

The Church of Scotland
Edinburgh: Morningside Parish Church



**ANNUAL REPORT
AND FINANCIAL STATEMENTS**

for the year ended

31 DECEMBER 2020

Congregation No: 010069

Scottish Charity No: SC 034396

**Morningside Parish Church
Trustees' Annual Report and Accounts
Year ended 31 December 2020**

The Trustees present the annual report and financial statements for Morningside Parish Church for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts 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.

Objects, Activities, Achievements and Performance

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 of every parish in Scotland through a territorial ministry. It co-operates with other churches in various ecumenical bodies in Scotland and beyond.

Morningside Parish Church furthers its charitable purposes by various activities.

2020 has been dominated by the effects of the lockdown caused by the Covid19 pandemic. The life of the congregation has been severely restricted in its worship and in the social aspects of the Church's life that go to make up the sense of community that is particularly important in Morningside Parish Church.

Fortunately, during recent development work in the church building, a provision of audio/visual capacity had been enhanced and so from the beginning of the lockdown in March 2020 we have been able to live-stream services every Sunday, with the recorded services being available via the church website in the following week. When restrictions around attendance were lifted a little in August and fifty places were made available to worshippers, it was recognized that many would still be apprehensive about returning to church services, so live-streaming continued. When the restrictions returned at the end of 2020 and congregations were no longer permitted to gather, services solely live-streamed resumed. It should be noted that orders of service and sermons have been available on the Church website for many years, and information about the life of the Church have been available on a Morningside Parish Church Facebook page. The latter has been a significant means of communication with those beyond the congregation and was particularly helpful when the decision was taken to record the Christmas Eve Service and make it available on line only.

During this time special tribute should be paid to the Church Organist, Morley Whitehead, who has not missed a Sunday and continues to provide music for the services. On a few Sundays, with appropriate precautions and social distancing, it was good to be able to welcome back two former choral scholars.

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
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Objects, Activities, Achievements and Performance (continued)

During the first lockdown the Minister also recorded short talks for the younger people of the congregation and made these available online and on the Facebook page. Since the autumn, Sunday Club has continued on Zoom.

In March the congregation, via the Kirk Session, recommitted to being a Fair-Trade congregation. Later in the year the congregation also continued its support of the South East Edinburgh Foodbank and the Edinburgh Clothing Store. The congregation also supported our Church Officer, Alex Bleck, when he 'braved the shave' for Macmillan Cancer support and raised just under £1,000.

During the period of lesser restrictions, the annual Autumn Lectures with Greenbank Parish Church were held in the Church and also made available online. The broad theme was 'Beyond the Lockdown...' and speakers included the Green Energy campaigner, Adam Bruce; Bishop Richard Holloway; Allan Little and Sheena McDonald; and James Naughtie. Each one brought valuable insight into the ways in which the world had changed because of the Coronavirus, and also pointed to ways in which the world might reassess its goals and priorities after the pandemic comes to an end.

The 2020 Lent study focussed on the James Runcie novel, 'The Road to Grantchester', and followed the early years of the fictional Church of England vicar, Sidney Chambers, who is the subject of several novels and TV series.

Though the annual Maundy Thursday service which should have been held at St George's Chapel Windsor could not go ahead, Her Majesty the Queen arranged for Maundy Money to be sent to two of our elders, Doreen Reekie and David Calder. The gift and honour is in recognition of the significant service Doreen and David have offered to the life of our congregation over the years. During 2020 we had a first-year candidate for the Ordained Local Ministry, Reuben Addis, who brought his working-life knowledge of Social Work to the congregation. In particular he ran a course, 'No longer little', sharing ideas and insight into the challenges and opportunities of parenting teenagers. Mr Addis finished his time at Morningside at the end of March. In the early Autumn of this year Dr Conor Fegan began his eighteen-month Probationary Minister period with the congregation.

The restrictions of the pandemic have brought major challenges to communication across the congregation and parish and it was a particular disappointment that we were not able to distribute the usual leaflets at Easter and Christmas. The annual stalls in Morningside Road, used to share information about the congregation and inviting people to our Harvest Thanksgiving Service, were also a casualty of the pandemic.

