

The Church of Scotland
Fairmilehead Parish Church of Scotland, Edinburgh

**TRUSTEES' REPORT
AND FINANCIAL STATEMENTS**

for the year ended

31 December 2022

Congregation No: 000010033

Registered Charity No: SC015967

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report Year ended 31 December 2022

The Trustees present the annual report and financial statements of Fairmilehead Parish Church of Scotland, Edinburgh for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies and comply with the General Assembly Regulations for Congregational Finance, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Objectives and Activities

The Church of Scotland is Trinitarian in doctrine, Reformed in tradition and Presbyterian in polity. It exists to glorify God and to work for the advancement of Christ's Kingdom throughout the world. As a national Church, it acknowledges a distinctive call and duty to bring the ordinances of religion to the people in every parish of Scotland through a territorial ministry. It co-operates with other Churches in various ecumenical bodies in Scotland and beyond.

As we returned to normal patterns of worship post-covid there was one Sunday morning service, at 10.30am. The first fifteen minutes of worship were especially for our children. A recording of the morning service is uploaded to the website each Sunday morning.

The Minister returned following bereavement leave in February 2022. On her return there has been an increased request for Baptisms and several new families attending. The Sacrament of Communion has been celebrated monthly on the first Sunday of each month. Services have also been shared or led by the Parish Assistant and worship team made up of Elders who have undergone Presbytery training. A short service of worship is also held weekly on Wednesday mornings, and a service of music and meditations is held monthly on a Thursday.

Our Young Church has increased in numbers as we moved out of the pandemic and returned to in person worship. Our teenage Pathfinders numbers have decreased as many left school during the pandemic and moved on to university. Those remaining alongside our young adults led worship during September which is our Creation month.

In person tea/coffee returned to being held in Buckstone Hall after morning worship.

The services during Holy Week pre-covid, were held jointly with St Fillan's, a Scottish Episcopal Church in Buckstone. These services did not take place in 2022 as the church is without a Rector following the death of Rev Ruth Innes.

A new outreach service held weekly on a Thursday, for grandparents and toddlers, was introduced in 2022 which includes a short time of prayer. It is led by the Minister, Parish Assistant and one volunteer. A parents and baby group also runs on a Wednesday which includes a time of prayer through prayer cards. This is run by our Parish Assistant.

A monthly Prayer Diary is offered as a hard copy within worship and is also available on our website and on Facebook.

The Megasound Project, a Church led Youth Singing group has returned to meet in person, for children and young people in the P4-7 and S1-6 age group.

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report (continued) Year ended 31 December 2022

Our Caerketton Hall has now been dedicated and set aside exclusively for our missional work on our return to our church buildings.

Our annual Remembrance service for the Uniformed Organisations was held in person in November. Our Remembrance Garden was recreated in our church garden, to offer a space for the community to reflect on loss and thanksgiving for those who gave their lives in war.

A service of 'Remembering and Memory' for all those who find Christmas difficult was held in December, for the bereaved in our community.

Our Crossroads Pop up Cafe reopened and continues to be a busy meeting place for church members and the community.

Our Pastoral Care Group visits regularly and delivers Easter and Christmas gifts to the elderly and housebound.

The 'Fairmile Project' is a new project which has been established to reach out to the isolated and housebound in the parish through regular Monday afternoon events including afternoon teas, music events, poetry meetings, and Crossroad island disc afternoons.

Pre-covid the Church halls were an important asset and meeting place for the surrounding community. They were closed for most of 2020 and part of 2021. Most of the commercial groups, classes for children and the Uniformed Organisations have returned. The Church's own groups such as the Guild, Monday afternoon music, knitting group, book club, have returned.

The halls are also used by the surrounding community and provide classes (e.g. Quilters, Weightwatchers, Baby Massage) and activities (e.g. Tai Chi, Tumble Tots, Keep Fit, indoor football) for all ages. Scottish Water and The Community Council use the halls for meetings. Our premises are used as a Polling Station.

We have welcomed two new Church Secretaries.

Achievements and Performance

The Minister, members of the Kirk Session and its Committees continue to meet the needs of the congregation through worship, study groups, and social and fellowship events. Our Kirk Session returned to meet in person and welcomed a new Session Clerk and Deputy Session Clerk. Session papers are delivered or posted to all those not online.

