



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

Annual Report

Year to 31 December 2018

Congregation Number 010008

Scottish Charity Number SC 012642

Trustees' Report

Year ended 31 December 2018

The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, the General Assembly Regulations for Congregational Finance, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

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. The Church of Scotland is fully committed to working with people of all faiths and no faith.

Broughton St. Mary's provides regular Sunday **worship** at 10.30am every week. 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. In Lent an evening service is held on Maundy Thursday and Good Friday. We invite groups and organisations from the parish to attend our service on Remembrance Sunday. We have held services for the LGBT community which has a significant presence in our parish. We make our premises available to other congregations and regular public worship is offered by The United Methodist Church (Zimbabwe), The Religious Society of Friends (Quakers), The Assembly of God (Brazilian congregation), The Friends of Mary Duffy (Spiritualists). These services allow us to connect with 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.

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 a Christmas Fair. Social events are also held for the congregation to create a sense of **fellowship** within the Church itself. These include celebration lunches or meals, barbeque in the garden and a Christmas party. 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 have included the Messy Church (for children and their parents/carers), Wednesday Club (a group of carpet bowlers and scrabble players), Brownie Guides, and the Rainbow Guides. The Beavers, Cubs and Scouts of the 11th Edinburgh North East Group are sponsored by the Kirk Session and are affiliated to the Church and on occasion hold meetings in our premises. There is also a Garden Team supported by a few members that tends the church garden.

During the past year

As part of our **service** to others the following charitable and community bodies have used the church's premises during the year: Baby Massage, British Assoc of Art Therapists,

Dogstar Theatre, Drummond Civic Assoc, Drummond Place Garden Proprietors, Drummond Tennis Club, Dublin Colonies Residents, Edinburgh Central Labour Party, Edinburgh Rape Crisis Centre, Friends of George V Park, Grid Iron Theatre Co, Inclusion Scotland, Jo Cox Great Get Together, Lothian Autistic Society, Lothian Centre for Inclusive Living, Magnetic North Theatre Co, New Town and Broughton Community Council, Scottish Country Dancing Group, Souper Saturday, Broughton Spurtle, Tailor Ed Foundation, Waverley Care, WEA (Adult Learning within Reach).

We also hosted a number of musical organisations, some of which are charitable bodies: Academy Saxes, Visiting American Choir, Cadenza, Community Chamber Music Group, Dunedin Consort, Drake Music, Edinburgh Concert Band, Edinburgh Flute Choir, Edinburgh Gaelic Choir, No Strings Attached Community Wind Band, Pitchcraft Choir, Concert by Ravi, Rudsabee Singers, Scottish Chamber Orchestra and Chorus, The Tuneless Choir.

Other groups that have used the premises within the past year; Broughton Health Clinic, Capoeira class, Creativity for Wellbeing, East Side Yoga, Edinburgh Capital Group, Elite Taekwondo Scotland, EMF, Helen O'Grady School of Drama, Ian Springford Architects, Life Property Management, Lingotots, Rev Michael Paterson Training Days, Momentum, Morag McCarron Art Work, Oxford Shakespeare Theatre Co, Scottish Government, Smart Cookies After School Club, Sound Bowl Meditation, St Colm's Fellowship, Tai Chi, Tango Group, the Art of Living Foundation, Women for Independence, Young European Movement.

Other religious groups that have used the premises include; Assembly of God, Bellevue Chapel, Christian Meditation, Friends of Mary Duffy, The Romanian Orthodox Church Edinburgh, Society of Friends (Quakers), United Methodist Church..

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.

There have been many families and individuals from the local community that have hired the rooms to hold family celebrations including birthday parties.

Special occasions also bring other events to the annual cycle of Broughton St Mary's. On Easter Sunday morning we held a family Easter celebration in the church at 10.30am. Christmas offers different worship opportunities. A Watchnight Service is held at 11.30pm on Christmas Eve and a 10.30am family service takes place on Christmas Day.

Other significant events during the year were:

- Maundy Thursday service 29th March
- Good Friday service 30th April
- Christian Aid Week, 13th May.
- Remembrance Sunday, 11th November, with Royal British Legion Scotland, 6th Scots: Royal Regiment of Scotland, Broughton Primary School, 11th Edinburgh North East Scouts.
- Induction of Rev Peter Macdonald, 15th November.

