



BROUGHTON ST MARY'S
PARISH CHURCH

**Edinburgh: Broughton St. Mary's Parish Church
(Church of Scotland)**

Annual Report

Year to 31 December 2010

Congregation Number 010008

Scottish Charity Number SC 012642

Trustees Annual Report
Year ended 31 December 2010

The Trustees present the annual report and accounts for Edinburgh: Broughton St. Mary's Parish Church (Church of Scotland) for the year ended 31 December 2010.

Reference and administrative information

Charity name	Edinburgh: Broughton St. Mary's Parish Church (Church of Scotland)
Charity reference number	SC012642
Congregation reference number	010008
Contact address	12 Bellevue Crescent, Edinburgh, EH3 6NE
Website	bstmchurch.org.uk

Trustees

Rev. J.C. Hood, Miss E. Allan, Mrs J. Allan, C. Beck, Mrs J. Beveridge, J. Blaik, Miss M. Braby, Mrs E. Brown, S. Brown, Mrs D. Buckingham,	I.R. Buckingham, Mrs G. Buckingham, D. Cartright, Miss D. Chisholm, B.J. Duffin, Mrs J. Duffin, Mrs J. Gault, R. Gibson, G. Grahamslaw, W. McCall,	Mrs H. McCoy, Ms M.McRae, Mrs D. Munro, Mrs B. Robertson, G. Rogers, Mrs D. Smith (until 20 October 2010) Captain R. Smith, Ms E. Theurer, Mrs J. Whitfield
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Principal office bearers

Minister:	Rev. J.C. Hood, M.A., B.D.
Session Clerk:	I.R. Buckingham
Treasurer:	G. Gray

Independent examiner

Alexander F. Gemmill
10 Mertoun Place
Edinburgh, EH11 1J2

Bankers

Royal Bank of Scotland
2, Blenheim Place,
Edinburgh, EH7 5JH

Trustees Annual Report
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Structure, governance and management

Governing document

The Church is administered in accordance with the terms of the Deed of Constitution (Unitary Form).

Recruitment and appointment of trustees

Members of the Kirk Session are the Charity Trustees. The Kirk Session members are the elders of the Church and are chosen from those members of the Church who are considered to have appropriate gifts and skills. The Minister, who is a member of the Kirk Session, is elected by the congregation and is inducted by Presbytery.

During 2010 there were no appointments or resignations of trustees although the number of trustees reduced by one following the death of Dawn Smith on 20 October 2010. Gordon Gray, appointed Treasurer on 4 June 2009, is not a trustee.

Organisational structure

As a congregation with the Deed of Constitution (Unitary Form) the Kirk Session, as well as being responsible for the spiritual affairs within the Church, also has responsibility for its property and financial affairs. The Kirk Session which meets six times a year, has appointed a property and finance team that reports directly to the Kirk Session. The former Kirk Session co-ordinating team which previously met monthly was disbanded during the year as it was agreed that its effectiveness in the organisational structure had diminished.

Objectives and activities

The Church of Scotland is Trinitarian in doctrine, Reformed in tradition and Presbyterian in polity. It exists to glorify God and to work for the advancement of Christ's Kingdom throughout the world. As a national church, it acknowledges a distinctive call and duty to bring the ordinances of religion to the people in every parish in Scotland through a territorial ministry. It co-operates with other churches in various ecumenical bodies in Scotland and beyond.

Broughton St. Mary's provides regular Sunday worship at 10.30am every week, and an alternative way of worshipping using a Labyrinth at times when necessary or desired by the congregation, parish or presbytery. A Sunday Club for children of all ages meets every Sunday morning during the latter part of worship and a creche is also available for babies and young children.

The congregation holds various events through the year to engage the wider community of the parish in the work of the Church including coffee mornings and Christmas and spring fairs. The Church has also hosted services for its local primary school for the past five years. The Church has also hosted a Christmas service for adults with learning difficulties under the care of the City of Edinburgh Council. These services allow us to connect with more local people and show how serious we are in our efforts to accept, care for and include the many different communities that exist within our parish.

Social events are also held for the congregation to welcome new worshippers and create a sense of community within the Church itself. These include celebration lunches or meals, garden parties, Christmas parties and congregational outings. The Sunday Club also hold an annual outing for all the children and their families.

In addition to the activities the Church organises to assist in reaching its aims and objectives, there are other bodies who use our premises and hold activities which benefit and enrich the life and profile

Trustees Annual Report (continued)
Year ended 31 December 2010

of the Church. These include the Wednesday Club (a group of carpet bowlers and scrabble players), the Scottish Country Dance Club, the Art Club, the Brownie Guides, the Rainbow Guides and the Medau Society. The Beavers, Cubs and Scouts of the 11th Leith Group are affiliated to the Church and on occasion hold meetings in our premises.

During the past year

The following charitable bodies have also used the church's premises during the year; Waverley Care, The Edinburgh International Festival Society, The Phoenix Wind Band, Colinton Parish Church, The Scottish Chamber Orchestra and Scotland Yard Adventure Centre. Various individuals from the community have used the premises to hold family celebrations. A major user of the premises is the City of Edinburgh Council (Bellevue Project) which caters for adults from the local area with learning difficulties.

