



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

Annual Report

Year to 31 December 2012

Congregation Number 010008

Scottish Charity Number SC 012642

Trustees Annual Report
Year ended 31 December 2012

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 2012.

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
Websites	www.bstmchurch.org.uk www.facebook.com/bstmchurch

Trustees

Rev. J.C. Hood (until 29 May 2012), 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, 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. (until 29 May 2012) (Vacant from 29 May 2012)
Interim Moderator:	Rev. P. Bluett
Session Clerk:	I.R. Buckingham
Treasurer:	G. Gray

Independent examiner

Alexander F. Gemmill
40 Warriston Gardens,
Edinburgh, EH3 5NE

Bankers

Clydesdale Bank
21 Queensferry Street
Edinburgh, EH2 4RD

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.

On 29 May 2012 the Rev J C Hood left the charge of Broughton St Mary's to take up a new post in Hamilton. The Presbytery of Edinburgh appointed The Rev Peter Bluett as Interim Moderator until a new minister is inducted to Broughton St Mary's. There were no other appointments or resignations of trustees during the year.

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.

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 crèche 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 seven years. 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 **fellowship** within the Church itself. These include celebration lunches or meals, garden parties, Christmas parties and congregational outings. The Sunday Club also holds 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 that use our premises and hold activities which benefit and enrich the life and profile 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 sponsored by the Kirk Session and are affiliated to the Church and on occasion hold meetings in our premises. There is also

Trustees Annual Report (continued)
Year ended 31 December 2012

a Garden Team that tends the church garden which enhances our surroundings and brings pleasure to users and visitors to the premises.

During the past year

As part of our **service** to others the following charitable bodies have used the church's premises during the year; Waverley Care, No Strings Attached Community Wind Band, Scotland Yard Adventure Centre, Scottish Chamber Orchestra and Chorus, Dunedin Concerts Trust Ltd, Hebrides Ensemble Ltd, The Presbytery of Edinburgh and The Church of Scotland World Mission Council . Various individuals from the community have used the premises to hold family celebrations. The New Town and Broughton Community Council has held its meetings in our premises and election hustings for the Local Council Elections were held in the Church. The production team from The Broughton Spurtle a community newsletter uses our premises for meetings.

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.

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 a Watchnight Service at 11.00 pm on Holy Saturday. 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. The Church marked World Aids Day and the church was open to for prayer and reflection. The front of the church building was floodlit in red lighting to highlight our commitment to support those affected by HIV and AIDS.

Other groups that exist to promote **discipleship** in Broughton St Mary's and enable us in our aims to allow people to grow in their faith are our '20-30's group which meets to share fellowship and faith over meals and other social events. Our Learning and Growth discussion groups cover various themes and also run throughout the period of Lent. Monthly Bible Study meetings are held throughout the year. During the year the Church has held "Messy Church" which provides a different church experience for children of all ages up to 12 years together with their parents/carers. This opportunity for **evangelism** to children and adults who do not attend church at other times is one that we plan to continue to develop in the year to come.

Our minister, The Rev Joanne Hood left us in May to become minister of Hamilton St John's. A committee to find a new minister has been appointed and applications have been received. The committee is responding to the applications.

Achievements and performance

This past year has seen a continuing growth in our groups and projects using the rooms and facilities developed by the first phase of work on the lower ground floor of our building.

Discipleship: As part of the Church of Scotland Stewardship Scheme the congregation was encouraged to keep a "time diary" so that members could monitor how much of their time is spent on personal and family activities and how much on church and spiritual matters. Our Lent Discussion Groups ran twice a week throughout Lent met in the new rooms. A number of those who met wanted to continue to meet beyond Lent as a result a regular Bible Study meeting has been introduced. The number of people associated with our congregation continues to rise and our Roll of Adherents has increased again. This is also shown in new and more worshippers on Sunday mornings. We are also encouraged by the involvement in our work by those who are new to our worshipping community.

Trustees Annual Report (continued)
Year ended 31 December 2012

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. We collected foodstuffs which were donated to the Rock Trust to bring cheer to homeless young people. Our acts of **evangelism** and charity continued in the donation of presents for the children of prisoners at HM Prison Edinburgh. Our Christmas offerings were donated in conjunction with Drummond Community High School to "It's Good 2 Give" which is a charity for children and young people affected by cancer.

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 looks forward to continuing to use its building in **service** to the community and to developing our congregational life as we strive to serve our people and parish.

