



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

Annual Report

Year to 31 December 2019

Congregation Number 010008

Scottish Charity Number SC 012642

Trustees' Report

Year ended 31 December 2019

The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2019. The financial statements have been prepared in accordance with the accounting policies set out in the notes 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 in the past 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 have included celebration lunches or meals, a barbeque in the garden and a Christmas party. The Sunday Club also holds an annual outing for all the children and their families as well as a trip to the theatre.

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: Alopecia UK, Autism Workshop, Broughton Primary School, Conservative Party, Drummond Civic Assoc, Drummond Place Garden Proprietors, Drummond Tennis Club, Edinburgh Central Labour Party, Edinburgh Rape Crisis Centre, Friends of George V Park, Grid Iron Theatre Co, Hadeel, Jo Cox Foundation (Great Get Together), Leonard Cheshire, Lothian Autistic Society, Lothian Centre for Inclusive Living, Magnetic North Theatre Co, Mercy Corps, Migrant Training Event, New Town and Broughton Community Council, Polish Saturday School, Rape Crisis Scotland, Scottish Country Dancing Group, Scottish National Party, Souper Saturday, Broughton Spurtle, Tailor Ed Foundation, Waverley Care.

We also hosted a number of musical organisations, some of which are charitable bodies: Academy Saxes, Cadenza, The Cannae Singers, Ceilidh Events, Chapterhouse Singers, Charity Carol Concert, Community Chamber Music Group, Cosmic Dance, Delphian Records, Dunedin Consort, East Neuk Festival, Edinburgh Concert Band, Edinburgh Flute Choir, Edinburgh Gaelic Choir, Edinburgh Scottish Dancers, Jai Jagdeesh Yoga Concert, Keele University Music Union, Miscellaneous Music Auditions & Rehearsals, No Strings Attached Community Wind Band, Pitchcraft Choir, SASS & Soul Yoga, Scottish Chamber Orchestra and Chorus, SCO Connect, SCO Creative Learning, SCO Patrons Event.

Other groups that have used the premises within the past year; Broughton Health Clinic, Cacao Workshop, Capoeira Class, Care Tech, City of Edinburgh Council (Action Group and Local and Parliamentary Elections), Drew Dellinger Poetry, Edinburgh Peace and Justice, EPA Internships in Europe, First Port, Flower Essence Therapy, Helen O'Grady School of Drama, Ian Springford Architects, Impact Funding Partners, Lingotots, Rev Michael Paterson Training Days, Qigong, Repath Bruce Factors, Schools Mock Court, Scottish Government, Scottish Transactional Analysis, Scottish Gas Network, Smart Cookies After School Club, Sound Bowl Meditation, St Colm's Fellowship, StopMoGo, Tango Group, The Art of Living Foundation, The Welcoming, Turley, Miscellaneous Yoga events.

Other religious groups that have used the premises include; Assembly of God, Church of Scotland (General Assembly Event) Christian Meditation, Friends of Mary Duffy, Edinburgh, Society of Friends (Quakers), United Methodist Church.

A major user of the premises is the City of Edinburgh Council which has outsourced part of its social work services to The Action Group as it 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 gatherings including weddings, birthday parties, funeral receptions.

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 18th March.
- Good Friday service 19th April.
- Christian Aid Week, 12th May.
- Centenary Service for 11th Edinburgh North East Scouts, 29 September.

- Remembrance Sunday, 10th November, with Royal British Legion Scotland, 6th Scots: Royal Regiment of Scotland, 11th Edinburgh North East Scouts, Mr Ben Macpherson MSP.

During the year members of the congregation held a "Coffee Morning" in aid of Alzheimer Scotland and raised **£411** for this charity.

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

Rev Peter Macdonald was inducted by the Presbytery to be the new minister of Broughton St Mary's on 15th November 2018.

Rev Macdonald died on 12th February 2020. The trustees give thanks for the life of Peter Macdonald, his leadership and witness. His loss is keenly felt within the congregation, wider church and local community.

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.

