

Charity No. SC 003009

CHRIST CHURCH, MORNINGSIDE

Annual Report and Accounts

FOR THE YEAR ENDED

30th SEPTEMBER 2019

Christ Church Morningside

Annual Report and Accounts for the year ended 30th September 2019

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**Christ Church Morningside
Vestry Report for the year ended 30th September 2019**

Reference and Administrative Details of the Charity, its Trustees and Advisers

Scottish Charity Number:- SC003009

Principal Office:- 6a Morningside Road
Edinburgh
EH10 4DD

Members of Vestry:-

Revd. Canon Susan Macdonald	Chair – retired September 2019
Stuart Valentine	People’s Warden – appointed December 2018
Lindsay Graham	Rector’s Warden
Howard Moody	Lay Representative
Chris Arnold	Secretary
Kenneth Ramage	Treasurer
Mary Snow	Appointed December 2018
Helen Wosu	
Gerry Brown	
Caroline Chittleburgh	Appointed December 2018
Robin Quinn	Appointed December 2018

Assisting Clergy:-

Rev. Jenny Wright	Stipendiary minister
Rev. Imre Katay-Fodor	Non-stipendiary minister
Rev. Jane Green	Non-stipendiary minister
Rev. Gordon Graham	Non-stipendiary minister

Bankers:-

Bank of Scotland
426 Morningside Road
Edinburgh
EH10 5QF

Independent Examiners:-

Chiene + Tait LLP
Chartered Accountants
61 Dublin Street
Edinburgh
EH3 6NL

Solicitors:-

Anderson Strathern LLP
1 Rutland Court
Edinburgh
EH3 8EY

Structure & Governance

Christ Church Morningside is an incumbency of the Scottish Episcopal Church in the Diocese of Edinburgh. Christ Church is governed by a constitution which includes adherence to the Canons of the Scottish Episcopal Church.

Structure & Governance (continued)

Vestry members are responsible for the temporal affairs of the congregation, in particular the property and finances of the Church and the appointment of non clerical staff. The Vestry also assists the Rector in matters affecting the spiritual welfare of the congregation. Vacancies for vestry members (a minimum of three and a maximum of six) are filled by election at the Annual General Meeting, and may serve for a maximum of four years, and is not eligible for re-election for at least one year thereafter. The Lay Representative who represents the church at Diocesan Synod and Area Council meetings is elected annually by the congregation at the Annual General Meeting. The People's Warden is elected annually by the congregation at the Annual General Meeting and can hold office for a maximum of five consecutive years. The Rector's Warden is appointed annually by the Rector and also holds office for a maximum of five years. The Vestry Secretary and Treasurer are appointed by and are ex officio members of Vestry. The Factor is appointed by vestry and reports to them. The Vestry has four committees working to agreed Terms of Reference: Standing, Finance and Management, Property, and UK & Overseas Support. There are also sub committees - Flower Committee and Social Committee reporting to the Finance and Management Committee, and Eco Group and 'Bob' (DIY group) reporting to the Property Committee. There are many more informal groups supporting various aspects of the church's life.

The Rector is responsible for the spiritual affairs of the Church and delegates aspects of the Church's operations to lay and ordained members as appropriate and works closely with Vestry and its committees in formulating and implementing policy for all areas of the church's life.

New members of Vestry are requested to attend a day's induction session which also incorporates training for existing members.

The Vestry considers major risks on an ongoing basis. The Vestry is satisfied that systems are in place to manage those risks. Risk and control activities include child protection policy, health and safety assessments, financial control procedures and regular financial monitoring.

The Church has insurance cover through Ansvar Insurance Company and The Church Of Scotland Insurance Company against a range of risks appropriate to the activities of a Church. The level of insurance cover, which is considered adequate, is reviewed on an annual basis.

Objectives & Activities

The objectives of the Vestry are to advance the mission of the Christian Church, through worship, service, education, fellowship and outreach. These objectives are carried out through mission and pastoral activities.

The principal activities of the Church are public worship, the spiritual development of its members and its social responsibility activities.

Donations to charitable causes are made regularly that provide benefits to disadvantaged individuals and communities in Scotland, the rest of the United Kingdom and overseas.