Despite the restrictions, Minister, Pastoral Assistant, Elders and members of the congregation have worked hard to maintain pastoral contact, and it has been good to maintain the delivery of flowers to people in the congregation and parish when anyone was facing bereavement, a difficult time, or indeed a happy time like an anniversary or birthday.

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020**

Objects, Activities, Achievements and Performance (continued)

In this challenging year, senior office-bearers in the congregation have worked hard to maintain the ongoing life, governance and well-being of Morningside Parish Church, and it is important to acknowledge this significant contribution in particularly difficult circumstances.

Education

The breadth of activities undertaken by the Education Committee have been severely impacted by the pandemic. Nevertheless, certain activities were able to be undertaken when guidelines and regulations permitted. In relation to adult education, these included, annual Autumn Lectures with Greenbank Parish Church, focused on 'Beyond the Lockdown...'. Each speaker brought their own perspective to the pandemic, and the lectures brought a welcome sense of perspective and fellowship.

The Sunday Club transitioned as soon as feasible to virtual meetings each Sunday morning, held via Zoom. Topics for discussion were emailed by Sunday Club teachers to parents in advance, and the new operating rhythm quickly and relatively seamlessly became established with the children, with generally no fewer attendees than pre-pandemic restrictions. Younger members of the congregation have contributed several items of artwork to decorate the windows of the Church, including an array of rainbows and Nativity scene pictures during the Festive period.

Outreach

As with all Church activities, the pandemic has meant that there have real restrictions around what the congregation has been able to do to support its Outreach programme. Nevertheless, the congregation was able to support the work of the South East Edinburgh Foodbank through financial donations at the Harvest service, and also the work of the Edinburgh Clothing Store in December with financial donations and the gifts of new clothing which were collected from around Edinburgh. It was a sterling event and has made a real difference in boosting Clothing Store stocks. Over 100 items of new children's clothing were donated as well as over £700 to purchase items.

The three charities the congregation officially supports are the Washable Sanitary Pad Project, The Edinburgh Clothing Store and Morningside Parish Church. It is important to recognise that members of the congregation support many other charities including Bethany Christian Trust, Fresh Start, Christian Aid, Scottish Love in Action and The Open Door.

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020**

Objects, Activities, Achievements and Performance (continued)

Social Committee Report

Sadly, there is very little to report. The year began as normal with coffees being served to the congregation after the 10.30 services. On the 25th of February we served coffees to parents who were attending a meeting about parenting for teenagers run by Reuben Addis, a trainee for Ordained Local Ministry. We, along with the Outreach Group, organised a Speaker Supper on the 28th of February when 54 people came to hear the Principal of Napier University.

On the 8th of March we began to serve only wrapped biscuits with coffee because of the Coronavirus outbreak. We had already introduced strict hand washing instructions in the kitchen and toilets. By the following Sunday, we had taken the decision to cancel coffees until restrictions were eased. No- one thought then that we would be in the same position in January 2021!

As soon as regulations permit, we are keen to return to organising social events which will help and encourage us all back to our usual friendly and welcoming church life.

Staffing

During 2020 all our staff proved very willing and flexible in the face of the disruption caused by the Covid – 19 Pandemic. Jan Goulding, Church Administrator continued throughout to provide administrative services, flexing her hours and working at various times in the office and at home. When regulations required the premises to be closed, the caretakers and church officer could no longer do their work. We were however able to claim a financial contribution towards their salaries under the Chancellor's furlough scheme. Initially furloughed staff were not permitted to do any work but once furloughed workers were allowed to carry out part time work and employers to continue to reclaim furlough payments for non-worked hours, the caretakers and Church officer have willingly been flexible in their duties and hours, in being available when required to allow services, lets and maintenance works to be undertaken. We are indebted to them for their support.

Volunteers

In common with most churches, Morningside Parish Church relies heavily on the goodwill of volunteers to help with the running of the Church and its various committees, organisations and activities.

