



# Report and Accounts for the year ended 30 September 2020

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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](mailto:info@osp.org.uk)

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

### THE VESTRY

**Rector** Fr John McLuckie (instituted on 15 October 2019. The role was vacant before then).

**Church Wardens** *Appointed by the rector:*

Gavin McEwan (appointed 14 January 2020)

Eric Stoddart (retired 15 December 2019)

*Elected by the congregation in Annual Meeting:*

Lesley Blackmore (re-elected 15 December 2019)

**Vestry Clerk** Kimberley Moore Ede

**Treasurer** Malcolm Macrae

**Lay Representative** Helen Tyrell (elected 15 December 2019)

**Alternate Lay Representative** David McLellan (elected 15 December 2019)

**Ordinary Members** Sheila Brock (retired 15 December 2019)

† Nicholas Hotham

Mark Gibson

† Eleanor Smith

Jeanine Bezuijen

Carrie Gooch

### 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** Pippa Snell

### SOLICITORS

Anderson Strathern LLP  
1 Rutland Court, Edinburgh EH3 8EY

### 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 2020 Annual Meeting and is eligible for re-election.

‡ indicates a trustee whose term of office expires at the 2020 Annual Meeting and is not eligible for re-election.



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## Report of the Vestry (Trustees' report) Year ended 30 September 2020

As Trustees of Old Saint Paul's Episcopal Church, the Vestry presents its report and accounts for the year ended 30 September 2020. These have been prepared in accordance with applicable charities law and the requirements of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition October 2019)

### 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.

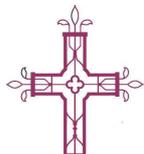
Formal grant making takes place through giving a proportion of the church's income. Grants are targeted at charitable causes which provide tangible benefit to disadvantaged communities, at home and overseas. In carrying out its objectives the Vestry depends considerably on the contribution of many volunteers 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

This last year in the life of Old St Paul's has, unsurprisingly, been dominated by the effects of the global coronavirus pandemic. However, a significant portion of the past year fell before the pandemic began to have a significant impact on every area of our lives. At the beginning of the year, the new Rector, Fr John McLuckie, was instituted and moved, with his family, into the newly refurbished Lauder House. This renovation was a major and successful undertaking, conducted efficiently and meticulously by the Property Committee of the church. It was swiftly followed by another major project to renovate the Laurie Halls which, again, was conducted very effectively with the congregation coping well with the inevitable disruption caused by the need to move the contents of the halls into the main hall space. Property projects continued to feature strongly in the congregation's life as the year continued, with the decision to replace the malfunctioning stairlift. At the time of writing, this project was in an advanced stage of planning.

The calendar year began with a planning day involving the Vestry and a number of other active members of church committees. This event was facilitated by an external consultant, who guided us through a process to identify and then begin to plan for a range of initiatives to take forward the outward-facing work of the congregation. Areas identified included work to address the needs of homeless people living in the city centre, a renewed focus on our response to global heating and care for creation, the use of our premises and members to reach out to the wider city through visual and performance arts, a more effective communications strategy and the stewardship of our resources. The planning day touched on the existing plans to upgrade our hall space but its emphasis was primarily on the outward-facing work that would, in time, benefit from such a major project.

In many respects, the beginning of the period of lockdown to mitigate the effects of the pandemic could be seen as having put a brake on some of these plans. Inevitably, much of the congregation's energy was focussed on maintaining our praying and worshipping life, with all the adaptations necessary to do so online. The response of the congregation was positive and creative, and a significant level of online activity was quickly put together at a very high standard. Many aspects of the congregation's life continued online, with vestry and committee meetings, study groups, children's work and social gatherings making use of video conferencing technology. As restrictions eased, considerable effort was put into the safe reopening of the church building for private prayer and then corporate worship, with the online offering continuing at the same time. New initiatives continued during this period, including new study groups, an eco-congregation planning group and the planned provision of a permanent video-streaming system will both ensure continuity of our outreach to existing groups within the congregation and significant new groupings who have begun to join us online, and give us the means to establish new areas of outreach in the future.