Financial review

Unrestricted funds

The position of the General Fund is summarised in the table below. The letting of our newly refurbished rooms in the last three has years has proven to be a welcome source of revenue. However, in contrast to the two preceding years, a deficit is reported in the General Fund for 2012. Part of the reason for this is a fall in Congregational giving of 12% (reversing the trend observed in 2010 and 2011). This fall has been mitigated, but not eliminated, by rental income from the manse.

In addition to rental income included in the table below, a further £4,925 (2011: £4,800) of rental income has been accounted for in the Refurbishment Appeal Fund (and was used to reduce our loan balance).

<i>General Fund income and expenses</i>	2012	change	2011	change	2010
Congregational giving (including Gift Aid)	48,966	-12%	55,341	9%	50,743
Endowment and investment income	2,269	1%	2,246	2%	2,193
Vodafone rental income	11,505	9%	10,581	8%	9,794
Income from letting halls / manse	9,390	104%	4,597	-30%	6,564
Coffee mornings, fairs etc.	6,252	-4%	6,529	9%	5,996
Other income	492	-39%	800	-57%	1,860
	<u>78,874</u>	-2%	<u>80,094</u>	4%	<u>77,150</u>
Expenses	<u>(80,392)</u>	3%	<u>(78,325)</u>	2%	<u>(76,646)</u>
Surplus/(deficit) before revaluation gains	<u>(1,518)</u>		<u>1,769</u>		<u>504</u>

The other unrestricted funds are the Manse Fund and the Legacy Fund.

The Manse Fund represents the capital value of the manse and garage. There were no transactions in the Manse Fund in the year.

Two legacies were received in 2012 amounting to £2,000 (2011: £nil). A sum of £372 was expended from the Legacy Fund in 2012. This went toward the cost of new crockery for use in the church. Interest income of £159 (2011: £124) was the only other transaction in the Legacy Fund during 2012.

Since 2011, the Fabric Fund has been accounted for as a restricted fund as, for a number of years, the Fund's income has exclusively been from donations or endowment income which has been specified as being for fabric purposes.

Trustees Annual Report (continued)
Year ended 31 December 2012

Refurbishment appeal

Building work on the refurbishment was completed in 2009 and the final payment to the contractor was made during 2011. Since then, the only expense has been interest (interest paid in 2012 amounted to £1,917). Future interest expense should be significantly lower as loan balances have now been paid down substantially. A total of £1,593,000 has been spent on the project to date.

The Trustees are grateful for all grants and donations towards the refurbishment appeal. Approximately £30,000 of income was received in 2012 (2011: £38,300). This total includes the following amounts:

Congregational giving (including Gift Aid)	£24,496
Listed Placed of Worship Grant Scheme	£248
Rental income	£4,925

Some of the income from letting premises has been accounted for in the Refurbishment Appeal Fund. This amounted to £4,925 (2011: £4,800). 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 is fully utilised in repaying our loan to the General Trustees.

Most of the income and expenses relating to the refurbishment were routed through a special capital account with the Church of Scotland General Trustees. For information purposes, a full statement accounting for all transactions, combining those incurred by the congregation and the General Trustees, which relate to the refurbishment project since the launch of the refurbishment appeal is given in Appendix 3. This shows that the cumulative shortfall of income to expenditure now stands at £21,466 (2011: £52,168). Once this figure is adjusted to take account of accrued gift aid and other accruals the shortfall stands at £19,661 (2011: 47,990).

This shortfall has been temporarily met by loans from the General Trustees and from our Fabric Fund and 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 2012, the balance outstanding (excluding interest) was £4,151 (2011: £38,851). During 2010, the Trustees decided that £33,000 of 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 was accounted for as a loan between funds. Over the course of 2011 and 2012 this balance was reduced to £20,403.

A sum of £430 (2011: £443) 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

For the second year running, Fabric expenditure was unusually high at £19,406 (2011: £32,892). This included £16,276 on works in the steeple. The Trustees are grateful for the financial support they received from Edinburgh Presbytery. This included a lowering of our Ministries and Mission contribution by £6,000 and, accordingly, an equivalent sum was transferred from the General Fund to the Fabric Fund.

During 2012 the Sunday Club Fund and the Messy Church Fund both benefited from retiring collections. Transactions for these, and the other restricted funds, are summarised at note 15 of the accounts.

