



Report and Accounts for the year ended 30 September 2016

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Reference and administrative details

NAME OF CHARITY Old Saint Paul's Episcopal Church

SCOTTISH CHARITY NUMBER SC017399

PRINCIPAL ADDRESS Old Saint Paul's Church
Jeffrey Street
Edinburgh EH1 1DH

Email: info@osp.org.uk
Internet: http://www.osp.org.uk

THE VESTRY

Rector: The Reverend Canon Ian Paton

Churchwardens: *Appointed by the Rector:*
Jubin Santra
Elected by the Congregation in Annual Meeting:
† Lesley Blackmore

Vestry Clerk: Kimberley Moore Ede

Treasurer: Nigel Cook

Lay Representative: † Victoria Stock

Ordinary members: Mark Gibson
Jonathan Ireland
‡ David McLellan
Eleanor Smith (*retired 13 December 2015*)
Ian Stewart (*elected 13 December 2015*)
Nicholas Uglow (*retired 13 December 2015*)
‡ John Walker
Anne Wyllie (*elected 13 December 2015*)

CHARITY TRUSTEES The members of the Vestry are the Charity Trustees of Old Saint Paul's Episcopal Church.

TRUSTEES FOR THE CHARITY The following officials of the Diocese of Edinburgh are Trustees for the Church in respect of heritable property:

Bishop: The Right Reverend John Armes
Dean: The Very Reverend Susan Macdonald
Chancellor: Iain Peebles, Lord Bannatyne
Registrar: Colin Heggie

BANKERS Reliance Bank Ltd
Faith House, 23-24 Lovat Lane, London EC3R 8EB

SOLICITORS Anderson Strathern LLP
1 Rutland Court, Edinburgh EH3 8EY

INVESTMENT BROKERS AND CUSTODIAN NOMINEES Alliance Trust Savings Ltd t/a Stocktrade
7th Floor, Atria One, 144 Morrison Street, Edinburgh EH3 8EX

INDEPENDENT EXAMINER Jeremy Chittleburgh BSC CA
Chiene + Tait LLP
Chartered Accountants and Independent Examiners
61 Dublin Street, Edinburgh EH3 6NL

Except where stated otherwise, all Trustees served throughout the financial year.

† indicates a trustee whose term of office expires at the 2016 Annual Meeting and is eligible for re-election.

‡ indicates a trustee whose term of office expires at the 2016 Annual Meeting and is not eligible for re-election.



www.osp.org.uk



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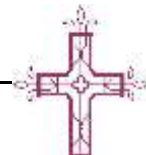


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Report of the Vestry (Trustees' report) Year ended 30 September 2016

As Trustees of Old Saint Paul's Episcopal Church, the Vestry presents its report and accounts for the year ended 30 September 2016. These have been prepared in accordance with applicable charities law and the requirements of the Statement of Recommended Practice Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE) (effective 1 January 2015).

Objectives and activities

The primary charitable purpose of the Church is the advancement of religion and to provide public benefit. The Vestry's objectives are to advance the mission of the Christian Church, through worship, service, and fellowship.

These objectives are carried out primarily through direct activities, but the Vestry also awards grants in furtherance of its objectives. The principal activities of the Church are public worship, the spiritual development of its members, and social responsibility.

Formal grant making takes place through giving a proportion of the Church's income. Grants are targeted at charitable causes which provide tangible benefit to disadvantaged communities, at home and overseas.

In carrying out its objectives the Vestry depends considerably on the contribution of many volunteers from the Congregation. Activities carried out include contributions preparatory to and during worship, service on committees and through activity groups, care and maintenance of premises and fabric, and pastoral and social activities. These contributions are highly valued, and all members of the Congregation are encouraged to participate in supporting our work.

Achievements and performance

We continue to provide the weekly and daily round of liturgy through the changing seasons, and seek to maintain our worship space as a place of calm and quiet in a busy city open to all for reflection, prayer and meditation.

Work on restoration of the ornate Gothic gilded reredos above the high altar was completed early in the year, funded by generous donations. We were saddened that Sally Cheyne, who was to have carried out the work, died shortly before its commencement, but we were grateful that her partner Owen Davison completed the project in her memory.

Donations received and a subsequent legacy exceeded the cost of executing the work, and the Vestry is investigating other projects of a similar nature which might be undertaken with these funds.

Elsewhere, new handrails were installed at the entrance to the memorial chapel, and we continue to develop plans and methods for necessary work to underpin the structural stability of the platform inside the Carrubbers Close entrance.

We continued consultation with the Congregation concerning the future use and development of our church hall, and engaged architects and engineers to draw up design possibilities. These were warmly received by the Congregation at a meeting in June, and quantity surveyors are compiling the projected costs of the various elements of the proposal. A further presentation will be made to the Congregation at the Annual Meeting in December 2016.

The Vestry continues to promote the Church as being welcoming and fully inclusive to all. Our purpose is to invite everyone to discover God's love through our liturgical worship and congregational life, and through our service and support of people in the community. We aim to be fully inclusive in offering pastoral care and support to all, and seeking to work and share with other groups in wider society.

We have continued to deliberate on how to encourage the involvement and support of all members of the Congregation for the Church's activities. The efforts of our members serve to help us to be a Church that serves its members, the local community, and the city as a whole.

A communications group was formed during the year to develop our communications strategy. A monthly e-mail newsletter was launched in June. Sent to well over 200 recipients, this mailing aims to provide up-to-date information about news and developments. The group is also considering the future of the print newsletter, and is investigating options for replacement of the website.

The giving group continues to engage with members of the Congregation on their support through the giving of time and money. A revised annual stewardship mailing was sent to all members in April, to thank all for their generosity and promote a sense of belonging. There are indications of a gradual increase in support from the Congregation.

We have continued to support a variety of organisations both through cash grants and offering use of our space free of charge. This year's principal recipients included Child of Hope Outreach Uganda, for whom our member Emma Stewart is a worker, and Fresh Start, an ecumenical Edinburgh charity supporting recently homeless people. We also continue to provide space to Souper Saturday during redevelopment work at Saint John's, Princes Street. Details of all this year's grants will be found on page 23.



Report of the Vestry (continued) Year ended 30 September 2016

Achievements and performance (continued)

During the early part of the year a new Constitution was approved. This reflects for the first time our obligations under current Scottish charity legislation, and also takes account of recent changes in Canon Law of the Scottish Episcopal Church.

The Vestry has continued to support all the different activities of the Church as necessary. Further information about various activity groups can be read in the reports which follow.

Financial review

Review of financial position

The financial result of the year is summarised as follows:

£'000s	Unre- stricted funds	Re- stricted funds
Income and endowments from:		
Donations and legacies	141.2	5.8
Charitable activities	21.6	–
Other trading activities	25.1	3.7
Investments	12.0	–
Total income	199.9	9.5
Expenditure on:		
Raising funds	5.6	1.5
Charitable activities	194.5	21.2
Total expenditure	200.1	22.7
Net (expenditure)	(0.2)	(13.2)
Gains on investments	49.5	–
Net movement in funds	49.3	(13.2)
Total funds 30 September 2016	565.8	113.5

Restricted funds include endowment funds.

The general fund (which meets all normal operating expenses) resulted in a net deficit for the year, before gains on investment assets and transfers between funds, of £4,578, compared with a surplus of £15,234 in the preceding year.

The major differences from the previous year are professional fees of £16,958 on investigation and design proposals for development of the church hall level. Other changes reflect the first full year of payment of Living Wage to all employed workers and additional spend on buildings maintenance.

The largest portion of our income (70% in 2016) comes from giving by the Congregation and other donations. The total of £147.1k received included legacy income of £3k and a single generous donation of £5k plus Gift Aid towards the costs of strengthening the platform inside the Carrubbers Close entrance.

Unrestricted purpose giving by the Congregation, including tax claims, of £128.8k funded 73% of core recurring expenditure on charitable activities. The remainder of our income stems principally from letting of space in our premises to other groups and organisations (£24.9k), investment income (£11.9k), and curate grant from the Diocese (£16.3k).

The largest proportions of expenditure are on supporting our clergy (£79.7k, or 45% of regular general fund expenditure) and on maintenance and use of our premises (£37,566, or 21%). The Cavaye music fund continues to support 50% of all liturgical music costs.

The Finance committee regularly monitors financial performance, and we continue to seek ways of maintaining or improving value, while containing or reducing costs.

As detailed in note 18(a), the portfolio is divided between the Unit Trust Pool of the Scottish Episcopal Church and a range of ethical and sustainable investment products. The Vestry's investment policy is, first, to place its surplus funds with products which guarantee ethical and responsible usage, and, secondly, to produce a return on the assets, over the long term, sufficient at least to maintain their real value.