This past year has seen an increased use of our premises by church, community and other groups. The premises are used 7 days a week.

Discipleship: 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. A "New Members" course entitled "Living the Questions" took place under the leadership of the minister and this was attended by several regular worshippers. This resulted in one new member joining the Church. A planned Advent course in December had to be cancelled due to a lack of participants.

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 of **£215.20** 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 **£403** 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. The Advisory Group was disbanded during 2018 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. There has not been any work directly dedicated to LGBT issues during 2019.

Work with children.

The church's work with children and young people regularly includes over 200 people with about 40 volunteers preparing and leading the work. This is facilitated by the Kirk Session sponsoring 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. The church also provides meeting rooms for children's groups such as Smart Cookies After School Club, Lingotots Language Learning and Helen O'Grady School of Drama. We were pleased to welcome Broughton Primary School to the church as it held its Christmas services in the church and also made class visits during the year.

A new venture took place on 28 September and 26 October when the church organised Family Ceilidhs with the Minnow Ceilidh Band which attracted adults and children. Ticket sales for an adult's ceilidh in November were less well subscribed and that had to be cancelled.

New Initiatives

The church has invested in new and additional signage in and around the building. These attractive signs and notice boards replace the previous ones which had either become weather beaten or were past their "use by date".

The church appointed Wham Architects to draw up plans for the refurbishment of the church sanctuary and vestibule, along with an upgrade of the electrics, lighting and audio visual system. Monies towards the cost of the proposals are held on the congregation's behalf by the General Trustees of The Church of Scotland. A decision whether to proceed with these plans will be made in 2020.

Property

An inspection of the congregation's properties was carried out by the Presbytery of Edinburgh in August. The inspection identified that some aspects of the church building and roof require repair. A repair is also required to the manse roof. All matters are in hand.

In spring, the lawn in the church garden was re-laid with fresh turf as the grass had suffered from wear and tear as a result of the activities on it during the previous year.

Closed-circuit TV was installed at the church building in November.

Financial review

General Fund (unrestricted)

The position of the General Fund is summarised in the table below. 2019 shows a surplus of £19,241 (2018: £13,499). These figures do not include transfers from other funds or investment revaluations.

The main reason for the surpluses for the years 2016 to 2019 was an increase in the income generated from the letting of our rooms to a variety of religious, community and other users. For the 10 years from 2010 to 2019, our cumulative income from letting rooms amounts to over £308,000.

General Fund	2019	change	2018	2017	2016	2015
Congregational giving (& Gift Aid)	35,886	-1%	36,173	46,539	52,673	51,214
Endowment and investment income	1,916	35%	1,421	2,157	2,577	2,477
Telecoms mast rental income	15,438	-15%	18,172	12,046	13,853	13,853
Income from letting halls / manse	66,023	13%	58,390	49,568	38,157	20,946
Coffee mornings, fairs etc.	2,619	-11%	2,931	3,609	3,797	4,639
Other income	1,329	6%	1,249	1,570	2,729	909
	123,211	4%	118,336	115,489	113,786	94,038
Expenses	(103,970)	-1%	(104,837)	(97,086)	(94,725)	(95,706)
Surplus/(deficit) before revaluations	19,241	43%	13,499	18,403	19,061	(1,668)
Revaluation of investments	6,251					
Increase in General Fund	25,492					

Legacy Fund (unrestricted)

Legacies are not included in the figures above. These are accounted for in the separate Legacy Fund. There were no legacies received in 2019 (2018: one legacy of £1,000).

Legacy Fund expenditure amounted to £4,854 in 2019 and includes expenditure on the garden, external signage and new tables (2018: £3,570 including expenditure on the lower ground floor door).

Fabric Fund (restricted)

Fabric Fund expenditure amounted to £6,304 in 2019 and included installation of CCTV and expenditure on the boiler, masonry and emergency lighting (2018: £9,848 including work on the central heating boiler, electrical circuits, emergency lights and roof slates).

The balance in the Fabric Fund now stands at £6,377 (2018: £7,077).