During the year members of the congregation held a "Coffee Morning" in aid of CLIC Sargent Cancer Care

Another group that exists to promote **discipleship** in Broughton St Mary's and enable us in our aims to allow people to grow in their faith is our monthly Bible study discussion group which covers various themes and also runs weekly throughout the period of Lent. 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. We have continued to develop this opportunity for **evangelism** to children and adults who do not attend church at other times.

Achievements and performance

Following the departure of Rev Graham McGeoch in October 2017 the congregation was without a minister for the majority of 2018. The Presbytery of Edinburgh appointed Rev Joanne Foster of Inverleith St Serf's Church to be interim moderator during the period of vacancy at Broughton St Mary's.

The Kirk Session appointed Rev Peter Macdonald as locum minister, a position he held until the end of August. On 15 November Peter Macdonald was inducted by the Presbytery to be the new minister of Broughton St Mary's.

Our link with Annandale Mosque was strengthened during the year following an invitation by the members of the mosque to the congregation to break the fast during the holy month of Ramadan. The congregation later presented the mosque with a gift of Palestinian dates to mark Eid ul Adha.

This past year has seen a continuing growth in our groups and projects using the sanctuary, rooms and garden. The premises are used 7 days a week.

Discipleship: Our Annual Lent Discussion Groups ran once a week throughout Lent. This year we followed study material based on the film "I Daniel Blake". A regular monthly Bible Study meeting continues throughout the year. Members of the congregation take part in the conduct of public worship through reading the Bible, leading prayers.

The Sunday Club caters for children from age 3 years to 14 years. A rota of Sunday Club leaders participate fully in our children's ministry but also are enabled to attend worship regularly.

Our Christmas worship again attracted parishioners and visitors to the church at 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 to The Bethany Christian Trust which works with those affected by homelessness. We have also contributed to the work of the North Edinburgh North West Foodbank by making our premises available to be a foodbank distribution centre. We also supported the foodbank through the donation of foodstuffs collected at our Harvest Thanksgiving service. The congregation supports Christian Aid. We marked Christian Aid Week and £142 was subsequently donated to Christian Aid.

Work with LGBT people

This work was directed by the LGBT Advisory Group which was established by a decision of the Kirk Session and reported (periodically) to the Kirk Session. It had two members from Broughton St Mary's Parish Church and two independent members. The Chair, Neil Bird, was independent. The Advisory Group was disbanded during the year as it was felt that it had come to a natural end following the departure to other areas of work of some of its members.

The church's work with children and young people regularly includes over 200 people with about 40 volunteers preparing and leading the work. The Kirk Session sponsors the 11th Edinburgh North East Scout Group supporting the group financially and giving free access to our facilities. The church also gives free access to our facilities to the local Rainbows and Brownie Guides and donates an annual grant to assist their work.

Financial review

Unrestricted funds

The position of the General Fund is summarised in the table below. 2018 shows a surplus of £13,499 which is lower than 2017 and 2016 but still substantially more favourable than earlier years (these figures include transfers of income from endowment funds but not other transfers between funds or investment revaluations).

The main reason for the surpluses for the years 2016 to 2018 was an increase in the income generated from the letting of our rooms to a variety of religious, community and other users. In the 9 years from 2010 to 2018, our cumulative income from letting rooms amounts to £238,000.

General Fund	2018	change	2017	2016	2015	2014
Congregational giving (& Gift Aid)	36,173	-22%	46,539	52,673	51,214	48,317
Endowment and investment income	1,421	-34%	2,157	2,577	2,477	2,655
Vodafone rental income	18,172	51%	12,046	13,853	13,853	13,520
Income from letting halls / manse	58,390	18%	49,568	38,157	20,946	19,295
less part allocated to Appeal Fund	0		0	0	0	0
Coffee mornings, fairs etc.	2,931	-19%	3,609	3,797	4,639	4,478
Other income	1,249	-20%	1,570	2,729	909	800
	118,336	2%	115,489	113,786	94,038	89,065
Expenses	(104,837)	8%	(97,086)	(94,725)	(95,706)	(88,818)
Surplus/(deficit) before revaluations	13,499		18,403	19,061	(1,668)	247
Revaluation of investments	(1,303)					
Transfers from other funds	20,000					
	32,196					

Legacies are not included in the figures above. These are accounted for in the separate Legacy Fund. There was one legacy of £1,000 received during 2018 (2017: £nil). Legacy Fund expenditure comprised £3,570 on the lower ground floor door.