Broughton St Mary's is a founding member of the Broughton Jazz Festival and the church and rooms were used as a venue for the inaugural festival weekend in September. Performers from the local community took part. A free concert by the touring "Jazz Vehicle" was also held later in the year.

Special occasions also bring other events to the annual life cycle of Broughton St Mary's. We offer worship every evening during Holy Week and on Easter Sunday morning we have two services, the first in the garden and the second a family celebration of Holy Communion, with breakfast in between. Christmas also offers different worship opportunities at 6.30pm and 11.30pm on Christmas Eve. There is a 10.30am family service on Christmas Day during which the sacrament of Holy Communion is celebrated. The Central Branch of the Royal British Legion and pupils from Drummond Community High School participated in our annual Remembrance Day service in November.

Other groups that exist to assist us in our aims to allow people to grow in their faith together are our Good Book Club, our 'Us Young Things' group which meets to share fellowship and faith over meals and our Learning and Growth discussion groups which cover various themes and also run throughout the period of Lent.

Achievements and performance

This past year has seen continuing growth in our groups and projects and at the start of the year the rooms and facilities developed by the first phase of work on the lower ground floor of our building became available for use.

Our Book Club and Lent Groups (which ran twice a week throughout Lent instead of once and attracted a record number of participants) met in the new rooms.

The number of people associated with our congregation continues to rise as our Roll of Adherents has increased again. This is also shown in new and more worshippers on Sunday mornings. This year we held our second Homecoming Service on Mothering Sunday when we invited children from our cradle roll and regular worshippers also brought along friends and neighbours to celebrate the occasion with us. Our Christmas worship once again attracted substantial numbers to the Church at 6.30pm, 11.30pm on Christmas Eve and 10.30am on Christmas Day.

The Sunday Club continues to benefit from having a greater number of children in attendance and a rota of Sunday Club leaders who participate fully in our children's ministry but also are enabled to attend worship regularly.

The congregation, is encouraged by the new opportunities for service to the community and development of congregational life that the redevelopment of the lower ground floor has provided and continues to look forward to all that can be accomplished in the future with a building ready to serve the purposes of the Church.

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Year ended 31 December 2010

Financial review

Unrestricted funds

The letting of our newly refurbished rooms has proven to be a welcome source of revenue and has allowed us to report a surplus in the General Fund this year. In addition, a further £4,000 of rental income has been accounted for in the Refurbishment Appeal Fund (and will be used reduce our loan balance). The position of the General Fund is summarised in the table below. Congregational giving has risen by 9% (more than reversing the fall in the previous year).

General Fund income and expenses	2010	Increase / decrease	2009
Congregational giving (including Gift Aid)	50,743	9%	46,744
Endowment and investment income	5,358	-15%	6,316
Vodafone rental income	9,794	4%	9,400
Other income from use of premises	6,564	341%	1,490
Coffee mornings, fairs etc.	5,996	-5%	6,335
Other income	1,860	1331%	130
	<u>80,315</u>	14%	<u>70,415</u>
Expenses	<u>(79,811)</u>	11%	<u>(71,959)</u>
Surplus / (deficit) before revaluation gains	<u>504</u>		<u>(1,544)</u>

The other unrestricted funds are the Fabric Fund and the Legacy Fund. The expenditure in the Fabric Fund amounted to £475. This was exceeded by investment and other income accruing to that fund leaving a surplus for the year of £3,215 (2009: £208).

The Legacy Fund received a legacy of £300 during the year (2009: £nil). Interest income of £118 was the only other transaction in the Legacy Fund giving a surplus of £418 for the year (2009: £352).

Refurbishment appeal

Building work for the first phase of our refurbishment programme was completed in December 2009 and the new rooms were opened on 17 January 2010.

At the commencement of building work, this project was estimated at £1,678,000 (including £1,221,000 payable to the main contractor). To date, £1,569,000 has been spent (including £1,135,000 payable to the main contractor). Further payments of £18,000 to the contractor and an estimated £6,000 in respect of fees are expected to be made in 2011. The only other significant further expenditure is expected to be interest on the outstanding loan balances.

The Trustees are grateful for all grants and donations towards the refurbishment appeal. Approximately £104,000 was received in 2010. This total includes the following amounts:

Historic Scotland	£50,250
Congregational giving (including Gift Aid)	£32,019
Baird Trust	£10,000
Ferguson Bequest	£5,000
Heritage Lottery Fund	£2,900
Scottish Communities Foundation	£2,500

Income which is received by way of grant continues to be transferred to the Church of Scotland General Trustees upon receipt and donations from the congregation and other sources is generally transferred to the General Trustees in the month following the month of receipt. For information purposes, a full statement accounting for all transactions, combining those incurred by the

Trustees Annual Report (continued)
Year ended 31 December 2010

congregation and the General Trustees, which relate to the refurbishment project since the launch of the refurbishment appeal is given in Appendix 3.

Some of the income from letting premises has been accounted for in the Refurbishment Appeal Fund. This amounts to £4,000 (2009: £nil). This reflects the fact that a significant proportion of such income has been generated from the asset created by the Refurbishment Appeal Fund through its expenditure on the refurbishment works. Income accounted for in this way will be fully utilised in repaying our loan to the General Trustees.