Sunday Club Fund (restricted)

The income of the Sunday Club Fund includes 50% of the amounts donated for tea and coffee after Sunday services. The outgoings of the Sunday Club Fund include the cost of the annual summer picnic, materials for Sunday mornings and prizes.

Other restricted and endowment funds

Most of the other income in the restricted funds comprises investment income or donations for flowers.

The outgoings of the Worship & Witness Fund included £100 donations to each of the Scouts, Rainbows and Brownies and the costs of materials for Messy Church.

All endowment income is transferred to the Fabric 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). We hold units in both the Growth Fund and the Income Fund. The Growth 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.

At 31 December 2019 the investments had a market value of £262,010 (2018: £205,811) of which £116,825 (2018: £104,490) was held in an endowment fund for fabric purposes.

We earned investment income of £8,123 during 2019 (2018: £7,623) including £3,747 (2018: £3,747) which was transferred from endowment funds to the Fabric Fund.

Additionally, investment gains of £26,199 (2018: losses of £7,644) have been recognised.

Details of the investments held and movements during the year are set out at note 10 to the accounts.

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. 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 in 2018 has improved our financial position and we now plan to refurbish the ground and upper floors of the church building.

Our last major stewardship project was the fund-raising required for the development work on the lower ground floor of the church building 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 £185,344 (2018: £160,322). This includes £25,853 (2018: £26,597) representing the value of the garage and other tangible assets.

It is the normal practice of the Trustees to hold unrestricted reserves equal to at least six months expenditure. The trustees deem it to be prudent to hold these reserves as our financial position faces some uncertainties in the coming years. For example, 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. These reorganisation have increased unrestricted reserves. It is intended that that these changes should give greater flexibility to allow the Congregation to pursue its Mission more effectively in response to today's needs

Excluding endowment funds, the Church held £49,004 (2018: £46,953) 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. P. Macdonald <i>(until 12 February 2020)</i>	Mrs E. Brown, Mr S. Brown,	Mrs H. Miller, Mrs D. Munro,
Rev. Dr K. Campbell <i>(from 13 February 2020)</i>	Mrs D. Buckingham, Mr I.R. Buckingham,	Mrs B. Nobes, Mr G. Rogers,
Mrs J. Allan, Mr C. Beck,	Mr D. Cartwright, Miss D. Chisholm,	Captain R. Smith, Ms E. Theurer,
Mrs J. Beveridge, Mr J. Blaik,	Mr J Endicott Mrs J. Gault,	Mrs J. Whitfield
Miss M. Braby, Mr J Brodie	Mr R. Gibson, Mr G. Grahamslaw <i>(retired as a trustee on 30 May 2019),</i>	

Rev Peter Macdonald, trustee and minister of Broughton St Mary's Church died on 12 February 2020. The trustees give thanks for the life of Peter Macdonald, his leadership and witness. His loss is keenly felt within the congregation, wider church and local community.

Principal office bearers

Minister:	Rev P. Macdonald (until 12 February 2020)
Interim Moderator:	Rev Dr K. Campbell (from 13 February 2020)
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: 22 February 2020

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 2019 which are set out on pages 12 to 21.

