



STOCKBRIDGE PARISH CHURCH OF SCOTLAND, EDINBURGH

Trustees Report and Unaudited Financial Statements

For the year ended 31 December 2021

Charity Number: SC002499

Congregation No: 010106

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

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Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

TRUSTEES' REPORT

The Trustees present their report and financial statements for the year ended 31 December 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102) "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 (FRS 102)" (effective 1 January 2019).

Objectives and Activities

Mission Statement

Being aware of the love of God in our lives, we, the congregation of Stockbridge Parish Church, as part of the world church seek to meet together in worship to demonstrate faith in God in our everyday lives; to reach out to others, showing God's love and compassion; and to raise awareness of justice locally and globally.

The Church of Scotland is Trinitarian in doctrine, Reformed in tradition and Presbyterian in policy. 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 cooperates with other Churches in various ecumenical bodies in Scotland and beyond.

Stockbridge Parish Church operates from its premises at 7b Saxe Coburg St, Edinburgh. Services are again held on Sunday mornings at 11:00am and at other times including a Wednesday recorded service broadcast.

Prior to Covid-19 restrictions the church halls were extensively used for various classes such as Yoga, Tai chi and children's playgroups, and the church is also used as a venue for rehearsals and concerts. We are pleased to say that the Church facilities are again being used by a number of groups and the activities are well managed in terms of Health and Safety requirements. It is a successful Edinburgh Festival Fringe venue. We also have Number 7 Raeburn Place, normally operating as a space for our community ministry which has yet to re-open.

Achievements and Performance

2021 Church activities continued to be impacted by Covid restrictions, and by the general caution of members even when the Church was able to reopen.

Stockbridge Church has adapted well to the restrictions and throughout the pandemic has been able to broadcast recorded and livestreamed services of Worship to the Congregation and the public in general. The virtual Services have been followed by a Zoom-based virtual coffee morning which has been appreciated by many of the Congregation. All age groups in the Congregation have managed, sometimes with help, the digital challenge of accessing these Services.

Notwithstanding the relative success of this digital approach we have been delighted to be able to return to Church in person in the latter part of 2021. At a recent Sunday after-Service meeting with the Congregation our feedback from the members is that they have appreciated all that has been happening and very much value being part of an active Church Family in these times of national and international uncertainty.

In 2021 we took the opportunity to upgrade our audio-visual and lighting equipment which has significantly improved the quality of our digital broadcasts and has positioned us also to provide users of the Church building, for e.g. concerts, recitals and rehearsals, with state-of-the-art facilities to complement the existing natural acoustic quality of the Sanctuary.

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

TRUSTEES' REPORT (Cont'd)

Achievements and Performance (Cont'd)

We are incredibly grateful to staff and volunteers for their commitment and efforts in making our continuing forms of Worship a success throughout the year.

Through 2021 the Church had 5 paid employees:

Music Director/Church Organist
Community and Outreach Worker
Church Cleaner
Church Manager
Church Officer/Media and Marketing and Publicity Manager

From late 2021 we have had a few changes:

Our Church Officer left us at end October 2021 and since year-end our Church Manager has left us; we are very grateful to both for their contribution during their time with us and wish them well in their future endeavours.

We are pleased to report that at end-January 2022 we recruited a new Office Administrator.

Our Music Director continues to provide excellent leadership in all of our music in worship activity and our choir though reduced in numbers continue to enhance our Services.

We are also pleased to report that our Community and Outreach Worker's role has become that of Parish Assistant to reflect his wider responsibilities in Stockbridge Church, though he also continues to manage Community and Outreach. He has focused on improving the Church Website, Facebook and Instagram pages. E-mail messages are sent to all those who consent to receive information on – services, reflection, study and teaching groups. An interactive smart screen has also been in operation at our High Street property at 'Number 7' Raeburn Place which is updated weekly to reflect what is going on in our Church. This has been our "face" in the Community. Other groups have continued to meet on Zoom for example the youth group - Rock Solid, the Girl's Brigade, and the Community Council.

In respect of our Mission Objectives on Discipleship we have continued to hold virtual Enquirer's Groups, Study groups and Lent study groups.

A major success during 2021 has been the creation of a Community Music Hub which through the generosity of grants from Amati Global Investors and Chamber Music Scotland has enabled us to work with a professional local musician, cellist Clea Friend, as a Community Music Practitioner. Since the Hub launched in September 2021 Clea has organised five free TMI Friday (Thank Music It's Friday) lunchtime concerts, three Culture Club events (silent films with live music), weekly Cello Choir rehearsals, weekly Spectrum Music sessions as well as activities in the local primary school and Braeburn House care home. The Spectrum Music sessions are focused on the development of children with autism and is also supported by the charity Hear My Music (www.hearmymusic.org.uk).

As a Kirk Session we are convinced that this Music Hub approach can play a key role, particularly post-Covid, in both outreach and community support.

We have been able in recent months to re-establish the Baby and Toddler Group in the Church which is appreciated by the parents and based upon the level of fun in the room, by the toddlers as well.