Trustees Annual Report (continued)
Year ended 31 December 2012

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 £5,247 (2011: £5,232).

Additionally, investment gains of £3,200 (2011: losses of £4,213) have been recognised in the General and Endowment Funds. Our main investment continues to be the Growth Fund of the Church of Scotland Investors Trust the unit price of which has increased from £3.38 to £3.53 over the year (but remains significantly lower than the 31 December 2007 figure of £4.20).

Reserves policy

The unrestricted reserves at the end of the financial year amount to £349,500 (2011: £348,200) of which £300,000, representing the value of our properties, has been designated as the Manse 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. 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, which yields significant income, is due to expire in 2017.

Excluding the Refurbishment Fund (which is in deficit), the Church held £21,800 (2011: £26,800) of restricted funds which have been provided for the purposes specified in note 15.

The endowment revenue reserve of £17,100, (2011: £17,400) arises from the gain on the revaluation to market value of the investments in the endowment capital funds, which cannot be spent.

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: 31 January 2013

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 2012 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. 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:-
 - 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

40 Warriston Gardens,
Edinburgh,
EH3 5NE

Date: 6 March 2013

Statement of Financial Activities
Year ended 31 December 2012

	Note	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Endowment Funds 2012 £	Total 2012 £	Total 2011 £
<u>Incoming resources</u>						
Incoming resources from generated funds						
Voluntary income	1	51,278	30,564	0	81,842	103,448
Activities for generating funds	2	20,895	12,212	0	33,107	19,978
Investment income	3	1,229	223	5,247	6,699	6,514
Incoming resources from charitable activities	4	6,432	0	0	6,432	7,029
Total incoming resources		79,834	42,999	5,247	128,080	136,969
<u>Resources expended</u>						
Costs of generating funds	5	(271)	0	0	(271)	(247)
Charitable activities		(74,493)	(22,574)	0	(97,067)	(112,406)
Total resources expended		(74,764)	(22,574)	0	(97,338)	(112,653)
Net incoming/outing resources before transfers		5,070	20,425	5,247	30,742	24,316
Transfers between funds	15	(4,801)	10,048	(5,247)	0	0
Net incoming/outing resources before other recognised gains and losses		269	30,473	0	30,742	24,316
Gain/loss on revaluation and sale of investments	9	1,087	0	2,113	3,200	(4,213)
Net movement in funds		1,356	30,473	2,113	33,942	20,103
Total funds brought forward	15	348,172	(28,344)	125,036	444,864	424,761
Total funds carried forward		349,528	2,129	127,149	478,806	444,864

Balance Sheet
As at 31 December 2012

	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible fixed assets	8		303,665		303,881
Investments	9		152,714		149,514
			456,379		453,395
Current assets					
Debtors	10	11,128		15,584	
Cash	11	28,349		25,169	
		39,477		40,753	
Creditors					
Falling due within one year	12	(12,899)		(10,433)	
Net current assets			26,578		30,320
Liabilities					
Loan	13		(4,151)		(38,851)
Net assets			478,806		444,864
Unrestricted funds					
Undesignated funds	14	49,528		48,172	
Designated fund	14, 15	300,000		300,000	
		349,528		348,172	
Restricted funds	14, 15	2,129		(28,344)	
Endowment funds: Revenue	15	17,102		17,393	
Endowment funds: Capital	15		368,759		337,221
			110,047		107,643
Total funds			478,806		444,864

The Accounts were approved by the Kirk Session on 31 January 2013.

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 2012**

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Endowment Funds 2012 £	Total 2012 £	Total 2011 £
5. Analysis of resources expended					
Costs of generating funds					
Offering envelopes	(271)	0	0	(271)	(247)
	<u>(271)</u>	<u>0</u>	<u>0</u>	<u>(271)</u>	<u>(247)</u>
Charitable activities					
Ministries and Mission Contribution*	(32,939)	0	0	(32,939)	(28,747)
Presbytery dues	(1,318)	0	0	(1,318)	(1,194)
	<u>(34,257)</u>	<u>0</u>	<u>0</u>	<u>(34,257)</u>	<u>(29,941)</u>
Minister's and manse expenses	(3,680)	0	0	(3,680)	(4,413)
Salary costs	(12,259)	0	0	(12,259)	(12,435)
Pulpit supply	(2,140)	0	0	(2,140)	(361)
Fabric repairs and maintenance	(3,156)	(19,407)	0	(22,563)	(34,237)
Buildings insurance	(7,862)	0	0	(7,862)	(7,774)
Energy and other occupancy costs	(6,574)	0	0	(6,574)	(6,375)
Church office expenses	(1,544)	0	0	(1,544)	(1,364)
Organ and music	(15)	(624)	0	(639)	(473)
Other expenses	(3,006)	(1,229)	0	(4,235)	(6,054)
Transfer to General Trustee a/c 560100082	0	0	0	0	(6,376)
Interest payable	0	(1,314)	0	(1,314)	(2,603)
	<u>(74,493)</u>	<u>(22,574)</u>	<u>0</u>	<u>(97,067)</u>	<u>(112,406)</u>
Total	<u>(74,764)</u>	<u>(22,574)</u>	<u>0</u>	<u>(97,338)</u>	<u>(112,653)</u>

