



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

Annual Report

Year to 31 December 2021

Congregation Number 010008

Scottish Charity Number SC 012642

Trustees' Report

Year ended 31 December 2021

The Trustees present their annual report and financial statements of the charity for the year ended 31 December 2021. 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 2020-2021 Covid-19 pandemic and the refurbishment of the church sanctuary and vestibules has however, impacted on the life of the congregation and activities that take place in our premises. The refurbishment took place from April 2021 to December 2021 and the other congregations that use the building were not able to meet during this time. The Broughton St Mary's congregation held services in the Garden Room in the lower part of the church building.

The congregation would normally hold 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 would also be 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 majority of these events did not take place in 2021.) The Sunday Club also, has held 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. The Covid-19 pandemic has prevented such groups from meeting as regularly as they would like. These groups are 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

The Rev Laurene Lafontaine was inducted as Minister to the congregation and parish by the Presbytery of Edinburgh on 2 December 2021. The congregation had been without a minister following the sudden death of The Rev Peter Macdonald on 12 February 2020.

The Kirk Session proceeded with its plans to refurbish the church sanctuary and vestibule, along with an upgrade of the electrics, lighting, and audio-visual system. The refurbishment by Ashwood Scotland Ltd commenced in April 2021 and will be completed in early January 2022. Monies towards the cost of the proposals were held on the congregation's behalf by the General Trustees of The Church of Scotland. Additional costs were met from congregational resources.

The Covid-19 pandemic and the refurbishment has resulted in a reduced usage of the church building in 2021. Listed below are the groups that used the premises and met subject to Scottish Government Tier restrictions. These included professional musicians, essential support services and regulated childcare.

As part of our **service** to others the following charitable and community bodies used the church's premises this year, Drummond Tennis Club, Edinburgh Central Labour Party, Cosmic Indian Dance Group, Meditation Group, Tailor Ed Foundation., Indonesian Language Lessons, City of Edinburgh Council, Czech School Scotland.

We also hosted a number of musical organisations, some of which are charitable bodies: Academy Saxes, No Strings Attached Community Wind Band, Perfect Forth Choir, Wildfire Choir, Alison Stringer Violin Tuition.

Other groups that have used the premises within the past year; Broughton Health Clinic, Helen O'Grady School of Drama, Smart Cookies After School Club, James Beagon Theatre Workshop, Carlton Wine Club, Ante Natal Classes.

Young people's uniformed organisations: the Rainbows and Brownie Guides met in the building during the year as did the Beavers, Cubs and Scouts for a period when they did not have access to their regular meeting place.

Other religious groups that have used the premises include; Assembly of God, Friends of Mary Duffy, Edinburgh, Society of Friends (Quakers), United Methodist Church, First Love Church.

A major user of the premises is The Action Group which caters for adults from the local area with learning difficulties.

Families and individuals from the local community have hired the rooms to hold family gatherings and, birthday parties.

Following the closure of places of worship, the Kirk Session arranged for Sunday services to be broadcast using the Zoom platform. Steps were taken to ensure the church building was safe to receive worshippers when restrictions were lifted to allow buildings to reopen. This involved establishing designated seating areas to ensure safe distancing, signage requesting observation of safe distancing, provision of hand sanitisers, recording attendance for track and trace purposes. The number of worshippers allowed to attend in the sanctuary in the early part of the year was restricted to 40 persons. We continued to broadcast these services on Zoom

in order that those who could not attend could still participate in worship either on the internet or by telephone.

Work to refurbish the sanctuary and vestibules meant that the congregation was not able to use the sanctuary for worship. Services took place in the Garden Room in the lower part of the church building. Numbers attending worship in the Garden Room were restricted in accordance with social distancing guidelines laid down by the Scottish Government. Numbers increased following the lifting of restrictions.

Members of the congregation receive a monthly magazine keeping them up informed of church news and a weekly newsletter is sent to those on email. Our Pastoral Care team keeps in contact by telephone and doorstep visits with members who are particularly vulnerable.

Special occasions also bring other events to the annual cycle of Broughton St Mary's. The Covid-19 pandemic and lockdown meant that attendance at some of our annual events was restricted on public health grounds. We broadcasted or recorded services for those who were unable to attend in person. On Easter Sunday morning we held an Easter celebration in the church and on Zoom at 10.30am. Christmas worship still took place; a Watchnight Service held at 11.30pm on Christmas Eve and a 10.30am family service on Christmas Day. Both were broadcast on Zoom in 2021.

Other significant events during the year were:

- Good Friday service on 2nd April in the church and on Zoom
- Remembrance Sunday, 14th November. Service in the Garden Room and broadcast on Zoom.
- Induction of Laurene Lafontaine to Broughton St Mary's on 2nd December.