Our communications work has been mostly focussed on continuing our community's life in these very demanding circumstances but has also seen the significant launch and development of our new website. Similarly, our stewardship initiatives have been directed towards the maintenance of a sustainable level of giving in the absence of physical means of collecting donations each week. It is remarkable that this level has been maintained thanks to the great generosity of congregation members.

## Financial review

### Review of financial position

The financial result of the year is summarised as follows:

	<i>Unrestricted funds</i>	<i>Restricted funds</i>
	£'000s	£'000s
<b>Income and endowments from:</b>		
Donations and legacies	173.8	0.5
Charitable activities	6.0	-
Other trading activities	20.6	-
Investments	6.5	-
Other	-	-
Total income	206.9	0.5
<b>Expenditure on:</b>		
Raising funds	1.9	-
Charitable activities	269.9	18.0
Total expenditure	271.8	18.0
Net operating income/(expenditure)	(64.9)	(17.5)
Gains on investments	78.2	-
Net movement in funds	13.3	(17.5)
Total funds 30 September 2020	664.8	92.7

*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 £65,495 compared with a deficit of £98,550 in the preceding year. This reflects the cost of the maintenance work on the rectory and halls.

Total income from donations and legacies rose from £163,876 to £174,277 including a grant of £17,208 from the DCMS Listed Places of Worship Scheme.

Unrestricted purpose giving by the Congregation, including tax claims, fell from £145,244 to £136,999. The remainder of our income stems principally from letting of space to other groups and organisations £19,986 (down from £26,608) and investment and interest income £6,476 (down from £11,945).

The largest proportion of unrestricted expenditure was on maintenance and use of our premises (£166,327, or 80%). Expenditure this year was particularly high as a result of the expenditure on repairs to the rectory and Laurie Halls. The Cavaye music fund continues to support 50% of all liturgical music costs. Clergy costs were higher than last year when there was a 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 start of the 2020 pandemic and then recovered during the remaining months of 2020. Of the five holdings retained, two lost value, one by 13% and one by 3%, two produced fractional gains of 0-1%, and one rose by 10. The return from the SEC Unit Trust Pool was a remarkable 30% over the period, and this holding now represents 72% of our investments in 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 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 net current assets of the Unrestricted Funds, are £236,804 (up from £225,328 in 2019). It should be noted also that the investments held by the General Fund for a financial return, which are shown as fixed assets are readily realisable, albeit their value can fluctuate rapidly. Projected expenditure for General Funds for 2020-21 is anticipated to be significantly higher than the £271,834 for 2019-20, because there are significant works required on the church property beyond usual maintenance costs, including the installation of a new chair lift for the Calvary Stair and major repairs to the garden wall, and also the potential addition of a curate to the clergy team. It is likely that income will remain under pressure in 2020-21 as income from space letting is likely to remain zero until movement and gathering restrictions from COVID-19 are lifted, and financial stresses arising from the pandemic are also likely to have a wider impact. Thus far, however, congregational giving has been remarkably resilient.

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

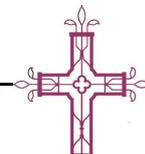
In conclusion, the vestry wishes to thank all members of the Congregation who assist in so many different ways in carrying on the work of the church, without whom nothing would be possible.

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*

2020



## 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 2020 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

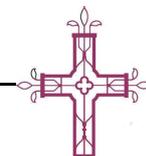
In the course of my examination, no matter has come to my attention