* Net of Consolidated Stipend Fund Income of £3,142 (2011: £3,133).

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	2012 £	2011 £
Salaries and wages	12,121	12,231
Social security costs	138	204
	<u>12,259</u>	<u>12,435</u>

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

	2012 Number	2011 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 2012

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 £24,427 and the maximum stipend (in the tenth and subsequent years) £31,035.

7. Trustees remuneration and related party transactions

During the year Council Tax of £1,862 (2010: £1,693) was paid in respect of the manse. The manse was occupied by Rev J. C. Hood until 29 May 2012. In addition, the Minister was reimbursed for £826 (2011: £1,433) of travel expenses. No other trustee received any remuneration or reimbursement of expenses during the year (2011: £200).

8. Tangible fixed assets

	Buildings	Musical Instruments	Total
<u>Cost or valuation</u>			
At 31 December 2011	300,000	4,312	304,312
Additions	0	0	0
At 31 December 2012	<u>300,000</u>	<u>4,312</u>	<u>304,312</u>
<u>Accumulated depreciation</u>			
At 31 December 2011	0	(431)	(431)
Charge for year	0	(216)	(216)
At 31 December 2012	<u>0</u>	<u>(647)</u>	<u>(647)</u>
<u>Net book value</u>			
At 31 December 2011	<u>300,000</u>	<u>3,881</u>	<u>303,881</u>
At 31 December 2012	<u>300,000</u>	<u>3,665</u>	<u>303,665</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 were acquired more than 10 years ago and are regarded as fully depreciated.

9. Investments

	2012 £	2011 £
Market value at previous 31 December	149,514	153,728
Gain/(loss) on revaluation or sale of investments	3,200	(4,214)
Market value at 31 December	<u>152,714</u>	<u>149,514</u>
<u>The following investments are held:</u>		
Church of Scotland Investors Trust: Growth Fund (31,875 units)	112,519	107,737
Church of Scotland Investors Trust: Deposit Fund	13,674	13,674
3.5% War Stock (£28,917.60)	26,521	28,103
Market value at 31 December	<u>152,714</u>	<u>149,514</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 2012

	2012 £	2011 £
10. Debtors		
Gift Aid tax refund due	5,710	10,570
Other debtors	5,418	5,014
	<u>11,128</u>	<u>15,584</u>
11. Cash		
Current accounts	16,518	11,338
Short term deposit account	11,831	13,831
	<u>28,349</u>	<u>25,169</u>
12. Creditors		
Rental income received in advance	8,903	7,056
Accrued expenses and other creditors	3,996	3,377
	<u>12,899</u>	<u>10,433</u>
13. Loan		
Loan from the General Trustees of the Church of Scotland	<u>4,151</u>	<u>38,851</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 and the maximum amount outstanding 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	250	300,000	3,415	0	303,665
Investments	25,565	0	0	127,149	152,714
Current assets	17,382	0	22,095	0	39,477
	<u>43,197</u>	<u>300,000</u>	<u>25,510</u>	<u>127,149</u>	<u>495,856</u>
Current liabilities	(12,469)	0	(430)	0	(12,899)
Loan	0	0	(4,151)	0	(4,151)
Loans between funds	18,800	0	(18,800)	0	0
Net Assets at 31 December 2012	<u>49,528</u>	<u>300,000</u>	<u>2,129</u>	<u>127,149</u>	<u>478,806</u>

Notes forming part of the financial statements (continued)
for the year ended 31 December 2012