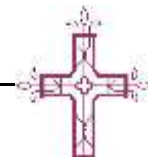
Our portfolio of ethical investment holdings has continued to perform well, delivering both capital growth and strong income. We continue to increase diversification and to rebalance the relationship between our holding in the SEC Unit Trust Pool and other funds.

Policy on reserves

The Vestry adopts a cautious and prudent approach to reserves. The bulk of unrestricted reserves derives from legacies and the sale of properties. The view of the Vestry is that these funds provide a resource for major projects (including refurbishment of our buildings), and that they should not be used to finance ordinary working expenses. However, the Vestry relies on income generated by investment of reserves to assist funding of Church activities.

The Vestry seeks to preserve as liquid funds sufficient to meet six months operational costs together with any remaining committed expenditure on special projects. Cash not required for this purpose is invested in ethical investment products.

At the date of these accounts freely disposable reserves, expressed as general funds excluding fixed assets and investments, amounted to £84.6k. On an annualised basis, this represents exactly 5.5 months' projected expenditure, according to the budget for 2017. Details of other fund reserves and their purpose are disclosed on page 26.



Report of the Vestry (continued) Year ended 30 September 2016

Structure, governance and management

The Church is an unincorporated association, governed by Constitution dated 25 May 2016. For the purposes of charities law, the members of the Vestry are the Trustees of the Church.

Except for the Rector, Vestry members are appointed from the Congregation. The Rector is appointed by the Vestry and the Bishop of the Diocese; one Churchwarden is appointed by the Rector; the Clerk and the Treasurer are appointed by the Vestry; one Churchwarden, the Lay Representative and six ordinary members of the Vestry are elected by the Congregation in annual meeting.

Ordinary members of the Vestry serve 3-year terms, and may serve a maximum of two consecutive terms. Casual vacancies may be filled by the Vestry, and up to 3 members may be co-opted by the Vestry for a period not exceeding one year.

The obligations and responsibilities of trustees are considered as required by the Vestry. New Vestry members receive briefing and guidance explaining their duties and responsibilities.

The Vestry is responsible for managing and safeguarding the assets of the Church, and assists the Rector in matters affecting the spiritual welfare of the Congregation. The Vestry is supported by its Finance and Property Committees, which operate with specific remits under delegated powers; other committees are formed as required. Activity groups operate on a semi-autonomous basis within budgets agreed with the Vestry.

The Church is a congregation of the Diocese of Edinburgh in the Scottish Episcopal Church. The Bishop of Edinburgh has pastoral oversight of all congregations within the diocese, and all congregations and their individual members are subject to Canon Law of the Scottish Episcopal Church. The Rector and the Lay Representative represent the Congregation at Diocesan Synod.

Resolutions of General Synod of the Scottish Episcopal Church provide that the primary duties of every congregation are to provide the prescribed stipend and allowances for its cleric(s) and to contribute to central funds through payment of Quota.

Reference and administrative details

Reference and administrative details are presented on page 2.

Conclusion

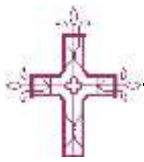
In conclusion, the Vestry wishes to thank all members of the Congregation who assist in so many different ways in carrying on the work of the Church, without whom nothing would be possible.

ON BEHALF OF THE VESTRY

KIMBERLEY MOORE EDE

Vestry Clerk

30 November 2016



Statement of responsibilities of the Members of the Vestry

The Members of the Vestry, as trustees, are responsible for preparing the Annual Report (Report of the Vestry) and the Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the members of the Vestry to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Church and of its income and expenditure for that period. In preparing these accounts members of the Vestry are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles set out in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Church will continue in operation.

The members of the Vestry are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Church and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Church's Constitution.

The members of the Vestry are also responsible for safeguarding the assets of the Church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members of the Vestry are responsible for the maintenance and integrity of the charity and financial information included on the Church's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ON BEHALF OF THE VESTRY

KIMBERLEY MOORE EDE

Vestry Clerk

30 November 2016

Committee reports

Finance Committee

The committee provides support, advice and assistance to the Treasurer in financial management and strategy.

We have continued to meet regularly through the year, when we review monthly financial reports against budget and receive regular updates on stewardship giving to the Church. The committee also regularly reviews investment performance and has approved a number of share transactions during the year that have released capital gains that have been used to further diversify the portfolio towards a range of ethical investments.

The committee assists the Treasurer in preparing the annual budget for the Vestry and reviews the draft annual report and accounts.

During the course of the year two long standing members of the Committee, Carrie Gooch and David McLellan, have stood down. They, and the other members of the committee are thanked for their contribution to the committee's work over the year.

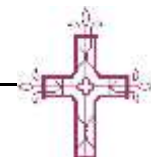
JONATHAN IRELAND

MEMBERSHIP:

Nigel Cook
Caroline Gooch (*until 1 February*)
Jonathan Ireland
(*Convenor from 1 February*)

David McLellan
(*Convenor until 1 February*)
Lynne Niven

Canon Ian Paton
Eric Stoddart



Committee reports (continued)

Property Committee

The committee is responsible for maintaining the Church's properties, and advising the Vestry on related matters.

We were delighted to be joined by Ian Stewart and Alan McGregor during the course of the year. We have met regularly throughout the year to discuss and prioritise any work needed in church and also to review the progress of any ongoing projects.

My thanks go to members of the committee and also to the members of the Congregation who have given their time in assisting in the carrying of the many tasks required to help keep the church running, e.g. painting, cleaning graffiti off the building, minor

plumbing jobs, changing of light bulbs, repairing chairs and being in church to give tradesmen access.

This year in the Laurie Halls we repaired the roof, repaired the floor, and updated the hot water system.

In the church we are about to start some structural repairs on the area around the back stair and corridor down to the hall and crèche. We are also going to carry out some repairs to the doorway at the back of the church leading to Laurie Halls.

JOHN WALKER

MEMBERSHIP:

Tim Blackmore
Canon Ian Paton

Ian Stewart (*from 1 February*)
Nicholas Uglow

John Walker (*Convenor*)

Restoration and Renewal Committee

The committee is responsible for managing all aspects of phase 4 of the restoration and renewal project (development of the lower level of the building), including fundraising.

The committee was appointed in March as successor to the Hall Vision group, which during 2015 had carried out a consultation exercise with the Congregation on potential uses and ideas for the lower levels of the church, and then presented a possible way forward to the 2015 Annual Meeting.

During early 2016 a design team was appointed to carry out a feasibility option proposals study, including advice on servicing strategies for the lower levels and a report on the existing mechanical and electrical services for the whole building (including the upper level and the Laurie Halls).

Preliminary proposals were displayed in church on two Sundays in May, when comment and feedback was sought and received from the Congregation. Final proposals were then presented to the Congregation at the parish lunch in June.

The design team has now issued its final report, incorporating a mechanical and electrical services report and a cost report.

The committee is now planning to put together an operational and business plan, and to start approaching organisations for advice and potential sources of funding.

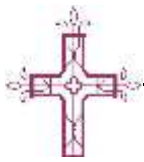
IAN STEWART

MEMBERSHIP:

Lesley Blackmore
Jean Keltie
David McLellan

Jacqueline Mulcair
Canon Ian Paton (*convenor*)
Ian Stewart

David Todd
Nicholas Uglow



Activity group reports

Choir

The choir has had a busy year, and continues to explore fresh repertory from all periods. Providing music for every Sunday and many feast-days in the church year (apart from four July Sundays) requires a large body of music which has to be rehearsed (or newly learned) with minimum rehearsal. Fortunately, we have singers who can tackle most of it more or less at sight.

In August, we presented some challenging music by Sir James MacMillan at both Mass and Evensong during the final Festival Sunday, which for many was a highlight of the year. More recently, following Mtr Jenny Wright's ordination service, we were gratified to receive high praise from Martin How, for many years Director of the Royal School of Church Music.

JOHN KITCHEN

Servers

We continue our role of supporting the smooth functioning of the liturgy, often seen but never heard. We welcomed Tony and Charlie, taking our number to 15.

We were delighted to welcome Bishop John several times: in June dry skies enabled him to preside at our Saint Peter and Saint Paul procession, but the highlight for all involved was the ordination to the priesthood of Mother Jenny in September.

We continued our travels, in May to Whitby; we failed to spot either Saint Hilda or Dracula, but we did enjoy the legendary fish tea. Later, we looked forward to what has become the annual pilgrimage to Oban, with its two cathedrals and harbour seafood, not to mention the distillery.