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

TRUSTEES' REPORT (Cont'd)

Achievements and Performance (Cont'd)

As a congregation we support local and international charities. Along with St Andrews and St George's West (StAStGW) we support the Mulanje Mission Hospital (MMH) and the Mulanje Prison Nutrition Project, providing meals for malnourished prisoners in the local prison.

Locally we support Fresh Start, Bethany Christian Trust, Women's' Aid, Mary's Meals to name a few.

Our collections on behalf of charities have been difficult, due to the lack of opportunity to meet for e.g., fund-raising lunches, coffee mornings and Special Services. We did manage through donations to continue to support most of our charities although on a less extensive basis than previously, a situation we hope to reverse now that we can meet again in Church.

Very quickly after the initial lockdown in 2020, we established a Pastoral Group, to facilitate our connection to all members of the congregation and to ensure that those shielding or isolated were well and receiving all the support they required. Most of this work has been carried out by the District Elders and by the Minister and our feedback is that this effort has been welcomed and well received by the Congregation.

Our Church Property Convenor has continued to ensure that all the Church's properties (Church, Manse, and Number 7) are maintained to a high standard. He played the key role in working with contractor 'd3' to implement upgrades to our lighting and audio/visual equipment. This is designed to meet several objectives including improving our ability to stream Service broadcasts and to make our auditorium facilities more attractive to let for music/theatre performances beyond the pandemic restrictions.

The upgrades will also improve our eco-footprint and energy efficiency and improve certain key health and safety procedures.

Financial Review

Stockbridge Church typically receives revenue in three key ways: through offerings from the Congregation and visitors, through rental income for the use of the Church Halls, and via Income from investments and legacies.

In 2021 our finances continued to be impacted by Covid restrictions but our Reserves strength has allowed us to continue to manage the situation. The Kirk Session made a conscious decision some 5 years ago to fund and Outreach post and programme and it was always likely that this expenditure would be funded from Reserves.

We are pleased to record that our Congregational Giving/donations were almost maintained at pre-Covid levels as many of our donors switched their Giving to Standing Order and cheques. Use of Gift Aid continues to be encouraged and is reclaimed annually.

Unfortunately, income from Church Hall continued to be significantly lower as a result of Covid restrictions. 2021 Festival Fringe lets could not take place and regular Hall Letting was impossible for much of the year but we are pleased to report that in the final quarter we have seen the welcome return of many/most of our regular hall users and this is an encouraging trend going into 2022.

Notwithstanding this, our loss of hall letting income (typically c.£45,000/year), and the fact that our Outreach costs are funded from Reserves has meant that to cover the shortfall in income in 2021 we have had to drawdown £75,000 from our investments. This will impact our future dividend income. We are encouraged that in the second half of the year Hall Letting income recovered to some £16k for 2021.

We were able to recover a proportion of 2021 salary costs (circa. £8k) via the Government Job Retention Scheme in respect of furloughed staff.

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

TRUSTEES' REPORT (Cont'd)

Financial Review (Cont'd)

The financial statements reflect an operating deficit (before investment results) of £58.5k which compares to an operating deficit of £76.9k in 2020. The prior year reflected the most severe impact of the Covid-19 restrictions on the operations of the Church. Investment gains of £26k in 2021 have served to improved overall position to a deficit of £32.5k.

The continuing uncertainty on future income generation will require careful monitoring by the Finance Committee and we plan to conduct a further strategic financial review in 2022.

Investment Policy and Performance

Investments are managed in accordance with Stockbridge Church's Statement of Investment Principles. This document is available on request from the Treasurer.

The Treasurer seeks to manage, with support from the Finance Committee, the Church's investments in a prudent and cautious manner, seeking to deliver a mixture of income generation and capital growth.

The bulk of the Church's investments are currently held within the Income Fund and the Growth Fund managed by the Church of Scotland (CoS) Investors Trust.

In addition, we hold an investment portfolio managed by Alan Steel Asset Management which, unfortunately we have had to draw down against in order to manage the deficit.

The continuing global risks and uncertainties continue to affect the stock market so our portfolio value does move around but is invested through highly reputable Investment Advisors and portfolio performance has been satisfactory given market conditions.

The year-end market value of our combined Investments with Church of Scotland Investors Trust and Alan Steel Asset Management closed at £376k compared with £426k at end-2020, the difference broadly explained by the £75k drawdown we had to make in 2021 to cover our income shortfall, offset by a £26k net gain on investments as reflected at year end.

In the circumstances the Trustees are content with what has been achieved during the current year.

The Trustees considered it appropriate to continue to hold the deferred share investment in the unlisted investment in the North Edinburgh and Castle Credit Union Ltd, which trades as Castle Community Bank ("CCB") at nil. We are aware that the CCB has made significant changes to its operating model and funding infrastructure in 2021 and this appears to be having a positive impact.

We plan to engage with the CCB with regard to the opportunity for Stockbridge Church to redeem our current level of investment. Our ongoing impairment will be reviewed in 2022 following the outcome of these discussions.

Risk Management

The Trustees have assessed the risk to which the Church is exposed and are satisfied that systems are in place to mitigate those risks. The Kirk Session regularly discuss risk management, including financial and non-financial risk management. Non-financial risks include those associated with occupying Church buildings and employing staff, together with risks associated with groups and individuals that make use of Church buildings. The Kirk Session take appropriate action to manage and mitigate these risks.