In carrying out its objectives the Vestry depends upon the contribution, both human and material, of many volunteers from the congregation. Activities carried out include contributions preparatory to and during worship, service on sub-committees and working groups (for example social) and through group activities (for example, faith development, pastoral care and social outreach), the maintenance of premises and fabric, and a variety of pastoral and social activities (for example, pastoral visiting, Young People's church and Choir). These contributions are all highly valued by the wider congregation and more than fifty per cent of all members are active volunteers for both material activities at Christ Church and its outreach to the wider community.

Achievements & Performance

During the past year the Vestry (Management Committee) has taken forward its vision and goals for the growth and development of the mission and ministry of Christ Church. At its first meeting of 2019 Vestry reviewed and refocused priorities for the short and medium term future in relation to the objectives and activities set out above.

Achievements & Performance (continued)

Dorothea Nelson continues in her crucial role of church manager, coordinating a number of the daily activities in relation to the use and upkeep of the Church's properties i.e. Church Hall, Centre and Clergy houses.

Family activities are organised by the Families Networker, Alex Barrett, with Young church, young teenagers and crèche programmes on a Sunday, a Friday playgroup with up to 30 families attending, and a variety of social events throughout the year.

A significant portion of the Church's investments are held in the Scottish Episcopal Church Unit Trust Pool (UTP) in addition to the congregation's ownership of 2 houses on the site, a flat at Maxwell Street and a very well used Church Centre available to a wide variety of users in the local community who are both church and non-church groups.

With the retirement of Susan Macdonald in September this year, a patronage committee has been appointed which will be responsible for drawing up a congregational profile (with the help of the dean, Very Rev Frances Burberry), the basis of which is used for the person profile when recruiting a new rector. Rev Canon Dean Fostekew, rector of the Church of the Good Shepherd, Murrayfield, has been appointed as interim pastor. He works alongside the Associate Priest, the Rector's Warden and the People's Warden during the vacancy, offering advice and pastoral support when required.

Treasurer's Report

The four funds which comprise the Church accounts produced a surplus of £22,759 for the year. This comprises surpluses of £41,465 and £50 on the Capital and Transport Funds and deficits of £13,549, and £5,207 on the General and Church Centre accounts. The overall surplus is increased by £8,199 to £30,958 after an unrealised gain on our investment in SEC units is taken into account.

The key points of note on the General account which reported a deficit of £13,549 (previous year surplus of £18,798) are:

- Members' contributions from open plate, cheques, standing orders and income tax recovery increased by 3.10% which reflects giving from new members who joined in the last two years. Although an increase overall, income from the yellow pew envelopes and bag collections fell from £8,302 to £7,933 as we now divert collections from Easter, Harvest and Homeless Sunday to further support our outreach to local and overseas charities.
- Donations of £1,000 include £500 for gardening expenses and £500 for general funds.
- Rent from the Centre, Hall, Car Park and Maxwell Street fell marginally from £46,413 to £45,334 and was due to increased maintenance expenditure on the flat in Maxwell Street which the church owns. Hall and Centre rents were increased at the beginning of 2019.
- Salary costs increased from £103,312 to £142,572 as this year's costs included remuneration costs of our Associate Priest.
- Worship, heating, rates, maintenance and office expenses fell from £58,522 to £53,303. Maintenance costs decreased by £3,493 as last year's costs included expenditure on roof maintenance following the 2017 quinquennial review. During the year we incurred just under £2,000 on sanding and sealing the Hall floor. Office costs fell from £7,160 to £5,889 following installation of a new copier.
- The contribution of £12,999 to Overseas/Eric Liddell Centre comprises £9,364 to overseas charities and £3,000 to the Eric Liddell Centre. Our overseas contribution is based on 5% of the previous year's income. During the year we supported 8 overseas charities and made emergency contributions of £1,500

The Capital Fund reported a surplus of £41,465. Income came from the grants of £8,600 from Heritage Lottery and Historic Environment Scotland and represents the final contribution from these funding bodies following completion of Phase 3. We also we received a legacy of £10,000 from the estate of Susan Duran and provision of £45,000 has been made for a notified legacy from the estate of Kate Maxwell which will received in the early part of next year's accounts.

Christ Church Morningside
Vestry Report for the year ended 30th September 2019

Expenditure of £22,135 comprised £1,000 on phase 3 costs (new web page), £2,423 on continuing improvements to the Church sound system, £8,961 on refurbishing the Porch and varnishing the church doors and £9,750 on extending the gargoyles to improve the flow of rain water. The works on the porch were funded by a number of legacies including the legacy from Susan Duran.