NIGEL COOK

Intercessors

The prayers of intercession at High Mass continue to be led by a group of experienced members of the Congregation whose contribution to the worship is much appreciated. We are grateful to Martha Pollard for having co-ordinated the rota for this group over the last few years and offer her our warmest thanks as she steps down. Her patience with changes of availability and her willingness to stand in at the last moment was much respected. Regular meetings are held to train new intercessors, to introduce new ideas and to exchange feedback.

DAVID TODD

Readers

During the last year a few readers have left this group, but have been replaced with new members, and the number of available readers remains at over forty. However, new volunteers are always welcome particularly those who would be prepared to read at Evensong.

TIM BLACKMORE

Welcomers

The welcomers not only offer a warm and welcoming greeting to visitors and regular members alike but are also the initial access point for lots of other valuable information. We can direct enquirers to information on our ongoing programme of events and activities, including information on stewardship and giving, charitable activities, our Restoration and renewal and our Festival programmes.

Welcomer activities are undertaken both on a rota basis and as "extras", standing in for others and covering extra events and services. Being a welcomer provides an excellent opportunity to meet and get to know people and plays a valuable supportive role in our community.

LESLEY BLACKMORE

Sacristans

Our team of Pam, Gene and Pat set up for Mass and clear away after, laying out the appropriate vestments in the vestry, with the correct liturgical colour. We also prepare the chalices, washing them and setting them up with bread and wine.

After the 10.30am Mass on Sunday, returning the vestments to the appropriate drawer, and then set up for Evensong. Dirty linen is taken away to be washed and returned looking fresh.

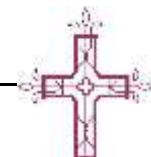
This all takes about 2 hours a week. A variety of festivals throughout the year require the same preparation. Training involves buddying up with a member of the team and gradually learning the ropes.

PAMELA JOHNSTON

Children and young people's ministry

The Sunday school has had three main areas of focus this year – the Mystery of Easter, the Church and Liturgy, and the Parables of Jesus Christ, continuing to use Godly Play to engage with children. The number of children under the age of five has continued to grow.

PAUL LUGTON



Activity group reports (continued)

Children and vulnerable adults protection

During the past year I have processed 1 new application for a PVG check, and I expect to have another one in the system shortly.

What a lovely time we have had over recent months welcoming so many new babies to our Congregation. It looks like the crèche will be a busy place in the next few months. Therefore it would be most helpful if a few more would come forward to volunteer to share in this much valued work

A big thanks must go to Paul and his team of volunteers who organise activities for our children on a Sunday morning and also to those who support our vulnerable adults.

NORMA WALKER

Young adults group

The young adults (18-40) group met several times this past year for drinks, pancakes, a barbecue and dinner. A number also represented Old Saint Paul's at an LGBTQI Church friendly fair for students in September. With an influx of young adults joining Old Saint Paul's recently, there are plans to meet more regularly next year. Further details are available from youngadults@osp.org.uk

VICTORIA STOCK

Giving

The first aim of the group is to encourage the giving of time, talent, money and prayer to support the mission and ministry of Old Saint Paul's. In Advent a very successful drive to update the Communicants' Roll later enabled the Rector and the Stewardship Recorder to send personal letters thanking everyone for all they contribute to the Church community, and encouraging us all to become still more involved in the life of the Church.

The group is also responsible for making recommendations to the Vestry for grants; details of this year's awards are shown on page 23.

MARK GIBSON

Bethany Care Van

For three years now, a team (presently 13 of us) has spent a few hours, one Saturday a month, taking responsibility for the Care Van run by Bethany Christian Trust. This involves one driving, and two or three

others serving, as we take sandwiches and coffee to those in the city centre who need them. We stop in Market Street, the Grassmarket, near the Tron, and halfway down Leith Walk – and anywhere else we see people who might appreciate a hot drink and something to eat. Almost without exception, we find people courteous and appreciative. It is rewarding to be able to play a small part in alleviating – even if only temporarily – the need of those around us – both immigrants and local people.

JEAN KELTIE

Communications

During the year a newly formed group developed a communications strategy that aims to increase in the Congregation the sense of belonging and involvement in the mission and ministry of Old Saint Paul's. During the summer, the group started sending out a monthly e-newsletter to keep everyone informed about recent and forthcoming news and events. As at the time of writing, the newsletter was reaching 241 recipients. The group is now looking into revising the website as well as other initiatives.

MARK GIBSON

Social activities

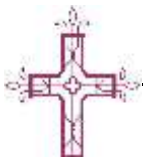
There is quite a bit of socialising, some under the auspices of other groups. There is, however, one aspect of social activity which is becoming more regular, and for which we need helpers – namely, the occasions when we like to provide a light lunch, or drinks and nibbles. A light lunch has been offered on the occasions when we have had a talk and discussion after Mass – of which we have had three so far. This is becoming a regular fixture on the first Sunday of the month; and drinks and nibbles feature every now and then. If this is something you would like to help with on a regular basis, please let me know.

JEAN KELTIE

Walking

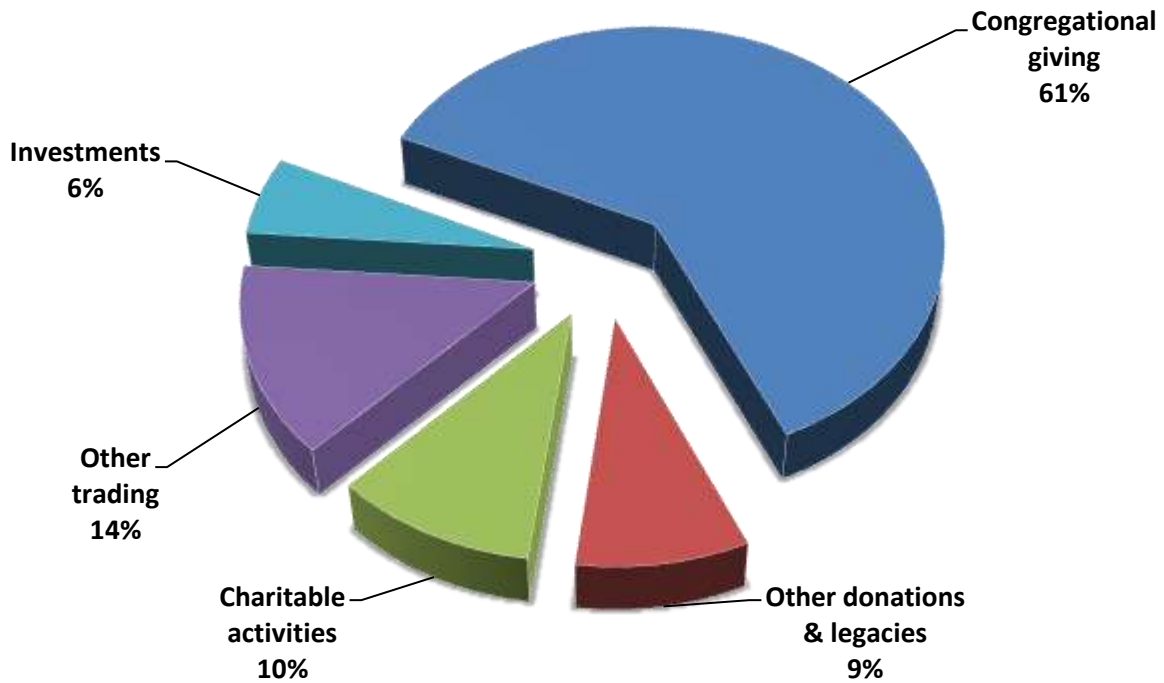
The group was re-launched with four walks taking place between September and the end of 2016, offering relatively flat walks which are easily accessible by public transport. They provide exercise, fresh air and fellowship.