Manse and Manse Fund

The Church's former manse was at East Claremont Street. At year-end 2017, this manse was included on our balance sheet at a value of £280,000. In addition, the balance sheet included a garage at a value of £20,000.

On 7 December 2016, the congregation of Edinburgh: Dean was dissolved. The terms of dissolution provided that Dean's manse at 1 Ravelston Terrace, Edinburgh, should become the Manse of Edinburgh: Broughton St Mary's.

It was subsequently decided that both manses would be sold and both sales took place during 2018. A new manse was then acquired at 78 March Road. These transactions are reflected in Appendix 1. After interest received and costs, the net balance remaining is £398,333 and this sum is held on the Church's behalf by the General Trustees of the Church of Scotland, and will be used for the future repair and renovation of Broughton St Mary's church.

The legal ownership of the new manse is vested in the General Trustees and so it is not included on our balance sheet.

The garage, which remains at a book value of £20,000, has been transferred from the designated Manse Fund to the unrestricted and undesignated General Fund as the new manse has provision for parking and so the garage is no longer needed for the purpose of providing the Minister with parking.

The Kirk Session are grateful for the support and assistance of the Presbytery of Edinburgh, the General Trustees of the Church of Scotland and others in the Church in connection with the provision of a manse.

Fabric Fund

Fabric Fund expenditure amounted to £9,848 in 2018 and included work on the central heating boiler, electrical circuits, emergency lights and roof slates (2017 expenditure: £11,066). The balance in the Fabric Fund now stands at £7,077 (2017: £13,174).

Restricted and endowment funds

Of the other restricted funds, the Sunday Club Fund had the largest income. This was largely due donations of £483 (2017: £462) including 50% of the amounts donated for tea and coffee after Sunday services. Most of the other income in the restricted funds comprises investment income.

The outgoings of the Sunday Club Fund amounted to £698. This includes the cost of the annual summer picnic, materials for Sunday mornings and prizes.

The outgoings of the Worship & Witness Fund amounted to £1,083. This included £100 donations to each of the Scouts, Rainbows and Brownies, the costs of materials for Messy Church and organ maintenance expenses.

The balance on the Organ Fund fell to nil during the year and the fund has been closed. The costs of future organ maintenance will be met from the General Fund or the Worship & Witness Fund.

Transactions for all of the restricted funds are summarised at note 16 of the accounts.

Investment policy and performance

Our policy is to make all investments through the Church of Scotland Investors Trust (COSIT). Our endowment funds are entirely invested in the Income Fund and the Growth Fund. Our other restricted funds and unrestricted funds also hold investments in these two COSIT funds. The Growth Fund fund is very largely equity-based and is intended for long-term investment. The Income Fund is intended for medium-term investment and aims to provide immediate high income with funds invested predominantly in fixed-interest securities.

The amount of investment income which was transferred from endowment funds to the Fabric Fund in respect of 2018 was £3,747. In 2017, a total of £4,956 was transferred to a number of restricted funds (the 2018 number is smaller as some of the endowment assets were transferred to other funds at the end of 2017).

Additionally, net investment losses of £7,644 (2017: gains of £13,826) have been recognised. Our main investment continues to be the COSIT Growth Fund the unit price of which fell from £5.10 to £4.92 over the year.

Risk management

Broughton St Mary's faces similar risks to many other parish churches including a congregation which does not reflect the diversity of the parish we serve, limited financial resources and a limited pool of volunteers. We also have a building the ground and upper floors of which are in need of refurbishment. In past years, we have relied on financial support from the Presbytery of Edinburgh to meet the costs of unexpected fabric repairs. The increase in income from letting rooms observed since 2016, has helped alleviate financial pressures from falling donations and increasing expenses.

Until recently, we lacked the financial resources to tackle either major capital expenditure or to sponsor new parish initiatives to further our Mission. However, the net effect of the sale of the two manses and acquisition of a new manse referred to above has improved our financial position.

Our last major stewardship project was the fund-raising required for the development work on the lower ground floor of the church premises which completed in January 2010. The fund-raising itself continued until 2013. This exercise produced a generous response from the congregation.

The Kirk Session recognised the importance of Stewardship and seek both to encourage our regular donors to increase their donations and to increase the number of regular givers.