In person Pastoral visiting at home or in hospital have returned. The Pastoral outreach and care which was established by telephone care networks during the pandemic has continued alongside in person visits. Sunday deliveries of flowers from the sanctuary has returned.

The Church's magazine 'Crossroads' has been published twice in 2022. Our outreach through Facebook, continues to increase. A closed group of email addresses was also collated at the beginning of lockdown in 2020 and has been used to share news of all the new varied menu of activities offered.

The website, banners and other publicity all continue to promote the ways in which the work of the Church to the congregation and wider community continues. The church is the people not the building.

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report (continued)

Year ended 31 December 2022

Eco matters continue to be taken forward by our Property Committee and also our Social and International Justice Committee.

The congregation continues to support Christian Aid. The donation point for the Foodbank introduced to the Church by the Minister in late Autumn 2020 has continued and is now permanently situated in our church centre foyer. With rising heating bills and inflation this Foodbank is a Babybank which collects foodstuffs particularly for young families. Our Nativity Gift Service in December donated new toys to families in need in Edinburgh via the Salvation Army. At Christmas two retiring collections gathered money for Mediterranean Hope and The Trussell Trust.

Our Minister was an active presence and pre-pandemic led school assemblies at Buckstone Primary School, and was often invited to participate in school events. While in person assemblies have not returned, the primary school children attended our church for a Christmas Assembly 2022.

Presbytery Consultation Plan 2022-2025

A draft Presbytery Consultation Plan was received by all congregations in December 2021. This consultation is in response to a decision taken by the General Assembly in 2021 to reduce the allocation to a maximum of 48.5 ministries posts in the former Presbytery of Edinburgh and the requirement to approve a Mission Plan by December 2022. The new proposal, in 2022, is that Fairmilehead, Greenbank, St John's Colinton Mains and now Morningside Parish Church will be served by three full-time Ministers of Word and Sacrament. Ministers and Session Clerks now meet to discuss the way forward with the new Presbytery Plan. The Church of Scotland conducted an Asset Management Building Audit to assess if the buildings currently used by the four congregations are fit for purpose and in good order.

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report (continued)

Year ended 31 December 2022

Financial Review

As shown in the Balance Sheet on page 13 and detailed on page 24, total funds have fallen substantially over the year. The reduction of £48,081 is due, in large part, to a £30,540 fall in the market value of our investments. Investment policy and performance are considered under "Investment Objectives and Performance against those Objectives" on page 7. As there is no intention or need to realise our holdings, this review reflects on figures excluding unrealised losses.

The breakdown of funds, as depicted in the Movements in Funds on page 24, provides the following net movements over the year:

	Incoming Resources £	Outgoing Resources £	Net Surplus/ (deficit) £
General Fund deficit	165,541	(180,067)	(14,526)
Designated Funds deficit	888	(17,973)	(17,085)
Unrestricted Funds deficit			(31,611)
Restricted Funds surplus	48,330	(34,260)	14,070
Overall deficit/reduction in funds			(17,541)

Funds are further considered below.

Unrestricted receipts and payments

The general fund deficit is £2,000 in excess of the budget figure of £12,500. Members' ordinary offerings and related tax recovered are just over £1,000 below projections but rent received was over £15,000 higher as hall lets continue to return following covid. In contrast, there were adverse variances of nearly £18,000 in Fabric repairs & maintenance, c£10,500 in Other Building Costs and over £2,500 in Church Office Expenses with a number of variations of less than £1,000 making up the balance. The difference in fabric repairs & maintenance is explained in the following paragraph while other building costs have increased generally as well as due to huge rises in energy costs. Church Office Expenses were higher than budget due to the purchase of computing equipment and software as well as the resumption of Crossroads.

The Designated Funds deficit of £17,085 is mainly due to the cost of essential Church tower repairs, £6,456, and unexpected repairs to leaks in the halls, £11,517. Allocated to the Replacement, Renewals & Development Fund, these costs were covered by an opening balance of £10,105 and a balancing transfer from General Fund. The remaining designated fund, Contingency for Loss of Donations Fund is largely held in the Church of Scotland Investors Trust Income Fund so the balance varies with market value. Currently the balance of £25,841 as reported is close to the invested funds of £25,000.