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

2020

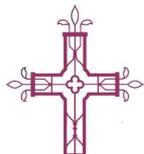


## Statement of financial activities

### Year ended 30 September 2020

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2020	Total funds 2019
		General	Designated				
		£	£	£	£	£	£
<b>Income and endowments from:</b>							
<b>Donations and legacies</b>							
		136,999				136,999	145,244
		36,778		500		37,278	18,632
	3	173,777	-	500	-	174,277	163,876
	4	6,050				6,050	2,559
	5	20,036	588			20,624	30,333
	6	6,476				6,476	11,945
	7	-				-	0
		<b>206,339</b>	<b>588</b>	<b>500</b>	<b>-</b>	<b>207,427</b>	<b>208,714</b>
<b>Expenditure on:</b>							
	8	1,905				1,905	7,765
	9						
		37,985				37,985	18,897
		12,043		12,976		25,019	25,707
		166,327		5,000		171,327	199,006
		12,519				12,519	15,204
		5,316				5,316	5,321
		5,768				5,768	8,036
		19,180				19,180	18,069
	17	5,262				5,262	6,247
		5,529				5,529	6,041
		269,929	-	17,976	-	287,905	302,528
		<b>271,834</b>	<b>-</b>	<b>17,976</b>	<b>-</b>	<b>289,810</b>	<b>310,294</b>
		<b>(65,495)</b>	<b>588</b>	<b>(17,476)</b>	<b>-</b>	<b>(82,383)</b>	<b>(101,580)</b>
	11	78,179				78,179	7,623
		<b>12,684</b>	<b>588</b>	<b>(17,476)</b>	<b>-</b>	<b>(4,204)</b>	<b>(93,956)</b>
	12	(6,000)	6,000			-	-
		<b>6,684</b>	<b>6,588</b>	<b>(17,476)</b>	<b>-</b>	<b>(4,204)</b>	<b>(93,956)</b>
<b>Reconciliation of funds:</b>							
		302,853	348,640	67,449	42,741	761,683	855,639
		<b>309,537</b>	<b>355,228</b>	<b>49,973</b>	<b>42,741</b>	<b>757,479</b>	<b>761,683</b>

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 2020

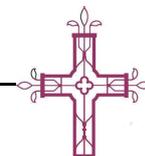
	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2020	Total funds 2019
		General	Designated				
		£	£	£	£	£	£
<b>Fixed assets</b>							
Tangible assets	18	44,907				44,907	48,766
Investments:							
held for a financial return	19(a)	27,162	355,228	49,973	42,741	475,104	486,925
programme-related (social)	19(b)	664				664	664
		27,826	355,228	49,973	42,741	475,768	487,589
<b>Total fixed assets</b>		<b>72,733</b>	<b>355,228</b>	<b>49,973</b>	<b>42,741</b>	<b>520,675</b>	<b>536,355</b>
<b>Current assets</b>							
Debtors	20	13,597				13,597	16,955
Cash in building society		98,004				98,004	96,804
Cash at bank and in hand		138,644				138,644	164,938
		250,245				250,245	278,697
<b>Liabilities</b>							
Creditors: amounts falling due within one year	21	13,441				13,441	53,369
<b>Net current assets</b>		<b>236,804</b>				<b>236,804</b>	<b>225,328</b>
<b>Total net assets</b>		<b>309,537</b>	<b>355,228</b>	<b>49,973</b>	<b>42,741</b>	<b>757,479</b>	<b>761,683</b>
<b>Funds of the charity</b>							
Endowment fund					42,741	42,741	42,741
Restricted income funds				49,973		49,973	67,449
<i>Unrestricted funds:</i>							
Designated funds			355,228			355,228	348,640
General fund		309,537				309,537	302,853
<b>Total unrestricted funds</b>		<b>309,537</b>	<b>355,228</b>			<b>664,765</b>	<b>651,493</b>
<b>Total charity funds</b>		<b>309,537</b>	<b>355,228</b>	<b>49,973</b>	<b>42,741</b>	<b>757,479</b>	<b>761,683</b>

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

2020

**KIMBERLEY MOORE EDE**  
*Vestry Clerk*



## Notes to the accounts (continued)

### Year ended 30 September 2020

#### 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) (second edition – October 2019), 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. Ongoing uncertainties around Covid-19 exist and are noted below as part of the post Balance Sheet events. 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.

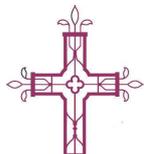
*Income from investments*, derived from securities and deposits, is recognised as it falls due for payment.

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 2020

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.

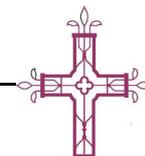
#### (k) Gains and losses

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.