More generally, we continue to build relationships with a diverse range of bodies in our parish. It is hoped that these efforts will, in time, further enlarge and enrich our church community and, as a consequence provide, a sustainable income through both donations and payment for use of rooms.

Reserves policy

The unrestricted reserves at the end of the financial year amount to £160,322 (2017: £431,064). This includes £26,597 representing the value of the garage and other tangible assets. The figure is lower than previous years due to the disposal of the East Claremont Street manse (which was previously included at a value of £280,000).

It is the normal practice of the Trustees to hold unrestricted reserves equal to at least approximately six months expenditure. The trustees deem it to be prudent to hold these reserves as it is likely that our financial position will face some pressures in the coming years. The rental agreement with Vodafone, which yields significant income, is in the process of being renegotiated for a further period.

Reorganisations of the restricted and endowment funds were carried out in 2014 and 2017. It is intended that that these changes should give greater flexibility to allow the Congregation to pursue its Work more effectively in response to today's needs

Excluding endowment funds, the Church held £46,953 (2017: £54,775) of restricted funds which have been provided for the purposes specified in note 16.

Structure, governance and management

The congregation is a registered charity, number SC 012642 and is administered in accordance with the terms of the Deed of Constitution (Unitary Form) and is subject to the Act and Regulations of the General Assembly of the Church of Scotland.

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.

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 five times a year, has appointed property and finance teams that report directly to the Kirk Session.

Reference and administrative information

Trustees

Rev. J. Foster (till 15 November 2018)	Mr J Brodie	Mr R. Gibson,
Rev. P Macdonald (from 15 November 2018)	Mrs E. Brown,	Mr G. Grahamslaw,
Mrs J. Allan,	Mr S. Brown,	Mrs H. Miller,
Mr C. Beck,	Mrs D. Buckingham,	Mrs D. Munro,
Mrs J. Beveridge,	Mr I.R. Buckingham,	Mrs B. Nobes,
Mr J. Blaik,	Mr D. Cartwright,	Mr G. Rogers,
Miss M. Braby,	Miss D. Chisholm,	Captain R. Smith,
	Mr J Endicott	Ms E. Theurer,
	Mrs J. Gault,	Mrs J. Whitfield

Rev Peter J Macdonald was inducted to the charge of Broughton St Mary's on 15 November 2018.

Principal office bearers

Minister:	Rev P Macdonald (from 15 November 2018)
Interim Moderator	Rev J Foster (13 October 2017 to 15 November 2018)
Session Clerk:	Mr I.R. Buckingham
Congregational Treasurer:	Mr G. Gray

Principal office and charity reference number

12 Bellevue Crescent, Edinburgh, EH3 6NE

Charity reference number SC012642

Websites

www.bstmchurch.org.uk

www.facebook.com/bstmchurch

Independent examiner

Sarah Hollis CA
Hollis Accounting Ltd
3 Melville Crescent, Edinburgh, EH3 7HW

Bankers

Clydesdale Bank,
83 George Street, Edinburgh, EH2 3ES

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which show a true and fair value of the state of affairs of the charity and of its incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the method and principles of the applicable Charities SORP;
- 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 operational 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 and Trustee (investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information on the congregation's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf,

I.R. Buckingham,
Session Clerk

Date: 24 February 2019

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 2018 which are set out on pages 12 to 22.

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 (as amended).

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 (as amended). 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 (as amended), and
 - ii) to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended) 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.

Sarah Hollis CA
Hollis Accounting Ltd
3 Melville Crescent, Edinburgh, EH3 7HW

Date: February 2019

Statement of Financial Activities

Year ended 31 December 2018

	<i>Note</i>	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and legacies	1	38,422	503	0	38,925	51,556
Charitable activities	2	2,931	0	0	2,931	3,829
Other trading activities	3	58,390	0	0	58,390	49,568
Investment income	4	2,464	1,412	3,747	7,623	7,508
Other income	5	18,172	0	0	18,172	12,046
Total income		120,379	1,915	3,747	126,041	124,507
Expenditure on:						
Raising funds	6	(81)	0	0	(81)	(141)
Charitable activities	6	(108,686)	(12,084)	0	(120,770)	(111,035)
Total expenditure		(108,767)	(12,084)	0	(120,851)	(111,176)
Net income / (expenditure) before gains and losses on investments and transfer of manse		11,612	(10,169)	3,747	5,190	13,331
Transfer of former manse (at book value)*		(280,000)	0	0	(280,000)	0
Net gains/(losses) on investments	10	(2,354)	(1,400)	(3,890)	(7,644)	13,826
Net income / (expenditure)		(270,742)	(11,569)	(143)	(282,454)	27,157
Transfers between funds	16	0	3,747	(3,747)	0	0
Net movement in funds		(270,742)	(7,822)	(3,890)	(282,454)	27,157
Reconciliation of funds:						
Total funds brought forward	16	431,064	54,775	108,380	594,219	567,062
Total funds carried forward		160,322	46,953	104,490	311,765	594,219