Post-pandemic uncertainty will require close monitoring of the changing risk environment and appropriate response.

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

TRUSTEES' REPORT (Cont'd)

Reserves Policy

It is the Trustees' policy to hold sufficient reserves to support the level of activity required to meet Mission objectives.

As a result of the drawdown in reserves to meet the shortfall in income from hall letting and the costs of Outreach the Church plans to undertake a strategic financial review in 2022. This will assess the needs and opportunities which will have to be addressed to sustain our ability to meet our Mission objectives.

At the year-end the Church has free reserves of £592,518 (2020 - £633,518).

Plans for the future

While we will have to draw down on our reserves in the short term, we are in the fortunate position of having been able to cope with the impact of Covid on our finances.

The Congregation are responding well to the current challenges and we are confident that we will be able to meet whatever new challenges present themselves in the future.

The Kirk Session and Congregation have reviewed and discussed the Presbytery Plan proposals and have provided a response and feedback to Presbytery. While we are committed to embracing change we have a number of misgivings around the Plan proposals and have communicated our expectation of maintaining a continuing Church presence in Stockbridge notwithstanding changes to Ministerial resource and the need for collaboration across a range of Mission Objectives consistent with the 5 Marks of Mission. We are already in dialogue with several Churches around the possibilities for collaboration and look forward to the next stage of consultation with the Presbytery Resource Deployment Team.

Structure, Governance and Management

The Congregation is a registered charity, number SC002499 and is administered in accordance with the terms of the Unitary Deed of Constitution 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 the 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 meets eight times a year is responsible for all the affairs of the Congregation. Our Minister for the last 8 years the Reverend Dr. John Cowie retired at the end of November 2021 and we were very pleased to be able to meet as a Congregation and acknowledge his excellent contribution to the Church and Parish throughout his tenure as Moderator of Stockbridge Parish Church.

We are extremely fortunate to have the Reverend John Munro join us as Locum Minister from December 2021. This represents a return to Stockbridge Church for John who served as Minister from 1976 to 1992 and has made the transition near-seamless. We are also fortunate to have Reverend Peter Bluett, who is the Minister at Newhaven, join us as Interim Moderator and we are confident that Peter and John will help steer us through the challenging times ahead as we address the changes associated with the new Presbytery Plan proposals.

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

TRUSTEES' REPORT (Cont'd)

Office Bearers

There have been several changes in the Kirk Session this year:

At year-end 2021, 4 long-serving Elders retired from the Kirk Session. We are extremely grateful for their sterling service over many years and are delighted that [REDACTED] will remain in the Congregation and continue to support the Church as volunteers in various Kirk activities in the future.

Membership

The Membership Roll increased from 179 to 181 though we welcomed 8 new members in the year.

Sadly, in 2021 we lost 3 much-loved members of our Congregation – [REDACTED] and it has been hard to lose our dear friends during this time with limited opportunities to say goodbye.

The Moderator conducted 3 baptisms, 2 weddings and 3 funerals in 2021.

Reference and Administrative Information

Charity Registration Number: SC002499

Congregation Reference Number: 010106

Principal Office: Edinburgh Stockbridge Parish Church of Scotland
7b Saxe Coburg Street
Edinburgh
EH3 5BN

Independent Examiner: [REDACTED]
Azets Audit Services
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Bankers Bank of Scotland
43 Comely Bank
Edinburgh EH4 1AF

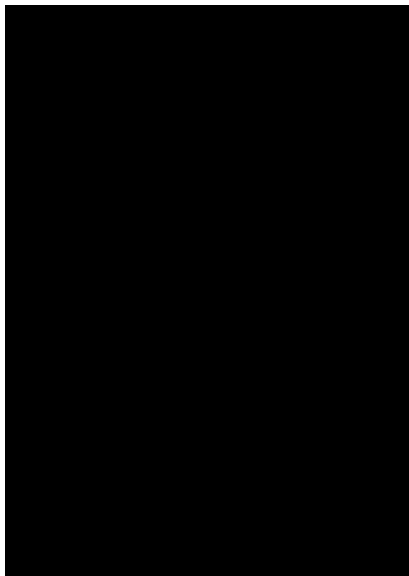
Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

TRUSTEES' REPORT (Cont'd)

Reference and Administrative Information (cont'd)

Trustees: Kirk Session



(Moderator - Retired 30 November 2021)
(Interim Moderator)

(Retired 31 December 2021- becomes Emeritus Elder)

(Retired 31 December 2021- becomes Emeritus Elder)

(Retired 31 December 2021- becomes Emeritus Elder)

(Retired 31 December 2021- becomes Emeritus Elder)

(Joined Session as Trustee 31 October 2021)

(Joined Session as Trustee 31 October 2021)