15. Movement in funds

	Balance as at	Incoming	Revaluation	Outgoing	Transfers	Balance as at 31/12/2012	
	01/01/2012	Resources	Gains	Resources		Capital	Revenue
	£	£	£	£	£	£	£
<u>Endowment funds</u>							
Bellevue Fund	1,291	63	57	0	(63)	1,020	328
Miss M. Wemyss Memorial	1,501	73	66	0	(73)	999	568
Mrs J. McNeill Memorial	907	11	0	0	(11)	907	0
Mrs J. Irvine Memorial	2,915	142	128	0	(142)	2,500	543
Other General Fund							
Legacies	12,330	187	37	0	(187)	12,187	180
A.G. Bryson Memorial	69,537	3,395	3,086	0	(3,395)	71,870	753
Miss M. Sim Memorial	899	44	40	0	(44)	928	11
Other Fabric Fund							
Legacies	733	36	33	0	(36)	618	148
J. Spence Memorial	321	16	14	0	(16)	335	0
Mrs Naismith Memorial	605	30	27	0	(30)	632	0
Lawrence S. Miller Memorial (Sunday Club)	918	45	42	0	(45)	726	234
Lawrence S. Miller Memorial (Ministerial Support)	2,248	110	99	0	(110)	1,897	450
Congregation Benevolent Legacies	2,085	90	24	0	(90)	1,293	816
James Kirkhope Bequest	1,281	46	(72)	0	(46)	597	612
Ann Padon Bequest	543	20	(30)	0	(20)	253	260
Braidwood Bequest	1,125	41	(64)	0	(41)	524	537
Broughton Lady Visitor Fund	3,097	111	(176)	0	(111)	1,442	1,479
Dorcas Society Fund	1,541	31	(27)	0	(31)	1,277	237
Canongate Fund	3,348	121	(190)	0	(121)	1,559	1,599
Rutherford Bequest	1,045	38	(59)	0	(38)	487	499
Miss Jack Legacy	1,187	43	(67)	0	(43)	553	567
General Fund							
Legacies (KS)	300	4	0	0	(4)	300	0
Mrs Mackie Bequest	185	7	(10)	0	(7)	86	89
Miss Simpson Bequest	1,690	61	(96)	0	(61)	787	807
Isabella Cook Memorial	1,191	43	(66)	0	(43)	555	570
Missionary Society Funds	8,997	324	(505)	0	(324)	4,190	4,302
Sutherland Bequest	132	4	(5)	0	(4)	89	38
Callendar Bequest	1,197	43	(67)	0	(43)	557	573
Dr. G.S. Gunn Memorial	1,163	42	(65)	0	(42)	542	556
Neill & Davidson Bequests	400	14	(23)	0	(14)	186	191
J. Sommerville Bequest Special Calls	324	12	(18)	0	(12)	151	155
Carried forward	125,036	5,247	2,113	0	(5,247)	110,047	17,102

Notes forming part of the financial statements (continued)
for the year ended 31 December 2012

15. Movement in funds (continued)

	Balance as at	Incoming	Revaluation	Outgoing	Transfers	Balance as at 31/12/2012	
	01/01/2012	Resources	Gains	Resources		Capital	Revenue
	£	£	£	£	£	£	£
<u>Restricted funds</u>							
Ministerial Support							
Fund	1,271	9	0	0	110	0	1,390
Organ Maintenance							
Fund	404	2	0	(182)	45	0	269
Flower Fund	96	126	0	(50)	14	0	186
Refurbishment Fund	(55,175)	37,258	0	(1,314)	(430)	0	(19,661)
Benevolent Fund	3,941	27	0	(152)	339	0	4,155
Mission & Worship	(73)	0	0	(374)	201	0	(246)
Youth Fund	174	1	0	0	4	0	179
Senior Citizens Fund	941	6	0	0	43	0	990
Bible Presentation							
Fund	11	0	0	0	42	0	53
Special Calls Fund	115	1	0	0	12	0	128
Youth & Choral Fund	410	22	0	(96)	0	0	336
Adult Education Fund	21	0	0	0	0	0	21
Sunday Club Fund	74	325	0	(234)	45	0	210
Minute for Mission	463	1,396	0	0	0	0	1,859
Music Fund	4,167	3	0	(346)	0	0	3,824
Fabric Fund	14,673	3,447	0	(19,406)	9,623	0	8,337
Messy Church	88	376	0	(420)	0	0	44
20s & 30s Fund	55	0	0	0	0	0	55
	(28,344)	42,999	0	(22,574)	10,048	0	2,129
<u>Unrestricted funds</u>							
Designated Manse							
Fund	300,000	0	0	0	0	0	300,000
Legacy Fund	10,027	2,013	0	(372)	146	0	11,814
General Fund	38,145	77,821	1,087	(74,392)	(4,947)	0	37,714
	348,172	79,834	1,087	(74,764)	(4,801)	0	349,528
Total Funds	444,864	128,080	3,200	(97,338)	0	110,047	368,759