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. The group ceased meeting following the Covid-19 pandemic. Prior to lockdown the Church 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. The operation of Messy Church was also affected by the Covid-19 restrictions but restarted in October 2021.

Achievements and performance

The Kirk Session is indebted to the Presbytery of Edinburgh for its support during the vacancy caused by the death of Rev Macdonald on 12th February 2020. The Rev Sam Torrens served as Interim Moderator of the Kirk Session during the past year. The Kirk Session thanks Rev Bill Taylor who served as locum minister, conducting worship for over 14 months. Thanks are also extended to Rev Dr Fiona Tweedie and Dr Mary MacLeod-Rivett who also conducted worship during the period of vacancy.

In April 2021 the congregation elected 9 of its number to form a Nominating Committee tasked with interviewing and nominating the name of a suitable person to be the next minister. The committee carried out due diligence and nominated The Rev Laurene Lafontaine, minister of Kingswells Parish Church in Aberdeen. On 26th September 2021, the congregation elected Ms Laurene to be its next minister and its Call to Ms Lafontaine was sustained by the Presbytery of Edinburgh.

The COVID-19 pandemic has affected activities at Broughton St Mary's following the introduction of various restrictions to daily life that were introduced by the UK and Scottish Governments in 2021. Prior to the introduction of restrictions our premises were used daily by church, community, and other groups.

Discipleship: A monthly Bible Study group met until Covid-19 restrictions came into force. Members of the congregation take part in the conduct of public worship through reading the Bible, leading prayers. Members of the congregation participate in a Pastoral Care Group which cares for those in our worshipping community. An Online Prayer Group exists and receives requests for prayer.

The Sunday Club caters for children from age 3 years to 14 years. A rota of Sunday Club leaders participates fully in our children's ministry. They are enabled to attend worship regularly. The numbers of children regularly attending Sunday Club declined during 2021 partly due to closure of the church building during the refurbishment of the sanctuary and also Covid restrictions.

Our acts of **evangelism** and charity continued in the donation of presents for the children of prisoners at HM Prison Edinburgh. There was an excellent response to our request for donations despite fewer people being able to attend worship. 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.

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 2021 mainly because of the congregation being in vacancy.

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, and Helen O'Grady School of Drama. We were unable to welcome Broughton Primary School to the church for its Christmas services in the church due to the Covid-19 pandemic.

New Initiatives

As referred to earlier in the report, a major refurbishment of the church sanctuary and vestibules was undertaken in 2021. The architect for the project was Wham Architecture and the chosen contractor was Ashwood Scotland Ltd. The sanctuary and vestibules have been rewired and redecorated. The cornicing of the sanctuary ceiling was found to be in need of repair and the defective cornicing was replaced. New lighting has been installed along with new heating radiators. The carpeting in the sanctuary has been renewed and the sanctuary floor now has an engineered wood covering. Pews have been removed to create disabled access to the chancel. Additional pews have been removed for an Audio-Visual control booth to be situated under the gallery. The AV system in the church has been substantially upgraded to serve not only the congregation but other building users. The main entrance of the church has been enhanced by a new glass entry door to the vestibule and the original internal

vestibule doors have been repositioned to create a more open and accessible vestibule area. External lighting highlighting the façade of the building has been installed. The church organ was dismantled before the refurbishment began. This precautionary action was taken to reduce the risk of damage to the organ during the refurbishment.

Property

A survey of the church tower by a firm of steeplejacks found that the dome and weathervane on the tower were in a dangerous condition. An earlier drone survey of the tower had not identified these problems. Work was carried out to repair the upper part of the tower and replace the finial. A new lighting conductor was also installed. All windows apart from those on the west facing elevation of the building were repainted by the steeplejacks. These windows are in a poor state of repair, and it was recommended that new sash windows be obtained. The Kirk Session decided to delay the repair of the windows until 2022 due to pressure on the refurbishment budget.

A section of the roof of the church **manse** was repaired following ingress of water. Two rooms in the manse (study and upstairs bedroom) were repainted prior to Ms Lafontaine occupying the manse. Work to repair a fault with the control system of the manse's central heating was carried in November.

Radical Action Plan At its General Assembly in 2019 the Church of Scotland accepted the findings of three reports recommending a reshaping of the Church. As a result, it was agreed in 2021 that the Presbytery of Edinburgh would have to reduce its ministry posts from 78 to 48.5. A proposed plan for the Presbytery of Edinburgh for 2022-2025 has been published and is under consideration by presbyters and Kirk Sessions. It has been proposed that a grouping of Broughton St Mary's and 2 other congregations, (Greenside and St Andrew's and St George's West) be served by 2 full time ministers of word and sacrament. It is also proposed that there be a Union of the 3 congregations.

