	1,089	10,519	0	302,528	200,000
Total expenditure		298,685	1,089	10,519	0	310,294	207,038
Net operating income / (expenditure)		(98,550)	(1,049)	(3,556)	1,575	(101,580)	16,250
Gains on investments	11	7,623	-	-	-	7,623	28,256
Net income / (expenditure)		(90,926)	(1,049)	(3,556)	1,575	(93,956)	44,505
Transfers between funds	12	(99,200)	99,200	-	-	-	-
Net movement in funds		(190,126)	98,151	(3,556)	1,575	(93,956)	44,505
Reconciliation of funds:							
Total funds brought forward		492,979	250,489	71,005	41,166	855,639	811,134
Total funds carried forward		302,853	348,640	67,449	42,741	761,683	855,639

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 11 to 25 form an integral part of these accounts.



Balance sheet

30 September 2019

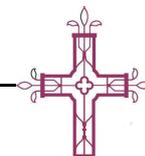
	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2019	Total funds 2018
		General	Designated				
		£	£	£	£	£	£
Fixed assets							
Tangible assets	18	48,766				48,766	53,326
Investments:							
held for a financial return	19(a)	111,549	282,128	50,507	42,741	486,925	520,411
programme-related (social)	19(b)	664				664	664
		<i>112,213</i>	<i>282,128</i>	<i>50,507</i>	<i>42,741</i>	<i>487,589</i>	<i>521,075</i>
Total fixed assets		<i>160,979</i>	<i>282,128</i>	<i>50,507</i>	<i>42,741</i>	<i>536,355</i>	<i>574,401</i>
Current assets							
Debtors	20	16,955				16,955	13,832
Cash in building society		75,133	21,671			96,804	95,604
Cash at bank and in hand		103,155	44,841	16,942		164,938	222,744
		195,243	66,512	16,942	0	278,697	332,180
Liabilities							
Creditors: amounts falling due within one year	21	53,369				53,369	50,942
Net current assets		141,874	66,512	16,942	0	225,328	281,238
Total net assets		302,853	348,640	67,449	42,741	761,683	855,639
Funds of the charity							
Endowment fund		–	–	–	42,741	42,741	41,166
Restricted income funds		–	–	67,449	–	67,449	71,005
<i>Unrestricted funds:</i>							
Designated funds			348,640			348,640	250,489
General fund		302,853				302,853	492,979
<i>Total unrestricted funds</i>		<i>302,853</i>	<i>348,640</i>	<i>0</i>	<i>0</i>	<i>651,493</i>	<i>743,468</i>
Total charity funds		302,853	348,640	67,449	42,741	761,683	855,639

The notes on pages 11 to 25 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 2019

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), (as updated through Update Bulletin 2 published on 5 October 2018), 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) 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.

(d) 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.

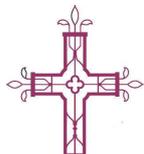
Income from investments, derived from securities and deposits, is recognised as it falls due for payment.

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.

(e) 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

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.



Notes to the accounts (continued)

Year ended 30 September 2019

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.

1. Accounting policies (continued)

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.

(f) 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.

(g) 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.

(h) 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

(i) 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.

(j) 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.

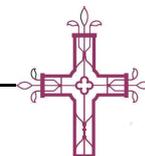
(k) Gains and losses

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.

(l) 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 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 £18,069 (2018-£15,705) to the Diocese of Edinburgh to fund the costs of the Diocese and paid back an overpayment from the Diocese curate grant amounting to £3,430 (2018-received £17,099).

Canon Ian Paton, was a Trustee of the church and Member of the Diocesan Standing Committee until 19 October 2018. Quota and Curate grants are routine transactions between a diocese and its congregations. The amounts concerned are calculated according to

long established formulae, widely publicised within the Diocese. No balances were outstanding for payment on 30 September 2019 or 2018.

The total amount of unconditional donations received from trustees and other related parties was £18,114 (2018-£16,653).

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 2019	Total funds 2018
	General	Designated				
	£	£	£	£	£	£
Congregational giving						
'Open plate' giving	16,481				16,481	14,558
Pledged giving	88,335				88,335	87,805
Payroll giving	14,893				14,893	13,305
Gift Aid claimed on giving	25,535				25,535	23,450
	145,244	-	-	-	145,244	139,118
Other donations and legacies						
Other donations (incl. Gift Aid)	6,661	40	931	1,000	8,632	9,701
Legacies	5,000		5,000		10,000	11,115
Grants	-				-	970
	11,661	40	5,931	1,000	18,632	21,786
	156,905	40	5,931	1,000	163,876	160,904
Fund totals 2018:						
Congregational giving	139,118	-	-	-	139,118	
Other donations and legacies	6,109	-	15,677	-	21,786	
	145,227	-	15,677	-	160,904	