## Notes to the accounts (continued)

### Year ended 30 September 2020

#### (m) Post Balance Sheet Events

There are ongoing uncertainties around Covid-19 and the impact on the church. Donated income has

continued to be sustained at the same level as during the financial year and additional funds have been raised to facilitate the on-line delivery of Sunday Worship.

#### 2. Related party transactions

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

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

The total amount of unconditional donations received from trustees and other related parties was £14,730 (2019: £18,114).

#### 3. Income from donations and legacies

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2020	Total funds 2019
	General	Designated				
	£	£	£	£	£	£
<b>Congregational giving</b>						
'Open plate' giving	9,362				9,362	16,481
Pledged giving	87,637				87,637	88,335
Payroll giving	14,058				14,033	14,893
Gift Aid claimed on giving	25,942				25,942	25,535
	136,999				136,974	145,244
<b>Other donations and legacies</b>						
Other donations (incl. Gift Aid)	18,570		500		19,070	8,632
Legacies	1,000				1,000	10,000
Grants	17,208				17,208	-
	36,778		500		37,278	18,632
	<b>173,777</b>		<b>500</b>		<b>174,277</b>	<b>163,876</b>
<b>Fund totals 2019:</b>						
Congregational giving	145,244	-	-	-	145,244	
Other donations and legacies	11,661	40	5,931	1,000	18,632	
	156,905	40	5,931	1,000	163,876	

#### 4. Income from charitable activities

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2020	Total funds 2019
		General	Designated				
		£	£	£	£	£	£
Church fees		985				985	880



## Notes to the accounts (continued)

### Year ended 30 September 2020

Activities	16	719			719	5,109
Diocesan curate grant		4,346			4,346	(3,430)
		<b>6,050</b>			<b>6,050</b>	<b>2,559</b>

*Fund totals 2019* 2,559 - - - 2,559

#### 5. Income from other trading activities

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2020	Total funds 2018
	General	Designated				
	£	£	£	£	£	£
Fundraising activities	50	588			638	3,725
Space letting	19,986				19,986	26,608
	<b>20,036</b>	<b>588</b>			<b>20,624</b>	<b>30,333</b>

*Fund totals 2019* 28,726 - 1,032 575 30,333

#### 6. Income from investments

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2020	Total funds 2019
	General	Designated				
	£	£	£	£	£	£
Listed securities and unit trusts	6,180				6,180	11,374
Programme-related investments						-
Interest on cash deposits	296				296	571
	<b>6,476</b>				<b>6,476</b>	<b>11,945</b>

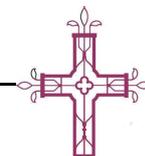
*Fund totals 2019* 11,945 - - - 11,945

#### 7. Other income

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2020	Total funds 2019
	General	Designated				
	£	£	£	£	£	£
None	-	-			-	-

#### 8. Expenditure on raising funds

Unrestricted funds



## Notes to the accounts (continued)

### Year ended 30 September 2020

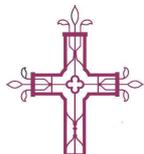
	Note	General £	Designated £	Restricted funds £	Endowment fund £	Total funds 2020 £	Total funds 2019 £
Donations and legacies		-				-	-
<b>Trading activities</b>							
Fundraising activities							1,572
Space letting salaries	14						-
Space letting cleaning		823				823	2,624
Space letting allocated costs		1,082				1,082	3,570
		<b>1,905</b>				<b>1,905</b>	<b>7,765</b>
<i>Fund totals 2019</i>		<b>7,765</b>				<b>7,765</b>	

#### 9. Expenditure on charitable activities

	Note	Unrestricted funds		Restricted funds £	Endowment fund £	Total funds 2020 £	Total funds 2019 £
		General £	Designated £				
<b>Clergy</b>							
Stipends and pensions	14	34,048				34,048	3,462
Allowances and training		1,020				1,020	3,374
Housing utilities and insurance		2,883				2,883	11,367
Housing maintenance		-				-	399
Travelling expenses		34				34	296
		<b>37,985</b>				<b>37,985</b>	<b>18,897</b>
<b>Worship</b>							
Music salaries	14	18,451				18,451	18,628
<sup>1</sup> Other music costs		1,865		1,212		3,077	2,502
Contribution from other funds		(11,764)		11,764		-	-
<sup>2</sup> Other worship costs		3,491				3,491	4,577
		<b>12,043</b>		<b>12,976</b>		<b>25,019</b>	<b>25,707</b>
<b>Premises and fabric</b>							
Utilities		6,532				6,532	9,223
Cleaning		1,957				1,957	1,406