The deficit of £5,207 on the Church Centre represents the yearly amount to write off the original cost of the Centre of £223,000 over its expected useful life. The balance remaining to be written off now stands at £80,000

We incurred £530 on taxis to allow members to come to church and church events who otherwise would not be able to attend. This fund has only £50 remaining and requires its usual yearly top up.

The Church has total funds of £677,954 comprising the church centre and office equipment of £80,941, investments in SEC units of £187,447, Maxwell Street £352,000 and bank balances and debtors less creditors of £57,566. The bank balance is £33,315 and is slightly down on last year however it is sufficient to cover our day to day expenses.

The Church's finances will improve during 2019/20 as we will not be paying the stipend of a Rector until the last quarter of the year. This saving will allow us to carry out the necessary redecoration and minor repairs to the Rectory prior to it being occupied by the new Rector. We are committed to a number of capital projects in 2019/20 including a contribution of £10,000 towards improving the Church heating system and £8,500 on improvements to the uneven and cracked slabs at the front of the Church which are a safety concern. The forecast surplus should also help to fund these capital projects.

Reserves Policy

The Vestry's reserves policy is to maintain reserves to meet future capital and revenue expenditure. Restricted reserves comprise funds raised to construct the new Church Centre, donations earmarked for the refurbishment of the front porch, and provide transport for the elderly and infirm. The balance on the General Fund at 30th September 2019 was £365,656 and the Capital Fund was £265,384. The balance on the Fabric Fund (Centre) was £46,864 and Transport Fund £50.

Investment Policy

Investments are held in the Scottish Episcopal Church Unit Trust Pool (UTP). The investment policy of the UTP, which accords with that of the Vestry, is to earn a return on the assets, over the long term, sufficient at least to maintain the real value of the distribution to unit holders.

Plans for Future Periods

Within the limitations of its resources, the Vestry is intent on continuing its range of present activities for the future and in particular the activities associated with its "Mission Goals" strategy, which was thoroughly reviewed and evaluated at the end of 2013 and is now named the Christ Church Mission Action Plan. Evaluation and review of this takes place on an ongoing basis.

While church life, ministry and mission continue with worship and the many activities that Christ Church hosts, the significant focus for the coming months centres around the vacancy. This period of transition offers a time for the congregation to reflect on the story (or, indeed, stories) that has brought us this far, as we look to the future and the excitement of appointing a rector who will journey with us for the next instalment.

Statement of Responsibilities of Members of Vestry

The members of the Vestry are responsible for preparing the Vestry Report 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the members of the Vestry are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice 2015 (FRS 102);
- 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 charity will continue in operation.

The members of the Vestry are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity's constitution.

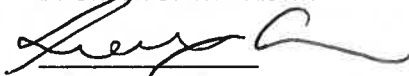
The members of the Vestry are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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.

Conclusion

In conclusion, the Vestry wishes to thank all members of the Congregation who help in so many different ways in carrying on the work of the Church, without whom these results could not have been achieved.

BY ORDER OF THE VESTRY



Lindsay Graham
Rector's warden

CHRIST CHURCH MORNINGSIDE

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 30th September 2019

	Note	Unrestricted Funds :		Restricted Funds:				Total 2019	Total 2018
		General Fund	Capital Fund	General Fund	Capital Fund	Centre Fund	Transport Fund		
		£	£	£	£	£	£		
Income and endowments from									
<i>Donations and legacies</i>									
Collections and income tax recovery		161,428	0	0	0	0	0	161,428	156,506
Donations		0	0	1,000	0	0	580	1,580	5,907
Legacies		0	55,000	0	0	0	0	55,000	12,000
<i>Charitable Activities</i>									
Grants - Phase 3		0	0	0	8,600	0	0	8,600	4,027
Sundry income		2,283	0	0	0	0	0	2,283	2,263
<i>Other trading activities</i>									
Rent from Hall, Centre & Parking		33,910	0	0	0	0	0	33,910	34,485
<i>Investments</i>									
Unit Trusts		5,100	0	0	0	0	0	5,100	4,818
Investment Property		11,424	0	0	0	0	0	11,424	11,928
Total income		214,145	55,000	1,000	8,600	0	580	279,325	231,934
Expenditure on									
<i>Charitable activities</i>									
Salaries,pension & national insurance	2	141,602	0	970	0	0	0	142,572	103,312
Worship, music & families network develop		7,486	0	0	0	0	0	7,486	6,262
Fabric costs		28,659	21,135	0	1,000	0	0	50,794	61,091
Quota		18,729	0	0	0	0	0	18,729	17,935
Overseas/UK giving & local mission		14,090	0	0	0	0	0	14,090	13,345
Hall & office expenses		9,157	0	0	0	0	0	9,157	9,659
Sundry expenses, taxi charges		1,550	0	0	0	0	530	2,080	4,076
Depreciation		4,031	0	0	0	5,207	0	9,238	9,237
Governance		1,404	0	0	0	0	0	1,404	1,338
<i>Raising Funds</i>									
Factors expenses		1,016	0	0	0	0	0	1,016	1,020
Total expenditure		227,724	21,135	970	1,000	5,207	530	256,566	227,275
Net (expenditure)/income before gains on investments		-13,579	33,865	30	7,600	-5,207	50	22,759	4,659
Net gain on investment assets	7	8,199	0	0	0	0	0	8,199	18,242
Net movement in funds		-5,380	33,865	30	7,600	-5,207	50	30,958	22,901
Reconciliation of funds :									
Total funds at 1st October 2018		366,022	223,919	4,984	0	52,071	0	646,996	624,095
Total funds at 30th September 2019		360,642	257,784	5,014	7,600	46,864	50	677,954	646,996