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Trustees' Annual Report (continued)

Year ended 31 December 2022

Restricted funds

Restricted funds show income of £48,330 against expenses of £34,260 (page 12) with changes in individual funds detailed in Note 16 on page 24. The main changes in the funds are as listed:

- The Manse Fund continues to attract favourable distributions, a rate of return on investments of 3.35%.
- With main contract costs now settled, the Roof Fund shows a sizeable reduction from (£39,249) to (£23,922). The fund is still very active, attracting income from both donations and fund-raising activities. The deficit is disclosed on the basis that the shortfall is expected to be covered.
- Although income is slightly down, members of the congregation continue to regularly donate to the Parish & Youth Ministry Fund which monies are intended to cover the costs of a Parish Assistant and other related expenses. The fund has a substantial favourable balance which ensures continuance of the post as well as enabling us to explore further ministerial assistance.
- The Carpet Fund has now been used for its intended purpose, the shortfall between cost and grant monies received being transferred from the Roof Fund

Risk Management

The average age of the congregation continues to rise with a potential negative impact on ordinary givings. To partially mitigate against loss of donations we set up a contingency fund in 2018, a balance of £25,000 being lodged in the Church of Scotland Investors Trust – Income Fund. This provided income of 3.35% over the year. The level of members' donations is continually under review and annual appeals are made to members to regularly review the amount of their giving.

A Fundraising Committee has been established to look at further fundraising for the roof as well as other maintenance costs within the Church and to assess further projects requiring additional funds. The high use of our halls and running costs exposes our vulnerability to reductions in hall let income but the rent received in 2022 exceeded our expectations - £67,753 actual rent received against a budgeted £52,500 – thanks to an extension to the council nursery lease. That lease has now been terminated and the nursery hall has undergone redecoration with a view to relet.

Reserves Policy

It is the policy of the Trustees to hold general reserves of a minimum of three months general expenditure. At the year end, after a transfer to designated funds, the Church held available funds of £51,192, equivalent to 3.62 months of budgeted general expenditure for 2023. Given a projected budget deficit, the uncertainties over future repairs to the halls and energy costs, no further transfers to other funds are proposed at this time.

The Church also held £25,841 of designated funds and £681,704 of restricted funds which have been provided for the purposes specified in Note 16 on page 24.

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report (continued)

Year ended 31 December 2022

Investment Objectives and Performance against those Objectives

Investment fixed assets are held in the Church of Scotland Investors Trust – Income Fund which invests in a mix of government bonds and corporate bonds with a small exposure to shares. It is therefore a safer investment than the Growth Fund which invests mainly in a mix of shares with some investments in corporate bonds and property. The Income Fund is an appropriate medium-term investment which currently offers a rate of income of 3.35%.

Our holdings comprise:

	Cost £	Market value £
Restricted Funds		
- Manse	142,726	126,952
- Projects–Parish & Youth Ministry, Boiler Replacement	19,995	16,959
- Guild	1,004	2,133
Designated Funds		
- Contingency for Loss of Donations	24,994	21,923
	188,719	167,967

Since 2015, the market value of our investment in the income fund has, as expected, fluctuated between unrealised gains and unrealised losses. While the very substantial fall in market value in 2022 gives cause for concern, there is neither the intention nor the need to realise our investments in the short term.

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report (continued)

Year ended 31 December 2022

Structure, Governance and Management

The congregation is a registered charity, number SC015967, and is administered in accordance with the terms of the Deed of Constitution (Unitary Form) and is subject to the Acts and Regulations of the General Assembly of the Church of Scotland.

Members of the Kirk Session are the charity trustees. The Kirk Session members are the elders of the church and are chosen from those members of the church who are considered to have the appropriate gifts and skills. The minister, who is a member of the Kirk Session, is elected by the congregation and inducted by Presbytery.

The Kirk Session, which normally meets 4 times per year, and at other times as necessary, is responsible for spiritual affairs within the church. Certain responsibilities are delegated to committees as appropriate. The Finance Committee and the Property Committee report directly to the Kirk Session. All the other committees report to the Business Committee which comprises the Convenors and Deputy Convenors of all the Committees and meets 8-10 times a year.