Expenditure for the year, at £51,400, was less than receipts, meaning that, the cumulative shortfall of income to expenditure has fallen to £66,500 (2009: £125,700).

This shortfall has been temporarily met by loans from the General Trustees and from the unrestricted funds. The loan from the General Trustees is repayable over five years and is included as a liability on the balance sheet. At the end of 2010, the balance outstanding (excluding interest) was £57,350 (2009: £130,000). During 2010, the Trustees decided that £33,000 of unrestricted deposits held in other funds would be temporarily made available to the Appeal Fund in order to reduce the loan balance (and thereby our interest expense). This has been accounted for as a loan between funds.

The aggregate of these loans is £90,350. This is sufficient to cover both the current shortfall of £66,500 and also most of the further £26,000 of expenditure mentioned above which is anticipated in early 2011.

A sum of £293 was transferred to the General Fund and the other unrestricted funds from the Refurbishment Appeal Fund. This sum represents notional interest on the loans made to the Refurbishment Appeal Fund. The interest rate is 0.25% above the interest rate of the COSIT Deposit Fund.

The Church building itself is vested in the General Trustees of the Church of Scotland and does not appear on our balance sheet.

Other restricted funds

The Music Fund was established in the year. Donations to that fund (before Gift Aid) in the year were £4,018 and this sum paid for a grand piano for use in the sanctuary. The remaining balance will be used to support other purposes related to music.

The Minute for Mission Fund was established in October 2009 and continues to be held to help support the further education of a former pupil of Cannonmills School in the parish.

The Trustees were pleased to support for the work of our Mission Partners, Roy and Jane Dodman, in Jamaica until the end of 2009 (by which time they were nearing retirement). The remittance of the balance in the Mission Partners Fund in early 2010, amounting to £803, is expected to be our final contribution.

Transactions for these, and the other restricted funds, are summarised at note 15 of the accounts.

Investments and endowment funds

This year, the amount of investment income which was transferred from Endowment Funds into the various restricted and unrestricted funds was £5,224 (2009: £5,234).

Additionally, investment gains of £9,879 (2009: £7,154) have been recognised in the General and Endowment Funds, these gains in the last two years partly reverse the losses of £34,069 suffered in 2008. Our main investment continues to be the Growth Fund of the Church of Scotland Investors Trust the unit price of which has risen from £3.41 to £3.69 over the year (but remains significantly lower than the 31 December 2007 figure of £4.20).

Trustees Annual Report (continued)
Year ended 31 December 2010

Reserves policy

The unrestricted reserves at the end of the financial year amount to £368,708 (2009: £362,543) of which £300,000 represents the value of our properties and £20,184 (2009: £16,969) has been designated for the Fabric Fund.

It would be the normal practice of the Trustees to hold unrestricted reserves of approximately four months expenditure including designated funds. However, with the extensive refurbishment work on the Church not yet fully funded, the trustees deem it to be prudent to hold a larger figure as it is likely that our financial position will remain under strain while we repay the loan from the General Trustees. Planning to make best use of our new rooms is underway and it is possible that some of the initiatives identified will require funds to be expended. Once stable levels of recurring income have been established and the maintenance and running cost of our new facility are known with greater certainty, the reserves policy shall be kept under review. Additionally, other facts provide financial uncertainty such as uncertainty over how long the Church's exemption from water and sewage charges will continue and the current rental agreement with Vodafone is due to expire in 2017.

Excluding the Refurbishment Fund (which is in deficit), the Church held £13,100 (2009: £9,006) of restricted funds which have been provided for the purposes specified in note 15. The increase since last year mainly represents the value of a piano acquired for use in Sunday worship.

The endowment revenue reserve of £16,914 (2009: £10,875) arises from the gain on the revaluation to market value of the investments in which the endowment capital funds, which cannot be spent, are held.

Statement of trustees' responsibilities

Charity law requires the trustees to prepare financial statements for each financial year which show a true and fair value of the state of affairs of the charity and its financial activities for the period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in existence.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006. They are also responsible for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf.

I.R. Buckingham
Session Clerk
Date: 27 January 2011

Independent Examiner's Report to the Trustees of Edinburgh: Broughton St. Mary's Parish Church (Church of Scotland)

I report on the accounts of the charity for the year ended 31 December 2010 which are set out on pages 9 to 23.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charity trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations do 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 examiners statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity 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. 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:-
 - i) to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - ii) to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met, or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Alexander F. Gemmill
Non-practising Member of the Institute of Chartered Accountants of Scotland