Principal Office-bearers

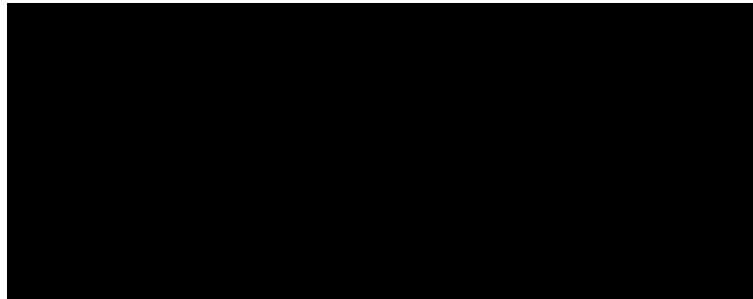
Minister:

Interim Moderator:

Locum Minister:

Session Clerk:

Church Treasurer:



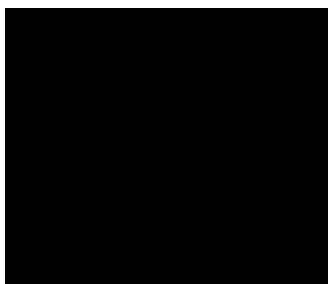
The following Trustees hold title to property belonging to the Church:

Minister/Moderator

Session Clerk

Treasurer

Approved by the Trustees and signed on their behalf by:



Date: 30 August 2022

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
OF STOCKBRIDGE PARISH CHURCH OF SCOTLAND, EDINBURGH**

I report on the accounts of the Stockbridge Parish Church of Scotland for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes.

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) 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 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.



**Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh EH3 8BL**

Date: 30 August 2022

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income and endowments from:					
Donations & legacies	2	59,698	17,500	77,198	55,597
Charitable activities	3	-	3,472	3,472	3,625
Other trading activities	4	16,419	-	16,419	6,180
Investments	5	11,333	-	11,333	23,760
Other	6	10,852	-	10,852	21,205
Total income		<u>98,302</u>	<u>20,972</u>	<u>119,274</u>	<u>110,367</u>
Expenditure on:					
Charitable activities	7	<u>165,265</u>	<u>12,511</u>	<u>177,776</u>	<u>187,338</u>
Total expenditure		<u>165,265</u>	<u>12,511</u>	<u>177,776</u>	<u>187,338</u>
Net expenditure/(income) before investment gains/(losses)		(66,963)	8,461	(58,502)	(76,971)
Net gains/(losses) on investments	8	<u>25,963</u>	<u>-</u>	<u>25,963</u>	<u>(18,436)</u>
Net (expenditure)/income		<u>(41,000)</u>	<u>8,461</u>	<u>(32,539)</u>	<u>(95,407)</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>(41,000)</u>	<u>8,461</u>	<u>(32,539)</u>	<u>(95,407)</u>
Reconciliation of funds:					
Total funds brought forward		<u>633,518</u>	<u>18,692</u>	<u>652,210</u>	<u>747,617</u>
Total funds carried forward	18	<u>592,518</u>	<u>27,153</u>	<u>619,671</u>	<u>652,210</u>

All activities of the Church in the current year are classed as continuing.

The notes on pages 13 to 25 form part of these accounts.

Stockbridge Parish Church of Scotland, Edinburgh

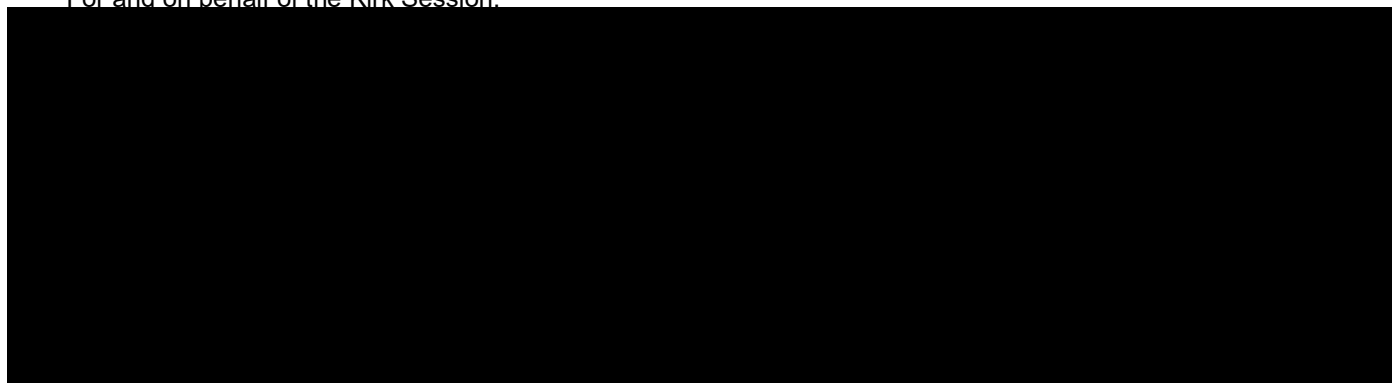
Year ended 31 December 2021

BALANCE SHEET

	Note	2021 £	2020 £
Fixed assets:			
Tangible assets	12	209,036	186,770
Investments	13	<u>376,049</u>	<u>425,688</u>
		585,085	612,458
Current assets:			
Debtors due within one year	14	14,643	22,577
Cash at bank and in hand		<u>28,390</u>	<u>25,561</u>
		43,033	48,138
Liabilities:			
Creditors: Amounts falling due within one year	15	<u>8,447</u>	<u>8,386</u>
Net current assets		<u>34,586</u>	<u>39,752</u>
Total net assets	17	<u><u>619,671</u></u>	<u><u>652,210</u></u>
The funds of the charity:			
Restricted funds	18	27,153	18,692
Unrestricted funds	18	<u>592,518</u>	<u>633,518</u>
Total charity funds		<u><u>619,671</u></u>	<u><u>652,210</u></u>

The accounts were approved by the Kirk Session on 29 August 2022

For and on behalf of the Kirk Session.