Financial review

Refurbishment Fund (restricted)

The refurbishment fund was created during 2020. There were £30,770 of costs in 2020 mainly relating to professional fees all of which were reimbursed via transfers from the Consolidated Fabric Fund (detailed at Appendix 1).

During 2021 a further £400,189 was transferred from the Consolidated Fabric Fund, donations of £44,072 were received and £90,889 was received from the Listed Places of Worship Grant Scheme ("LPWGS"). All these sums were accounted for in the Refurbishment Fund and were fully applied to the refurbishment project. There is nil balance in the Refurbishment Fund at the end of 2021.

Further refurbishment expenditure was charged to the General and Legacy Funds.

Appendix 2 sets out the total refurbishment costs to date. The net cost after taking account of the LPWGS grant is £709,435.

General Fund (unrestricted)

The position of the General Fund is summarised in the table below. 2021 shows a deficit of £12,794 from normal activities (2020: deficit of £15,681). These figures do not include

transfers from other funds, refurbishment expenditure, the revaluation of the garage or investment revaluations. After all these items are taken into account there is a deficit of £86,845 in the General Fund for the year.

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. The reduction in that source of income due to the Covid-19 pandemic is the main reason for the deficits in 2020 and 2021.

General Fund	2021	change	2020	2019	2018	2017
Congregational giving (& Gift Aid)	31,883	5%	30,331	35,886	36,173	46,539
Endowment and investment income	1,054	-46%	1,948	1,916	1,421	2,157
Telecoms mast rental income	15,438	0%	15,438	15,438	18,172	12,046
Income from letting halls	26,514	0%	26,610	66,023	58,390	49,568
Coffee mornings, fairs etc.	1,344	72%	783	2,619	2,931	3,609
Other income	3,414	-36%	5,348	1,329	1,249	1,570
	<u>79,647</u>	-1%	<u>80,458</u>	<u>123,211</u>	<u>118,336</u>	<u>115,489</u>
Expenses	<u>(92,441)</u>	-4%	<u>(96,139)</u>	<u>(103,970)</u>	<u>(104,837)</u>	<u>(97,086)</u>
Surplus/(deficit) before revaluations	(12,794)	-18%	(15,681)	19,241	13,499	18,403
Refurbishment expenditure	(133,287)					
Gain on revaluation of garage	55,500					
Revaluation of investments	<u>3,736</u>					
Increase/(decrease) in General Fund	<u>(86,845)</u>					

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 2021 or 2020.

The entire balance of the Legacy Fund, some £39,030, was applied to the refurbishment project during 2021. There was no expenditure in the Legacy Fund in 2020.

Fabric Fund (restricted)

Fabric Fund expenditure amounted to £8,291 and included work on the manse roof and a survey of the garden room roof (2020: £18,994 relating to new signage and repairs to the manse roof, church roof and the boiler).

Other restricted and endowment funds

Most of the income in the other restricted funds comprises investment income.

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.

During 2021 all investments in unrestricted funds were sold and the proceeds applied to the refurbishment project. In addition, some investments held in restricted funds were sold.

At 31 December 2020 the investments had a market value of £160,511 (2020: £253,991) of which £124,796 (2020: £113,504) was held in an endowment fund for fabric purposes.

We earned investment income of £5,263 during 2020 (2020: £6,991) including £2,720 (2020: £3,056) which was transferred from endowment funds to the Fabric Fund.

Additionally, investment gains of £21,408 (2020: losses of £8,019) 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 2018, 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 manse and acquisition of a new manse in 2018 improved our financial position and has allowed us to refurbish the ground floor of the church building including the sanctuary.

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 and maintain 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 will continue to 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 £45,542 (2020: £168,399).

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 reserves of at least that amount 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. Reserves have reduced during 2020 and 2021 due to the impact of Covid-19 on our finances and expenditure on the refurbishment project.

Reorganisations of the restricted and endowment funds were carried out in 2014 and 2017. These reorganisations 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 £47,234 (2020: £51,011) 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 S Torrens (until 1 December 2021)	Mr J. Blaik,	Mrs J. Gault,
Rev L M Lafontaine (from 2 December 2021)	Miss M. Braby,	Mr R. Gibson,
Mrs J. Allan,	Mr J Brodie	Mrs H Miller,
Mr C. Beck,	Mrs E. Brown,	Mrs D Munro
Mrs J. Beveridge,	Mr S. Brown,	Mrs B Robertson
	Mrs D. Buckingham,	(formerly Nobes),
	Mr I.R. Buckingham,	Mr G. Rogers,
	Mr D. Cartwright,	Captain R. Smith,
	Miss D. Chisholm,	Ms E. Theurer,
	Mr J Endicott	Mrs J. Whitfield

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. The charge was vacant until 2 December 2021.