Notes to the accounts (continued)

Year ended 30 September 2019

4. Income from charitable activities

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2019	Total funds 2018
		General	Designated				
		£	£	£	£	£	£
Church fees		880				880	560
Activities	16	5,109				5,109	3,919
Diocesan curate grant		(3,430)				(3,430)	17,099
		2,559				2,559	21,578

<i>Fund totals 2018</i>		21,578	-	-	-	21,578	
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5. Income from other trading activities

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2019	Total funds 2018
	General	Designated				
	£	£	£	£	£	£
Fundraising activities	2,118		1,032	575	3,725	3,566
Space letting	26,608				26,608	25,547
	28,726		1,032	575	30,333	29,113

<i>Fund totals 2018</i>		28,689	-	424	-	29,113	
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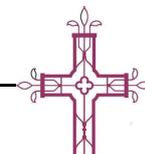
6. Income from investments

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2019	Total funds 2018
	General	Designated				
	£	£	£	£	£	£
Listed securities and unit trusts	11,374				11,374	11,326
Programme-related investments	-				-	0
Interest on cash deposits	571				571	366
	11,945	-	-	-	11,945	11,693

<i>Fund totals 2018</i>		11,693	-	-	-	11,693	
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7. Other income

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2019	Total funds 2018
	General	Designated				
	£	£	£	£	£	£
None	-	-			-	-



8. Expenditure on raising funds

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2019	Total funds 2018
		General	Designated				
		£	£	£	£	£	£
Donations and legacies		-				-	53
Trading activities							
Fundraising activities		1,572				1,572	1,221
Space letting salaries	14	-				-	-
Space letting cleaning		2,624				2,624	2,194
Space letting allocated costs		3,570				3,570	3,570
		7,765				7,765	6,985
		7,765				7,765	7,038
Fund totals 2018		7,038				7,038	

9. Expenditure on charitable activities

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2019	Total funds 2018
		General	Designated				
		£	£	£	£	£	£
Clergy							
Stipends and pensions	14	3,462				3,462	57,717
Allowances and training		3,374				3,374	522
Housing utilities and insurance		11,367				11,367	9,670
Housing maintenance		399				399	3,177
Travelling expenses		296				296	12
		18,897				18,897	71,098
Worship							
Music salaries	14	18,628				18,628	19,348
¹ Other music costs		1,413	1,089			2,502	5,777
Contribution from other funds		(10,519)		10,519		-	-
² Other worship costs		4,577				4,577	4,922
		14,099	1,089	10,519		25,707	30,046
Premises and fabric							
Utilities		9,223				9,223	14,479
Cleaning		1,406				1,406	1,818
Repairs and maintenance		172,856				172,856	18,257
Insurance		13,574				13,574	12,202
Premises and plant depreciation		4,086				4,086	4,976

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.

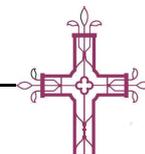


Notes to the accounts (continued)

Year ended 30 September 2019

Allocated to space letting		(2,140)			(2,140)	(2,140)
		252,527	1,089	10,519	264,135	49,592
Office						
Salaries	14	9,067			9,067	8,513
Printing and stationery		4,794			4,794	2,157
Postage and telephone		729			729	1,367
³ Other office costs		1,678			1,678	349
Office equipment depreciation		312			312	488
Allocated to space letting		(1,430)			(1,430)	(1,430)
		15,204			15,204	11,443
Children's ministry						
Salaries	14	5,177			5,177	4,848
Other staff costs						-
Other children's ministry costs		143			143	55
		5,321			5,321	4,903
<i>Carried forward</i>		255,533	1,089	10,519	-	267,141
						167,083

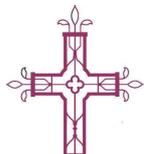
³ Other office costs comprise maintenance of office equipment and miscellaneous expenses.



9. Expenditure on charitable activities (continued)

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2019	Total funds 2018
		General	Designated				
		£	£	£	£	£	£
Brought forward		255,533	1,089	10,519	-	267,141	167,083
Other activities and costs							
Activities	16	2,663				2,663	5,097
Advertising and publicity		4,136				4,136	3,733
⁴ Legal and professional fees		750				750	-
Bank charges		303				303	279
Other costs		183				183	229
		8,036				8,036	9,338
Total activities directly funded		260,563	1,089	10,519	-	272,171	176,420
Diocesan quota		18,069				18,069	15,705
Grants and donations	0	6,247				6,247	4,849
Governance							
Preparation and External scrutiny of accounts	10	6,026				6,026	3,024
Meeting expenses		15				15	
		6,041	-	-	-	6,041	3,024
Total Charitable Expenditure		290,920	1,089	10,519	-	302,528	200,000
Fund totals 2018:							
Clergy		71,098				71,098	
Worship		16,532	3,145	9,674	696	30,046	
Premises and fabric		49,592				49,592	
Office		11,443				11,443	
Children's ministry		4,903				4,903	
Other activities and costs		9,338				9,338	
Diocesan quota		15,705				15,705	
Grants and donations		4,849				4,849	
Governance		3,024				3,024	
		186,485	3,145	9,674	696	200,000	