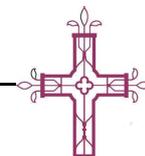
<sup>1</sup> Other music costs comprise purchase of music, maintenance of instruments and vesture, fees and subscriptions.

<sup>2</sup> 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 2020**

Repairs and maintenance		144,038		5,000		149,038	172,856
Insurance		11,970				11,970	13,574
Premises and plant depreciation		2,900				2,900	4,086
Allocated to space letting		(1,070)				(1,070)	(2,140)
		<b>166,327</b>		<b>5,000</b>		<b>171,327</b>	<b>199,006</b>
<i>Office</i>							
Salaries	14	9,443				9,443	9,067
Printing and stationery		703				703	4,794
Postage and telephone		717				717	729
<sup>3</sup> Other office costs		2,097				2,097	1,678
Office equipment depreciation		274				274	312
Allocated to space letting		(715)				(715)	(1,430)
		<b>12,519</b>				<b>12,519</b>	<b>15,204</b>
<i>Children's ministry</i>							
Salaries	14	5,168				5,168	5,177
Other staff costs							
Other children's ministry costs		148				148	143
		<b>5,316</b>				<b>5,316</b>	<b>5,321</b>
<i>Carried forward</i>		<b>234,190</b>		<b>17,976</b>		<b>252,166</b>	<b>267,141</b>

<sup>3</sup> *Other office costs* comprise maintenance of office equipment and miscellaneous expenses.



## Notes to the accounts (continued)

### Year ended 30 September 2020

#### 9. Expenditure on charitable activities (continued)

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2020	Total funds 2019
		General	Designated				
		£	£	£	£	£	£
<i>Brought forward</i>		234,190		17,976		252,166	267,141
<b><i>Other activities and costs</i></b>							
Activities	16	1,799				1,799	2,663
Advertising and publicity		1,291				1,291	4,136
<sup>4</sup> Legal and professional fees		2,415				2,415	750
Bank charges		262				262	303
Other costs		-				-	183
		5,768				5,768	8,036
<b><i>Total activities directly funded</i></b>		<b>239,958</b>		<b>17,976</b>		<b>257,934</b>	<b>272,171</b>
<i>Diocesan quota</i>		19,180				19,180	18,069
<i>Grants and donations</i>	17	5,262				5,262	6,247
<b><i>Governance</i></b>							
Preparation and External scrutiny of accounts	10	5,529				5,529	6,026
Meeting expenses		-				-	15
		5,529				5,529	6,041
<b>Total Charitable Expenditure</b>		<b>271,834</b>		<b>17,976</b>		<b>289,810</b>	<b>302,528</b>
<b><i>Fund totals 2019:</i></b>							
<i>Clergy</i>		18,897				18,897	
<i>Worship</i>		14,099	1,089	10,519		25,707	
<i>Premises and fabric</i>		199,006				199,006	
<i>Office</i>		15,204				15,204	
<i>Children's ministry</i>		5,321				5,321	
<i>Other activities and costs</i>		8,036				8,036	
<i>Diocesan quota</i>		18,069				18,069	
<i>Grants and donations</i>		6,247				6,247	
<i>Governance</i>		6,041				6,041	
		290,920	1,089	10,519	-	302,528	