On 2 December 2021, The Presbytery of Edinburgh inducted Rev Laurene M Lafontaine to Broughton St Mary's on a Basis of Unrestricted Tenure.

Principal office bearers

Minister:	Rev L M Lafontaine (<i>from 2 December 2021</i>)
Interim Moderator:	Rev S Torrens (<i>from 1 August 2020 to 1 December 2021</i>)
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

Auditor

Ralph Tiffin
McLachlan+Tiffin, Registered Auditors,
Clifton House, Craigard Road, Crieff, PH7 4BN

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: 27 February 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF EDINBURGH: BROUGHTON ST. MARY'S PARISH CHURCH (CHURCH OF SCOTLAND)

Opinion on financial statements

We have audited the financial statements of Edinburgh: Broughton St. Mary's Parish Church (Church of Scotland) for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have identified no material misstatements within the trustees' report.

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities in Relation to the Financial Statements set out on page 11, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified and assessed the laws and regulations applicable to the charity through discussions with Trustees
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by making enquiries of Trustees and considering the procedures and controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships
- tested journal entries to identify unusual transactions

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Trustees of Edinburgh: Broughton St. Mary's Parish Church (Church of Scotland). Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity for our audit work, for this report, or for the opinions we have formed.

Ralph C Tiffin (Senior Statutory Auditor)

Edinburgh

February 2022

For and on behalf of McLachlan + Tiffin, Statutory Auditor

McLachlan + Tiffin is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulation by virtue of its eligibility under section 1212 of the Companies Act 2006.

Statement of Financial Activities

Year ended 31 December 2021

		2021				2020			
		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Note									
Income and endowments from:									
Donations and legacies	1	64,345	134,962	0	199,307	31,471	357	0	31,828
Charitable activities	2	1,544	0	0	1,544	1,073	0	0	1,073
Other trading activities	3	26,514	0	0	26,514	26,610	0	0	26,610
Investment income	4	1,549	994	2,720	5,263	2,787	1,148	3,056	6,991
Other income	5	18,448	400,189	0	418,637	20,856	49,762	0	70,618
Total income		112,400	536,145	2,720	651,265	82,797	51,267	3,056	137,120
Expenditure on:									
Raising funds	6	(1,061)	0	0	(1,061)	0	0	0	0
Charitable activities	6	(295,955)	(546,499)	0	(842,454)	(96,139)	(51,221)	0	(147,360)
Total expenditure		(297,016)	(546,499)	0	(843,515)	(96,139)	(51,221)	0	(147,360)
Net income / (expenditure) before gains and losses on investments		(184,616)	(10,354)	2,720	(192,250)	(13,342)	46	3,056	(10,240)
Net gains/(losses) on investments	10	6,259	3,857	11,292	21,408	(3,603)	(1,095)	(3,321)	(8,019)
Revaluation of garage *		55,500	0	0	55,500	0	0	0	0
Net income / (expenditure)		(122,857)	(6,497)	14,012	(115,342)	(16,945)	(1,049)	(265)	(18,259)
Transfers between funds	16	0	2,720	(2,720)	0	0	3,056	(3,056)	0
Net movement in funds		(122,857)	(3,777)	11,292	(115,342)	(16,945)	2,007	(3,321)	(18,259)
Reconciliation of funds:									
Total funds brought forward	16	168,399	51,011	113,504	332,914	185,344	49,004	116,825	351,173
Total funds carried forward		45,542	47,234	124,796	217,572	168,399	51,011	113,504	332,914

* The garage was revalued as at 31 December 2021 to reflect the expected net proceeds from its sale which completed on 14 February 2022. See note 9.

Balance Sheet**As at 31 December 2021**

	<i>Note</i>	2021			2020		
		£	£	£	£	£	£
Fixed assets							
Tangible assets	9			141,951			25,109
Investments	10			160,511			253,991
				<u>302,462</u>			<u>279,100</u>
Current assets							
Debtors	11	39,339			5,480		
Cash at bank and in hand	12	89,741			61,308		
				<u>129,080</u>			<u>66,788</u>
Liabilities							
Creditors falling due within one year	13	(128,970)			(12,974)		
Loan repayments due within one year	13	(15,414)			0		
				<u>(144,384)</u>			<u>(12,974)</u>
Net current assets				<u>(15,304)</u>			<u>53,814</u>
Loan							
Loan repayments due after one year	13			(69,586)			0
Net assets				<u>217,572</u>			<u>332,914</u>
The funds of the charity							
Endowment funds	16			124,796			113,504
Restricted income funds	14, 16			47,234			51,011
Unrestricted income funds	16			45,542			168,399
Total funds				<u>217,572</u>			<u>332,914</u>

The Accounts were approved by the trustees on 27 February 2022 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.