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 2019

10. Independent examiner's remuneration

Fees paid to the independent examiner of £1,716 (2018–£1,374) consist solely of the fee for independent examination of the trustees' report and accounts.

11. Gains and losses on investment assets

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2019	Total funds 2018
	General	Designated				
	£	£	£	£	£	£
Gain on disposals (against original cost)	18,523	–	–	–	18,523	–
Less Revaluation gains previously recognised	22,438	–	–	–	22,438	–
(Loss) on disposals recognised in these accounts	(3,915)	–	–	–	(3,915)	–
Unrealised gains on revaluation	11,538	–	–	–	11,538	43,150
	7,623	–	–	–	7,623	43,150
<i>Fund totals 2018</i>	43,150	–	–	–	43,150	

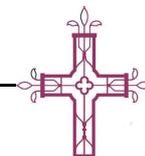
12. Transfers between funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2019	Total funds 2018
	General	Designated				
	£	£	£	£	£	£
Transfer to organ fund	(4,200)	4,200	–	–	–	–
Transfer to Restoration and Renewal Fund	(95,000)	95,000	–	–	–	–
	(99,200)	99,200	–	–	–	–
<i>Fund totals 2018</i>	(5,800)	5,800	–	–	–	

Each year the vestry transfers the sum of £4,200 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.

Vestry has created a designated fund "Restoration and Renewals fund" for development projects.



13. Trustee remuneration, benefits and expenses

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

Until 19 October 2018 the Rector, Canon Ian Paton, was *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 was engaged on a full-time basis until 19 October 2018 and payment of remuneration is authorised under article 22 of the Constitution. Amounts paid during the financial year comprised stipend and pension contributions of £1,746.85. As part of his remuneration, the Rector also had occupancy of the Rectory, in respect of which the vestry pays Council Tax and property insurance.

The Rector received no 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

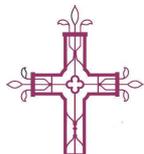
	2019	2018
	£	£
Gross stipends and salaries	36,448	71,532
Employer's national insurance contributions	-	2,263
Cost of pension contributions	(114)	16,630
	36,334	90,425

	Average headcount		Average full time equivalent	
	2019	2018	2019	2018
Clergy	0.00	2.00	0.00	2.00
Music	5.05	5.08	0.84	0.86
Office	1.00	1.00	0.40	0.40
Children's ministry	1.00	1.00	0.27	0.27
Space letting	-	-	-	-
	7.05	9.08	1.51	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



Notes to the accounts (continued)

Year ended 30 September 2019

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 valuation 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.

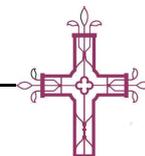
The latest valuation at 31 December 2017 showed a surplus of £3.7 million. The contribution rate continued at 32.2%.

There were no unpaid contributions outstanding at 30 September 2019 payable by the vestry.

16. Activities income and expenditure

	Total income	Total expendi- ture	Net income / (expense)	
			2019	2018
	£	£	£	£
Parish retreats and residential weekends	3,141	-	3,141	(319)
Study groups	-	-	-	-
Newsletter	-	-	-	-
Social activities	-	-	-	(76)
Parish lunches	1,020	194	826	628
Sunday refreshments	949	564	385	84
OSP Remembers (publication)	-	-	-	(1,495)
	5,110	758	4,352	(1,178)

17. Grants and donations



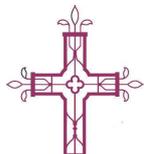
Included in the accounts are the following grants and donations awarded during the year:

	£
Awarded as part of the giving programme:	2019
Archbishop Romero Trust <i>To support palliative care at the Hospitalo Divina Providencia, San Salvador</i>	1,500
Orissa Christian College <i>Matched funding - Theological training of pastors and social workers in rural India</i>	1,500
Skatepal <i>To assist in purchase of a laptop</i>	500
Dance Base <i>To support "Dance for Parkinson's"</i>	400
<i>Still to be allocated</i>	2,097
Giving total	5,997
Other grants awarded:	
Other institutional grants individually of less than £500	250
Grants to individuals	-
Other grants total	250
Total grants and donations	6,247