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020**

Objects, Activities, Achievements and Performance (continued)

Outreach Committee Report for 2020

Charities for 2020:

1	The Edinburgh Clothing Store	£124.92
2	Morningside Parish Church	£68.93
3	Washable Sanitary Pad Project	£68.92

Distributions made in 2020 were as follows:

1.	The Edinburgh Clothing Store	£2,887.61
2.	Scottish Love In Action	£2,887.61
3.	Water Aid	£1,387.63
	Total:	<u>£7,162.85</u>

All distributions relate to 2019 collections.

A further distribution in respect of funds received in 2020 is payable as follows:

1.	The Edinburgh Clothing Store	£124.92
2.	Morningside Parish Church	£68.93
3.	Washable Sanitary Pad Project	£68.92
	Total 2020:	<u>£262.77</u>

Because of the pandemic, outreach activities were extremely limited throughout 2020. The reduced funding shown above relates to coffee and coppers collections in January and February 2020 before the lockdown plus a modest surplus from the Speaker Supper held on 28th February 2020.

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020**

Financial Review 2020

In 2020 Morningside Parish Church has several sources of income, namely congregational offerings, hall rental income, Listed Places of Worship Scheme grant, CJRS grant, legacies and investment income. In addition during 2020 income totaling £29,486 came from the transfer of funds by the Church of Scotland General Trustees from the Church of Scotland Consolidated Fabric Fund, being the remaining net proceeds of sale of a former retired Minister's house in Esslemont Road.

In 2020 congregational offerings (Free Will Offering and Open Plate) amounted to £111,993 resulting in a 9.4% decrease on the 2019 level of giving of £123,588. The total figure came from Free Will Offering of £108,754 and £3,239 from the Open Plate. The total congregational membership roll as at end December 2020 was 371 of which we could identify 238 active contributing members.

An important source of income for the Church comes from the gift aid claimed on gift-aided offerings, and in 2020 this amounted to £25,034 (2019: £31,461) thanks to prompt claims lodged with HMRC by the Free Will Offering and Gift Aid Convener.

A Listed Places of Worship Scheme (LPWS) grant of £17,265 (2019: £98,818) was received during the year. This represented the repayment to Morningside Parish Church of VAT charged on contractors' invoices for fabric works carried out in the Church.

Legacy income of £27,500 (£25,000 from the estate of the late Mrs Jean Bowman, £1,500 from the estate of the late Mrs Muriel Ford Dickson, £1,000 from the estate of the late Doreen Margaret Davidson) was received during 2020 (2019: £10,000).

Sundry Income, gifts and donations comprised mainly donations from organisations using various halls in the Church premises. These included £930 from the Baby & Toddler Group, £1,996 from the various uniformed organisations, and £347 from the Badminton Groups.

The Kirk Session is very grateful for all donations received during 2020.

Income from Weddings and Funerals during 2020 amounted to £500 (2019: £200) shown as "Charitable activities" on page 18 of the Accounts.

Rental income in 2020 for use of our premises in Church Halls amounted to £21,846 which represents a decrease of 50.2% over the 2019 rental income of £43,882. This was due to the impact of the pandemic when the Church and Church Halls were effectively closed to tenants for most of the year from March 2020.

Investment income received from dividends, deposit interest and bank interest amounted to £33,037 in 2020, representing a decrease over the total investment income of £41,875 received in 2019.

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020**

Financial Review 2020 (continued)

Under 'Other trading activities' (see note 3 of the Accounts on page 24) congregational fundraising events such as the end of month baking sales generated a total of £1,200 (2019: £1,628).

Total income for the year 2020 amounted to £299,473 (2019: £922,378), an overall decrease of 67.5% over 2019, mainly due to the previous year's receipt of funds totaling £527,146 from the Church of Scotland General Trustees Consolidated Fabric Fund. These funds were released to Morningside Parish Church from the sale proceeds of a former Church property in Esslemont Road to fund the alterations in the Sanctuary during 2019.

The total market value of investments held on behalf of Morningside Parish Church amounted to a total of £990,532 as at end December 2020 (2019: £1,107,748). The two holdings were 86,824 units in the Church of Scotland Investors Trust Growth Fund (value as at 31/12/20 £466,245) and 41,250 units in the Church of Scotland Investors Trust Income Fund (value as at 31/12/20 £524,287).