* The former manse at 103 East Claremont Street was sold during 2018 and the proceeds were retained centrally on our behalf and credited to the Consolidated Fabric Fund (see appendix 1). The manse was included in the 2017 accounts at a book value of £280,000 and so a transfer of that amount is shown as an item of expenditure above.

Balance Sheet
As at 31 December 2018

	<i>Note</i>	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	9		26,597		307,341
Investments	10		205,811		213,455
			<u>232,408</u>		<u>520,796</u>
Current assets					
Debtors	11	9,909		8,294	
Cash at bank and in hand	12	84,590		78,051	
		<u>94,499</u>		<u>86,345</u>	
Liabilities					
Creditors falling due within one year	13	(15,142)		(12,922)	
			<u>79,357</u>		<u>73,423</u>
Net current assets					
			<u>311,765</u>		<u>594,219</u>
Net assets					
The funds of the charity					
Endowment funds	16		104,490		108,380
Restricted income funds	14, 16		46,953		54,775
Designated Manse fund	16	0		300,000	
Other unrestricted income funds	16	<u>160,322</u>		<u>131,064</u>	
Unrestricted income funds			160,322		431,064
			<u>311,765</u>		<u>594,219</u>
Total funds					

The Accounts were approved by the trustees on 24 February 2019 and signed on their behalf by:

G. Gray Treasurer

I. R. Buckingham Session Clerk

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.

Basis of preparation

The accounts (financial statements) have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities accounts (Scotland) Regulations 2006 (as amended). The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

Fund accounting

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

Restricted funds are funds 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 original capital sum is not reduced, but the income there from 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

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS102) the general volunteer time of congregation members is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised as expenditure in the period of receipt.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Accounting policies (continued)

Fixed assets

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, specifically the Church and the manse at 78 March Road, both vested in the Church of Scotland General Trustees. No consideration is payable for the use of these assets. Expenditure incurred on the repair and maintenance of these 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 significant repairs and improvement of fabric, fittings and equipment is met from the Fabric Fund.

All tangible fixed assets costing in excess of £1,000 having a value to the charity 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, of tangible fixed assets over their estimated useful lives:

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

The former manse and lock up garage are stated at market valuations placed on them by the trustees.

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 or, if purchased in the year, the difference between cost and market value at the end of the year. Realised gains and losses represent the difference between the proceeds on 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 therefore not subject to taxation on its charitable activities. The charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

**Notes forming part of the financial statements
for the year ended 31 December 2018**

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total 2018 £	Total 2017 £
1. Donations and legacies					
Freewill offerings	4,009	0	0	4,009	4,590
Gift Aided and GAYE offerings	21,283	0	0	21,283	28,493
Other donations	3,707	0	0	3,707	4,321
Gift Aid tax recoverable	7,174	0	0	7,174	9,210
Congregational organisations	250	0	0	250	250
Legacies	1,000	0	0	1,000	0
Other	999	503	0	1,502	4,692
	<u>38,422</u>	<u>503</u>	<u>0</u>	<u>38,925</u>	<u>51,556</u>

In 2017, £3,667 of donations and legacies were restricted and the balance of £47,899 was unrestricted.

2. Income from charitable activities

Weddings and funerals	0	0	0	0	220
Coffee mornings, fairs etc.	2,931	0	0	2,931	3,609
	<u>2,931</u>	<u>0</u>	<u>0</u>	<u>2,931</u>	<u>3,829</u>

In 2017 and 2018, all income from charitable activities was unrestricted.