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	650
Souper Saturday (<i>collections at Advent and Christmas carol services</i>)	700



Notes to the accounts (continued)

Year ended 30 September 2019

18. Tangible assets

	Property improve- ments £	Plant and ma- chinery £	Office equipment £	Total £
Cost				
At 1 October 2018	86,238	76,468	8,739	171,445
Fully Depreciated Assets		(29,571)	(80)	(29,651)
At 30 September 2019	<u>86,238</u>	<u>46,897</u>	<u>8,659</u>	<u>141,794</u>
Accumulated depreciation				
At 1 October 2018	42,380	68,462	7,277	118,119
Charge for year	2,193	2,001	366	4,560
Fully Depreciated Assets		(29,571)	(80)	(29,651)
At 30 September 2019	<u>44,573</u>	<u>40,892</u>	<u>7,563</u>	<u>93,028</u>
Net book value				
At 30 September 2019	<u>41,665</u>	<u>6,005</u>	<u>1,096</u>	<u>48,766</u>
At 30 September 2018	<u>43,858</u>	<u>8,006</u>	<u>1,462</u>	<u>53,326</u>

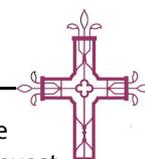
In addition to assets included above the Congregation also owns the church, and the rectory at Lauder House, both in Jeffrey Street, Edinburgh. The original value of these assets and the cost of improvements prior to 1 October 2000 are not available and have not been included because, in the opinion 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 £19,904,148, 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 2018	495,122	25,289	520,411
Additions at cost	-	-	-
Disposals at carrying value	(109,827)	64,804	(45,023)
Gain on revaluation	11,537	-	11,537
Carrying value at 30 September 2019	<u>396,832</u>	<u>90,093</u>	<u>486,925</u>
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 2019. All investments are held in the United Kingdom.19. Investment assets (continued)

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

	Carrying Value 2019	Carrying value 2018
	£	£
Scottish Episcopal Church Unit Trust Pool	262,348	273,255
AXA Ethical Distribution Fund	25,440	25,497
Eden Tree Amity UK Income Fund	-	27,648
Henderson Global Care UK Income Fund	26,221	26,917
Kames Ethical Cautious Managed Fund	-	27,824
Legal & General Ethical Trust	-	28,123
Liontrust UK Ethical Fund	29,024	28,027
Premier Ethical Fund	27,673	28,507
Rathbone Ethical Bond Fund	26,126	25,474
Standard Life Investments UK Ethical Fund	-	26,231
Nationwide Building Society cash deposit	90,093	25,289

(b) Programme-related investments (social investments)

	2019	2018
	£	£
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

	2019	2018
	£	£
Gift Aid	7,888	6,079
Prepayments and accrued income	6,953	6,271
Other debtors	2,114	1,483
	16,955	13,832

All amounts fall due within one year.



Notes to the accounts (continued)

Year ended 30 September 2019

21. Creditors: amounts falling due within one year

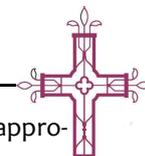
	2019	2018
	£	£
Grants awarded	5,997	2,127
Accruals and deferred income	6,417	7,739
Other creditors	40,463	40,586
Taxation and social security	492	490
	53,369	50,942

22. Summary of fund movements

	Brought forward	Income	Expenditure	Gains and losses	Transfers	Carried forward
	£	£	£	£	£	£
Endowment fund						
John Steer music fund	41,166	1,575				42,741
Restricted funds						
Jerusalem Still fund	2,546					2,546
Restoration and Renewal fund	16,563	1,962				18,525
Cecilia Cavaye music fund	48,317		10,519			37,798
Reredos restoration fund	3,579					3,579
Lauder House Repairs funds		5,000				5,000
	71,005	6,962	10,519			67,448
Unrestricted funds						
<i>Designated funds:</i>						
Buildings fund	43,452					43,452
Memorial fund	187,128					187,128
Organ fund	19,909	40	1,089		4,200	23,060
Restoration & Renewal fund					95,000	95,000
	250,489	40	1,089		99,200	348,640
General fund	492,979	200,136	298,686	7,623	(99,200)	302,853
	743,468	200,176	299,775	7,623	-	651,493
Total charity funds	855,639	208,714	310,294	7,623	-	761,682

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** receive 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 note 1(c). 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.

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	-	3,270	2,850	(420)	-
Lady Chapel reredos refurbishment	-	3,072	3,072	-	-
Roof gutter clearing	-	3,780	3,780	-	-
Laurie Halls Repairs and Restoration (est)	100,000	-	-	-	100,000
	100,000	10,122	9,702	(420)	100,000

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.