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: March 2020

Statement of Financial Activities
Year ended 31 December 2019

	Note	2019				2018			
		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Income and endowments from:									
Donations and legacies	1	37,015	1,755	0	38,770	38,422	503	0	38,925
Charitable activities	2	2,819	0	0	2,819	2,931	0	0	2,931
Other trading activities	3	66,023	0	0	66,023	58,390	0	0	58,390
Investment income	4	2,968	1,408	3,747	8,123	2,464	1,412	3,747	7,623
Other income	5	15,438	0	0	15,438	18,172	0	0	18,172
Total income		124,263	3,163	3,747	131,173	120,379	1,915	3,747	126,041
Expenditure on:									
Raising funds	6	(81)	0	0	(81)	(81)	0	0	(81)
Charitable activities	6	(108,743)	(9,140)	0	(117,883)	(108,686)	(12,084)	0	(120,770)
Total expenditure		(108,824)	(9,140)	0	(117,964)	(108,767)	(12,084)	0	(120,851)
Net income / (expenditure) before gains and losses on investments and transfer of manse		15,439	(5,977)	3,747	13,209	11,612	(10,169)	3,747	5,190
Transfer of former manse (at book value)*		0	0	0	0	(280,000)	0	0	(280,000)
Net gains/(losses) on investments	10	9,583	4,281	12,335	26,199	(2,354)	(1,400)	(3,890)	(7,644)
Net income / (expenditure)		25,022	(1,696)	16,082	39,408	(270,742)	(11,569)	(143)	(282,454)
Transfers between funds	16	0	3,747	(3,747)	0	0	3,747	(3,747)	0
Net movement in funds		25,022	2,051	12,335	39,408	(270,742)	(7,822)	(3,890)	(282,454)
Reconciliation of funds:									
Total funds brought forward	16	160,322	46,953	104,490	311,765	431,064	54,775	108,380	594,219
Total funds carried forward		185,344	49,004	116,825	351,173	160,322	46,953	104,490	311,765

* 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 2019

	Note	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	9		25,853		26,597
Investments	10		262,010		205,811
			<u>287,863</u>		<u>232,408</u>
Current assets					
Debtors	11		9,330		9,909
Cash at bank and in hand	12		65,172		84,590
			<u>74,502</u>		<u>94,499</u>
Liabilities					
Creditors falling due within one year	13		(11,192)		(15,142)
Net current assets			<u>63,310</u>		<u>79,357</u>
Net assets			<u><u>351,173</u></u>		<u><u>311,765</u></u>
The funds of the charity					
Endowment funds	16		116,825		104,490
Restricted income funds	14, 16		49,004		46,953
Unrestricted income funds	16		185,344		160,322
Total funds			<u><u>351,173</u></u>		<u><u>311,765</u></u>

The Accounts were approved by the trustees on 30 January 2020 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.

The financial statements have been prepared on the basis that the Charity is a going concern. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern

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.

Income

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 expenditure 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 lock up garage is stated at market valuation placed on it 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 expenditure therefore include irrecoverable input VAT.

Notes forming part of the financial statements
for the year ended 31 December 2019