Accounting policies (continued)

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.

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 £5,000 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:-

Audio visual equipment	5 years
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. The garage was revalued as at 31 December 2021 to reflect the expected net proceeds from its sale which was expected to complete in early 2022. 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 includes irrecoverable input VAT.

Notes forming part of the financial statements
for the year ended 31 December 2021

	2021				2020			
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
1. Donations and legacies								
Freewill offerings	3,587	0	0	3,587	4,618	0	0	4,618
Gift Aided and GAYE offerings	19,297	5,200	0	24,497	18,347	0	0	18,347
Other donations	1,188	37,573	0	38,761	1,258	0	0	1,258
Gift Aid tax recoverable	5,501	1,300	0	6,801	6,108	0	0	6,108
National Giving Day	2,310	0	0	2,310	0	0	0	0
Listed places of worship grant scheme	32,258	90,889	0	123,147	0	0	0	0
Legacies	0	0	0	0	0	0	0	0
Other	204	0	0	204	1,140	357	0	1,497
	<u>64,345</u>	<u>134,962</u>	<u>0</u>	<u>199,307</u>	<u>31,471</u>	<u>357</u>	<u>0</u>	<u>31,828</u>
2. Income from charitable activities								
Weddings and funerals	200	0	0	200	290	0	0	290
Coffee mornings, fairs etc.	1,344	0	0	1,344	783	0	0	783
	<u>1,544</u>	<u>0</u>	<u>0</u>	<u>1,544</u>	<u>1,073</u>	<u>0</u>	<u>0</u>	<u>1,073</u>
3. Income from other trading activities								
Income from letting church halls/rooms	26,514	0	0	26,514	26,610	0	0	26,610
	<u>26,514</u>	<u>0</u>	<u>0</u>	<u>26,514</u>	<u>26,610</u>	<u>0</u>	<u>0</u>	<u>26,610</u>
4. Investment income								
Deposit interest	25	4	0	29	254	32	0	286
Interest and dividends from investments	1,524	990	2,720	5,234	2,533	1,116	3,056	6,705
	<u>1,549</u>	<u>994</u>	<u>2,720</u>	<u>5,263</u>	<u>2,787</u>	<u>1,148</u>	<u>3,056</u>	<u>6,991</u>
5 Other income								
Transfers: General Trustees *	15,438	0	0	15,438	15,438	0	0	15,438
Transfers: Consolidated Fabric Fund *	0	400,189	0	400,189	1,500	49,762	0	51,262
Job Retention Scheme Grant	3,010	0	0	3,010	3,918	0	0	3,918
	<u>18,448</u>	<u>400,189</u>	<u>0</u>	<u>418,637</u>	<u>20,856</u>	<u>49,762</u>	<u>0</u>	<u>70,618</u>

* Details of these transfers is given at appendix 1.

Notes forming part of the financial statements (continued)
for the year ended 31 December 2021

	2021				2020			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds		Funds	Funds	Funds	
	£	£	£	£	£	£	£	£
6. Analysis of expenditure								
Raising funds								
Offering envelopes	(71)	0	0	(71)	0	0	0	0
Interest payable	(990)	0	0	(990)	0	0	0	0
	(1,061)	0	0	(1,061)	0	0	0	0
Charitable activities								
Ministries and Mission Allocation*	(36,863)	0	0	(36,863)	(44,766)	0	0	(44,766)
Presbytery dues	(1,117)	0	0	(1,117)	(1,659)	0	0	(1,659)
Minister's and manse expenses	(6,338)	(2,048)	0	(8,386)	(4,473)	0	0	(4,473)
Staff costs and fees	(15,761)	0	0	(15,761)	(16,705)	0	0	(16,705)
Locum fees and pulpit supply	(2,700)	0	0	(2,700)	(1,960)	0	0	(1,960)
Fabric repairs and maintenance	(3,466)	(8,291)	0	(11,757)	(3,991)	(18,994)	0	(22,985)
Refurbishment costs	(203,585)	(535,151)	0	(738,736)	0	(30,770)	0	(30,770)
Cleaning	(5,586)	0	0	(5,586)	(3,933)	0	0	(3,933)
Buildings insurance	(6,732)	0	0	(6,732)	(7,492)	0	0	(7,492)
Energy and other occupancy costs	(8,929)	0	0	(8,929)	(6,629)	0	0	(6,629)
Church office expenses	(581)	0	0	(581)	(800)	0	0	(800)
Organ and music	(326)	0	0	(326)	(843)	0	0	(843)
Communication and outreach	(643)	0	0	(643)	(50)	0	0	(50)
Other expenses	(3,328)	(1,009)	0	(4,337)	(2,838)	(1,457)	0	(4,295)
	(295,955)	(546,499)	0	(842,454)	(96,139)	(51,221)	0	(147,360)
Total	(297,016)	(546,499)	0	(843,515)	(96,139)	(51,221)	0	(147,360)

The Ministries and Mission Allocation is net of Consolidated Stipend Fund Income of £1,903 (2020: £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.