Support costs which include non clergy salaries, printing, office costs, sundries and depreciation have not been separately identified as Vestry consider there is only one charitable activity, the worship of God and the furtherance of God's mission, therefore support costs relate wholly to that activity and have not been separately disclosed.

All activities of the Church relate to continuing operations.

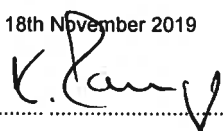
The notes on pages 10 to 15 form part of these accounts.

CHRIST CHURCH MORNINGSIDE

BALANCE SHEET
As at 30th September 2019

	Note	2019	2018
		£	£
FIXED ASSETS			
Tangible assets	6	80,941	90,179
Investment property	7	352,000	352,000
Investments	7	187,447	179,248
		<u>620,388</u>	<u>621,427</u>
CURRENT ASSETS			
Stock - One World Shop		486	625
Debtors	8	45,636	791
Cash at bank		33,315	37,522
		<u>79,437</u>	<u>38,938</u>
LIABILITIES			
Creditors: amounts falling due within one one year	9	21,871	13,369
		<u>21,871</u>	<u>13,369</u>
NET CURRENT ASSETS		57,566	25,569
NET ASSETS		<u>677,954</u>	<u>646,996</u>
FUNDS OF THE CHARITY			
UNRESTRICTED FUNDS :			
General Fund		360,642	366,022
Capital Fund		<u>257,784</u>	<u>223,919</u>
		618,426	<u>589,941</u>
RESTRICTED FUNDS :			
General Fund		5,014	4,984
Capital Fund		7,600	0
Centre Fund		46,864	52,071
Transport Fund		<u>50</u>	<u>0</u>
		59,528	<u>57,055</u>
TOTAL CHARITY FUNDS		<u>677,954</u>	<u>646,996</u>

Approved by Vestry on 18th November 2019


..... Hon Treasurer

CHRIST CHURCH MORNINGSIDE

Statement of Cashflows

Year Ended 30th September 2019

	Note	2019 £	2018 £
<i>Cash flows from operating activities</i>			
Net cash provided by / (used in) operating activities	14	-20,731	-24,328
<i>Cash flows from investing activities</i>			
Dividends, interest and rents from investments		16,524	16,746
Fixed asset additions		0	-1,239
Sale of investments		0	0
Net cash provided by / (used in) investing activities		<u>16,524</u>	<u>15,507</u>
<i>Change in cash and cash equivalents in the year</i>		-4,207	-8,821
Cash and cash equivalents at the beginning of the year		37,522	46,343
Cash and cash equivalents at the end of the year		<u><u>33,315</u></u>	<u><u>37,522</u></u>

Christ Church Morningside
Notes to the Accounts for the Year Ended 30th September 2019

1. Accounting Policies

The accounts should be read in conjunction with the Annual Report. The principal accounting policies are as follows:

Accounting Bases

The accounts 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 accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2nd February 2016) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and UK Generally Accepted Accounting Practice.

The Church constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling which is the functional currency of the charity.

Going Concern

The accounts have been prepared on a going concern basis. The members of 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. Thus they continue to adopt the going concern basis of accounting in preparing these accounts.