<sup>4</sup> *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 2020

#### 10. Independent examiner's remuneration

Fees paid to the independent examiner of £1,800 (2019-£1,716) 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 2020	Total funds 2019
	General	Designated				
	£	£	£	£	£	£
Gain on disposals (against original cost)					-	18,523
Less Revaluation gains previously recognised					-	22,438
(Loss) on disposals recognised in these accounts	-	-	-	-	-	(3,915)
Unrealised gains on revaluation	78,179				78,179	11,538
	<b>78,179</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,179</b>	<b>7,623</b>
<i>Fund totals 2019</i>	<i>7,623</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>7,623</i>	

#### 12. Transfers between funds

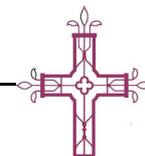
	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2020	Total funds 2019
	General	Designated				
	£	£	£	£	£	£
Transfer to organ fund	(6,000)	6,000	-	-	-	-
Transfer to Restoration and Renewal Fund	-	-	-	-	-	-
	<b>(6,000)</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Fund totals 2019</i>	<i>(99,200)</i>	<i>99,200</i>	<i>-</i>	<i>-</i>	<i>-</i>	

Each year the vestry transfers a sum 2020: £6,000 (2019 £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



## Notes to the accounts (continued)

### Year ended 30 September 2020

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

The Rector, Father John McLuckie, 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 and payment of remuneration is authorised under article 22 of the Constitution. Amounts paid during the financial year comprised stipend and pension contributions of £34,048. 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 reimbursement of expenses incurred in performing pastoral duties. The total amount of expenses reimbursed during the year to the Rector was £246.

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

	2020	2019
	£	£
Gross stipends and salaries	58,933	36,448
Employer's national insurance contributions	2	-
Cost of pension contributions	8,175	(114)
	<b>67,110</b>	<b>36,334</b>

	Average headcount		Average full time equivalent	
	2020	2019	2020	2019
Clergy	1.00	0.00	1.0	0.00
Music	4.80	5.05	1.0	0.84
Office	1.00	1.00	0.40	0.40
Children's ministry	1.00	1.00	0.27	0.27
Space letting	-	-	-	-
	<b>7.80</b>	<b>7.05</b>	<b>2.67</b>	<b>1.51</b>

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 2020

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

continued at 32.2%. The next triennial actuarial valuation will take place as at 31 December 2020.

No contribution due by the church remained outstanding at 30 September 2020.

### 16. Activities income and expenditure

	Total income	Total expenditure	Net income / (expense)	
	£	£	2020 £	2019 £
Parish retreats and residential weekends	-	-	-	3,141
Study groups	-	-	-	-
Newsletter	-	-	-	-
Social activities	-	-	-	-
Parish lunches	337	397	(60)	826
Sunday refreshments	382	317	65	385
OSP Remembers (publication)	-	-	-	-
	<b>719</b>	<b>714</b>	<b>5</b>	<b>4,352</b>

### 17. Grants and donations

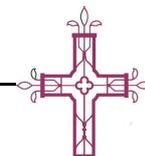
The Church makes grants each year based on 2.5% of the previous year's net income after exceptional items. Included in the accounts are the following grants and donations awarded during the year:

	£
<b><i>Awarded as part of the giving programme:</i></b>	<b>2020</b>
<i>Fresh Start</i>	273
Still to be allocated from 2020	4,695
<b><i>Giving total</i></b>	<b>4,968</b>
<b><i>Other grants awarded:</i></b>	
National Churches Trust	250
Edinburgh Diocesan Synod Bishop's Appeal	44
<b>Total grants and donations</b>	<b>5,262</b>

#### 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	413
Breast Cancer Research	400
Bethany Christian Trust	409
Souper Saturday	564
TISEC	668



## Notes to the accounts (continued)

### Year ended 30 September 2020

#### 18. Tangible assets

	Property improvements £	Plant and ma- chinery £	Office equipment £	Total £
<b>Cost</b>				
At 1 October 2019	86,238	46,897	8,659	141,794
Additions/Disposals				
At 30 September 2020	86,238	46,897	8,659	141,794
<b>Accumulated depreciation</b>				
At 1 October 2019	44,573	40,892	7,563	93,028
Charge for year	2,084	1,502	273	3,859
Additions/Disposals				
At 30 September 2020	46,657	42,394	7,836	96,887
<b>Net book value</b>				
At 30 September 2020	39,581	4,503	823	44,907
<i>At 30 September 2019</i>	41,665	6,005	1,096	48,766