3. Income from other trading activities

Income from letting church halls/rooms	58,390	0	0	58,390	49,568
	<u>58,390</u>	<u>0</u>	<u>0</u>	<u>58,390</u>	<u>49,568</u>

4. Investment income

Deposit interest	221	57	0	278	1,339
Interest and dividends from investments	2,243	1,355	3,747	7,345	6,169
	<u>2,464</u>	<u>1,412</u>	<u>3,747</u>	<u>7,623</u>	<u>7,508</u>

In 2017, £4,956 of investment income arose on endowments, £795 arose on restricted funds and the balance of £1,757 was unrestricted.

5 Other income

Transfers from General Trustees *	18,172	0	0	18,172	12,046
	<u>18,172</u>	<u>0</u>	<u>0</u>	<u>18,172</u>	<u>12,046</u>

* The transfers in 2017 and 2018 were in respect of rental income from a telecommunications mast.

**Notes forming part of the financial statements (continued)
for the year ended 31 December 2018**

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Endowment Funds 2018 £	Total 2018 £	Total 2017 £
6. Analysis of resources expended					
Raising funds					
Offering envelopes	(81)	0	0	(81)	(141)
	<u>(81)</u>	<u>0</u>	<u>0</u>	<u>(81)</u>	<u>(141)</u>
Charitable activities					
Ministries and Mission Allocation*	(38,147)	0	0	(38,147)	(42,291)
Presbytery dues	(1,397)	0	0	(1,397)	(817)
Minister's and manse expenses	(3,770)	0	0	(3,770)	(5,107)
Staff costs and fees	(15,149)	0	0	(15,149)	(13,414)
Locum fees and pulpit supply	(10,590)	0	0	(10,590)	(1,905)
Fabric repairs and maintenance	(11,074)	(9,845)	0	(20,919)	(18,079)
Cleaning	(4,662)	0	0	(4,662)	(4,376)
Buildings insurance	(7,533)	0	0	(7,533)	(7,797)
Energy and other occupancy costs	(8,775)	0	0	(8,775)	(9,215)
Church office expenses	(1,571)	0	0	(1,571)	(1,439)
Organ and music	(1,511)	0	0	(1,511)	(1,435)
Communication and outreach	(126)	0	0	(126)	(163)
Other expenses	(4,381)	(2,239)	0	(6,620)	(4,997)
	<u>(108,686)</u>	<u>(12,084)</u>	<u>0</u>	<u>(120,770)</u>	<u>(111,035)</u>
Total	<u>(108,767)</u>	<u>(12,084)</u>	<u>0</u>	<u>(120,851)</u>	<u>(111,176)</u>

In 2017, £14,090 of expenditure on charitable activities was restricted and the balance of £96,945 was unrestricted.

The Ministries and Mission Allocation is net of Consolidated Stipend Fund Income of £3,231 (2017: £3,248).

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.

7. Staff costs and numbers

	£	£
Salaries and fees	15,149	13,414
Social security costs	0	0
	<u>15,149</u>	<u>13,414</u>

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

	2018 Number	2017 Number
Ministerial support and administration	1	1
Music staff (including self-employed organist)	1	1
Self-employed cleaner	1	0

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all ministers' stipends and employer's 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 £27,044 and the maximum stipend (in the tenth and subsequent years) £33,234.

No employee had employee benefits in excess of £50,000 (2017: none).

**Notes forming part of the financial statements (continued)
for the year ended 31 December 2018**

8. Trustee remuneration and related party transactions

As of 31 December 2018, Council Tax had yet to be paid in respect of the new manse at March Road (2017: Council Tax of £1,735 was paid).

Since his induction in November, the Minister has been reimbursed £1,990 in respect of removal costs and the disturbance allowance (provided in respect of alternations to decoration and curtains at the manse). During 2017, the then Minister was reimbursed £1,976 in respect of heating, travel and similar expenses.

One other trustee received £500 in respect of joinery materials and services provided during the year (2017: £nil).

During the year, a total of £12,175 was donated to the congregation by trustees (2017: £18,599).