The notes on pages 13 to 25 form part of these accounts.

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

1. Accounting Policies

General information

The Stockbridge Parish Church of Scotland operates under the Church of Scotland. The charity is a registered Scottish charity with registration number SC002499. Its principal address is 7b Saxe Coburg Street, Edinburgh EH3 5BN.

Basis of preparation

The financial statements are prepared in accordance with United Kingdom Accounting Standards, including the Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), the Statement of Recommended Practice (SORP) "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)" (effective 1 January 2019), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in the financial statements are rounded to the nearest £.

The financial statements have been prepared under the historic cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Going concern

The Trustees have reviewed going concern considering the current economic climate. The charity has sufficient unrestricted reserves and liquid assets in place to draw down against to compensate for the current loss of income due to Covid-19.

In addition, the charity has funds held by the General Trustees of the Church of Scotland which can be drawn down on specifically in respect of expenditure on Church Fabric and Maintenance.

As a result, the Trustees have prepared the financial statements under the going concern basis.

Critical accounting estimates

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

Income

All income is recognised once the charity has entitlement to the income. It is probable that the income will be received and the amount of income can be measured reliably.

All donations and gifts are included within incoming resources under either unrestricted or restricted funds according to the terms under which the donation is made and when the amount can be quantified with reasonably certainty.

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

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised as expenditure in the period of receipt.

Interest 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.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisors.

Expenditure

Expenditure is recognised when a legal or constructive obligation has been entered into and has been charged direct to charitable expenditure, cost of raising funds or governance costs.

Charitable expenditure comprises of donations paid to institutions in the furtherance of the charity's charitable objects.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management.

VAT

The charity is not registered for VAT and accordingly expenditure includes VAT where appropriate.

Fund accounting

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

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

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

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

Investments

Listed investments are stated at market value at the balance sheet date. Realised gains and losses represent the difference between the proceeds on disposal and the market value at the start of the year or cost if purchased in the year. Unrealised gains and losses represent the difference between the market value at the beginning and end of the financial year or, if purchased in the year, the difference between cost and the market value at the end of the year. Realised and unrealised gains and losses are recognised in the Statement of financial activities in the year in which they arise.

Unlisted investments are stated at cost less impairment.

Tangible fixed assets

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, including the Church and Church halls and Number 7 Raeburn Place, vested in the Church of Scotland General Trustees. No consideration is payable for the use of these assets.

Expenditure incurred on the repair and maintenance of these assets costing less than £1,000 is charged as expenditure in the statement of financial activities in the period in which the liability arises. All assets costing in excess of £1,000 having a value to the charity greater than one year are capitalised.

No depreciation is charged on the Manse at 19 Eildon Street, Edinburgh due to the length of the useful economic life and the residual value, as explained in Note 11.

Depreciation on property improvements and office equipment is charged at 25% straight line.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash at bank

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial assets and liabilities

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable

Financial instruments are recognised in the statement of financial activities when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price. Subsequent to initial recognition, they are accounted for as set out below.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest method, with the exception of the portfolio of quoted investments which are measured at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Trust has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

Pensions

Employees of the charity are entitled to join a defined contribution, money purchase scheme. The costs of the defined contribution scheme are charged to unrestricted funds as set out in the Staff costs and numbers note to the accounts. Amounts not paid at the year-end are shown in creditors as a liability in the balance sheet.

Taxation

Stockbridge Parish Church of Scotland, Edinburgh is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities.

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
2. Donations and legacies				
Offerings	48,655	-	48,655	42,073
Tax recovered on Gift Aid	7,105	-	7,105	5,035
Grant income	2,504	17,500	20,004	3,791
Other general donations	1,434	-	1,434	4,698
	<u>59,698</u>	<u>17,500</u>	<u>77,198</u>	<u>55,597</u>

Income from donations and legacies was £77,198 (2020 - £55,597) all of which £59,698 was unrestricted and £17,500 was restricted in 2021. All such income in 2020 was unrestricted.

Included in Grant income is £5,500 restricted income to fund a Community Music Practitioner.

3. Incoming from charitable activities	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Fundraising events	-	2,984	2,984	3,281
No 7 income	-	-	-	344
Ticket sales	-	488	488	-
	<u>-</u>	<u>3,472</u>	<u>3,472</u>	<u>3,625</u>

Income from charitable activities was £3,472 (2020 - £3,625) of which £nil was unrestricted (2020 - £619) and £19,992 was restricted (2020: £3,006).