	2021	2020
	£	£
7. Staff costs and numbers		
Salaries and fees	15,270	16,214
Employer's pension costs	491	491
Social security costs	0	0
	<u>15,761</u>	<u>16,705</u>
<u>The average number of employees during the year was as follows:</u>	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 £28,700 and the maximum stipend (in the tenth and subsequent years) £35,269.

No employee had employee benefits in excess of £60,000 (2020: none).

8. Trustee remuneration and related party transactions

During 2021 Council Tax of £2,219 was paid in respect of the manse at March Road (2020: £2,988). During 2021, £4,726 was spent on the Minister's removal expenses, disturbance allowance and office expenses (2020: £395). £500 was paid for furniture and appliances left in the Manse by the former Minister. No other trustee was paid during 2020 or 2021.

Use is made of the garage at Inverleith Terrace Lane by a Trustee (and no payment has been requested).

During the year, a total of £45,059 (2020: £10,973) was donated to the congregation by trustees.

Notes forming part of the financial statements (continued)
for the year ended 31 December 2021

9. Tangible fixed assets	2021				
	Audio visual	Musical Instruments	Furniture	Buildings	Total
<u>Cost or valuation</u>					
At start of year	0	4,312	5,284	20,000	29,596
Additions	62,086	0	0	0	62,086
Revaluation	0	0	0	55,500	55,500
At end of year	62,086	4,312	5,284	75,500	147,182
<u>Accumulated depreciation</u>					
At start of year	0	(2,375)	(2,112)	0	(4,487)
Charge for year	0	(216)	(528)	0	(744)
At end of year	0	(2,591)	(2,640)	0	(5,231)
<u>Net book value</u>					
At start of year	0	1,937	3,172	20,000	25,109
At end of year	62,086	1,721	2,644	75,500	141,951

	2020				
	Audio visual	Musical Instruments	Furniture	Buildings	Total
<u>Cost or valuation</u>					
At start of year	0	4,312	5,284	20,000	29,596
Additions	0	0	0	0	0
At end of year	0	4,312	5,284	20,000	29,596
<u>Accumulated depreciation</u>					
At start of year	0	(2,159)	(1,584)	0	(3,743)
Charge for year	0	(216)	(528)	0	(744)
At end of year	0	(2,375)	(2,112)	0	(4,487)
<u>Net book value</u>					
At start of year	0	2,153	3,700	20,000	25,853
At end of year	0	1,937	3,172	20,000	25,109

The audio visual equipment was acquired in 2021 as part of the refurbishment of the building.

The musical instruments comprise two pianos acquired during 2010.

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

The buildings comprise a lock-up Garage at 5c Inverleith Terrace Lane, Edinburgh EH3 5NP. The garage was sold on 14 February 2022. It was revalued as at 31 December 2021 to reflect the expected net proceeds from the sale.

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 2021**

	2021 £	2020 £
10. Investments		
Market value at previous 31 December	253,991	262,010
Disposal proceeds	(114,888)	0
Gain/(loss) on revaluation of investments	21,408	(8,019)
Market value at 31 December	<u>160,511</u>	<u>253,991</u>
<u>The following investments are held:</u>		
Church of Scotland Investors Trust:		
Growth Fund: 23,310 units (2020: 40,891 units)	140,793	219,585
Income Fund: 1,580 units (2020: 2,707 units)	19,718	34,406
Market value at 31 December	<u>160,511</u>	<u>253,991</u>
Investments at cost	<u>99,648</u>	<u>187,194</u>
11. Debtors		
Gift Aid tax refund due	2,874	3,173
Other debtors	36,465	2,307
	<u>39,339</u>	<u>5,480</u>
12. Cash		
Current accounts	89,741	31,803
Short term deposit account (Church of Scotland Investors Trust)	0	29,505
	<u>89,741</u>	<u>61,308</u>
13. Creditors and borrowings		
<i>Creditors</i>		
Rental income transferred from General Trustees in advance	10,292	10,292
Accrued refurbishment expenditure	112,443	0
Accrued loan interest	990	0
Accrued expenses and other creditors	5,245	2,682
	<u>128,970</u>	<u>12,974</u>
<i>Borrowings</i>		
Repayments falling due within 1 year	15,414	0
Repayments falling due after 1 year	69,586	0
	<u>85,000</u>	<u>0</u>

The loan is from the General Trustees and bears interest at 5%. It is repayable over 5 years from 31 March 2022 to 31 March 2027.