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report (continued)

Year ended 31 December 2022

Principal Office-bearers

Minister:	Rev C McKellar-Young
Session Clerk:	M G Cutt
Treasurer:	S A Marek

Principal and Registered Office

Church Office
1a Frogston Road West
Edinburgh
EH10 7AA

Charity Number: SC015967

Independent Examiner

Anne Campbell FCA

Stripe Accountants Ltd
5 South Charlotte Street
Edinburgh
EH2 4AN

Bankers

Royal Bank of Scotland
206 Bruntsfield Place
Edinburgh
EH10 4DF

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report (continued)

Year ended 31 December 2022

Trustees' Responsibilities in Relation to the Financial Statements

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

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each financial year which show 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 those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the method and principles in the application of Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in operational existence.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the **Charities and Trustee Investment (Scotland) Act 2005** and the **Charities Accounts (Scotland) Regulations 2006 (as amended)**. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Trustees and signed on their behalf,

Malcolm G Cutt
Session Clerk

Date: 19 March 2023

Independent Examiner's Report to the Trustees of Fairmilehead Parish Church of Scotland, Edinburgh
Year ended 31 December 2022

I report on the accounts of the charity for the year ended 31 December 2022 which are set out on pages 12 to 27.

Respective responsibilities of Trustees and Examiner

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

The charity Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts 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 Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

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

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended), and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended) have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name: Anne Campbell FCA
Address: Stripe Accountants Ltd
5 South Charlotte Street
Edinburgh
EH2 4AN

Date: March 2023

Fairmilehead Parish Church of Scotland, Edinburgh

Statement of Financial Activities Year ended 31 December 2022

	Note	Unrestricted Funds 2022	Restricted Funds 2022	Total 2022	Total 2021
Income from:		£	£	£	£
Donations and Legacies	1	97,758	34,192	131,950	185,711
Charitable activities	2	-	8,274	8,274	97
Other trading activities	3	67,753	-	67,753	73,075
Investments	4	918	5,864	6,782	7,722
Grants	5	-	-	-	17,472
Total Income		<u>166,429</u>	<u>48,330</u>	<u>214,759</u>	<u>284,077</u>
Expenditure on:	6				
Raising funds		-	-	-	-
Charitable activities		198,040	34,260	232,300	375,622
Total Expenditure		<u>198,040</u>	<u>34,260</u>	<u>232,300</u>	<u>375,622</u>
Net (expenditure)/income before gains and losses on investments		(31,611)	14,070	(17,541)	(91,545)
Net (losses)/gains on investments	10	(3,986)	(26,554)	(30,540)	(3,525)
Net (expenditure)/income		<u>(35,597)</u>	<u>(12,484)</u>	<u>(48,081)</u>	<u>(95,070)</u>
Transfers between funds	16	3,225	(3,225)	-	-
Net movement in funds		<u>(32,372)</u>	<u>(15,709)</u>	<u>(48,081)</u>	<u>(95,070)</u>
Reconciliation of funds:					
Total funds brought forward		109,405	697,413	806,818	901,888
Total funds carried forward	16	<u>77,033</u>	<u>681,704</u>	<u>758,737</u>	<u>806,818</u>

The church has no recognised gains or losses other than the results for the year as set out above.
All of the activities of the church are classed as continuing.
The notes on pages 14 to 27 form part of the financial statements.

Fairmilehead Parish Church of Scotland, Edinburgh

Balance Sheet

At 31 December 2022

		2022		2021	
	Note	£	£	£	£
Fixed Assets					
Tangible Fixed assets	9		500,500		500,500
Investments	10		<u>167,967</u>		<u>198,507</u>
			668,467		699,007
Current Assets					
Debtors	11	21,682		7,110	
Deposits – Church of Scotland		17,684		12,493	
Bank and cash		<u>58,310</u>		<u>121,487</u>	
		97,676		141,090	
Creditors					
Falling due within one year	12	<u>7,406</u>		<u>33,279</u>	
Net Current Assets			<u>90,270</u>		<u>107,811</u>
Net Assets			<u><u>758,737</u></u>		<u><u>806,818</u></u>
Unrestricted Funds	16				
General funds		51,192		70,356	
Designated funds		<u>25,841</u>	<u>77,033</u>	<u>39,049</u>	<u>109,405</u>
Restricted Funds	16		<u>681,704</u>		<u>697,413</u>
Total Funds			<u><u>758,737</u></u>		<u><u>806,818</u></u>

The accounts were approved by the Kirk Session on 19 March 2023.

For and on behalf of the Kirk Session:

Session Clerk

Treasurer

Fairmilehead Parish Church of Scotland, Edinburgh

Accounting Policies

Year ended 31 December 2022

The principal accounting policies, which have been applied consistently in the current and preceding year in dealing with items considered material to the accounts, are set out below.