Income and Expenditure

Incoming resources are recognised in the year in which the charity becomes entitled to the resource, it is probable that the resources will be received and the amount can be quantified with reasonable reliability. Expenditure is accounted for on an accruals basis. Expenditure on charitable activities includes all costs incurred in undertaking Church activities. The church is not registered for Vat and accordingly expenditure is shown gross of irrecoverable Vat.

Capital Expenditure

The Church and the properties at Numbers 4 & 6 Morningside Road are not reflected in the accounts. Values for original cost are not available. 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 2005 all property additions are capitalised and depreciated. Expenditure on the upgrading and refurbishment of Church properties is charged as a revenue expense. Office furniture and equipment in excess of £400 and having a value to the Church greater than one year are capitalised.

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

Property - Centre	4%	Straight Line
Furniture and Equipment	25%	Straight Line

Investments

Investments in unit trusts are included in the accounts at market value. The investment property at Maxwell Street, Edinburgh is shown at estimated market value based on the price of similar properties sold on the open market. Realised gains/losses are calculated as the difference between the net sales proceeds and their valuation at the start of the year 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 and are recognised in the statement of financial activities based on market valuation at the end of the year.

Pension Costs

The Church funds pension contributions for certain employees to the SEC Pension Fund a defined benefit non-contributory pension scheme. Contributions are charged to the Statement of Financial Activities so as to spread the

cost of pensions over the employees' working lives with the Church.

Stock

Stock is stated at the lower of cost and net realisable value.

Taxation

The Church is a registered Scottish Charity exempt from corporation tax on income and gains applied to charitable purposes. Income tax is recoverable in respect of gift aid donations.

Operating Leases

Rentals payable under operating leases are chargeable to the Statement of Financial Activities as incurred over the term of the lease.

Financial Instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial assets, which include debtors and cash and bank balances, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Basic financial liabilities, which include other creditors, are initially recognised at the transactions price, unless the arrangement constitutes a financing transactions, where it is recognised at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

CHRIST CHURCH MORNINGSIDE
Notes to the Accounts for the Year Ended 30th September 2019

2. Expenditure on Charitable Activities

Note	Unrestricted Funds		Restricted Funds:				Total 2019 £	Total 2018 £
	General Fund £	Capital Fund £	General Fund £	Capital Fund £	Centre Fund £	Transport Fund £		
Salaries, pensions and expenses	141,602	0	970	0	0	0	142,572	103,312
Employment Costs	141,602	0	970	0	0	0	142,572	103,312
Diocesan Quota	18,729	0	0	0	0	0	18,729	17,935
Worship, mission and young church	7,486	0	0	0	0	0	7,486	6,262
Contribution to Church Overseas	9,999	0	0	0	0	0	9,999	9,364
Donation - Eric Liddell Centre	3,000	0	0	0	0	0	3,000	3,000
Ten Per Cent Giving	1,091	0	0	0	0	0	1,091	981
Overseas & UK Giving	14,090	0	0	0	0	0	14,090	13,345
Heating & Lighting	5,575	0	0	0	0	0	5,575	5,647
Rates & Insurances	9,555	0	0	0	0	0	9,555	9,879
Repair, Maintenance & improvements	13,529	21,135	0	1,000	0	0	35,664	45,565
Depreciation	4,031	0	0	0	5,207	0	9,238	9,237
Fabric Costs	32,690	21,135	0	1,000	5,207	0	60,032	70,328
Church Hall & social expenses	3,267	0	0	0	0	0	3,267	2,499
Office Expenses & magazine	5,889	0	0	0	0	0	5,889	7,160
Transport	0	0	0	0	0	530	530	411
Sundry	1,550	0	0	0	0	0	1,550	3,665
Other Expenditure	10,706	0	0	0	0	530	11,236	13,735
Independent Examiner	1,404	0	0	0	0	0	1,404	1,338
Total expenditure on charitable activities	226,707	21,135	970	1,000	5,207	530	255,549	226,255

3. Governance Costs	2019	2018
	£	£
Independent Examiner's Fee	1,404	1,338

4. Staff	2019	2018
	£	£
Gross Salaries	109,675	80,212
Employers NIC	5,462	5,874
Pension Costs	18,654	9,011
	133,791	95,097
Average Number of Employees *	7	6

* including part-time and shared employees.

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

Pension Commitments

The Church participated in the Scottish Episcopal Pension Fund, a multi-employer non-contributory defined benefit pension scheme. It is not possible to identify the share of underlying assets and liabilities belonging to individual employers and so the Church accounts for its contributions as if the Fund was a defined contribution scheme.