10 Mertoun Place
Edinburgh, EH11 1J2
Date: 4 March 2011

Statement of Financial Activities
Year ended 31 December 2010

	Note	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Endowment Funds 2010 £	Total 2010 £	Total 2009 £
<u>Incoming resources</u>						
Incoming resources from generated funds						
Voluntary income	1	52,653	114,535	0	167,188	230,624
Activities for generating funds	2	16,358	4,000	0	20,358	10,890
Investment income	3	4,501	99	5,224	9,824	11,541
Incoming resources from charitable activities						
	4	6,246	0	0	6,246	6,365
Total incoming resources		79,758	118,634	5,224	203,616	259,420
<u>Resources expended</u>						
Costs of generating funds	5	(389)	0	0	(389)	(1,278)
Charitable activities		(79,897)	(75,374)	0	(155,271)	(395,247)
Total resources expended		(80,286)	(75,374)	0	(155,660)	(396,525)
Net incoming/outing resources before transfers						
		(528)	43,260	5,224	47,956	(137,105)
Transfers between funds	15	4,665	559	(5,224)	0	0
Net incoming/outing resources before other recognised gains and losses						
		4,137	43,819	0	47,956	(137,105)
Gain/loss on revaluation and sale of investments	9	2,028	0	7,851	9,879	7,153
Net movement in funds		6,165	43,819	7,851	57,835	(129,952)
Total funds brought forward	15	362,543	(114,770)	119,153	366,926	496,878
Total funds carried forward		368,708	(70,951)	127,004	424,761	366,926

Balance Sheet
As at 31 December 2010

	<i>Note</i>	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible fixed assets	8		304,096		300,000
Investments	9		153,728		143,849
			457,824		443,849
Current assets					
Debtors	10	11,236		12,121	
Cash	11	23,990		49,880	
		35,226		62,001	
Creditors					
Falling due within one year	12	(10,939)		(8,924)	
Net current assets			24,287		53,077
Liabilities					
Loan	13		(57,350)		(130,000)
Net assets			424,761		366,926
Unrestricted funds					
Undesignated funds	14	348,524		345,574	
Designated fund	14, 15	20,184		16,969	
		368,708		362,543	
Restricted funds					
Endowment funds: Revenue	14, 15	(70,951)		(114,770)	
	15	16,914		10,875	
Endowment funds: Capital	15		314,671		258,648
			110,090		108,278
Total funds			424,761		366,926

The Accounts were approved by the Kirk Session on 27th January 2011.

G. Gray

Treasurer

I. R. Buckingham

Session Clerk, for and on behalf of the Kirk Session

Accounting policies

The principal accounting policies, which have been applied consistently in the current and preceding year in dealing with items which are considered material to the accounts are set out below.

The charity has adopted the requirements of the Statement of Recommended Practice Accounting and Reporting by Charities (issued February 2005).

Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention, modified to reflect the inclusion of investments and heritable property at market value, and in accordance with the Charities Accounts (Scotland) Regulations 2006, the Regulations anent Congregational Finance approved by the General Assembly of the Church of Scotland in 2007 and by the Statement of Recommended Practice Accounting and Reporting by Charities (2005).

Funds

Funds are classified as either restricted funds or unrestricted funds, defined as follows.

Restricted funds are funds held subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

Endowment funds are funds which have been given on the condition that the whole of the fund is permanently maintained for the benefit of the charity as a capital fund, but the income therefrom is used for the purpose defined in accordance with the objects of the charity.

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the trustees for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund.

Incoming resources

All donations and gifts, other than special collections for other bodies with no connection to the charity, are included within incoming resources under either restricted or unrestricted funds according to the terms under which the donation is made when the amount can be quantified with reasonable certainty. Material donations and gifts in kind are brought into these accounts at market value to the charity.

Resources expended

Expenditure is recognised on an accruals basis as the liability is incurred.

Accounting policies (continued)

Tangible fixed assets

The charity has a right to occupy and use for its charitable objects certain tangible fixed assets, including the Church, vested in the Church of Scotland General Trustees. No consideration is payable for the use of these assets.

The heritable fixed assets comprise:

Vested in the Church of Scotland General Trustees

Church: 12 Bellevue Crescent, Edinburgh EH3 6NE

Owned by the charity

Manse: 103 East Claremont Street, Edinburgh EH7 4JA

Lock up Garage: 5c Inverleith Place, Edinburgh EH3 5QJ

The manse and lock up garage are stated at market valuations placed on them by the trustees. Expenditure incurred on repair and maintenance of the heritable fixed assets is charged as resources expended in the statement of financial activities in the period in which the liability arises. Normal expenditure is charged to the General Fund while extraordinary repairs and improvement of fabric, fittings and equipment is met from the designated Fabric Fund.

All tangible fixed assets having a value to the charity of greater than one year, other than those acquired for specific purposes, are capitalised. Depreciation is provided on a straight-line basis to write off the cost or initial value, less residual value, over their estimated useful lives.

Fixtures, fittings and office equipment	10 years
Musical instruments	20 years

No depreciation has been charged against heritable property as the trustees consider that any depreciation would not be material as the asset has a very long useful life.

Investments

Fixed asset investments are stated at market value at the balance sheet date. Unrealised gains and losses represent the difference between the market value at the beginning and end of the financial year. Realised gains and losses represent the difference between the proceeds on the disposal and the market value at the start of the year or cost if purchased in the year.

Taxation

Broughton St. Mary's Parish Church is recognised as a charity for the purposes of applicable taxation legislation and is not therefore subject to taxation on its charitable activities. The charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

Short term deposits

Where revenue funds are available to be placed on short term deposit the Church of Scotland Investors Trust Deposit Fund is used.