PAUL LUGTON

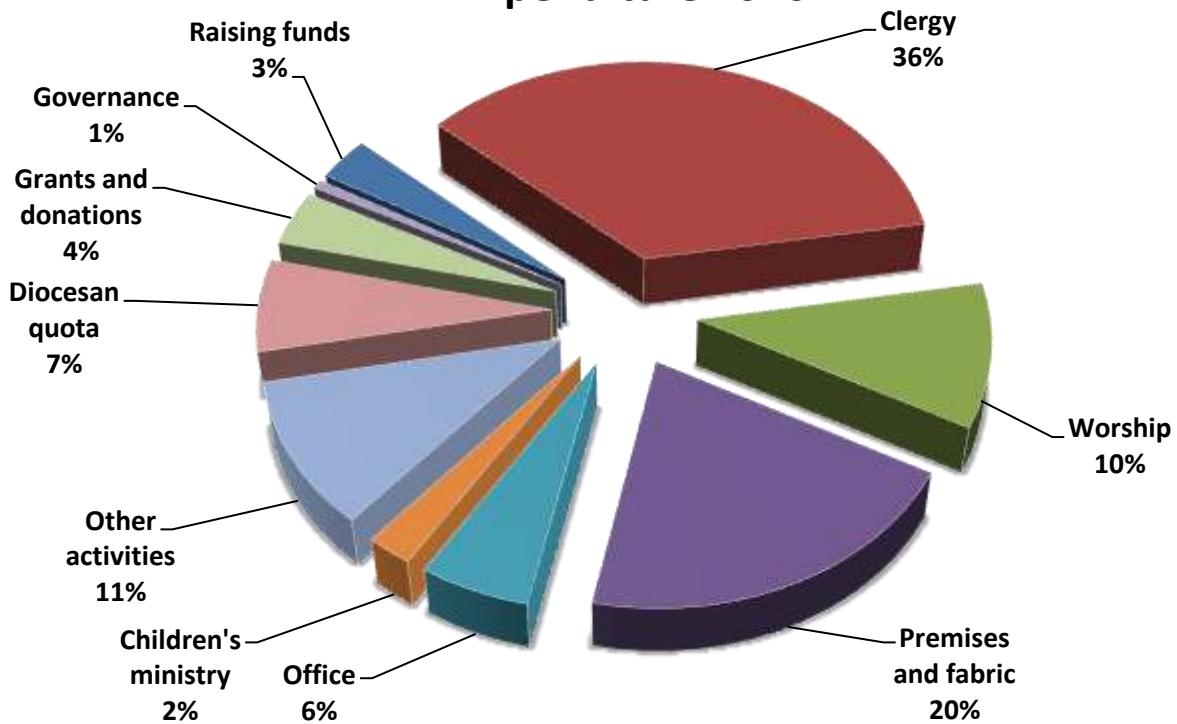


Summary of accounts Year ended 30 September 2016

Income 2016

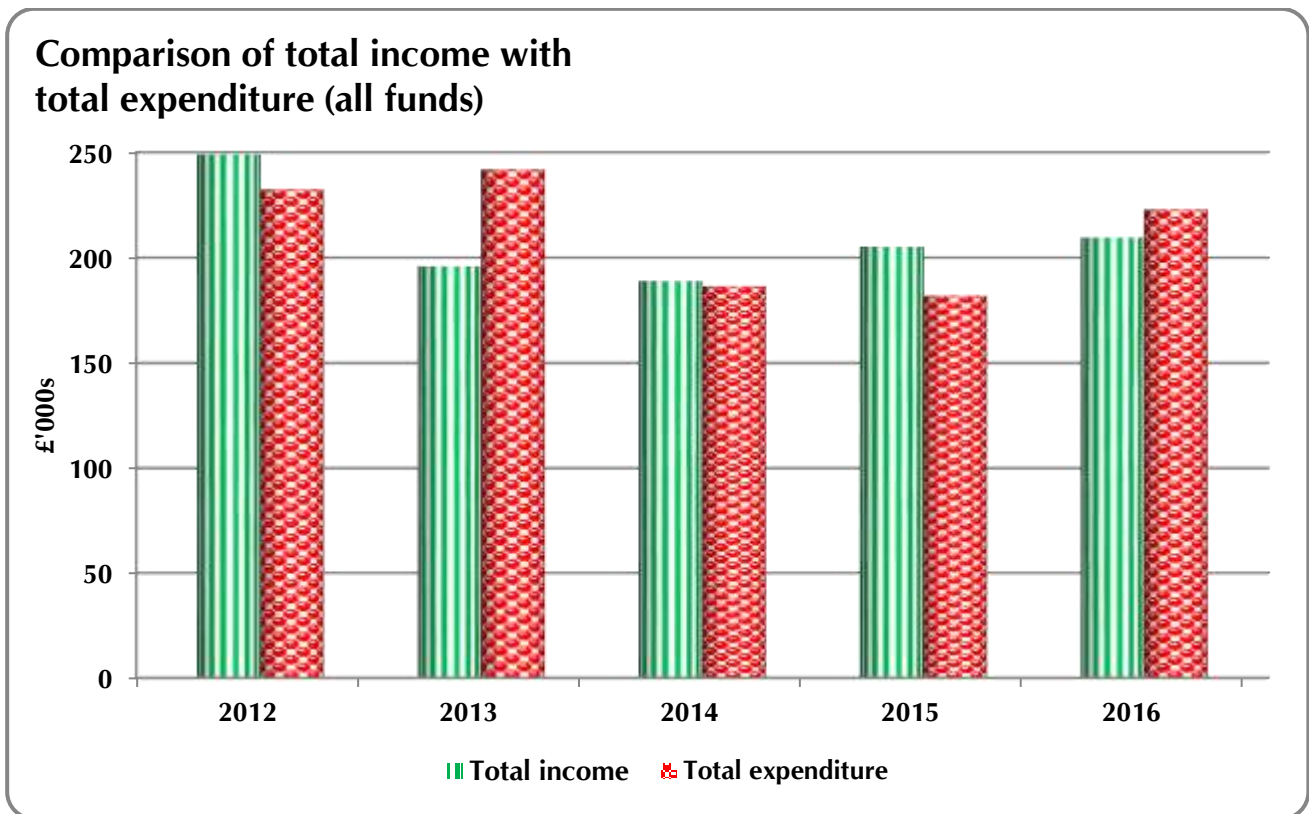
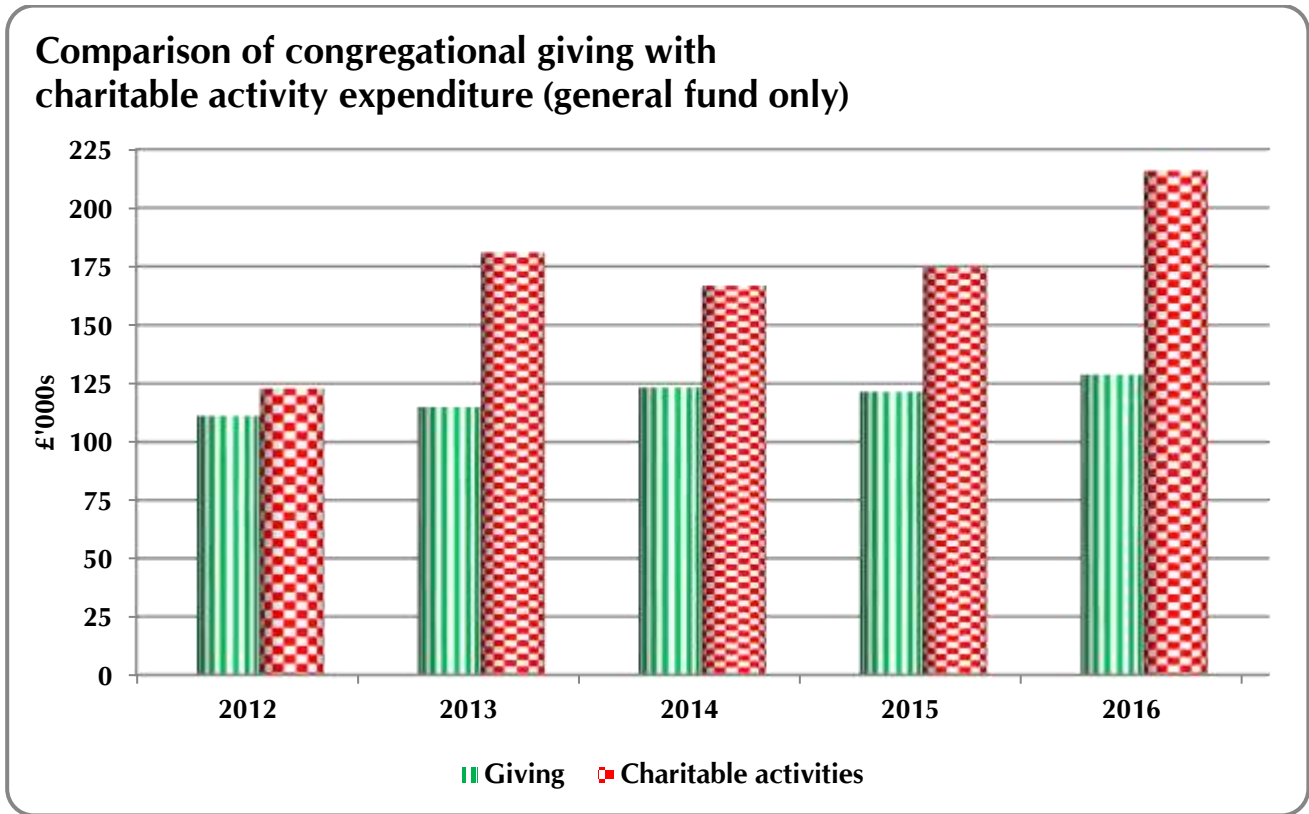


Expenditure 2016





Summary of accounts (continued)
Year ended 30 September 2016





Independent examiner's report to the Trustees and Members of Old Saint Paul's Episcopal Church

I report on the accounts of Old Saint Paul's Episcopal Church for the year ended 30 September 2016 which are set out on pages 13 to 27.