The Church paid contributions at the rate of 34.9% to 30th September 2019 and the pension charge payable by the Church was £16,963 (2018 : £9,011). This included £Nil (2018: £Nil) in respect of amounts outstanding to the Fund at the year end.

The periodic actuarial valuation of the entire fund as at 31 December 2017 which has yet to be signed off the Actuary will indicate a surplus of £3.7m (2014: surplus £1.3m).

There were no unpaid contributions outstanding at 30th September 2019 payable by Vestry.

5. Trustee Remuneration and Related Party Transactions

Vestry considers its key management personnel comprise the office bearers and Rector who received a salary, pension contributions and expenses of £45,748 for the year ended 30th September 2019 (2018 : £43,974). No remuneration or expenses have been paid to any other member of Vestry.

The aggregate of donations received from Vestry members towards the general running of the Church was £9,000

CHRIST CHURCH MORNINGSIDE
Notes to the Accounts for the Year Ended 30th September 2019

6	Fixed Assets	Furniture and Equipment		Total
		Property	Equipment	
		£	£	£
	Cost			
	As at 1st October 2018	223,217	3,606	226,823
	As at 30th September 2019	223,217	3,606	226,823
	Depreciation			
	As at 1st October 2018	133,968	2,676	136,644
	Charge for Year	8,928	310	9,238
	As at 30th September 2019	142,896	2,986	145,882
	Net Book Value			
	As at 30th September 2019	80,321	620	80,941
	As at 1st October 2018	89,249	930	90,179

Property costs represent expenditure in connection with the Church Centre.

The Church, Church buildings and properties at numbers 4 and 6 Morningside Road are owned by the congregation and adequate insurance is maintained. These properties are not included in the Balance Sheet.

7	Investments	Investments	Investment	Total
		Property	Property	
		£	£	£
	As at 1st October 2018	179,248	352,000	531,248
	Unrealised gain - investment	8,199	0	8,199
	Market value at 30th September 2019	187,447	352,000	539,447
	Cost at 30th September 2019	34,182	275,000	309,182

The investments are held in the Scottish Episcopal Church Unit Trust Pool (UTP) and the investment property refers to a residential flat at 23/12 Maxwell Street, Edinburgh received as a legacy on 1st September 2008.

8	Debtors	2019	2018
		£	£
	Collection - 29th September	151	0
	Legacy - Kate Maxwell	45000	0
	Rent	0	306
	Other	485	485
		45,636	791

9	Sundry Creditors	2019	2018
		£	£
	Salaries, tax & NIC	5,278	1,739
	Church overseas & charitable giving	5,979	3,504
	Heat & light	246	92
	Rent in advance	3,755	958
	Maintenance & Capital expenditure	5,921	6,016
	Other creditors & accruals	692	1,060
		21,871	13,369

10	Analysis of Net Assets between Funds	2019			2018		
		Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		£	£	£	£	£	£
	Fixed Assets	34,077	46,864	80,941	38,108	52,071	90,179
	Investments	539,447	0	539,447	531,248	0	531,248
	Net current Assets	44,902	12,664	57,566	46,400	-20,831	25,569
		618,426	59,528	677,954	615,756	31,240	646,996

CHRIST CHURCH MORNINGSIDE
Notes to the Accounts for the Year Ended 30th September 2019

11. **Summary of Fund Movements**

	2019				2018				
	Brought Forward	Net Operating Income/ (Expense)	Gains/ (Losses)	Carried Forward	Brought Forward	Net Operating Income (Expense)	Gains/ (Losses)	Transfers	Carried Forward
	£	£	£	£	£	£	£	£	£
Restricted Funds									
General Fund	4,984	30	0	5,014	3,401	1,583	0	0	4,984
Capital Fund	0	7,600	0	7,600	23,869	-1,908	0	25,777	0
Centre Fund	52,071	-5,207	0	46,864	57,278	-5,207	0	0	52,071
Transport Fund	0	50	0	50	-37	-1	0	38	0
	<u>57,055</u>	<u>2,473</u>	<u>0</u>	<u>59,528</u>	<u>36,773</u>	<u>-5,533</u>	<u>0</u>	<u>25,815</u>	<u>57,055</u>
Unrestricted Funds									
General Fund	366,022	-13,579	8,199	360,642	330,603	17,215	18,242	-38	366,022
Capital Fund	223,919	33,865	0	257,784	256,719	-7,023	0	-25,777	223,919
	<u>589,941</u>	<u>20,286</u>	<u>8,199</u>	<u>618,426</u>	<u>587,322</u>	<u>10,192</u>	<u>18,242</u>	<u>-25,815</u>	<u>589,941</u>
Total Funds	<u>646,996</u>	<u>22759</u>	<u>8,199</u>	<u>677,954</u>	<u>624,095</u>	<u>4659</u>	<u>18,242</u>	<u>0</u>	<u>646,996</u>