4. Income from other trading activity	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Hall letting income	16,419	-	16,419	6,180
	<u>16,419</u>	<u>-</u>	<u>16,419</u>	<u>6,180</u>

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

5. Investment income	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Dividend received	6,064	-	6,064	15,634
Deposit interest unlisted investments	5,269	-	5,269	8,126
	<u>11,333</u>	<u>-</u>	<u>11,333</u>	<u>23,760</u>

Total investment income was £11,333 (2020 - £23,760) all of which was unrestricted in 2021 and 2020.

6. Other income	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Transfer from General Trustees	3,000	-	3,000	10,513
Job retention scheme	7,852	-	7,852	10,692
	<u>10,852</u>	<u>-</u>	<u>10,852</u>	<u>21,205</u>

Total other income was £10,852 (2020 - £21,205) all of which was unrestricted in 2021 and 2020.

7. Expenditure	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Charitable activities				
Ministries and Mission allocation	49,208	-	49,208	59,259
Presbytery dues	1,179	-	1,179	1,791
Minister's expenses	3,100	-	3,100	3,529
Salary costs – see note 8	55,281	-	55,281	54,910
Fabric repairs & maintenance	10,484	1,209	11,693	5,284
Council tax – Manse	2,875	-	2,875	3,033
Other buildings costs	10,037	-	10,037	12,838
Number 7 expenses	316	-	316	2,718
Church office expenses	7,233	231	7,464	5,515
Organ & music	988	567	1,555	705
Other expenses	2,334	4,404	6,738	7,659
Professional fees	10,388	-	10,388	11,399
Church Music Hub	-	6,100	6,100	-
Portfolio management fees	681	-	681	1,184
Depreciation	7,486	-	7,486	14,014
Governance costs –				
Independent Examiner's fee	3,675	-	3,675	3,500
Total	<u>165,265</u>	<u>12,511</u>	<u>177,776</u>	<u>187,338</u>

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.

Expenditure on charitable activities was £177,776 (2020 - £187,338) of which £165,265 (2020 - £182,636) was unrestricted and £12,511 (2020 - £4,702) was restricted.

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

8. Net gains/(losses) on investment	2021	2020
	£	£
Gain/(loss) on sale of investments	5,136	(8,283)
Revaluation of investments	20,827	(2,027)
Impairment of unlisted investment	-	(8,126)
	<u>25,963</u>	<u>(18,436)</u>

9. Staff costs and numbers	2021	2020
	£	£
Salaries and wages	52,471	52,021
Pension costs	<u>2,810</u>	<u>2,889</u>
Total	<u>55,281</u>	<u>54,910</u>

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

	2021	2020
	Number	Number
Administration and caretaking	4	4
Music staff	<u>1</u>	<u>1</u>
	<u>5</u>	<u>5</u>

No employee had employee benefits in excess of £60,000 (2020 - £60,000).

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all ministers' stipends and employer's contributions for national insurance, pension and housing and loan fund.

Ministers' stipends are paid in accordance with the national stipend scale, which is related to years of service. For the year under review the minimum stipend was £28,700 and the maximum stipend was £35,269.

10. Trustee Remuneration and Related Party Transactions

During the year, the minister, [REDACTED] was reimbursed £1,130 (2020 - £2,027) for telephone and other expenses, and £1,970 (2020 - £1,502) for travel expenses.

No trustee or 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 £10,474 was donated to the congregation by trustees (2020 - £10,608).

The Trustees note the legal obligation placed on them to divulge the extent of their givings to the Church, however they remain uncomfortable with so doing. The figure of £10,474 takes no account of givings by Trustees through the Open Plate, with those that chose to give in this way doing so precisely because their givings can then remain a confidential matter between them and God. Furthermore, the figure quoted takes no account of the Time and Talent given by the Trustees to the Church, and the view of the Trustees is that to show money given, without attempting to quantify the non-financial givings of the Trustees, renders the figure quoted as being even more meaningless than is already the case.

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

11. Independent Examiner's remuneration

The Independent Examiner's remuneration constituted an examination fee of £3,675 (2020 - £3,500) and additional payroll and accounting services work of £10,388 (2020 - £11,399).

12. Tangible Fixed Assets

	Number 7 Improvement: £	Land & Buildings £	Church Improvements £	Other Equipment £	Totals £
Cost					
At 1 January 2021	36,007	180,000	17,405	3,558	236,970
Additions	-	-	-	29,752	29,752
At 31 December 2021	<u>36,007</u>	<u>180,000</u>	<u>17,405</u>	<u>33,310</u>	<u>266,722</u>
Depreciation					
At 1 January 2021	36,007	-	13,054	1,139	50,200
Charge for the year	-	-	4,351	3,135	7,486
At 31 December 2021	<u>36,007</u>	<u>-</u>	<u>17,405</u>	<u>4,274</u>	<u>57,686</u>
Net Book Value					
At 31 December 2021	<u>-</u>	<u>180,000</u>	<u>-</u>	<u>29,036</u>	<u>209,036</u>
At 31 December 2020	<u>-</u>	<u>180,000</u>	<u>4,351</u>	<u>2,419</u>	<u>186,770</u>

Land and buildings consist of the Manse at 19 Eildon Street, Edinburgh, EH3 5JU. The Trustees consider the useful economic life of the Church property is so long and its residual value is such that the annual depreciation charge and accumulated depreciation are not material. Accordingly, no depreciation has been provided on Church property.