**Notes forming part of the financial statements (continued)
for the year ended 31 December 2010**

	Unrestricted Funds 2010 £	Restricted Funds 2010 £	Endowment Funds 2010 £	Total 2010 £	Total 2009 £
5. Analysis of resources expended					
Costs of generating funds					
Offering envelopes	(389)	0	0	(389)	(400)
Special appeal team costs	0	0	0	0	(878)
	<u>(389)</u>	<u>0</u>	<u>0</u>	<u>(389)</u>	<u>(1,278)</u>
Charitable activities					
Ministries and Mission Contribution	(39,865)	0	0	(39,865)	(38,408)
Presbytery dues	(1,541)	0	0	(1,541)	(1,354)
	<u>(41,406)</u>	<u>0</u>	<u>0</u>	<u>(41,406)</u>	<u>(39,762)</u>
Minister's expenses	(4,102)	0	0	(4,102)	(4,126)
Other salary costs	(12,425)	0	0	(12,425)	(12,153)
Pulpit supply	(330)	0	0	(330)	(359)
Fabric repairs and maintenance	(1,352)	0	0	(1,352)	(1,002)
Buildings insurance	(7,705)	0	0	(7,705)	(6,024)
Energy and other building costs	(8,747)	0	0	(8,747)	(8,603)
Church office expenses	(1,567)	0	0	(1,567)	(1,213)
Organ and music	(15)	(732)	0	(747)	(1,280)
Other expenses	(2,248)	(4,413)	0	(6,661)	(8,815)
Transfer to General Trustee a/c 560100082	0	(28,011)	0	(28,011)	(179,110)
Loan obligation accepted (in lieu of incurring refurbishment expenditure directly)	0	(37,000)	0	(37,000)	(130,000)
Interest payable	0	(4,415)	0	(4,415)	(1,300)
Mission partners	0	(803)	0	(803)	(1,500)
	<u>(79,897)</u>	<u>(75,374)</u>	<u>0</u>	<u>(155,271)</u>	<u>(395,247)</u>
Total	<u>(80,286)</u>	<u>(75,374)</u>	<u>0</u>	<u>(155,660)</u>	<u>(396,525)</u>

Support costs have not been separately identified as the trustees consider that there is only one charitable activity. Therefore, support costs relate wholly to that activity and have not been separately identified.

6. Staff costs and numbers	2010 £	2009 £
Salaries and wages	12,105	11,845
Social security costs	320	308
	<u>12,425</u>	<u>12,153</u>

The average number of employees during the year was as follows:

	2010 Number	2009 Number
Ministerial support	1	1
Music staff	1	1
	<u>2</u>	<u>2</u>

Notes forming part of the financial statements (continued)
for the year ended 31 December 2010

6. Staff costs and numbers (Continued)

All Church of Scotland congregations contribute to the National Stipend Fund which bears the cost of all ministers' stipends and employers' contributions for national insurance, pension and housing and loan fund. Ministers' stipends are paid in accordance with the national stipend scale, which is related to years of service. For the year under review the minimum stipend was £23,139 and the maximum stipend (in the tenth and subsequent years) £30,426.

7. Trustees remuneration and related party transactions

During the year Council Tax of £1,693 (2009: £1,693) was paid in respect of the manse. In addition, the Minister was reimbursed for £1,437 (2009: £1,889) of travel expenses. Mr C. Beck received £200 (2009: £150) for providing services as supply organist and a relative of Mrs E Theurer received £120 (2009: £434) for painting work.

8. Tangible fixed assets

	Buildings	Musical Instruments	Total
<u>Cost or valuation</u>			
At 31 December 2009	300,000	0	300,000
Additions	0	4,312	4,312
At 31 December 2010	<u>300,000</u>	<u>4,312</u>	<u>304,312</u>
<u>Accumulated depreciation</u>			
At 31 December 2009	0	0	0
Charge for year	0	(216)	(216)
At 31 December 2010	<u>0</u>	<u>(216)</u>	<u>(216)</u>
<u>Net book value</u>			
At 31 December 2009	<u>300,000</u>	<u>0</u>	<u>300,000</u>
At 31 December 2010	<u>300,000</u>	<u>4,096</u>	<u>304,096</u>

The heritable fixed assets owned by the charity are detailed in the Statement of Accounting Policies above. The musical instrument comprise two pianos acquired during 2010. Other tangible fixed assets owned by the charity have been acquired more than 10 years ago and are regarded as fully depreciated.

9. Investments

	2010 £	2009 £
Market value at previous 31 December	143,849	136,696
Gain/(loss) on revaluation or sale of investments	9,879	7,153
Market value at 31 December	<u>153,728</u>	<u>143,849</u>
<u>The following investments are held:</u>		
Church of Scotland Investors Trust: Growth Fund (31,875 units)	117,619	108,694
Church of Scotland Investors Trust: Deposit Fund	13,674	13,674
3.5% War Stock (£28,917.60)	22,435	21,481
Market value at 31 December	<u>153,728</u>	<u>143,849</u>
Investments at cost	<u>139,069</u>	<u>139,069</u>

Notes forming part of the financial statements (continued)
for the year ended 31 December 2010

	2010 £	2009 £
10. Debtors		
Gift Aid tax refund due	6,892	9,997
Other debtors	4,344	2,124
	<u>11,236</u>	<u>12,121</u>
11. Cash		
Current accounts	9,462	6,652
Short term deposit account	14,528	43,228
	<u>23,990</u>	<u>49,880</u>
12. Creditors		
Rental income received in advance	7,055	6,267
Accrued expenses and other creditors	3,884	2,657
	<u>10,939</u>	<u>8,924</u>
13. Loan		
Loan from the General Trustees of the Church of Scotland	<u>57,350</u>	<u>130,000</u>

This loan was advanced to fund building work and the obligation to repay it is accounted for in the Refurbishment Fund. It was drawn down in stages from October 2009 onwards. The maximum amount outstanding during the year was £167,000. The loan is repayable in instalments with the final instalment due on 30 September 2014. Interest of 5% p.a. is payable.