Restricted Funds

These funds represent grants, donations and legacies received which are allocated for specific purposes. The funds comprise:

General Fund

This fund covers donations to promote the mission of the church in the local community, support expenditure of the garden and hospitality groups and allow the Rector to make discretionary payments.

Capital Fund

This fund covers grants and donations towards phase 3 stonework restoration, including refurbishment of the hall, toilets and kitchen and pulpit refurbishment. It also includes donations and legacies to help fund ongoing capital expenditure.

Centre Fund

The Centre Fund consists of funds raised to finance the building of the new Church Centre which is now complete and in use. The building is being depreciated over 25 years and the depreciation charge is allocated between the Centre Fund and the unrestricted general funds of the Church in proportion to the overall financing of the building costs

Transport Fund

This fund provides transport for the elderly and infirm to attend Church services and functions.

Unrestricted Funds

These funds represent grants, donations and legacies received which are allocated for general or non specific purposes. The funds comprise:

General Fund

This fund covers income and expenditure incurred in the day to day running of the Church.

Capital Fund

This fund covers non restricted capital receipts such as legacies and donations and significant or capital expenditure incurred on the fabric of the Church property at the discretion of Vestry.

12. **Leasing Commitments**

The Church is committed to making the following payments under a non-cancellable operating lease

	Office Equipment	2018
	2019	£
	£	£
Expiring not later than one year	3,280	3,280
Expiring in 2 to 5 years	8,200	11,480
Expiring later than 5 years	0	0

CHRIST CHURCH MORNINGSIDE
Notes to the Accounts for the Year Ended 30th September 2019

13. Reconciliation of net movement in funds to net cash flow from operating activities

	2019	2018
	£	£
Net movement in funds (as shown in the statement of financial activities)	30,958	22,901
Adjustments for non-cash transactions and investing of financing activities:		
Depreciation	9,238	9,237
Gains / (losses) on investment assets	-8,199	-18,242
Dividends, interest and rents from investments	-16,524	-16,746
Changes in non-cash balances		
Decrease in stocks	139	153
(Increase) in debtors	-44,845	-550
Increase/(decrease) in creditors	8,502	-21,081
Net cash (used in)/provided by operating activities	-20,731	-24,328

14. Statement of Financial Activities
2018 - comparative figures

	Unrestricted Funds		Restricted Funds				Total 2018 £
	General Fund £	Capital Fund £	General Fund £	Capital Fund £	Centre Fund £	Transport Fund £	
Income and endowments from							
Donations and legacies							
Collections and income tax recovery	156,506	0	0	0	0	0	156,506
Donations	0	0	1,912	3,585	0	410	5,907
Legacies	0	0	0	12,000	0	0	12,000
Charitable Activities							
Dean Allowance	0	0	0	0	0	0	0
Grants - Phase 3	0	0	0	4,027	0	0	4,027
Sundry income	2,263	0	0	0	0	0	2,263
Other trading activities							
Rent from Hall, Centre & Parking	34,485	0	0	0	0	0	34,485
Investments							
Unit Trusts	4,818	0	0	0	0	0	4,818
Investment Property	11,928	0	0	0	0	0	11,928
Total income	210,000	0	1,912	19,612	0	410	231,934
Expenditure on							
Charitable activities							
Salaries, pension & national insurance	103,312	0	0	0	0	0	103,312
Worship, music & families network develop	6,133	0	129	0	0	0	6,262
Fabric costs	32,348	7,023	200	21,520	0	0	61,091
Quota	17,935	0	0	0	0	0	17,935
Overseas/UK giving & local mission	13,345	0	0	0	0	0	13,345
Hall & office expenses	9,659	0	0	0	0	0	9,659
Sundry expenses, taxi charges	3,665	0	0	0	0	411	4,076
Depreciation	4,030	0	0	0	5,207	0	9,237
Governance	1,338	0	0	0	0	0	1,338
Raising funds							
Factors expenses	1,020	0	0	0	0	0	1,020
Total expenditure	192,785	7,023	329	21,520	5,207	411	227,275
Net income before gains on investments	17,215	-7,023	1,583	-1,908	-5,207	-1	4,659
Transfer between accounts	-38	-25,777	0	25,777	0	38	0
Net gains on investments	18,242	0	0	0	0	0	18,242
Net movement in funds	35,419	-32,800	1,583	23,869	-5,207	37	22,901
Reconciliation of funds:							
Total funds at 1 October 2017	330,603	256,719	3,401	-23,869	57,278	-37	624,095
Total funds at 30 September 2018	366,022	223,919	4,984	0	52,071	0	646,996