This report is made to the trustees and members of the Church, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Church and its trustees and members, as a body, for my work or for this report.

Respective responsibilities of trustees and independent examiner

The Members of the Vestry, as Trustees, are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 as amended (the Regulations).

The trustees consider that the audit requirement of regulation 10(1) (a) to (c) of the Regulations does 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 examiner's statement

My examination is carried out in accordance with regulation 11 of the Regulations. An examination includes a review of the accounting records kept by the Church and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and

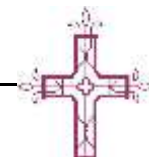
seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

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:
 - to keep accounting records in accordance with section 44(1)(a) of the Act and regulation 4 of the Regulations, and
 - to prepare accounts which accord with the accounting records and comply with regulation 8 of the Regulationshave 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.

Jeremy Chittleburgh BSC CA
CHIENE + TAIT LLP
Chartered Accountants and
Independent Examiners
61 Dublin Street
Edinburgh EH3 6NL
2 December 2016



Statement of financial activities

Year ended 30 September 2016

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2016	Total funds 2015
		General	Designated				
		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	3						
Congregational giving		128,782	–	–	–	128,782	121,467
Other donations and legacies		6,216	6,250	5,825	–	18,291	26,183
		134,998	6,250	5,825	–	147,073	147,650
Charitable activities	4	21,555	–	–	–	21,555	18,378
Other trading activities	5	25,143	–	3,678	–	28,821	27,113
Investments	6	11,903	72	–	–	11,975	12,074
Total income		193,599	6,322	9,503	–	209,424	205,215
Expenditure on:							
Raising funds	7	5,645		1,506	–	7,151	7,602
Charitable activities	8						
Clergy		79,744	–	–	–	79,744	75,278
Worship		13,642	–	9,761	–	23,403	18,007
Premises and fabric		37,566	(456)	8,530	–	45,640	36,701
Office		12,433	–	–	–	12,433	11,097
Children's ministry		5,193	–	–	–	5,193	4,740
Other activities and costs		21,176	2,455	295	–	23,926	8,499
Diocesan quota		15,003	–	–	–	15,003	14,233
Grants and donations	16	6,337	–	2,585	–	8,922	4,466
Governance		1,438	–	–	–	1,438	1,275
		192,532	1,999	21,171	–	215,702	174,296
Total expenditure		198,177	1,999	22,677	–	222,853	181,898
Net (expenditure) / income		(4,578)	4,323	(13,174)	–	(13,429)	23,317
Transfers between funds	10	(5,615)	5,615	–	–	–	–
		(10,193)	9,938	(13,174)	–	(13,429)	23,317
Other recognised gains							
Gains on investment assets	11	49,512	–	–	–	49,512	5,769
Net movement in funds		39,319	9,938	(13,174)	–	36,083	29,086
Reconciliation of funds:							
Total funds brought forward		367,248	149,275	84,843	41,862	643,228	614,142
Total funds carried forward	21	406,567	159,213	71,669	41,862	679,311	643,228

All income and expenditure derive from continuing operations.

All income, gains, expenditure and losses recognised in the period are included above.

Comparative information for all fund values presented above is given in the relevant note.

The notes on pages 15 to 27 form an integral part of these accounts.

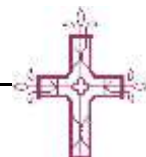
**Balance sheet**
30 September 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	17		65,581		71,324
Investments:					
Investments held for a financial return	18(a)	449,412		399,900	
Programme-related (social) investments	18(b)	661		658	
			<u>450,073</u>		<u>400,558</u>
			515,654		471,882
Current assets					
Debtors	19	14,916		12,485	
Cash in building society		51,342		50,142	
Cash at bank and in hand		102,557		117,011	
			<u>168,815</u>		<u>179,638</u>
Liabilities					
Creditors: amounts falling due within one year	20	5,158		8,292	
Net current assets			163,657		171,346
Total net assets			<u>679,311</u>		<u>643,228</u>
Funds of the charity					
Endowment fund			41,862		41,862
Restricted income funds			71,669		84,843
<i>Unrestricted funds:</i>					
Designated funds		159,213		149,275	
General fund		406,567		367,248	
<i>Total unrestricted funds</i>			<u>565,780</u>		<u>516,523</u>
Total charity funds	22		<u>679,311</u>		<u>643,228</u>

The notes on pages 15 to 27 form an integral part of these accounts.

APPROVED FOR ISSUE BY THE MEMBERS OF THE VESTRY (TRUSTEES) ON 30 NOVEMBER 2016
AND SIGNED ON THEIR BEHALF BY

KIMBERLEY MOORE EDE
Vestry Clerk



Notes to the accounts

Year ended 30 September 2016

1. Accounting policies

(a) Basis of preparation

These accounts have been prepared under the historical cost convention with items being recognised at cost or transaction value unless otherwise stated in the relevant note to the accounts, and are in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014 (FRSSE), The Financial Reporting Standard for Smaller Entities, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

(b) Going concern

The accounts have been prepared on a going concern basis. The members of the Vestry have assessed the Church's ability to continue as a going concern and have reasonable expectation that the Church has adequate resources to continue in operational existence for the foreseeable future, and for at least 12 months. They thus continue to adopt the going concern basis of accounting in preparing these accounts.

(c) Fund accounting

Unrestricted funds may be used at the discretion of the Vestry to further any of the purposes of the Church, including to supplement expenditure from restricted funds.

The Vestry may choose to set aside part of the unrestricted funds as a designated fund for a particular future project or commitment. Individual donations and legacies in excess of £5,000 which have no restriction on their use are added to the memorial fund.

Restricted funds can lawfully only be used for the purpose specified by the donor or resulting from the terms of an appeal.

Endowment funds are held for specific purposes, without power to convert a fund into income.

The purpose and use of individual funds are set out in note 21.

(d) Recognition of income

Income is recognised in the statement of financial activities when the Church becomes entitled to the income, there is sufficient certainty of receipt, and its monetary value, including any associated costs, can be measured reliably. Income is deferred where it relates to activities or services delivered in a later accounting period.

Income from donations and legacies includes giving by members of the Congregation, other donations of a general nature, and legacies. In the case of legacy income where there is uncertainty as to amount, the fair value of the income receivable may be estimated on the basis of available information.

Gifts in kind and donated services and facilities (including the services of volunteers) are not recognised in the Statement of Financial Activities.

Income from charitable activities comprises sums generated as a result of Church activities, and grants specifically for or connected to the provision of goods and services as part of Church activities.

Income from other trading activities includes receipts from fundraising and from letting of surplus space, which is recognised as it falls due for payment.

Income from investments, derived from securities and deposits, is recognised as it falls due for payment.

Grants may be receivable under the Listed Places of Worship Grant Scheme for recovery of Value Added Tax incurred on the repair and maintenance or alteration of listed ecclesiastical buildings. Grants receivable are offset against the related expenditure.

(e) Recognition of expenditure

Expenditure is accounted for on an accruals basis, being recognised when there is a legal or constructive obligation to pay, probability that settlement will be required, and the amount can be measured or estimated reliably.

Expenditure on raising funds includes specifically identifiable costs of fundraising, and costs of investment management, together with a proportion of premises and office costs attributable to space letting.

Expenditure on charitable activities includes all costs incurred in undertaking Church activities, including support costs. These include both costs directly incurred by the Church and grant funding of third parties in furtherance of programmes that contribute to the Church's objectives.

Liability for grants payable is recognised at the time of the grant being awarded.

Costs may be netted with income where the Church seeks to recover from participants in congregational activities only the costs incurred.



Notes to the accounts (continued) Year ended 30 September 2016

1. Accounting policies (continued)

Governance costs represent the costs associated with general running of the Church as an organisation as opposed to costs associated with fundraising and charitable activity. These include external scrutiny, legal advice, trustee and member meetings, and other costs associated with constitutional and statutory requirements. They include costs associated with strategic as opposed to day to day management of activities.