Notes forming part of the financial statements (continued)
for the year ended 31 December 2021

14. Analysis of net assets between funds

	2021				
	Undesignated General	Designated Legacy £	Restricted £	Endowment £	Total £
Fixed assets	141,951	0	0	0	141,951
Investments	0	0	35,715	124,796	160,511
Current assets	117,561	0	11,519	0	129,080
Current liabilities	(128,970)	0	0	0	(128,970)
Loan	(85,000)	0	0	0	(85,000)
Net assets at 31 December 2021	45,542	0	47,234	124,796	217,572

	2020				
	Undesignated General	Designated Legacy £	Restricted £	Endowment £	Total £
Fixed assets	25,109	0	0	0	25,109
Investments	69,176	30,661	40,650	113,504	253,991
Current assets	51,076	5,351	10,361	0	66,788
Current liabilities	(12,974)	0	0	0	(12,974)
Net assets at 31 December 2020	132,387	36,012	51,011	113,504	332,914

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 2021

16. Movement in funds

	2021					
	Opening balance	Income	Revaluation gains/ (losses)	Expenditure	Transfers	Closing balance
	£	£	£	£	£	£
Endowment funds						
A.G. Bryson Memorial and other						
Fabric Fund Legacies	113,504	2,720	11,292	0	(2,720)	124,796
	113,504	2,720	11,292	0	(2,720)	124,796
Restricted funds						
Fabric Fund	9,439	184	714	(8,291)	2,720	4,766
Fellowship & Service Fund	19,701	384	1,490	(30)	0	21,545
Sunday Club Fund	812	16	61	(95)	0	794
Ministerial Support Fund	4,111	80	311	(2,048)	0	2,454
Worship & Witness Fund	16,948	330	1,281	(884)	0	17,675
Refurbishment Fund	0	535,151	0	(535,151)	0	0
Small Grants Fund	0	0	0	0	0	0
	51,011	536,145	3,857	(546,499)	2,720	47,234
Unrestricted funds						
Legacy Fund	36,012	495	2,523	(39,030)	0	0
General Fund	132,387	111,905	59,236	(257,986)	0	45,542
	168,399	112,400	61,759	(297,016)	0	45,542
Total funds	332,914	651,265	76,908	(843,515)	0	217,572

	2020					
	Opening balance	Income	Revaluation gains/ (losses)	Expenditure	Transfers	Closing balance
	£	£	£	£	£	£
Endowment funds						
A.G. Bryson Memorial and other						
Fabric Fund Legacies	116,825	3,056	(3,321)	0	(3,056)	113,504
	116,825	3,056	(3,321)	0	(3,056)	113,504
Restricted funds						
Fabric Fund	6,377	19,142	(142)	(18,994)	3,056	9,439
Fellowship & Service Fund	19,680	461	(440)	0	0	19,701
Sunday Club Fund	755	126	(17)	(52)	0	812
Ministerial Support Fund	4,107	96	(92)	0	0	4,111
Worship & Witness Fund	18,085	424	(404)	(1,157)	0	16,948
Refurbishment Fund	0	30,770	0	(30,770)	0	0
Small Grants Fund	0	248	0	(248)	0	0
[spare]	0	0	0	0	0	0
	49,004	51,267	(1,095)	(51,221)	3,056	51,011
Unrestricted funds						
Legacy Fund	34,570	2,339	(897)	0	0	36,012
General Fund	150,774	80,458	(2,706)	(96,139)	0	132,387
	185,344	82,797	(3,603)	(96,139)	0	168,399
Total funds	351,173	137,120	(8,019)	(147,360)	0	332,914

Notes forming part of the financial statements (continued)
for the year ended 31 December 2021

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.

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

Refurbishment Fund: This fund records transfers from the Consolidated Fabric Fund (see appendix 1) and other income in connection with the refurbishment of the sanctuary and the related expenditure. Income and expenditure are matched so there is no opening or closing balance.

Small Grants Fund: This fund records small grants from Presbytery of Edinburgh or other parties intended to cover specific items of expenditure and the related expenditure. Income and expenditure are matched so there is no opening or closing balance.

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 2021

17. Collections for third parties

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

	2021	2020
	£	£
Christian Aid	103	0
Waverley Care	0	107
Rev. Bill Taylor	525	0
Rev. Sam Torrens	240	0
Rev. Laurene Lafontaine	408	0
Rev. Anne Logan	0	280
	<u>1,276</u>	<u>387</u>

18. Post balance sheet events

On 17 January 2022 a short term loan of £50,000 was received from the General Trustees of the Church of Scotland. The garage was sold on 14 February 2022. Proceeds, net of costs, were £75,429. The net proceeds from the garage sale were fully applied in repaying the £50,000 loan and part of the £85,000 loan. A further loan repayment of £15,000 was made on 23 February 2022.