9. Tangible fixed assets

	Buildings	Musical Instruments	Furniture	Total
<u>Cost or valuation</u>				
At 31 December 2017	300,000	4,312	5,284	309,596
Disposals	(280,000)	0	0	(280,000)
At 31 December 2018	<u>20,000</u>	<u>4,312</u>	<u>5,284</u>	<u>29,596</u>
<u>Accumulated depreciation</u>				
At 31 December 2017	0	(1,727)	(528)	(2,255)
Charge for year	0	(216)	(528)	(744)
At 31 December 2018	<u>0</u>	<u>(1,943)</u>	<u>(1,056)</u>	<u>(2,999)</u>
<u>Net book value</u>				
At 31 December 2017	<u>300,000</u>	<u>2,585</u>	<u>4,756</u>	<u>307,341</u>
At 31 December 2018	<u>20,000</u>	<u>2,369</u>	<u>4,228</u>	<u>26,597</u>

The heritable fixed assets owned by the charity comprise:

Lock-up Garage: 5c Inverleith Terrace Lane, Edinburgh EH3 5NP

The former manse at 103 East Claremont Street was sold during 2018.

The musical instruments comprise two pianos acquired during 2010.

The furniture comprises chairs for use in the garden room which were acquired during 2017.

Other tangible fixed assets owned by the charity were acquired more than 10 years ago and are regarded as fully depreciated.

10. Investments	2018 £	2017 £
Market value at previous 31 December	213,455	199,629
Gain/(loss) on revaluation or sale of investments	(7,644)	13,826
Market value at 31 December	<u>205,811</u>	<u>213,455</u>
<u>The following investments are held:</u>		
Church of Scotland Investors Trust: Growth Fund: 35,251 units	173,435	179,780
Church of Scotland Investors Trust: Income Fund: 2,707 units	32,376	33,675
Market value at 31 December	<u>205,811</u>	<u>213,455</u>
Investments at cost	<u>157,194</u>	<u>157,194</u>

**Notes forming part of the financial statements (continued)
for the year ended 31 December 2018**

	2018 £	2017 £
11. Debtors		
Gift Aid tax refund due	3,742	4,090
Other debtors	6,167	4,204
	<u>9,909</u>	<u>8,294</u>
12. Cash		
Current accounts	20,085	37,546
Short term deposit account (Church of Scotland Investors Trust)	64,505	40,505
	<u>84,590</u>	<u>78,051</u>
13. Creditors		
Rental income transferred from General Trustees in advance	10,292	9,235
Accrued expenses and other creditors	4,850	3,687
	<u>15,142</u>	<u>12,922</u>

14. Analysis of net assets between funds

	Undesignated General	Undesignated Legacy £	Designated Manse £	Restricted £	Endowment £	Total £
Fixed assets	26,597	0	0	0	0	26,597
Investments	35,631	28,226	0	37,464	104,490	205,811
Current assets	77,836	7,174	0	9,489	0	94,499
Current liabilities	(14,782)	(360)	0	0	0	(15,142)
Net assets at 31 December 2018	<u>125,282</u>	<u>35,040</u>	<u>0</u>	<u>46,953</u>	<u>104,490</u>	<u>311,765</u>

15. Volunteers

In common with all congregations of the Church of Scotland, the congregation benefits from the contribution made by volunteers who give their time and talents willingly for the benefit of the Church. The areas of congregational life which rely on the contribution of volunteers are many and varied and much of the activity would be unable to continue were it not for the commitment shown.

**Notes forming part of the financial statements (continued)
for the year ended 31 December 2018**

16. Movement in funds

	Balance as at 01/01/2018	Incoming Resources	Revaluation Gains	Outgoing Resources	Transfers	Balance as at 31/12/2018
	£	£	£	£	£	£
<u>Endowment funds</u>						
A.G. Bryson Memorial and other Fabric Fund Legacies	108,380	3,747	(3,890)	0	(3,747)	104,490
	108,380	3,747	(3,890)	0	(3,747)	104,490
<u>Restricted funds</u>						
Fabric Fund	13,174	351	(347)	(9,848)	3,747	7,077
Fellowship & Service Fund	17,814	479	(455)	(45)	0	17,793
Sunday Club Fund	1,375	518	(35)	(698)	0	1,160
Ministerial Support Fund	3,663	94	(94)	0	0	3,663
Worship & Witness Fund	18,339	473	(469)	(1,083)	0	17,260
Organ Maintenance Fund	410	0	0	(410)	0	0
	54,775	1,915	(1,400)	(12,084)	3,747	46,953
<u>Unrestricted funds</u>						
Designated Manse Fund	300,000	0	0	(280,000)	(20,000)	0
Legacy Fund	37,978	2,043	(1,051)	(3,930)	0	35,040
General Fund	93,086	118,336	(1,303)	(104,837)	20,000	125,282
	431,064	120,379	(2,354)	(388,767)	0	160,322
Total funds	594,219	126,041	(7,644)	(400,851)	0	311,765

**Notes forming part of the financial statements (continued)
for the year ended 31 December 2018**

16. Movement in funds (continued)

Purposes of endowment funds

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	

All of the income from the above endowments is transferred annually to the Fabric Fund.