The largest elements of the Church's expenditure for 2020 were our Ministries and Mission Allocation of £119,583 (2019: £124,514), Staff Salaries £83,607 (2019: £90,718) allocated as £43,609 within raising funds through use of premises and £39,998 to charitable activities - see note 6, page 25, Fabric Repairs and Maintenance £63,206 (2019: £41,624) and Donations to Church of Scotland of £16,636 (2019: £631,692). Staff Salary costs for 2020 were lower than in 2019 due to furloughing of 3 members of staff in the pandemic.

The cost of raising funds through the use of our premises amounted to £79,112 (2019: £74,791).

Total Expenditure for the year 2020 amounted to £394,724 (2019: £1,011,222). One-off expenditure at the Church and Church Halls during 2020 amounted to £55,404 (2019: £33,093). This included costs of £46,418 for necessary work on the Church Roof.

With Income of £299,473 and Expenditure of £394,724 in 2020 there was an operating deficit of £95,251 for the year to end December 2020. Less one-off premises costs of £46,418, the running deficit amounted to £48,833. After realised and unrealised loss on investments of £17,200 the net deficit for the year was £112,451.

At the balance sheet date the unrestricted reserves were £1,706,234 (2019: £1,809,621) including designated funds of £65,300 (2019: £65,497) with £23,396 (2019: £32,460) in restricted funds.

Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020

Reserves Policy

At 31 December 2020 the Church held three different types of reserves, set out below:

1. At the year end, the Church held unrestricted general funds, excluding Buildings and Assets Reserves, amounting to £982,025 (2019: £1,088,616) of which £168,083 represented a provision against approximately six months' expenditure and £813,942 was retained for future developments. The Buildings Reserve stood at £600,000 and the Asset reserve stood at £58,909.

2. The church also held £23,396 (2019: £32,460) of restricted funds provided for the following purposes specified below.

	£
Benevolent	10,356
Organ and Music	318
Flowers	769
Fabric Fund	126
Audio System Maintenance	1,579
Choir Library Fund	1,000
Go For It Fund	4,599
General Upkeep Fund	4,124
Pastoral Care and Outreach Support	<u>525</u>
	<u>23,396</u>

3. The church also held £65,300 (2019: £65,497) of unrestricted designated funds provided for the following purposes specified below.

	£
Music Fund	2,888
Organ	18,163
Fabric	32,853
Kirk Session	5,264
Flowers	2,647
Organisational Funds	<u>3,485</u>
	<u>65,300</u>

The organisations for which funds were held included The Cradle Roll, The Monday Circle, The Wednesday Club and The Social Committee.

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020**

Investment Policy and Performance

The Trustees' investment policy is agreed and monitored by the Stewardship & Finance Committee and endorsed by the Kirk Session. The Trustees seek to obtain equity and fixed interest income from investments in the Church of Scotland Investors Trust, with a spread of assets allocated to the Investors Trust Growth Fund, the Investors Trust Income Fund and the Investors Trust Deposit Fund in suitable proportions to provide a balanced portfolio producing a rising income consistent with long term growth of capital. As at end December 2020 the breakdown of investments held by Morningside Parish Church in the Investors Trust Funds was 47% equities and 53% fixed interest.

Fund performance in the Investors Trust Growth Fund suffered in 2020 because of several dividend cuts, reducing the income payout significantly. Capital performance was slightly below benchmark (All Share Index) because of overweight positions in financial and oils and underweighting in high profile growth stocks such as Facebook, Amazon, Netflix and Alphabet (Google) all of which outperformed in the pandemic.

In the longer term however the independent investment managers appointed by and closely monitored by the Trustees of the Church of Scotland Investors Trust have successfully exceeded their agreed benchmark total return performance criteria for each fund over 3 and 5 years and the Trustees treat the holdings as long-term investments. The yield on investments held at end December 2020 was 2.3% for the Investors Trust Growth Fund, 3.5% for the Investors Trust Income Fund and 0.54% for Investors Trust Deposit Fund.

Plans for Future Periods

Plans for future periods have been and will inevitably be affected by the continuing impact of the Covid -19 Pandemic and the restrictions imposed on activity.