Basis of preparation

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Fund accounting

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

Restricted funds are funds subject to specific requirements as to their use, but still within the wider objects of the charity. The specific requirements as to use may either be declared by the donor or with the donor's authority, or be created through legal processes.

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the trustees for a particular purpose, they are designated as a separate fund. Such designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund.

Fairmilehead Parish Church of Scotland, Edinburgh

Accounting Policies (continued) **Year ended 31 December 2022**

Incoming resources

All legacies, donations and gifts are included within incoming resources as either unrestricted or restricted funds, according to the terms under which the legacy or donation is made and when the amount can be quantified with reasonable certainty. Donations and gifts in kind are brought into the accounts at their market value to the charity where readily available. Investment income is included within incoming resources as either unrestricted or restricted funds, according to the classification of the funds to which the investments belong, and is brought into the accounts when entitlement to the income arises. Rental income is included within incoming resources as unrestricted funds and is brought into the accounts when entitlement to the income arises.

Donated services

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

Interest receivable

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

Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributable to one of the functional categories of resources expended on the SOFA. The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Charitable expenditure comprises those costs incurred by the charity in delivery of its activities and services.

Costs of raising funds are those costs incurred in attracting voluntary income.

Fairmilehead Parish Church of Scotland, Edinburgh

Accounting Policies (continued) **Year ended 31 December 2022**

Tangible fixed assets

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, including the Church and halls, vested in the Church of Scotland General Trustees. These assets have been excluded from the accounts. No consideration is payable for the use of these assets. Expenditure incurred on the repair and maintenance of these assets is charged as resources expended in the Statement of Financial Activities in the period in which the liability arises.

The Manse, which is locally held, is included in these accounts at deemed cost derived from valuation. It was not considered necessary to obtain professional valuations of these buildings. The Trustees have based their valuations on their knowledge of local market conditions.

Expenditure incurred on the repair and maintenance of all these assets is charged as resources expended in the Statement of Financial Activities in the period in which the liability arises.

All tangible fixed assets costing in excess of £5,000 having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised. Depreciation is provided on a straight-line basis to write off the cost or initial value, less residual value, of tangible fixed assets over their estimated useful lives.

The locally-held buildings are not depreciated. The Trustees consider that these assets will, at worst, maintain their present values over time so that their estimated residual values will be no less than current valuations.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Fairmilehead Parish Church of Scotland, Edinburgh

Accounting Policies (continued) **Year ended 31 December 2022**

Taxation

Fairmilehead Parish Church is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. The charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

Financial instruments

Financial instruments comprise financial assets and financial liabilities which are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are classified as "basic" in accordance with FRS102 and are accounted for at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows over the life of the financial assets or liability to the net carrying amount on initial recognition. Discounting is not applied to short-term receivables and payables, where the effect is immaterial. Financial assets comprise cash, trade debtors, other debtors and accrued income. Financial liabilities comprise bank overdraft, trade creditors, other creditors and accruals.

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements

for the year ended 31 December 2022

	Unrestricted	Restricted		
	Funds	Funds	Total	Total
	2022	2022	2022	2021
1 Donations and Legacies				
	£	£	£	£
Offerings	78,174	22,865	101,039	152,581
Tax recovered on Gift Aid	18,964	5,125	24,089	31,171
Legacies	-	-	-	1,054
Other offerings, donations, etc.	620	6,202	6,822	905
	<u>97,758</u>	<u>34,192</u>	<u>131,950</u>	<u>185,711</u>
Income from donations and legacies was £131,950 (2021: £185,711) of which £97,758 was unrestricted (2021: £95,988) and £34,192 was restricted (2021: £89,723)				
2 Income from charitable activities				
	£	£	£	£
Coffee mornings, fair, etc.	-	8,274	8,274	97
	<u>-</u>	<u>8,274</u>	<u>8,274</u>	<u>97</u>
Income from charitable activities was £8,274 (2021: £97) of which £- was unrestricted (2021: £-) and £8,274 was restricted (2021: £97)				
3 Income from other trading activities				
	£	£	£	£
Rent received	67,753	-	67,753	73,075
	<u>67,753</u>	<u>-</u>	<u>67,753</u>	<u>73,075</u>
Income from other trading activities was £67,753 (2021: £73,075) of which £67,753 was unrestricted (2021: £73,075) and £- was restricted (2021: £-)				
4 Investment income				
	£	£	£	£
Deposit interest	36	72	108	104
Dividends received	882	5,792	6,674	7,618
	<u>918</u>	<u>5,864</u>	<u>6,782</u>	<u>7,722</u>
Total investment income was £6,782 (2021: £7,722) of which £918 was unrestricted (2021: £2,232) and £5,864 was restricted (2021: £5,490)				
5 Other income				
	£	£	£	£
Grants	-	-	-	17,472
	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,472</u>
Income from grants was £- (2021: £17,472) of which £- was unrestricted (2021: £7,548) and £- was restricted (2021: £9,924)				