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

	CFF Capital Account 550100082	CFF Revenue Account 500100081	CFF Temporary Accounts			Total
			Deposit 850100081	Income Fund 660100086	Growth Fund 660100085	
	£	£	£	£	£	£
Balance at 31 December 2019 (at cost)	3,714	23,952	100,133	200,001	100,002	427,802
<u><i>Investment income</i></u>						
Revenue interest		95	601			696
CFF share dividend		143				143
Income Fund dividends		7,819				7,819
Growth Fund dividends		2,524				2,524
<u><i>Telecoms mast income</i></u>						
Net rental income from telecoms mast		15,438				15,438
Rental income remitted to Congregation		-15,438				-15,438
<u><i>Fabric fund expenditure</i></u>						
Transfer to pay for signage		-10,493				-10,493
Transfer to pay for manse roof repairs		-6,480				-6,480
Transfer to pay for church roof repairs		-1,536				-1,536
Transfer to pay for church boiler repairs		-1,984				-1,984
<u><i>Refurbishment expenditure</i></u>						
Transfers to pay architects fees		-5688	-12,853			-18,541
Transfer to pay warrant fee		-1549				-1,549
Transfer to pay engineers fees			-4,680			-4,680
Planning fee and refund		-202	202			0
Transfer to pay quantity surveyor			-6,000			-6,000
Balance at 31 December 2020 (at cost)	3,714	6,601	77,403	200,001	100,002	387,720
<u><i>Investment income and gains</i></u>						
Revenue interest		36	66			101
Income Fund dividends		3,292				3,292
Gains on disposal	2,006			3,292	3,810	9,107
Transfer between accounts	-5,720		312,824	-203,293	-103,812	0
<u><i>Telecoms mast income</i></u>						
Net rental income from telecoms mast			15,438			15,438
Rental income remitted to Congregation			-15,438			-15,438
<u><i>Refurbishment expenditure</i></u>						
Transfers to meet refurbishment costs		-9,899	-390,291			-400,189
Balance at 31 December 2021	0	30	2	0	0	32

Notes

The value of the Temporary Accounts 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.

During 2020 and 2021 all funds held in the Consolidated Fabric Fund were applied to the refurbishment project leaving a nil balance.

Appendix 2: Refurbishment of sanctuary and repairs to the tower**Summary of project costs to date**

The following sums had been expended or accrued as at 31 December 2021. Some further costs are expected in 2022 but these are expected to be small.

These costs relate to the refurbishment of the sanctuary and vestibules and also to external works on the tower. A description of the works is given at pages 5 and 6 of this annual report under the headings "New Initiatives" and "Property".

Main contract - value of work certified to 5 January 2022	568,228
VAT thereon	113,646
	<u>681,874</u>
Architect's fees	49,912
Quantity Surveyor's fees	12,440
Engineer's fees	8,142
Other costs	17,138
	<u>769,506</u>
Loan interest	990
Audio visual equipment	62,086
Total outgoings	832,582
VAT refund from the Listed Places of Worship Grant Scheme	(123,147)
Net cost of project	<u>709,435</u>

The audio-visual equipment has been recorded as an asset in our accounts because it is owned locally.

All other project costs are treated as expenses as the building is owned by the General Trustees and is not included on our balance sheet.

Shortfall in income

The income and above outgoings have been accounted for in the General, Legacy and Refurbishment Funds as shown below:-

	Note	Total	2021			2020
			General	Legacy	Refurb	Refurb
Income						
Transfer from consolidated fabric fund	5	430,959			400,189	30,770
Donations	1	44,072			44,072	
LPWGS	1	123,147	32,258		90,889	
Total income		598,178	32,258	0	535,150	30,770
Expenses						
Loan Interest	6	(990)	(990)			
Refurbishment expenditure	6	(769,506)	(164,555)	(39,030)	(535,151)	(30,770)
Asset purchases						
Acquisition of audio visual equipment	9	(62,086)	(62,086)			
Total outgoings		(832,582)	(227,631)	(39,030)	(535,151)	(30,770)
Shortfall in income		(234,404)	(195,373)	(39,030)	(1)	(0)

Funding of shortfall

The shortfall in income has been met from the following sources:-

Estimated proceeds from sale of garage (after fees)	75,500
5 year loan	85,000
Use of Legacy Fund resources	39,030
Use of General Fund resources	34,874
	<u>234,404</u>