14. Analysis of net assets between funds

	Undesignated £	Designated £	Restricted £	Endowment £	Total £
Fixed assets	300,279	0	3,817	0	304,096
Investments	26,724	0	0	127,004	153,728
Current assets	14,324	4,184	16,718	0	35,226
	<u>341,327</u>	<u>4,184</u>	<u>20,535</u>	<u>127,004</u>	<u>493,050</u>
Current liabilities	(9,803)	0	(1,136)	0	(10,939)
Loan	0	0	(57,350)	0	(57,350)
Loans between funds	17,000	16,000	(33,000)	0	0
Net Assets at 31 December 2010	<u>348,524</u>	<u>20,184</u>	<u>(70,951)</u>	<u>127,004</u>	<u>424,761</u>

Notes forming part of the financial statements (continued)
for the year ended 31 December 2010

15. Movement in funds

	Balance as at	Incoming	Revaluation	Outgoing	Transfers	Balance as at 31/12/2010	
	01/01/2010	Resources	Gains	Resources		Capital	Revenue
	£	£	£	£	£	£	£
<u>Endowment funds</u>							
Bellevue Fund	1,303	63	107	0	(63)	1,020	390
Miss M. Wemyss Memorial	1,514	73	124	0	(73)	999	639
Mrs J. McNeill Memorial	907	10	0	0	(10)	907	0
Mrs J. Irvine Memorial	2,940	142	241	0	(142)	2,500	681
Other General Fund							
Legacies	12,310	169	81	0	(169)	12,185	206
A.G. Bryson Memorial	70,154	3,395	5,760	0	(3,395)	71,870	4,044
Miss M. Sim Memorial	907	44	75	0	(44)	928	54
Other Fabric Fund							
Legacies	740	36	61	0	(36)	618	183
J. Spence Memorial	324	16	27	0	(16)	351	0
Mrs Naismith Memorial	611	30	50	0	(30)	661	0
Lawrence S. Miller Memorial (Sunday Club)	927	45	77	0	(45)	726	278
Lawrence S. Miller Memorial (Ministerial Support)	2,268	110	186	0	(110)	1,897	557
Congregation Benevolent							
Legacies	1,946	90	133	0	(90)	1,293	786
James Kirkhope Bequest	979	46	44	0	(46)	597	426
Ann Padon Bequest	415	20	19	0	(20)	253	181
Braidwood Bequest	860	41	38	0	(41)	524	374
Broughton Lady Visitor Fund	2,367	111	104	0	(111)	1,442	1,029
Dorcas Society Fund	1,425	29	17	0	(29)	1,277	165
Canongate Fund	2,559	121	113	0	(121)	1,559	1,113
Rutherford Bequest	799	38	35	0	(38)	487	347
Miss Jack Legacy	907	43	40	0	(43)	553	394
General Fund							
Legacies (KS)	300	3	0	0	(3)	300	0
Mrs Mackie Bequest	142	7	6	0	(7)	86	62
Miss Simpson Bequest	1,291	61	58	0	(61)	787	562
Isabella Cook Memorial	910	43	42	0	(43)	555	397
Missionary Society Funds	6,877	324	306	0	(324)	4,190	2,993
Sutherland Bequest	113	3	2	0	(3)	89	26
Callendar Bequest	915	43	41	0	(43)	557	399
Dr. G.S. Gunn Memorial	889	42	40	0	(42)	542	387
Neill & Davidson Bequests	306	14	13	0	(14)	186	133
J. Sommerville Bequest Special Calls	248	12	11	0	(12)	151	108
Carried forward	119,153	5,224	7,851	0	(5,224)	110,090	16,914

Notes forming part of the financial statements (continued)
for the year ended 31 December 2010