(f) Allocation of support and governance costs

There is considered to be one sole activity, the mission of the Church. Support costs (including governance) are therefore presented as an additional component of expenditure on charitable activities, except for allocation of premises and office costs to space letting, in proportion to income generated.

(g) Taxation

The Church is a registered Scottish charity exempt from tax on income and gains applied to charitable purposes. Income tax is recoverable in respect of gift aided donations. The Church is not registered for Value Added Tax and accordingly expenditure is shown gross of irrecoverable VAT.

(h) Tangible assets

Prior to 1 October 2000 neither the original cost of nor improvements to the church, and the rectory at Lauder House, 39 Jeffrey Street, Edinburgh were capitalised. These properties are considered to form part of the permanent endowment of the Church, since it is unlikely that they would ever be sold to realise cash. Values for original cost and improvements prior to 1 October 2000 are not available. The Vestry considers that the cost of carrying out a professional valuation to include these properties in the accounts would be disproportionate to any additional benefit derived by users of these accounts.

Since 1 October 2000 all additions and improvements to buildings costing more than £1,000 are capitalised and depreciated. Other tangible fixed assets costing more than £500 are capitalised and depreciated.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Heritable property improvements	5% reducing balance
Other tangible assets	25% reducing balance

(i) Financial instruments

The Church carries only basic financial assets and liabilities. These may comprise investments in securities, amounts receivable and payable, and cash deposited with banks and building societies. Financial assets and liabilities are initially recorded at cost; subsequently, investment assets are valued at market valuation (excluding any costs of realisation or disposal) and other assets and liabilities are valued at the best estimate of settlement amount.

(j) Investment assets

Investment assets are recorded at market valuation. Programme-related (social) investments are shown at cost, less any required impairment adjustment.

Investment assets include an amount representing any unexpended portion of income received for restricted purposes.

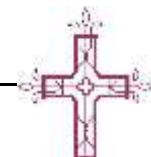
(k) Gains and losses

Realised gains and losses on security investments are calculated as the difference between the net sales proceeds and their valuation at the start of the year (or subsequent cost) and are recognised in the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market valuation during the year (or since subsequent purchase) and are recognised in the statement of financial activities based on market valuation at year end.

(l) Retirement benefits

The Scottish Episcopal Church operates a defined benefit non-contributory pension scheme for clergy. The Congregation pays contributions to this multi-employer scheme in respect of its stipendiary clergy. Contributions to the scheme are set at rates designed to spread the cost of pensions over the working lives of the clergy, and are charged in the accounts on a due and payable basis. The rate of contributions is determined by a qualified actuary. The amount of charges for the year is disclosed in note 14.



Notes to the accounts (continued)

Year ended 30 September 2016

2. Related party transactions

The Financial Reporting Standard for Smaller Entities requires disclosure of material related party transactions and year-end balances with related parties.

During the year the Church paid quota amounting to £15,003 (2015–£14,233) to the Diocese of Edinburgh, and received from the Diocese curate grant amounting to £16,330 (2015–£15,284) and other grants totalling £2,065 (2015–£nil). Both Canon Ian Paton and Nigel Cook are Trustees of the Church and Trustees of the Diocese. Quota and curate grant are routine transactions between a diocese and its

congregations. The amounts concerned are calculated according to long established formulae, widely publicised within the Diocese. No balances were outstanding for payment on 30 September 2016 or 2015.

The total amount of unconditional donations received from trustees or other related parties was £16,089 (2015–£13,709).

Apart from the disclosures made in note 12, there were no other related party transactions which require to be disclosed.

3. Income from donations and legacies

	Unrestricted funds		Restricted funds	Endowment fund	Total funds	
	General	Designated			2016	2015
	£	£	£	£	£	£
Congregational giving						
'Open plate' giving	11,929	–	–	–	11,929	11,972
Pledged giving	83,458	–	–	–	83,458	80,442
Gift Aid claimed on giving	21,649	–	–	–	21,649	19,647
Payroll giving	11,746	–	–	–	11,746	9,406
	128,782	–	–	–	128,782	121,467
Other donations and legacies						
Other donations (incl. Gift Aid)	6,151	6,250	825	–	13,226	18,331
Legacies	–	–	3,000	–	3,000	7,852
Grants	65	–	2,000	–	2,065	–
	6,216	6,250	5,825	–	18,291	26,183
	134,998	6,250	5,825	–	147,073	147,650
Fund totals 2015:						
Congregational giving	121,467	–	–	–	121,467	
Other donations and legacies	8,788	7,852	9,543	–	26,183	
	130,255	7,852	9,543	–	147,650	

4. Income from charitable activities

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds	
		General	Designated			2016	2015
		£	£	£	£	£	£
Church fees		1,025	–	–	–	1,025	710
Activities	15	4,200	–	–	–	4,200	2,384
Diocesan curate grant		16,330	–	–	–	16,330	15,284
		21,555	–	–	–	21,555	18,378
Fund totals 2015		18,378	–	–	–	18,378	



Notes to the accounts (continued)

Year ended 30 September 2016

5. Income from other trading activities

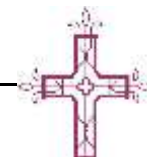
	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2016	Total funds 2015
	General	Designated				
	£	£	£	£	£	£
Fundraising activities	278	–	3,678	–	3,956	5,574
Space letting	24,865	–	–	–	24,865	21,539
	25,143	–	3,678	–	28,821	27,113
<i>Fund totals 2015</i>	23,290	–	3823	–	27,113	

6. Income from investments

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2016	Total funds 2015
	General	Designated				
	£	£	£	£	£	£
Listed securities and unit trusts	11,826	–	–	–	11,826	11,856
Programme-related investments	3	–	–	–	3	3
Interest on cash deposits	74	72	–	–	146	215
	11,903	72	–	–	11,975	12,074
<i>Fund totals 2015</i>	11,982	28	–	64	12,074	

7. Expenditure on raising funds

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2016	Total funds 2015
		General	Designated				
		£	£	£	£	£	£
Donations and legacies		237	–	–	–	237	454
Trading activities							
Fundraising activities		–	–	1,506	–	1,506	1,721
Space letting salaries	13	1,685	–	–	–	1,685	2,512
Space letting allocated costs		3,723	–	–	–	3,723	2,915
		5,408	–	1,506	–	6,914	7,148
		5,645	–	1,506	–	7,151	7,602
<i>Fund totals 2015</i>		5,853	–	1,749	–	7,602	



Notes to the accounts (continued)

Year ended 30 September 2016

8. Expenditure on charitable activities

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2016	Total funds 2015
		General	Designated				
		£	£	£	£	£	£
Clergy							
Stipends and pensions	13	65,892	–	–	–	65,892	63,977
Allowances and training		460	–	–	–	460	335
Housing utilities and insurance		9,054	–	–	–	9,054	8,431
Housing maintenance		3,046	–	–	–	3,046	1,532
Travelling expenses		1,292	–	–	–	1,292	1,003
		79,744	–	–	–	79,744	75,278
Worship							
Music salaries	13	17,896	–	–	–	17,896	12,997
¹ Other music costs		1,627	–	–	–	1,627	1,601
Contribution from other funds		(9,761)	–	9,761	–	–	–
² Other worship costs		3,880	–	–	–	3,880	3,409
		13,642	–	9,761	–	23,403	18,007
Premises and fabric							
Utilities		5,241	–	–	–	5,241	8,939
Cleaning		2,295	–	–	–	2,295	2,812
Repairs and maintenance		15,136	(456)	8,530	–	23,210	8,736
Insurance		11,030	–	–	–	11,030	10,603
Premises and plant depreciation		7,102	–	–	–	7,102	7,776
Allocated to space letting		(3,238)	–	–	–	(3,238)	(2,165)
		37,566	(456)	8,530	–	45,640	36,701
Office							
Salaries	13	8,425	–	–	–	8,425	8,126
Printing and stationery		1,861	–	–	–	1,861	1,100
Postage and telephone		1,838	–	–	–	1,838	1,512
³ Other office costs		1,369	–	–	–	1,369	683
Office equipment depreciation		1,106	–	–	–	1,106	1,119
Allocated to space letting		(2,166)	–	–	–	(2,166)	(1,443)
		12,433	–	–	–	12,433	11,097
Children's ministry							
Salaries	13	4,764	–	–	–	4,764	4,637
Other staff costs		129	–	–	–	129	–
Other children's ministry costs		300	–	–	–	300	103
		5,193	–	–	–	5,193	4,740
<i>Carried forward</i>		148,578	(456)	18,291	–	166,413	145,823

Note continues on following page.