An informal valuation of the Manse property indicated that a valuation of £900,000 in December 2017 would not be unreasonable. The Trustees have not included this valuation in the accounts. The Manse property is stated at cost.

In 2016 a property at Number 7 Raeburn Place was acquired, for £325,000, from funds held with the Church of Scotland General Trustees. Legal title to this property is vested with the General Trustees. The tenant's improvements represent work undertaken to adapt the property at Number 7 Raeburn Place to the Church's use.

13. Investments

	2021 £	2020 £
Market value at 31 December 2020	425,688	508,503
Purchase of investments	42,793	11,805
Revaluation of investments	20,827	(2,027)
Disposal of investments	(113,259)	(84,467)
Impairment of Castle Community Bank investment	-	(8,126)
Market value at 31 December 2021	<u>376,049</u>	<u>425,688</u>
Investment at cost at 31 December 2021	<u>234,658</u>	<u>277,800</u>

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

13. Investments (Cont'd)

The following investments are held by The Church of Scotland Investors Trust

The Church of Scotland Investors Trust

	No of Units	Market Value	Market Value
	At 31/12/2021	2021	2020
<u>Growth Fund</u>			
(Unit Price at 31/12/2021 - £6.04)			
General Purposes	26,879	162,349	144,340
General Reserve	2,102	12,696	11,288
		<u>175,045</u>	<u>155,628</u>
<u>Income Fund</u>			
(Unit Price at 31/12/2021 – £12.48)			
Jean Clark Bequest	9,796	122,254	124,507
General Congregational Purposes	2,744	34,246	34,876
		<u>156,500</u>	<u>159,383</u>
Investments held in UK Listed Securities - Old Mutual Wealth Funds:			
Aegon Ethical Equity	1,463	4,270	9,800
M&G Episode Income	228	4,211	15,028
Liontrust Special Situations	-	-	22,208
MI Milton Cautious Monthly income	-	-	27,493
Rathbone Income	-	-	1
Troy Trojan	2,697	10,658	35,798
TB Amati	245	3,991	
Ninety One Diversified	4,207	7,767	
Schroder Global Equity	6,901	9,164	
Artemis UK Select	1,855	4,394	
Cash held		<u>49</u>	<u>349</u>
Market Value at 31 December 2021		<u>44,504</u>	<u>110,677</u>
Investment at cost at 31 December 2021		<u>34,626</u>	<u>77,768</u>

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

13. Investments (Cont'd)

	Market Value 2021 £	Market Value 2020 £
Unlisted investments – North Edinburgh and Castle Credit Union		
Market Value at 31 December 2020	-	-
Purchase of investments	-	8,126
Impairment loss in the year	-	(8,126)
	<hr/>	<hr/>
Market Value at 31 December 2021	<hr/> -	<hr/> -
Investment at cost at 31 December 2021	<hr/> -	<hr/> -

The investment comprises of 143,126 £1 deferred shares in Castle Community Bank.

The purchase of investments in the year of £8,126 arises from the issue of deferred shares by the CCB in settlement of the deposit interest due (see note 5).

The CCB has incurred substantial operating losses in recent years and the Trustees consider it appropriate to continue to recognise full impairment of the value of this investment.

14. Debtors

	2021 £	2020 £
Tax recoverable on gift aid	7,088	6,238
Trade debtors	4,261	-
Job retention scheme	-	884
General Trustees Church of Scotland	-	10,303
Prepayments and accrued income	3,294	5,152
	<hr/> 14,643	<hr/> 22,577

15. Creditors falling due in less than one year

	2021 £	2020 £
Trade creditors	269	1,429
Other creditors	6	445
Accruals	7,620	5,952
Pension	552	560
	<hr/> 8,447	<hr/> 8,386

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

16. 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.

17. Analysis of net assets between funds

	General £	Designated £	Restricted £	Total £
Investments	253,795	122,254	-	376,049
Fixed Assets	209,036	-	-	209,036
Current Assets	14,614	1,266	27,153	43,033
Current Liabilities	(8,447)	-	-	(8,447)
Net assets at 31 December 2021	<u><u>468,998</u></u>	<u><u>123,520</u></u>	<u><u>27,153</u></u>	<u><u>619,671</u></u>

	General £	Designated £	Restricted £	Total £
<i>Investments</i>	301,181	124,507	-	425,688
<i>Fixed Assets</i>	186,770	-	-	186,770
<i>Current Assets</i>	29,446	-	18,692	48,138
<i>Current Liabilities</i>	(8,386)	-	-	(8,386)
Net assets at 31 December 2020	<u><u>509,011</u></u>	<u><u>124,507</u></u>	<u><u>18,692</u></u>	<u><u>652,210</u></u>