15. Movement in funds (continued)

	Balance as at	Incoming	Revaluation	Outgoing	Transfers	Balance as at 31/12/2010	
	01/01/2010	Resources	Gains	Resources		Capital	Revenue
	£	£	£	£	£	£	£
<u>Restricted funds</u>							
Ministerial Support							
Fund	1,234	10	0	0	110	0	1,354
Organ Maintenance							
Fund	303	192	0	(207)	45	0	333
Flower Fund	82	41	0	(150)	14	0	(13)
Mission Partners Fund	803	0	0	(803)	0	0	0
Refurbishment Fund	(123,776)	108,187	0	(68,169)	(293)	0	(84,051)
Benevolent Fund	3,510	58	0	(132)	337	0	3,773
Mission & Worship	8	(1)	0	(203)	201	0	5
Youth Fund	165	2	0	0	3	0	170
Senior Citizens Fund	842	8	0	0	43	0	893
Bible Presentation							
Fund	16	0	0	(10)	42	0	48
Special Calls Fund	89	1	0	0	12	0	102
Youth & Choral Fund	679	5	0	(184)	0	0	500
Adult Education Fund	21	0	0	0	0	0	21
Sunday Club Fund	483	3	0	(377)	45	0	154
Minute for Mission	771	5,259	0	(4,798)	0	0	1,232
Music Fund	0	4,869	0	(341)	0	0	4,528
	(114,770)	118,634	0	(75,374)	559	0	(70,951)
<u>Unrestricted funds</u>							
Designated Fabric							
Fund	16,969	74	0	(475)	3,616	0	20,184
Legacy Fund	9,485	338	0	0	80	0	9,903
General Fund	336,089	79,346	2,028	(79,811)	969	0	338,621
	362,543	79,758	2,028	(80,286)	4,665	0	368,708
Total Funds	366,926	203,616	9,879	(155,660)	0	110,090	314,671

Notes forming part of the financial statements (continued)
for the year ended 31 December 2010

15. Movement in funds (continued)

Purposes of endowment funds

The income from the following endowments is to be used for the general work of the congregation as sanctioned by the Kirk Session:

Bellevue Fund	General Fund Legacies (KS)
Miss M. Wemyss Memorial	Mrs Mackie Bequest
Mrs J. McNeill Memorial	Miss Simpson Bequest
Mrs J. Irvine Memorial	Isabella Cook Memorial.
Other General Fund Legacies	

The income from the following endowments is to be used for the maintenance of the fabric of the congregational properties and for the maintenance of fixtures, fittings and equipment installed in the congregational properties:

A.G. Bryson Memorial	Other Fabric Fund Legacies.
Miss M. Sim Memorial	

The income from the following endowments is to be used for the purpose of maintaining the organ and other musical instruments used in the conduct of worship:

J. Spence Memorial	Mrs Naismith Memorial.
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The income from the Lawrence S. Miller Memorial is to be used, at the discretion of the Kirk Session, for the purpose of providing additional financial support to the minister of the congregation.

The income from the following endowments is to be used for benevolent purposes by way of grants and financial assistance to members of the congregation and others:

Congregation Benevolent Legacies	Braidwood Bequest
James Kirkhope Bequest	Broughton Lady Visitors Fund
Ann Padon Bequest	Dorcas Society Fund

The income from the following endowments is to be used for mission and worship purposes in the congregation and in the wider mission work of the Church.

Canongate Fund	Miss Jack Legacy
Rutherford Bequest	

The income from the 17 individual bequests making up the Missionary Society Fund is to be used for the work of the Church world-wide. This is achieved by using the income as part of the congregation's Ministries and Mission Contribution to the Church of Scotland.

The income from the Sutherland Bequest is to be used for youth work in the congregation.

The income from the Callendar Bequest is to be used to provide benefits such as summer outings and Christmas parties for the senior citizens in the congregation.

The income from the Dr. G.S. Gunn Bequest is to be used to provide bibles to mark special occasions in the life of individuals in the congregation.

The income from the Neill & Davidson Bequests is to be used to provide flowers for the Church sanctuary.

Notes forming part of the financial statements (continued)
for the year ended 31 December 2010

15. Movement in funds (continued)

The income from the J. Sommerville Bequest for Special Calls is to be used to meet at the discretion of the Kirk Session, special calls made on the resources of the congregation.

The income from the Lawrence S. Miller Memorial (Sunday Club) is to be used to provide funds to support the work of the Sunday Club (Sunday School) of the congregation.

(Note: All of the income from the above endowments is transferred annually to the appropriate fund which is specified for the endowment.)

Purposes of restricted funds

Ministerial Support Fund: This is a fund established to provide, at the discretion of the Kirk Session, additional financial support to the minister.

Organ Maintenance Fund: This is a fund established to provide funds to meet the costs of maintaining the organ and other musical instruments used in the conduct of worship.

Flower Fund: This is a fund to be used to provide flowers in the Church premises and for other approved purposes.

Mission Partners Fund: This is a fund to be used to provide income to support the work of our Mission partners. At present the work of Roy and Jane Dodman in Jamaica is the focus of our efforts.

Refurbishment Fund: The congregation launched an appeal to raise £1.7 million to carry out a major refurbishment of the Church building in Bellevue Crescent. All the income which is raised is transferred in the month following the month of receipt to the Church of Scotland General Trustee Account 560100082. The funds in this account are designed to meet the costs of carrying out the refurbishment. The Kirk Session has agreed to meet from its existing funds up to £10,000 to meet the administration and marketing costs of the team charged with the raising of the necessary funds.

Benevolent Fund: This is a fund established to provide grants and financial assistance to members of the congregation and others in need.

Mission & Worship Fund: This is a fund established to provide materials to assist the minister in the conduct of worship and to promote the mission statement of the congregation both in the parish and in the wider work of the Church.

Youth Fund: This is a fund which provides resources promoting the work of youth projects associated with the congregation.

Senior Citizens Fund: This is a fund which is used towards meeting the costs of projects and functions for the senior citizens in the congregation.