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHRIST CHURCH,
MORNINGSIDE FOR YEAR ENDED 30 SEPTEMBER 2019**

I report on the accounts of the charity for the year ended 30 September 2019, which are set out on pages 7 to 15.

This report is made to the trustees, 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 Charity and the trustees, as a body, for my work or for this report.

Respective responsibilities of trustees and independent examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (as amended) (the Regulations). The charity 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 examination

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 charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - 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.

Malcolm Beveridge

Malcolm Beveridge CA
Chiene + Tait LLP
Chartered Accountants and Independent Examiner
61 Dublin Street
Edinburgh EH3 6NL

26 NOVEMBER 2019

APPENDIX 1

CHRIST CHURCH MORNINGSIDE

INCOME AND EXPENDITURE ACCOUNT For the year ended 30th September 2019

INCOME	2019	2018
	£	£
GENERAL		
Investment Income	5,100	4,818
Collections : Envelopes & Open Plate	7,933	8,302
Collections : Standing Orders & Cheques	121,412	116,483
Income Tax Recovered	32,083	31,721
Rent - Hall/Centre	33,910	34,485
Rent - Maxwell street	11,424	11,928
Coffee Proceeds	768	783
Surplus - One World Shop	0	39
Donations	1,000	1,912
Sundry	1,515	1,441
	<u>215,145</u>	<u>211,912</u>
CAPITAL		
Phase 3 - Grants	8,600	4,027
Legacies	55,000	12,000
Donation - Church Houses	0	2,500
Donation - Sound System	0	1,085
	<u>63,600</u>	<u>19,612</u>
TRANSPORT		
Donation - Contract Taxi	<u>580</u>	<u>410</u>
	<u>279,325</u>	<u>231,934</u>

APPENDIX 1 continued

CHRIST CHURCH MORNINGSIDE

INCOME AND EXPENDITURE ACCOUNT continued
For the year ended 30th September 2019

EXPENDITURE	2019	2018
	£	£
GENERAL		
Salaries,pensions, expenses & national insurance	142,572	103,312
Worship, music & mission	5,652	4,532
Families' networker	1,834	1,730
Heating & lighting	5,575	5,647
Rates & insurance - church/houses	9,555	9,879
Maintenance - church/houses	13,529	17,022
Factor's expenses - Maxwell street	1,016	1,020
Church hall & social expenses	3,267	2,499
Quota	18,729	17,935
Contribution to Church overseas	9,999	9,364
Donation - Eric Liddell Centre	3,000	3,000
Ten per cent giving (Maxwell Street rent)	1,091	981
Office expenses & magazine	5,890	7,160
Sundry	1,550	3,665
Examiner's fee	1,404	1,338
Depreciation	4,031	4,030
	<u>228,694</u>	<u>193,114</u>
CAPITAL		
Phase 3 Stonework	1,000	10,438
Sound System	2,423	1,085
Gutter Outlets and related work	9,751	0
Refurbish Porch and Church Doors	8,961	0
Pews	0	2,166
Number 6	0	7,831
Boiler	0	3,034
Smoke detectors - Church houses	0	965
Emergency lighting	0	3,024
	<u>22,135</u>	<u>28,543</u>
CHURCH CENTRE		
Depreciation	5,207	5,207
	<u>5,207</u>	<u>5,207</u>
TRANSPORT		
Taxi charges	530	411
	<u>530</u>	<u>411</u>
	<u>256,566</u>	<u>227,275</u>
SURPLUS		
GENERAL	-13,549	18,798
CAPITAL	41,465	-8,931
CHURCH CENTRE	-5,207	-5,207
TRANSPORT	50	-1
	<u>22,759</u>	<u>4,659</u>