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 2020 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 secu- rities and unit trusts £	Cash in building society £	Total £
<b>Valuation</b>			
Carrying value at 1 October 2019	396,832	90,093	486,925
Additions at cost	-	-	-
Disposals at carrying value	-	90,000	90,000
Gain on revaluation	78,179	-	78,179
<b>Carrying value at 30 September 2020</b>	<b>475,011</b>	<b>93</b>	<b>475,104</b>
Historical cost at 30 September 2020	196,573	93	196,666



## Notes to the accounts (continued)

### Year ended 30 September 2020

#### 19. Investment assets (continued)

Investments in listed securities (or ones valued by reference to such investments, such as unit trusts) are shown at market price on 30 September 2020. All investments are held in the United Kingdom.

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

	Carrying Value 2020	Carrying value 2019
	£	£
Scottish Episcopal Church Unit Trust Pool	341,370	262,348
AXA Ethical Distribution Fund	24,556	25,440
Henderson Global Care UK Income Fund	22,925	26,221
Liontrust UK Ethical Fund	29,260	29,024
Premier Ethical Fund	30,497	27,673
Rathbone Ethical Bond Fund	26,403	26,126
Nationwide Building Society cash deposit	93	90,093

#### (b) Programme-related investments (social investments)

	2020	2019
	£	£
Shared Interest Society Ltd – equity capital shown at amount invested	664	664

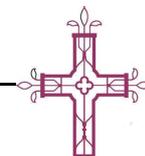
Shared Interest Society Ltd is a UK based co-operative lending society whose object is to provide financial services, especially for production and trade, in a manner reflecting the fundamental principles of the Christian faith, in order to promote wholesome, dignified and sustainable employment for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

	2020	2019
	£	£
Gift Aid	6,638	7,888
Prepayments and accrued income	5,502	6,953
Other debtors	1,457	2,114

All amounts fall due within one year.



## Notes to the accounts (continued)

### Year ended 30 September 2020

#### 21. Creditors: amounts falling due within one year

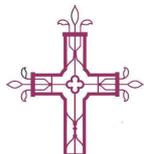
	2020	2019
	£	£
Grants awarded still to be paid	6,792	5,997
Accruals and deferred income	3,114	6,417
Other creditors	2,916	40,463
Taxation and social security	619	492
	<b>13,441</b>	<b>53,369</b>

#### 22. Summary of fund movements

	Brought forward	Income	Expenditure	Gains and losses	Transfers	Carried forward
	£	£	£	£	£	£
<b>Endowment fund</b>						
John Steer music fund	42,741	-	-	-	-	42,741
<b>Restricted funds</b>						
Jerusalem Still fund	2,546					2,546
Restoration and Renewal fund	18,526					18,526
Cecilia Cavaye music fund	37,798		(12,976)			24,822
Reredos restoration fund	3,579	500				4,079
Lauder House Repairs funds	5,000		(5,000)			-
	67,449	500	(17,976)			49,973
<b>Unrestricted funds</b>						
<i>Designated funds:</i>						
Buildings fund	43,452					43,452
Memorial fund	187,128					187,128
Organ fund	23,060	588	-	-	6,000	29,648
Restoration & Renewal fund	95,000					95,000
	348,640	588			6,000	355,228
General fund	302,853	206,339	(271,834)	78,179	(6,000)	309,537
	651,493	206,927	(271,834)	78,179	-	664,765
<b>Total charity funds</b>	761,683	207,427	(289,810)	78,179	-	757,479

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.



## Notes to the accounts (continued)

### Year ended 30 September 2020

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.

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.

The **Lauder House Repairs Fund** was created for specific donations to repairs to the building.

### 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 outstanding brought for- ward	Amounts charged during the year	Amounts added/ (released) during the year	Amount outstanding carried forward
	£	£	£	£	£
Laurie Halls Repairs and Restoration (est)	100,000	100,000	100,000	-	-
	100,000	100,000	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.