Notes forming part of the financial statements (continued)
for the year ended 31 December 2012

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 2012

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.

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 to the Church of Scotland General Trustee Account 560100082 (see Appendix 1). The funds in this account are designated to meet the costs of carrying out the refurbishment.

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.

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.

Notes forming part of the financial statements (continued)
for the year ended 31 December 2012

15. Movement in funds (continued)

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.

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. From 2011 onwards, this fund has been regarded as a restricted fund rather than a designated fund as the fund's income is substantially all from donations or endowment income which are specified as being for fabric purposes.

Messy Church Fund: This fund was established in 2011 to run activities for young children.

20s & 30s Fund: This fund was established in 2011 to contribute to the costs of running events for members of our worshipping community in their 20s and 30s.

Purposes of designated funds

Manse Fund: This fund represents the capital value of the manse and garage.

16. Special collections

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

	2012
	£
Child Survival Malawi	750
Rev J. C. Hood	874
Borderline	100
It's Good2Give	385
Soldiers, Sailors & Airmen Families Association	35
	<hr/> <hr/> 2,144 <hr/> <hr/>

Financial Statements

Year ended 31 December 2012

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

	2012 £	2011 £
Capital Accounts		
Account 550100082 credit balance at cost	3,714	3,714
Account 560100082 credit balance at cost (Refurbishment Appeal)	0	7,185
	<u>3,714</u>	<u>10,899</u>
Market values of above balances	<u>4,271</u>	<u>11,233</u>
Revenue Account		
Account 500100081 Credit balance	<u>14,281</u>	<u>13,382</u>
Reconciliation between opening and closing balances		
Aggregate of opening balances at cost	24,281	32,953
Transfer from/(to) Congregation towards refurbishment costs	(7,287)	6,376
Refurbishment costs	0	(19,153)
Loan advanced from General trustees	0	0
Investment income	501	574
Net rental income received from mobile phone companies	13,853	14,113
Rental income remitted to Congregation	(13,353)	(10,582)
Aggregate of above closing balances at cost	<u>17,995</u>	<u>24,281</u>

Appendix 2: Trust fund administered by congregational Treasurer

	2012 £	2011 £
Revenue account		
<i>Income</i>		
Investment income	156	168
<i>Expenses</i>		
Paid to Mrs McArthur, widow of former minister	(156)	(168)
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>2,978</u>	<u>2,767</u>

Financial Statements

Year ended 31 December 2012

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	191,748	
Tax refund	52,868	
Congregational giving: Ordinary	40,295	
Grants and donations	387,125	
Deposit interest	70,250	
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	12,825	
Other income (including fundraising)	6,609	
	<u>6,609</u>	1,571,692

Expenditure

Administration and marketing costs	(11,896)	
Less Transfer from General Fund	9,946	
	<u>(1,950)</u>	
Professional Fees	(399,343)	
Construction Costs	(1,153,008)	
Cost of sale of Church Centre	(13,632)	
Planning application fees	(5,487)	
CFF loan Interest	(1,414)	
Interest paid on GT loan	(9,632)	
Notional interest on loans from other funds	(736)	
Handrail	(4,888)	
Other	(3,068)	
	<u>(3,068)</u>	(1,593,158)
		<u>(21,466)</u>
Accrued gift aid, rental income and other income		2,235
Accrued interest		(430)

Balance in congregational appeal fund	<i>Note 15</i>	<u><u>(19,661)</u></u>
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Represented by the following assets and liabilities

Held on our behalf by the General Trustees	<i>Appendix 1</i>	0
Bank current account balances		3,088
Accrued items		1,805
Loan from the General Trustees	<i>Note 13</i>	(4,151)
Loan from unrestricted and Fabric funds		(20,403)
Balance in congregational appeal fund	<i>per above</i>	<u><u>(19,661)</u></u>