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued)

for the year ended 31 December 2022

	Unrestricted Funds 2022	Restricted Funds 2022	Total 2022	Total 2021
6 Analysis of Resources Expended				
Raising Funds	£	£	£	£
Offering Envelopes	-	-	-	-
	-	-	-	-
Charitable Activities				
Ministries and Mission				
Allocation	76,322	351	76,673	78,630
Presbytery Dues	2,601	38	2,639	1,826
Expenses of Ministry	1,184	-	1,184	2,304
Ministerial Assistance	186	-	186	17,862
Other salary costs	36,745	17,364	54,109	36,147
Fabric Repairs & Maintenance	23,314	12,143	35,457	157,213
Council Tax	3,471	-	3,471	3,324
Other Buildings Costs	38,472	3,229	41,701	62,631
Church Office Expenses	6,696	47	6,743	4,564
Organ & Music	6,806	-	6,806	6,198
Other Expenses	1,103	1,088	2,191	3,789
Depreciation	-	-	-	-
	196,900	34,260	231,160	374,488
Governance Costs				
Independent Examination	1,140	-	1,140	1,134
	198,040	34,260	232,300	375,622
	198,040	34,260	232,300	375,622

Expenditure on raising funds was £- (2021: £-) of which £- was unrestricted (2021: £-) and £- was restricted (2021: £-).

Expenditure on charitable activities was £232,300 (2021: £375,622) of which £198,040 was unrestricted (2021: £215,950) and £34,260 was restricted (2021: £159,672).

Support costs have not been separately identified as the Trustees consider there is only one charitable activity. Therefore support costs relate wholly to that activity and have not been separately identified.

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued) for the year ended 31 December 2022

	2022	2021
7 Staff costs and numbers	£	£
Salaries and wages	56,431	56,245
Social security costs	-	-
Pension costs	980	997
Total	<u>57,411</u>	<u>57,242</u>

The cost of the use of agency staff for the year was £974 (2021: £545).

No employee earned more than £60,000 (2021: none).

The average number of employees during the year, calculated on the basis of a head count, was as follows:

	2022	2021
Ministerial support	1	1
Administration	1	1
Music staff	1	1
Premises maintenance	1	1
	<u>4</u>	<u>4</u>

The charity operates a defined contribution pension scheme on behalf of its employees. The pension charge represents contributions due from the charity and amounted to £980 (2021: £997) in the year. At the year end an outstanding balance of £nil (2021: £nil) was owed to the scheme. Pension costs are wholly charged to unrestricted funds.

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all Ministers' stipends and employer's contributions for national insurance, pension and housing and loan fund. Ministers' stipends are paid in accordance with the national stipend scale, which is related to years of service. For the year under review the minimum stipend was £28,700 (2021: £28,700) and the maximum stipend (in the fifth and subsequent years) was £35,269 (2021: £35,269).

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued) for the year ended 31 December 2022

8 Trustee Remuneration and Related Party Transactions

Rev Cheryl McKellar-Young, Minister, received re-imbursement of expenses of £1,184 (2021: £2,304), comprising £800 travel expenses (2021: £1,920) and £384 phone allowance (2021: £384).

No Trustee or a person related to a Trustee had any personal interest in any contract or transaction entered into by the charity during the year.

During the year a total of £21,933 was donated to the congregation by Trustees (2021: £27,254).

9 Tangible Fixed Assets

	Heritable	Artwork	Total
Cost	£	£	£
At 1 January 2022 and 31 December 2022	500,500	5,550	506,050
Accumulated Depreciation			
At 1 January 2022	-	5,550	5,550
Depreciation	-	-	-
At 31 December 2022	-	5,550	5,550
Net Book value			
At 31 December 2021	500,500	-	500,500
At 31 December 2022	500,500	-	500,500

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued) for the year ended 31 December 2022

10 Investments

	2022	2021
	£	£
Market value at 1 January	198,507	287,093
Sale of investments	-	(85,061)
Realised gains on investments	-	134
Unrealised (loss)/gain on investments	(30,540)	(3,659)
Market value at 31 December	<u>167,967</u>	<u>198,507</u>
Investments at cost	<u>188,719</u>	<u>188,719</u>

All investments are UK investments held in the Church of Scotland Income Fund.