	2019				2018			
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£	£	£	£	£
1. Donations and legacies								
Freewill offerings	3,565	0	0	3,565	4,009	0	0	4,009
Gift Aided and GAYE offerings	21,595	0	0	21,595	21,283	0	0	21,283
Other donations	3,552	0	0	3,552	3,707	0	0	3,707
Gift Aid tax recoverable	7,174	0	0	7,174	7,174	0	0	7,174
Congregational organisations	0	0	0	0	250	0	0	250
Legacies	0	0	0	0	1,000	0	0	1,000
Other	1,129	1,755	0	2,884	999	503	0	1,502
	<u>37,015</u>	<u>1,755</u>	<u>0</u>	<u>38,770</u>	<u>38,422</u>	<u>503</u>	<u>0</u>	<u>38,925</u>
2. Income from charitable activities								
Weddings and funerals	200	0	0	200	0	0	0	0
Coffee mornings, fairs etc.	2,619	0	0	2,619	2,931	0	0	2,931
	<u>2,819</u>	<u>0</u>	<u>0</u>	<u>2,819</u>	<u>2,931</u>	<u>0</u>	<u>0</u>	<u>2,931</u>
3. Income from other trading activities								
Income from letting church halls/rooms	66,023	0	0	66,023	58,390	0	0	58,390
	<u>66,023</u>	<u>0</u>	<u>0</u>	<u>66,023</u>	<u>58,390</u>	<u>0</u>	<u>0</u>	<u>58,390</u>
4. Investment income								
Deposit interest	421	53	0	474	221	57	0	278
Interest and dividends from investments	2,547	1,355	3,747	7,649	2,243	1,355	3,747	7,345
	<u>2,968</u>	<u>1,408</u>	<u>3,747</u>	<u>8,123</u>	<u>2,464</u>	<u>1,412</u>	<u>3,747</u>	<u>7,623</u>
5 Other income								
Transfers from General Trustees *	15,438	0	0	15,438	18,172	0	0	18,172
	<u>15,438</u>	<u>0</u>	<u>0</u>	<u>15,438</u>	<u>18,172</u>	<u>0</u>	<u>0</u>	<u>18,172</u>
6. Analysis of expenditure								
Raising funds								
Offering envelopes	(81)	0	0	(81)	(81)	0	0	(81)
	<u>(81)</u>	<u>0</u>	<u>0</u>	<u>(81)</u>	<u>(81)</u>	<u>0</u>	<u>0</u>	<u>(81)</u>
Charitable activities								
Ministries and Mission Allocation*	(52,161)	0	0	(52,161)	(38,147)	0	0	(38,147)
Presbytery dues	(1,583)	0	0	(1,583)	(1,397)	0	0	(1,397)
Minister's and manse expenses	(3,925)	0	0	(3,925)	(3,770)	0	0	(3,770)
Staff costs and fees	(15,227)	0	0	(15,227)	(15,149)	0	0	(15,149)
Locum fees and pulpit supply	(300)	0	0	(300)	(10,590)	0	0	(10,590)
Fabric repairs and maintenance	(4,621)	(6,304)	0	(10,925)	(11,074)	(9,845)	0	(20,919)
Cleaning	(4,260)	0	0	(4,260)	(4,662)	0	0	(4,662)
Buildings insurance	(7,169)	0	0	(7,169)	(7,533)	0	0	(7,533)
Energy and other occupancy costs	(7,895)	0	0	(7,895)	(8,775)	0	0	(8,775)
Church office expenses	(1,484)	0	0	(1,484)	(1,571)	0	0	(1,571)
Organ and music	(832)	0	0	(832)	(1,511)	0	0	(1,511)
Communication and outreach	(266)	0	0	(266)	(126)	0	0	(126)
Other expenses	(9,020)	(2,836)	0	(11,856)	(4,381)	(2,239)	0	(6,620)
	<u>(108,743)</u>	<u>(9,140)</u>	<u>0</u>	<u>(117,883)</u>	<u>(108,686)</u>	<u>(12,084)</u>	<u>0</u>	<u>(120,770)</u>
Total	<u>(108,824)</u>	<u>(9,140)</u>	<u>0</u>	<u>(117,964)</u>	<u>(108,767)</u>	<u>(12,084)</u>	<u>0</u>	<u>(120,851)</u>

* The transfers in 2018 and 2019 were in respect of rental income from a telecommunications mast.

Notes forming part of the financial statements (continued)
for the year ended 31 December 2019

6. Analysis of expenditure (continued)

The Ministries and Mission Allocation is net of Consolidated Stipend Fund Income of £3,231 (2018: £3,231).

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	2019	2018
	£	£
Salaries and fees	15,227	15,149
Social security costs	0	0
	<u>15,227</u>	<u>15,149</u>

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

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

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 £27,585 and the maximum stipend (in the tenth and subsequent years) £33,899.

No employee had employee benefits in excess of £60,000 (2018: none).

8. Trustee remuneration and related party transactions

During 2019 Council Tax of £3,542 was paid in respect of the new manse at March Road in respect of 2019 and the prior year. No Council tax was paid during 2018. During 2019, the Minister was reimbursed £1,463 in respect of removal, phone and travel expenses (2018: Subsequent to his induction in November 2018, the Minister was reimbursed £1,990 in respect of removal costs and the disturbance allowance provided in respect of alternations to decoration and curtains at the manse).

No other trustee was paid during the year (2018: One other trustee received £500 in respect of joinery materials and services provided during the year).

During the year, a total of £12,301 (2018: £12,175) was donated to the congregation by trustees.