Although the refurbishment of the Sanctuary was essentially completed in October 2019, nevertheless because of the impact of the pandemic, dealing with all snagging items has proved impossible. They will be addressed as soon as possible. Existing AV facilities were built on to enhance the provision of live streaming and recorded worship and further enhancements are planned.

As ever the Property Committee have prepared and already started to implement a detailed plan for ongoing maintenance of the fabric. Works to repair, maintain and enhance our Father Willis organ are planned.

The work of the coordinating group on the marketing of our premises has been delayed by the pandemic but continues its work in developing the "trading" entity "Crossways" and the church's on- line presence. A review of letting rates was completed and will be kept under review.

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020**

Plans for Future Periods (continued)

Significant changes were made to up-date our conditions of use, including necessary temporary changes to accommodate Government and Church of Scotland regulations and advice relating to the pandemic. As the pandemic regulations and advice change from time to time, so must our terms of let.

The removal of the pews and replacement by chairs has allowed a number of events to take place which demonstrated the flexibility of the new sanctuary for purposes including, with the onset of the pandemic, socially distanced worship, a “virtual” party political conference and use as a vaccination centre for a local GP surgery. There is a demand for further such events and from regular users anxious to return while ensuring compliance with any pandemic restrictions, as well as for events provisionally booked in the hope and expectation of a reduction of pandemic restrictions.

In terms of the Radical Review proposed by the General Assembly and the proposed review of Edinburgh Presbytery’s Plan the Minister, Session Clerk and Convenor of the Finance Committee have, and will continue to collaborate in the South Cluster of churches established by the Presbytery, with representatives from Greenbank and Fairmilehead churches. It is hoped to improve communication and develop further areas of collaborative working between the churches.

The Pastoral Care Committee, resourced by the Pastoral Assistant, will continue and develop musical events to reach out to those who have a diagnosis of dementia, and the people who care for them.

Following on from a successful games afternoon last year, once pandemic regulations allow, further games events will be scheduled. These events not only reached out to members of the congregation, but also to the wider community. The group also helped develop a link with those with dementia who are patients at the Royal Edinburgh Hospital. This hospital group has started attending the Wednesday coffee morning on an occasional basis. It is also planned to restart Wednesday Coffees when regulations permit. This will be a way in which the congregation can further engage with the wider community.

During the pandemic, though visiting has been heavily restricted, support has been given by members of the congregation to Church members who were struggling to arrange for shopping. Requests for help for people in the parish came to us via our MP and MSP and support continues to be ongoing. Contact has also been made with George Watson’s College and in the latter months of 2020 some of the pupils there also began to help with the delivery of shopping.

Through its Kirk Session Committees, the congregation continues to plan for the future. Whilst there will no doubt be a considerable amount of planning and adjustment needed gradually to re-establish existing activities, following the months of pandemic disruption, new ventures will be added to enrich the life of the congregation and community.

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020**

Structure and Governance

Governing Document

The Church is administered in accordance with the terms of the Unitary Constitution.

Recruitment and Appointment of Trustees

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.

Induction and Training of Trustees

Procedures are in place for the training of Trustees in areas of responsibility, for example in volunteer roles involving contact with children and/or vulnerable adults where PVG (Protection of Vulnerable Groups) clearance is required and applied for through Disclosure Scotland. Compliance with guidelines set out by the Church of Scotland is a requirement of the Trustees and is communicated through the Kirk Session and individually to Trustees by email or hard copy, for example compliance with the Bribery Act as set out in the Morningside Parish Church Guidance Notes on Bribery and Procurement Policy.

Organisational Structure

The Kirk Session is responsible for spiritual and temporal affairs within the church. It normally meets for business nine times a year but because of the pandemic, in 2020 did not meet as normal in April and May. However since June 2020 it has met using Zoom to conduct business. The Kirk Session has a number of standing committees that help with the more detailed administration of the congregation's life, but all decisions on policy remain the responsibility of the Kirk Session.

Wider network

Morningside Parish Church is part of the Church of Scotland Presbytery of Edinburgh, which incorporates 71 Churches within the City of Edinburgh, and as such enjoys the support of a strong local as well as a national network for rules and guidance on structure, governance and management.