11 Debtors

	2022	2021
	£	£
Gift aid tax refund due	6,478	3,981
Accrued income – hall rentals	10,776	1,223
Other	4,428	1,906
	<u>21,682</u>	<u>7,110</u>

12 Creditors

	2022	2021
	£	£
Accrued charges and deferred income	<u>7,406</u>	<u>33,279</u>

13 Deferred income

Deferred income comprises advanced rent received in respect of the Nursery lease, 2022.

	2022	2021
	£	£
Balance at 1 January	11,388	-
Amount released in year	(11,388)	-
Amount deferred in year	-	11,388
Balance at 31 December	<u>-</u>	<u>11,388</u>

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

14 Analysis of Net Assets Between Funds

	Unrestricted		Restricted	Total
	General	Designated		
	£	£	£	£
Fixed Assets	-	-	500,500	500,500
Investments	-	21,923	146,044	167,967
Net Current Assets	51,192	3,918	35,160	90,270
Net assets at 31 Dec 2022	51,192	25,841	681,704	758,737

	Unrestricted		Restricted	Total
	General	Designated		
	£	£	£	£
Fixed Assets	-	-	500,500	500,500
Investments	-	25,909	172,598	198,507
Net Current Assets	70,356	13,140	24,315	107,811
Net assets at 31 Dec 2021	70,356	39,049	697,413	806,818

15 Volunteers

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

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

16 Movements in Funds 2022

	At 1 Jan 2022	Incoming Resources	Outgoing Resources	Invest- ment gains/ (losses)	Transfers between funds	At 31 Dec 2022
	£	£	£	£	£	£
Restricted funds						
Manse Fund	662,931	5,181	-	(23,082)	-	645,030
Parish & Youth Ministry Fund	39,447	17,419	(17,908)	(1,542)	-	37,416
Sunday Tea/Coffee Fund	2,959	149	-	-	-	3,108
Praise Group Fund	2,500	-	-	-	-	2,500
Pastoral Fund	667	260	(132)	-	-	795
Boiler Replacement Fund	12,022	341	-	(1,542)	-	10,821
Caerketton Upgrade Fund	650	-	-	-	-	650
Toilet Refurbishment Fund	2,110	-	-	-	-	2,110
Other Funds	100	3,225	-	-	(3,225)	100
Roof Fund	(39,249)	20,718	(4,540)	-	(851)	(23,922)
Carpet Fund	9,926	-	(10,977)	-	1,051	-
Guild Fund	3,350	1,037	(703)	(388)	(200)	3,096
	<u>697,413</u>	<u>48,330</u>	<u>(34,260)</u>	<u>(26,554)</u>	<u>(3,225)</u>	<u>681,704</u>
Unrestricted funds						
Designated funds						
Replacement, Renewals & Development Fund	10,105	5	(17,973)	-	7,863	-
Exceptional Repairs & Maintenance Fund	-	-	-	-	-	-
Contingency for Loss of Donations Fund	28,944	883	-	(3,986)	-	25,841
General Fund	70,356	165,541	(180,067)	-	(4,638)	51,192
	<u>109,405</u>	<u>166,429</u>	<u>(198,040)</u>	<u>(3,986)</u>	<u>3,225</u>	<u>77,033</u>
Total Funds	<u>806,818</u>	<u>214,759</u>	<u>(232,300)</u>	<u>(30,540)</u>	<u>-</u>	<u>758,737</u>

Fairmilehead Parish Church of Scotland, Edinburgh
Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