9. Tangible fixed assets	2019				2018			
	Buildings	Musical Instruments	Furniture	Total	Buildings	Musical Instruments	Furniture	Total
<u>Cost or valuation</u>								
At start of year	20,000	4,312	5,284	29,596	300,000	4,312	5,284	309,596
Disposals	0	0	0	0	(280,000)	0	0	(280,000)
At end of year	<u>20,000</u>	<u>4,312</u>	<u>5,284</u>	<u>29,596</u>	<u>20,000</u>	<u>4,312</u>	<u>5,284</u>	<u>29,596</u>
<u>Accumulated depreciation</u>								
At start of year	0	(1,943)	(1,056)	(2,999)	0	(1,727)	(528)	(2,255)
Charge for year	0	(216)	(528)	(744)	0	(216)	(528)	(744)
At end of year	<u>0</u>	<u>(2,159)</u>	<u>(1,584)</u>	<u>(3,743)</u>	<u>0</u>	<u>(1,943)</u>	<u>(1,056)</u>	<u>(2,999)</u>
Net book value at end of year	<u>20,000</u>	<u>2,153</u>	<u>3,700</u>	<u>25,853</u>	<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 a lock-up Garage: 5c Inverleith Terrace Lane, Edinburgh EH3 5NP.

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.

**Notes forming part of the financial statements (continued)
for the year ended 31 December 2019**

	2019	2018
	£	£
10. Investments		
Market value at previous 31 December	205,811	213,455
Additional amount invested	30,000	0
Gain/(loss) on revaluation of investments	26,199	(7,644)
Market value at 31 December	<u>262,010</u>	<u>205,811</u>
<u>The following investments are held:</u>		
Church of Scotland Investors Trust:		
Growth Fund: 40,891 units (2018: 35,251 units)	228,172	173,435
Income Fund: 2,707 units (2018: 2,707 units)	33,838	32,376
Market value at 31 December	<u>262,010</u>	<u>205,811</u>
Investments at cost	<u>187,194</u>	<u>157,194</u>
11. Debtors		
Gift Aid tax refund due	3,506	3,742
Other debtors	5,824	6,167
	<u>9,330</u>	<u>9,909</u>
12. Cash		
Current accounts	20,667	20,085
Short term deposit account (Church of Scotland Investors Trust)	44,505	64,505
	<u>65,172</u>	<u>84,590</u>
13. Creditors		
Rental income transferred from General Trustees in advance	10,292	10,292
Accrued expenses and other creditors	900	4,850
	<u>11,192</u>	<u>15,142</u>

14. Analysis of net assets between funds

	2019				
	Undesignated General	Undesignated Legacy £	Restricted £	Endowment £	Total £
Fixed assets	25,853	0	0	0	25,853
Investments	71,882	31,558	41,745	116,825	262,010
Current assets	64,231	3,012	7,259	0	74,502
Current liabilities	(11,192)	0	0	0	(11,192)
Net assets at 31 December 2019	<u>150,774</u>	<u>34,570</u>	<u>49,004</u>	<u>116,825</u>	<u>351,173</u>
	2018				
	Undesignated General	Undesignated Legacy £	Restricted £	Endowment £	Total £
Fixed assets	26,597	0	0	0	26,597
Investments	35,631	28,226	37,464	104,490	205,811
Current assets	77,836	7,174	9,489	0	94,499
Current liabilities	(14,782)	(360)	0	0	(15,142)
Net assets at 31 December 2018	<u>125,282</u>	<u>35,040</u>	<u>46,953</u>	<u>104,490</u>	<u>311,765</u>

Notes forming part of the financial statements (continued)
for the year ended 31 December 2019

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.