¹ Other music costs comprise purchase of music, maintenance of instruments and vesture, fees and subscriptions.

² Other worship costs comprise consumables for the Eucharist, maintenance of vestments and ornaments, candles, and flowers.

³ Other office costs comprise maintenance of office equipment and miscellaneous expenses.



Notes to the accounts (continued)

Year ended 30 September 2016

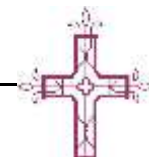
8. Expenditure on charitable activities (continued)

	Note	Unrestricted funds		Restricted funds	Endowment fund	Total funds	
		General	Designated			2016	2015
		£	£	£	£	£	£
<i>Brought forward</i>		148,578	(456)	18,291	–	166,413	145,823
Other activities and costs							
Activities	15	3,832	–	–	–	3,832	2,809
Advertising and publicity		646	–	295	–	941	569
⁴ Legal and professional fees		16,076	2,455	–	–	18,531	3,922
Bank charges		235	–	–	–	235	274
Other costs		387	–	–	–	387	925
		21,176	2,455	295	–	23,926	8,499
Total activities directly funded		169,754	1,999	18,586	–	190,339	154,322
Diocesan quota		15,003	–	–	–	15,003	14,233
Grants and donations	16	6,337	–	2,585	–	8,922	4,466
Governance							
External scrutiny of accounts	9	1,312	–	–	–	1,312	1,246
Meeting expenses		126	–	–	–	126	29
		1,438	–	–	–	1,438	1,275
		192,532	1,999	21,171	–	215,702	174,296
Fund totals 2015:							
Clergy		75,278	–	–	–	75,278	
Worship		10,824	–	7,119	64	18,007	
Premises and fabric		35,146	–	1,555	–	36,701	
Office		11,097	–	–	–	11,097	
Children's ministry		4,740	–	–	–	4,740	
Other activities and costs		5,759	2,740	–	–	8,499	
Diocesan quota		14,233	–	–	–	14,233	
Grants and donations		4,466	–	–	–	4,466	
Governance		1,275	–	–	–	1,275	
		162,818	2,740	8,674	64	174,296	

9. Independent examiner's remuneration

Fees paid to the independent examiner of £1,312 (2015–£1,246) consist solely of the fee for independent examination of the trustees' report and accounts.

⁴ Legal and professional fees were paid to architects and surveyors engaged in connection with property repair and maintenance, and proposals for development of the church hall.



Notes to the accounts (continued)

Year ended 30 September 2016

10. Transfers between funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2016	Total funds 2015
	General	Designated				
	£	£	£	£	£	£
Transfer to organ fund	(1,200)	1,200	–	–	–	–
Transfer to buildings fund	(4,415)	4,415	–	–	–	–
	(5,615)	5,615				–
<i>Fund totals 2015</i>	<i>(5,416)</i>	<i>5,416</i>	–	–	–	

Each year the Vestry transfers the sum of £1,200 to the organ fund to provide for the cost of non-routine maintenance of the organ.

The sum transferred to the buildings fund represents an annual contribution from the general fund equivalent to the amount of grants paid as part of the giving programme (£4,415).

11. Gains and losses on investment assets

	Unrestricted funds		Restricted funds	Endowment fund	Total funds 2016	Total funds 2015
	General	Designated				
	£	£	£	£	£	£
Gain on disposals (against original cost)	–	–	–	–	–	13,584
Revaluation gains previously recognised	–	–	–	–	–	11,811
Gain on disposals recognised in these accounts	–	–	–	–	–	1,773
Unrealised gains on revaluation	49,512	–	–	–	49,512	3,996
	49,512	–	–	–	49,512	5,769
<i>Fund totals 2015</i>	<i>5,769</i>	–	–	–	<i>5,769</i>	

12. Trustee remuneration, benefits and expenses

No Trustee or member of the Vestry received remuneration or benefits in respect of service as trustee.

The Rector, Canon Ian Paton, is *ex officio* a member of the Vestry and therefore a trustee, and receives remuneration, benefits, and reimbursement of expenses in respect of services as a stipendiary cleric in line with scales determined by General Synod of the Scottish Episcopal Church. The Rector is engaged on a full-time basis and payment of remuneration is authorised under article 22 of the Constitution. Amounts paid during the year comprised stipend of £24,968 and pension contributions of £8,206. As part of his remuneration, the Rector also has occupancy of the Rectory, in respect of which the Vestry pays Council Tax and property insurance.

The Rector received reimbursement of expenses incurred in performing pastoral duties. The total amount of expenses reimbursed during the year to the Rector was £1,001, paid in respect of mileage allowances and other travel expenses.

Canon Ian Paton and Victoria Stock are members of the Vestry. Canon Paton, Canon Carrie Apple-gath, to whom he is married, and Victoria Stock each received a contribution of £140 to subsidise the cost of participating in a choir visit to Finland in September 2016.

No other Trustee or member of the Vestry received remuneration or reimbursement of expenses, other than reimbursement of purchases made on behalf of the Church.



Notes to the accounts (continued)

Year ended 30 September 2016

13. Clergy and staff costs and emoluments

	2016	2015
	£	£
Gross stipends and salaries	80,186	73,628
Employers' national insurance contributions	2,158	2,189
Cost of pension contributions	16,318	16,432
	98,662	92,249

	Average headcount		Average full time equivalent	
	2016	2015	2016	2015
Clergy	2.00	1.92	2.00	1.92
Music	5.92	5.67	1.00	0.96
Office	1.00	1.00	0.40	0.40
Children's ministry	1.00	1.00	0.27	0.27
Space letting	0.92	0.92	0.15	0.15
	10.84	10.51	3.82	3.70

No employee received emoluments in excess of £60,000.

Information regarding stipendiary members of the clergy, who are not employees but self-employed office-holders, is included above.

14. Retirement benefits

Pension contributions in respect of stipendiary clergy are paid to the Scottish Episcopal Church Pension Fund which is a non-contributory defined benefit scheme. The Church is unable to identify its share of the underlying assets and liabilities of the Fund on a consistent and reasonable basis and so accounts for its contributions as if the scheme were a defined contribution scheme.

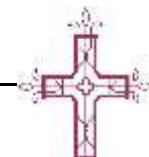
The periodic actuarial valuation of the entire fund as at 31 December 2008 revealed a deficit of £8.8 million. The Pensions Regulator approved a recovery plan, as part of which the contribution rate was increased from 25.3% to 34.9% with effect from 1 January 2010. The valuation as at 31 December 2011 showed that the deficit had fallen to £3 million. However, the cost of future benefits had increased materially, meaning that the reduction of the deficit was taking longer than planned.

The increased contribution level was therefore maintained.

With effect from 1 January 2014, pensionable retirement age was increased to 67, and the annual increase in pensionable salary capped at the increase in the retail prices index.

The latest valuation as at 31 December 2014 disclosed that the past service deficit has been eliminated and that the Fund was in surplus by £1.3 million. As a result of the changes introduced on 1 January 2014, the cost of future benefit accrual has been reduced and the contribution rate was reduced to 32.2% of pensionable stipend with effect from 1 January 2016.

There were no unpaid contributions outstanding at 30 September 2016 payable by the Vestry.



Notes to the accounts (continued)

Year ended 30 September 2016

15. Activities income and expenditure

	Total income	Total expenditure	Net income / (expense)	
	£	£	2016 £	2015 £
Parish retreats and residential weekends	–	–	–	(85)
Newsletter	–	384	(384)	(636)
Social activities	1,927	1,384	543	(417)
Parish lunches	1,069	451	618	500
Sunday refreshments	1,052	703	349	749
OSP Remembers 1915 (1914) (publication)	152	910	(758)	(536)
	4,200	3,832	368	(425)

16. Grants and donations

Included in the accounts are the following grants and donations awarded during the year:

	£
Awarded as part of the giving programme:	
Child of Hope, for Child of Hope Outreach Uganda <i>A Christian charity producing social impact for slum children and their families in Eastern Uganda through free education, healthcare and welfare</i>	1,421
Fresh Start (Scotland) (to match award from net proceeds of Burns Night ceilidh) <i>An inter-denominational Edinburgh-based charity helping people who have been homeless getting established in their new home</i>	1,313
Souper Saturday <i>* an organisation providing a weekly opportunity for nourishment and social interaction for homeless people (currently hosted by Old Saint Paul's during development work at its usual venue, the Church of Saint John the Evangelist)</i>	1,681
Giving total	4,415
Other grants awarded:	
Child of Hope (funded by individual donations)	625
Fresh Start (Scotland) (net proceeds from a Burns Night ceilidh)	1,313
Other institutional grants individually of less than £500	450
Grants to individuals	2,119
Other grants total	4,507
Total grants and donations	8,922

* Souper Saturday are provided with the use of our premises free of charge. For the purpose of the accounts this has been valued at the estimated cost to the Church. Had the premises been provided at full letting rate, the charge made would have been £6,724.