Purposes of restricted funds

Fabric Fund: This fund is designated to meet the costs of non-routine repairs and improvement of fabric, fittings and equipment used in the congregational properties. Since 2011, 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.

Fellowship and Service Fund: This fund was previously referred to as the Social Care, Fellowship and Benevolent Fund. Its purpose was generalised during 2014 and further modified in 2017. Thus fund is to support Christian fellowship and community wellbeing. This fund may be used, for example, to support our work with groups such as the Scouts or the Food Bank, pay for Christmas parties for the elderly or send flowers to those who have suffered bereavement. It will also be used to provide financial assistance to those in need. The fund incorporates the following funds

Sutherland Bequest	J Sommerville Bequest
Callendar Bequest	Neill & Davidson Bequests
Congregation Benevolent Legacies	Braidwood Bequest
James Kirkhope Bequest	Broughton Lady Visitors Fund
Ann Padon Bequest	Dorcas Society Fund

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. This fund incorporates the Lawrence S. Miller Memorial Fund.

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

Worship and Witness Fund: This fund was previously referred to as the Mission and Worship Fund. Its purpose was generalised in 2017. The purpose of this fund is to support Christian worship, outreach and Mission in the parish or beyond. This fund may be used, for example, to provide materials for use in worship, purchase bibles and study materials, provide worship opportunities for new groups of people, support inter-faith events, support chaplaincy work or pursue the Christian message in non-traditional setting such as through Messy Church. The fund incorporates the following funds.

Dr G. S. Gunn Bequest	Canongate Fund
Mrs A.C.M Lawrence Trust Funds	Rutherford Bequest
Bryson Trust Fund	Miss Jack Legacy

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. This fund incorporates the J. Spense Memorial and Mrs Naismith Memorial. The balance in the fund was reduced to nil during 2018 and has now been closed.

**Notes forming part of the financial statements (continued)
for the year ended 31 December 2018**

Purposes of unrestricted funds

Manse Fund: This fund was a designated fund. It represented the capital value of the former manse and garage. The manse was sold during 2018 and the garage was transferred to the General Fund following the purchase of the new manse at March Road.

Legacy Fund: The legacy fund represents unrestricted legacies. For the purposes of identification such legacies are accounted for separately from other unrestricted funds. The Legacy Fund is designated for items of expenditure which are expected to have an enduring benefit.

Since 2017, the Legacy Fund has incorporated the following funds:-

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	

17. Collections for third parties

The following special collections were received and distributed during the year.

	2018
	£
Fresh Start	250
Waverley Care	483
Rev P MacDonald	330
Christian Aid	142
Rev J Foster	115
Clic Sargent	439
	<hr/> <hr/>
	1,759

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

	<i>CFF Capital Account</i>	<i>CFF Revenue Account</i>	<i>Temporary Account</i>
	550100082 (at cost)	500100081	850100081
	£	£	£
Balance at 31 December 2016	3,714	16,016	0
Revenue interest		94	
CFF share dividend		187	
Net rental income from telecoms mast		12,046	
Rental income remitted to Congregation		(12,046)	
Property costs (Ravelston Terrace/East Claremont St)			(600)
Balance at 31 December 2017	3,714	16,297	(600)
Revenue interest		98	1,187
CFF Share dividend		193	
Rental income from telecoms mast		2,104	
Mast rent review costs		(827)	
Rental income from telecoms mast		15,438	
Rental income from telecoms mast (back rent)		3,791	
Rental income remitted to Congregation		(19,229)	
Ravelston Terrace property costs and refund		96	(96)
Proceeds from sale of former manse at 103 East Claremont St			451,154
Related costs			(8,148)
Proceeds from sale of former Dean Parish manse at 1 Ravelston Terrace			737,737
Related costs			(11,071)
Purchase of new manse at 20 March Road			(770,000)
Related costs			(1,830)
Balance at 31 December 2018	3,714	17,961	398,333
Revaluation gains/(losses)	1,745		
Market value at 31 December 2018	5,459		