16. Movement in funds

	2019					
	Opening balance	Income	Revaluation gains/ (losses)	Expenditure	Transfers	Closing balance
	£	£	£	£	£	£
Endowment funds						
A.G. Bryson Memorial and other						
Fabric Fund Legacies	104,490	3,747	12,335	0	(3,747)	116,825
	104,490	3,747	12,335	0	(3,747)	116,825
Restricted funds						
Fabric Fund	7,077	1,212	645	(6,304)	3,747	6,377
Fellowship & Service Fund	17,793	814	1,622	(549)	0	19,680
Sunday Club Fund	1,160	509	106	(1,020)	0	755
Ministerial Support Fund	3,663	110	334	0	0	4,107
Worship & Witness Fund	17,260	518	1,574	(1,267)	0	18,085
	46,953	3,163	4,281	(9,140)	3,747	49,004
Unrestricted funds						
Legacy Fund	35,040	1,052	3,332	(4,854)	0	34,570
General Fund	125,282	123,211	6,251	(103,970)	0	150,774
	160,322	124,263	9,583	(108,824)	0	185,344
Total funds	311,765	131,173	26,199	(117,964)	0	351,173
2018						
	Opening balance	Income	Revaluation gains/ (losses)	Expenditure	Transfers	Closing balance
	£	£	£	£	£	£
Endowment funds						
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
Restricted funds						
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
Unrestricted funds						
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 2019**

16. Movement in funds (continued)

Purposes of endowment funds

The income from the 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. The fund incorporates the A.G. Bryson Memorial and Miss M. Sim Memorial Funds. All of the income 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. This 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

Purposes of unrestricted funds

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	

**Notes forming part of the financial statements (continued)
for the year ended 31 December 2019**

17. Collections for third parties

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

	2019 £	2018 £
Fresh Start		250
Waverley Care	475	483
Alzheimers	411	
Rev P MacDonald		330
Christian Aid	403	142
Foodbank	200	
Rev J Foster		115
Bethany	215	
Clic Sargent		439
	<u>1,704</u>	<u>1,759</u>

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

	<u>CFF Temporary Accounts</u>					<i>Total</i>
	<i>CFF Capital Account</i> 550100082	<i>CFF Revenue Account</i> 500100081	<i>Deposit</i> 850100081	<i>Income Fund</i> 660100086	<i>Growth Fund</i> 660100085	
	£	£	£	£	£	£
Balance at 31 December 2017 (at cost)	3,714	16,297	(600)	0	0	19,411
Revenue interest		98	1,187			1,285
CFF Share dividend		193				193
Rental income from telecoms mast		2,104				2,104
Mast rent review costs		(827)				(827)
Rental income from telecoms mast		15,438				15,438
Rental income from telecoms mast (back rent)		3,791				3,791
Rental income remitted to Congregation		(19,229)				(19,229)
Ravelston Terrace property costs and refund		96	(96)			0
Sale of 103 East Claremont St manse			451,154			451,154
Related costs			(8,148)			(8,148)
Proceeds from sale of former Dean Parish manse at 1 Ravelston Terrace			737,737			737,737
Related costs			(11,071)			(11,071)
Purchase of new manse at 78 March Road			(770,000)			(770,000)
Related costs			(1,830)			(1,830)
Balance at 31 December 2018 (at cost)	3,714	17,961	398,333	0	0	420,008
Revenue interest		164	2,103			2,267
CFF share dividend		188				188
Transfer to Income Fund			(200,001)	200,001		0
Transfer to Growth Fund			(100,002)		100,002	0
Net rental income from telecoms mast		15,438				15,438
Rental income remitted to Congregation		(15,438)				(15,438)
Income Fund dividends		4,115				4,115
Growth Fund dividends		1,524				1,524
Expenses			(300)			(300)
Balance at 31 December 2019 (at cost)	3,714	23,952	100,133	200,001	100,002	427,802
Revaluation gains/(losses)	2,266	0	0	5,762	6,286	14,314
Market value at 31 December 2019	5,980	23,952	100,133	205,763	106,288	442,116

Notes

The balance on the Capital Account has remained static since 31 December 2005. 3,714 units are held and have a cost of £3,714. Dividends are paid into the Revenue Account.

The value of the Temporary Accounts was increased by £397,746 during 2018 being the net proceeds from the sale of former manses at 103 East Claremont St and 1 Ravelston Terrace less the purchase price of a new manse at 78 March Road.