Notes forming part of the financial statements (continued)
for the year ended 31 December 2010

15. Movement in funds (continued)

Bible Presentation Fund: This is a fund used to meet the costs of bibles purchased for presentation purposes.

Special Calls Fund: This is a fund established to meet the costs of special calls made on members and resources of the congregation.

Youth & Choral Fund: This is a fund established from the proceeds of the McBain Legacy to meet the cost of music resources for the Church choir and for meeting the cost of youth projects. There is no fixed split of how the income should be allocated between youth and choral projects.

Adult Education Fund: This fund is to be used towards meeting the cost of organising and members attending Christian education events.

Sunday Club Fund: This fund is used for the provision of resources to enable the Sunday Club to meet the objectives that have been set by the Kirk Session.

Minute for Mission Fund: This fund is to support the further education of a former pupil of Cannonmills school within the parish.

Music Fund: This fund was established in 2010 originally to fund the costs of a new piano and it has been agreed with the relevant donor that surplus funds should be applied for Music purposes.

Purposes of designated funds

Fabric Fund: This fund is designated to meet the costs of extraordinary repairs and improvement of fabric, fittings and equipment used in the congregational properties.

16. Special collections

In addition to the General Fund income, the following special collections were received and distributed:

	2010
	£
Edinburgh City Mission	938
Child Survival Malawi	600
Royal School of Church Music	55
L Turnbull	119
St Columba's Hospice	700
Soldiers, Sailors Airmen Families Assoc	46
	<hr/>
	2,458
	<hr/>

Financial Statements

Year ended 31 December 2010

Appendix 1: Consolidated Fabric Funds held on behalf of the Congregation by the Church of Scotland General Trustees

	2010 £	2009 £
Capital Accounts		
Account 550100082 credit balance at cost	3,714	3,714
Account 560100082 credit balance at cost (Refurbishment Appeal)	19,720	2,264
	<u>23,434</u>	<u>5,978</u>
Market values of above balances	<u>23,991</u>	<u>6,275</u>
Revenue Account		
Account 500100081 Credit balance	<u>9,519</u>	<u>9,157</u>
Reconciliation between opening and closing balances		
Aggregate of opening balances at cost	15,135	
Transfer from Congregation towards refurbishment costs	28,011	Note 5
Refurbishment costs	(47,720)	
Loan advanced from General trustees	37,000	
Investment income	527	
Net Vodafone rental income received	10,582	
Vodafone income remitted to Congregation	(10,582)	
Aggregate of above closing balances at cost	<u>32,953</u>	

Appendix 2: Trust fund administered by congregational Treasurer

	2010 £	2009 £
Revenue account		
<i>Income</i>		
Investment income	163	172
<i>Expenses</i>		
Paid to Mrs McArthur, widow of former minister	(163)	(172)
Balance carried forward	<u>0</u>	<u>0</u>
Capital at cost		
<i>Bryson Trust Fund</i>		
208 Units Church of Scotland Investors Trust: Income Fund	1,748	1,748
<i>Mrs A.C.M. Lawrence Trust Fund</i>		
63 Units Church of Scotland Investors Trust: Income Fund	497	497
	<u>2,245</u>	<u>2,245</u>
Market value of above investments	<u>2,724</u>	<u>2,547</u>

Financial Statements

Year ended 31 December 2010

Appendix 3: Special Appeal for Church Refurbishment

The undernoted statement represents the transactions since the inception of the appeal in 2005.

Receipts (other than loans)

Congregation giving: Gift Aided	152,068	
Tax refund	41,845	
Congregational giving: Ordinary	33,749	
Grants and donations	385,447	
Deposit interest	69,769	
Church Centre sale proceeds	750,000	
Gain on sale of shares	10,251	
Opening Funds in General Trustee Account	47,721	
Legacies	2,000	
Income from letting premises	2,900	
Other income (including fundraising)	6,346	
	<u>6,346</u>	1,502,096

Expenditure

Administration and marketing costs	(11,896)	
Less Transfer from General Fund	9,946	
	<u>(1,950)</u>	
Professional Fees	(398,543)	
Construction Costs	(1,134,653)	
Cost of sale of Church Centre	(13,632)	
Planning application fees	(5,487)	
CFF loan Interest	(1,414)	
Interest paid on GT loan	(4,979)	
Handrail	(4,888)	
Other	(3,068)	
	<u>(3,068)</u>	(1,568,614)
		<u>(66,518)</u>

Loan advances remaining outstanding

General Trustee loan	57,350
Loan from unrestricted funds	33,000

Net cash balance remaining *as below* 23,832

Assets & liabilities

Assets

Available cash	<i>as above</i>	23,832
Accrued gift aid, rental income and other income		3,216

Liabilities

Loan from the General Trustees	<i>Note 13</i>	(57,350)
Loan from unrestricted funds	<i>Note 14</i>	(33,000)
Accrued interest		(1,029)

Net assets / (liabilities) (64,331)

Held thus

Held on our behalf by the General Trustees	<i>Appendix 1</i>	19,720
Balance in congregational appeal fund	<i>Note 15</i>	(84,051)

Cumulative surplus / (shortfall) (64,331)