16 Movements in Funds (continued)

2021	At 1 Jan 2021	Incoming Resources	Outgoing Resources	Invest- ment gains/ (losses)	Transfers between funds	At 31 Dec 2021
	£	£	£	£	£	£
Restricted funds						
Manse Fund	660,880	4,816	-	(2,765)	-	662,931
Parish & Youth Ministry Fund	42,343	19,398	(19,568)	(185)	(2,541)	39,447
Mission & Outreach Fund	18,623	-	(21,764)	-	3,141	-
Sunday Tea/Coffee Fund	2,959	-	-	-	-	2,959
Praise Group Fund	3,100	-	-	-	(600)	2,500
Pastoral Fund	731	-	(64)	-	-	667
Boiler Replacement Fund	13,025	337	(1,155)	(185)	-	12,022
Caerketton Upgrade Fund	650	-	-	-	-	650
Toilet Refurbishment Fund	2,110	-	-	-	-	2,110
Other Funds	100	-	-	-	-	100
Roof Fund	7,260	70,255	(116,764)	-	-	(39,249)
Carpet Fund	-	9,926	-	-	-	9,926
Guild Fund	3,251	502	(357)	(46)	-	3,350
	<u>755,032</u>	<u>105,234</u>	<u>(159,672)</u>	<u>(3,181)</u>	<u>-</u>	<u>697,413</u>
Unrestricted funds						
Designated funds						
Replacement, Renewals & Development Fund	8,976	1,027	-	102	-	10,105
Exceptional Repairs & Maintenance Fund	55,000	-	(55,000)	-	-	-
Contingency for Loss of Donations Fund	28,592	830	-	(478)	-	28,944
General Fund	54,288	176,986	(160,950)	32	-	70,356
	<u>146,856</u>	<u>178,843</u>	<u>(215,950)</u>	<u>(344)</u>	<u>-</u>	<u>109,405</u>
Total Funds	<u>901,888</u>	<u>284,077</u>	<u>(375,622)</u>	<u>(3,525)</u>	<u>-</u>	<u>806,818</u>

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued)

for the year ended 31 December 2022

16 Movements in Funds (continued)

Purposes of Restricted Funds

Manse Fund: This reflects the cost price of the manse property and the investment of the net surplus on the sale of the previous manse.

Parish & Youth Ministry Fund: This is a fund to provide for the salary and other costs of ministerial assistance with parish work and youth ministry; and for youth development and young church expenses.

Sunday Tea/Coffee Fund: This is a fund to be used primarily towards the provision of kitchen equipment, and upgrades to the kitchen, tables and chairs.

Praise Group Fund: This is a fund to be used towards the provision of sound equipment, etc. for use by the Praise Group.

Pastoral Fund: This is a fund to be used towards the costs of providing pastoral care to the elderly and infirm.

Boiler Replacement Fund: This is a fund to be used towards the cost of boiler replacement.

Caerketton Upgrade Fund: This is a fund to be used towards the costs of upgrades to Caerketton Hall.

Toilet Refurbishment Fund: This is a fund to be used towards the refurbishment of the toilets.

Other funds: This was largely used for donations specifically given for unrestricted purposes and in particular for Ministries & Mission, which monies were offset by way of transfer to General Funds at the end of the year. The remaining small balance is to be used by the Sewing Group.

Roof Fund: This is a fund to be used for repairs to the halls roofing. Although there is a current shortfall of £23,922, all costs have been settled and the fund is still very active. The shortfall is expected to be covered in the short-term.

Carpet Fund: This fund was set up with a grant from The National Lottery Community Fund and has been used to renew the carpeting damaged by hall roof leakages. £1,051 was transferred from the Roof Fund to clear the shortfall.

Guild Fund: This is a fund administered by the Guild. £200 was donated and transferred to the Roof Fund.

Purposes of Designated Funds

Replacement, Renewals & Development Fund: This is a fund to be used towards any unexpected costs relating to the replacement and renewal of church property, and for development projects. The deficit at the year end was cleared by a transfer from General Fund.

Contingency for Loss of Donations Fund: This fund has been set up as an investment to earn income which will mitigate the effects of a downward trend in ordinary givings due to deaths, transfers and other losses.

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued)
for the year ended 31 December 2022

17 Collections for Third Parties

	2022	2021
	£	£
Christian Aid	551	602
Church of Scotland HIV Programme	321	-
Sight Scotland	245	-
Mediterranean Hope	478	-
The Trussell Trust	478	-
	<u>2,073</u>	<u>602</u>
Collections from the Guild		
Vine Trust	587	100
Christian Aid	229	11
Rock Trust	114	-
	<u>930</u>	<u>111</u>
Collections from the Young Church		
Edinburgh School Uniform Bank	-	260
	<u>-</u>	<u>260</u>
Total collected for and paid to third parties	2,047	862
Due to be paid to third parties	956	111
	<u>3,003</u>	<u>973</u>