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

18. Movements in Funds

	At 1 January 2021 £	Income £	Expenditure £	Gains/ (Losses) £	At 31 December 2021 £
Restricted funds					
Organ fund	567	-	(567)	-	-
Communion expenses	231	-	(231)	-	-
Flower and church garden fund	1,209	-	(1,209)	-	-
Poor fund	12,723	-	-	-	12,723
Charity collections fund	2,993	1,230	(3,194)	-	1,029
Malawi fund	969	1,754	(1,210)	-	1,513
Community music fund	-	17,988	(6,100)	-	11,888
Total Restricted	18,692	20,972	(12,511)	-	27,153
Unrestricted funds					
<u>Designated</u>					
Jean Clark bequest	124,507	1,266	-	(2,253)	123,520
	124,507	1,266	-	(2,253)	123,520
<u>Other</u>					
General Fund	509,011	97,036	(165,265)	28,216	468,998
Total Unrestricted	633,518	98,302	(165,265)	25,963	592,518
Total Charity Funds	652,210	119,274	(177,776)	25,963	619,671

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

18. Movements in Funds (cont'd)

	At 1 January 2020 £	Incoming Resources £	Outgoing Resources £	Gains/ (Losses) £	At 31 December 2020 £
Restricted funds					
Organ fund	567	-	-	-	567
Communion expenses	231	-	-	-	231
Flower and Church garden fund	1,209	-	-	-	1,209
Poor fund	12,723	-	-	-	12,723
Charity collections fund	3,815	890	(2,487)	-	2,218
Malawi Fund	768	2,116	(1,915)	-	969
Baby & Toddler Fund	1,075	-	(300)	-	775
Total Restricted	20,388	3,006	(4,702)	-	18,692
Unrestricted funds					
<u>Designated</u>					
Jean Clark bequest	122,450	-	-	2,057	124,507
	122,450	-	-	2,057	124,507
<u>Other</u>					
General Fund	604,779	107,361	(182,636)	(20,493)	509,011
Total Unrestricted	727,229	107,361	(182,636)	(18,436)	633,518
Total Charity Funds	747,617	110,367	(187,338)	(18,436)	652,210

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

Notes to the financial statements

18. Movements in Funds (Cont'd)

Purposes of Restricted Funds

Organ fund – for the upkeep and maintenance of the Church organ.

Communion expenses – Trust fund for the provision of bread and wine at communions.

Flower and church garden fund – for the provision of flowers in the sanctuary for Sunday worship and for the maintenance of the church garden.

Poor fund – for the provision of moneys to the poor, usually at the Minister's discretion.

Charity collections fund – represents sums for retiring offerings.

Malawi fund – represents funds received for donation to Malawi.

Baby and toddler fund – represents funds received during the baby and toddler groups, dispersed at their discretion.

Community music fund – represents funds received to support the community music practitioner and associated projects.

Purposes of Designated Funds

Jean Clark Bequest: There are no restrictions placed on these funds by the donor. The Kirk Session originally designated that interest be used for supporting local, national and overseas missions equally; however, at their meeting dated 19 March 2012 this designation was removed meantime following consideration of current finances and interest rates. It is hoped that in time, when finances allow, the interest from the Jean Clark Fund can once again be used for creative purposes and as such the funds continues to be shown as a designated funds.

General Funds

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

19. Specific collections, fundraising and disbursements to other charities.

Charitable donations	2021	2020
	£	£
Charity Collections		
Christian Aid	60	-
FreshStart	46	324
Mulanje Hospital and Prison (Malawi)	3,010	3,205
Bethany Charitable Trust	-	532
Mary's Meals	600	-
Other	688	641
	<u>4,404</u>	<u>4,702</u>

Stockbridge Parish Church of Scotland, Edinburgh

Year ended 31 December 2021

APPENDIX 1

**FUNDS HELD ON BEHALF OF THE CONGREGATION
BY THE CHURCH OF SCOTLAND GENERAL TRUSTEES**

CONSOLIDATED FABRIC FUND

	2021 £	2020 £
CAPITAL ACCOUNT (II)		
Amounts deposited at 31 December 2020	168,363	168,363
Property costs	-	-
Realised gain on sale	-	-
Credit balances held at 31 December 2021 at cost	<u>168,363</u>	<u>168,363</u>
Market Value of balances at 31 December 2021:		
Growth Fund	121,646	108,152
Income Fund	<u>85,987</u>	<u>87,572</u>
	<u>207,633</u>	<u>195,724</u>

REVENUE ACCOUNT

Credit Balance at 31 December 2020	10,304	8,436
Interest	8	53
Property costs	(13,303)	(4,140)
Deposit fund	2	12
Income fund	2,756	3,273
Growth fund	<u>2,418</u>	<u>2,669</u>
Credit Balance at 31 December 2021	<u>2,185</u>	<u>10,303</u>

OTHER ACCOUNTS

CAPITAL ACCOUNT

Credit balances held at 31 December 2020 at cost	-	11,037
Outreach and community worker salary	-	(11,065)
Interest	-	28
Credit balances held at 31 December 2021	<u>-</u>	<u>-</u>

REVENUE ACCOUNT

Credit balance at 31 December 2020	-	182
Outreach and community worker salary	-	(182)
Interest	-	-
Credit Balance at 31 December 2021	<u>-</u>	<u>-</u>

The Church can seek to draw upon the funds outlined above by submitting a claim to the General Trustees in respect of specified expenses which it has incurred.

The credit balances shown above are available with the exception of £nil (2020 - £10,303) which represents claims already made in respect of the year ended 31 December 2021 (see debtors note 14 to the accounts).