Funds raised for third parties:

Not included in the accounts are the following sums raised by the Congregation for third parties (including Gift Aid relief):

	£
Bishop of Edinburgh's Lent appeal	484
Christian Aid Scotland (Christian Aid week)	112
Fresh Start (Scotland) (collections at Advent and Christmas carol services)	459
Scottish Episcopal Church training fund (collection at presbyteral ordination)	259



Notes to the accounts (continued)

Year ended 30 September 2016

17. Tangible assets

	Property improve- ments £	Plant and ma- chinery £	Office equipment £	Total £
Cost				
At 1 October 2015	84,673	75,568	12,889	173,130
Additions	1,565	900	–	2,465
Disposals	–	–	(4,150)	(4,150)
At 30 September 2016	86,238	76,468	8,739	171,445
Accumulated depreciation				
At 1 October 2015	35,090	57,534	9,182	101,806
Charge for year	2,552	4,550	1,106	8,208
Disposals	–	–	(4,150)	(4,150)
At 30 September 2016	37,642	62,084	6,138	105,864
Net book value				
At 30 September 2016	48,596	14,384	2,601	65,581
At 30 September 2015	49,583	18,034	3,707	71,324

In addition to assets included above the Congregation also owns the church, and the rectory at Lauder House, both in Jeffrey Street, Edinburgh. The original value of these assets and the cost of improvements prior to 1 October 2000 are not available and have not been included because, in the opinion of the Vestry, the cost of professionally valuing them to include a value in the accounts outweighs the benefits to users of the accounts.

On 1 March 2016 the church and rectory were insured for £17,626,265, which is an estimate of the replacement cost of buildings and all contents owned by the Church (including plant and machinery and office equipment disclosed separately in the above table). Replacement building cost does not represent market value of the properties, and does not include valuation of the land on which the properties are situated.

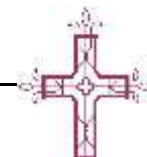
18. Investment assets

(a) Investments held to provide a financial return

	Listed se- curities and unit trusts £	Cash in building society £	Total £
Valuation			
Carrying value at 1 October 2015	358,038	41,862	399,900
Gain on revaluation	49,512	–	49,512
Carrying value at 30 September 2016	407,550	41,862	449,412
Historical cost at 30 September 2016	246,951	41,862	288,813

Investments in listed securities (or ones valued by reference to such investments, such as unit trusts) are shown at market price on 30 September 2016. All investments are held in the United Kingdom.

Note continues on following page.



Notes to the accounts (continued)

Year ended 30 September 2016

18. Investment assets (continued)

Details of investments which are material in the context of the investment portfolio:

	Carrying value 2016
	£
Scottish Episcopal Church Unit Trust Pool	220,295
AXA Ethical Distribution Fund	32,345
Eden Tree Amity UK Income Fund	25,113
Henderson Global Care UK Income Fund	26,262
Kames Ethical Cautious Managed Fund	27,176
Legal & General Ethical Trust	25,917
Premier Ethical Fund	24,533
Rathbone Ethical Bond Fund	25,909
Nationwide Building Society cash deposit	41,862

(b) Programme-related investments (social investments)

	2016	2015
	£	£
Shared Interest Society Ltd – equity capital shown at amount invested	661	658

Shared Interest Society Ltd is a UK based co-operative lending society whose object is to provide financial services, especially for production and trade, in a manner reflecting the fundamental principles of the Christian faith, in order to promote wholesome, dignified and sustainable employment for the benefit of people in need, particularly in poor countries.

The Society is incorporated with limited liability under the Co-operative and Community Benefit Societies Act 2014. The entitlement of members to the assets of the Society is limited to repayment of shares, together with interest payable on shares. Net profits may only be distributed as a rebate on charges to customers or applied for charitable purposes.

19. Debtors

	2016	2015
	£	£
Gift Aid	6,325	5,471
Prepayments and accrued income	5,867	5,548
Other debtors	2,724	1,466
	14,916	12,485

All amounts fall due within one year.

20. Creditors: amounts falling due within one year

	2016	2015
	£	£
Grants awarded	–	1,632
Accruals and deferred income	3,406	5,549
Other creditors	685	438
Taxation and social security	1,067	673
	5,158	8,292



Notes to the accounts (continued)

Year ended 30 September 2016

21. Summary of fund movements

	Brought forward £	Income £	Expend- iture £	Gains and losses £	Transfers £	Carried forward £
Endowment fund						
John Steer music fund	41,862	–	–	–	–	41,862
Restricted funds						
Jerusalem Still fund	2,546	–	–	–	–	2,546
Restoration and renewal fund	6,104	3,678	1,801	–	–	7,981
Cecilia Cavaye music fund	66,900	–	9,761	–	–	57,139
Reredos restoration fund	9,293	3,200	8,530	–	–	3,963
Miscellaneous funds	–	2,625	2,585	–	–	40
	84,843	9,503	22,677	–	–	71,669
Unrestricted funds						
<i>Designated funds:</i>						
Buildings fund	37,793	6,250	1,999	–	4,415	46,459
Memorial fund	92,128	–	–	–	–	92,128
Organ fund	19,354	72	–	–	1,200	20,626
	149,275	6,322	1,999	–	5,615	159,213
General fund	367,248	193,599	198,177	49,512	(5,615)	406,567
	516,523	199,921	200,176	49,512	–	565,780
Total charity funds	643,228	209,424	222,853	49,512	–	679,311

The **John Steer music fund** was founded in February 1999, and is funded by donations. The Vestry is required to retain the fund for a specific purpose, and has no power to convert the fund into income. Interest received by the fund is used to support expenditure on liturgical music as determined by the Vestry.

The **Jerusalem Still fund** was created by grant from The Jerusalem Trust for the conservation, permanent exhibition, insurance and maintenance of the artwork *Still* by Alison Watt OBE loaned to the Church and exhibited in the Memorial Chapel. To the extent that the grant cannot be used for this purpose, it must be returned.

The **Restoration and renewal fund** receives the proceeds of fundraising for development projects. Funds are transferred when required to meet project costs.

The **Cecilia Cavaye music fund** was created by bequest from the late Cecilia Cavaye, who directed that the fund be used to support the cost of liturgical music. The Vestry has resolved that for each of the five years to 30 September

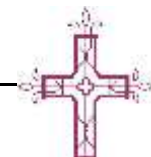
2019, one half of the costs of liturgical music will be met from the fund.

The **Reredos restoration fund** holds donations received towards the cost of restoration of the high altar reredos. This work was carried out during October 2015. Consideration is currently being given to appropriate use of the remaining sum.

The **Buildings fund** provides for any required expenditure (capital or revenue) on Church properties beyond normal recurring or routine maintenance. Since 2010, a sum, equivalent to the amount paid through the giving programme, has been transferred each year from the general fund to augment the fund.

The **Memorial fund** is credited with legacies transferred in accordance with the policy described in note 1(c). The fund is available for specific projects at the discretion of the Vestry.

The **Organ fund** provides for the cost of non-routine maintenance of the organ. The fund is maintained through periodic contributions from the general fund, and specific donations.



Notes to the accounts (continued)

Year ended 30 September 2016

22. Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Endowment fund	Total funds
	General	Designated			
	£	£	£	£	£
Tangible assets	65,581	–	–	–	65,581
Investment assets	256,399	92,128	59,684	41,862	450,073
Net current assets	84,587	67,085	11,985	–	163,657
Fund balances	406,567	159,213	71,669	41,862	679,311

23. Material commitments

At the balance sheet date the Vestry had made the following material expenditure commitments which are not included in the balance sheet as liabilities:

	Total amount committed	Amount outstanding brought forward	Amounts charged during the year	Amounts added/ (released) during the year	Amount outstanding carried forward
	£	£	£	£	£
Roof maintenance	8,468	8,448	8,468	20	–
High altar reredos restoration	11,424	11,424	8,596	(2,828)	–
Memorial chapel entrance handrails	5,778	4,896	830	(4,066)	–
Carrubbers Close entrance structural support	23,656	11,640	3,464	9,276	17,452

The above amounts include Value Added Tax where applicable for which grants may be available through the Listed Places of Worship grant scheme.

All outstanding amounts are expected to be paid within one year.