Risk Management

The Trustees have assessed the major risks to which the church is exposed, in particular those related to the operations and finances of the church and are satisfied that systems are in place to mitigate any exposure to the major risks. The finances of the Church are overseen by the Stewardship & Finance Committee on a regular basis and reported to the Kirk Session.

There is a Health & Safety Committee, a PVG (Protection of Vulnerable Groups) Committee for compliance and training, Data Protection compliance complete with a Data Protection Officer, and a Bribery and Procurement Policy in place, all reporting to the Kirk Session on a regular basis.

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020**

Structure and Governance (continued)

The Kirk Session has identified three key area of risk for close risk management as follows: **FRAUD RISK:** in order to minimise exposure to fraud, cash handling always requires a minimum of two people present with countersignatures, and there are only two authorised signatories (the Treasurer and the Church Accountant) at present for making outgoing payments such as invoices and expenses. All possible steps are taken to avoid scam frauds and bank details are only accessible by the two signatories with several layers of security including unique access codes for each sign-on to the Church bank accounts. **HEALTH AND SAFETY:** as dictated by the regulations, fire drills for evacuation are organised for the Church and the Church Halls at regular intervals, and food hygiene courses and certificates are mandatory for those handling foods for social events. **PROTECTING VULNERABLE GROUPS (PVG SCHEME):** all elders and pastoral visitors in contact with children and vulnerable adults must have membership of the PVG Scheme.

In addition, all members of Morningside Parish Church staff are required to apply for clearance check from Disclosure Scotland to confirm identity, nationality, current address and 5 year address history.

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020**

Reference and Administrative Information

Charity Name: Morningside Parish Church
Charity Registration Number: SC034396
Congregation Reference No: 010069
Contact Address: The Church Office
2 Cluny Gardens
Edinburgh EH10 6BQ

Trustees

Members of the Kirk Session:

Anne Armour	Robert Armour	Keith Bailey
Nyria Bailey	Wallace Bell	Ewan Brown
Very Revd Dr Derek Browning	Paul Cackette	David Calder
Adeline Clark	Moira Clark	Hugh Crawford
Audrey Dobson	Diane Gaskin-Ruddock	Clark Gillespie
Margaret Gossip	Lorna Graham	Penny Graham
Aline Haggart	Ian Hastie	Evelyn Henderson
Barry Hughes	Helen Hughes	Michael Hunter
Maren McElroy	Joan McKenzie	Kenneth McKenzie
Mark McInnes	Rona McLaren	Anne McNeil
Chris McNeil	Olga Macfadyen	Kimberley Milne
David Mitchell	Lesley Murphy	Euan Murray
Marie Ogilvie	Douglas Paterson	Isobel Paterson
Doreen Reekie	Evelyn Reekie	Bill Reid
Catriona Reid	Alison Riddell	Kenny Robertson
Fiona Ross	John Scott Moncrieff	Fiona Stewart
Kate Stewart	Fiona Stimpson	Robin Stimpson
Keith Thomson	Walter Thomson	Douglas Walker
Lindsay Watson	Bill Watt	Charles Wilson
Irene Wilson	Norma Wilson	

Minister: Very Revd Dr Derek Browning

During the year to December 2020 Geoff Bulmer, June Cowan and Craig Dawson, all members of the Kirk Session, died and Fiona Watt, another member, resigned.

Session Clerk: Robin Stimpson
Church Treasurer: Chris McNeil

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020**

Reference and Administrative Information (continued)

Independent Examiner

Kevin Cattanach C.A.
Whitelaw Wells
Independent Examiner
9 Ainslie Place
Edinburgh EH3 6AT

Bankers

Royal Bank of Scotland plc
206 Bruntsfield Place
Edinburgh EH10 4DF

Bank of Scotland plc
426 Morningside Road
Edinburgh EH10 5QF

Investment Manager

The Church of Scotland Investors Trust
121 George Street
Edinburgh EH2 4YN

**Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2020**

Statement of Trustees' Responsibilities

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 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 on 9 March 2021 and signed on their behalf,

Very Revd Dr Derek Browning

Morningside Parish Church
Independent Examiner's Report to the Trustees of Morningside Parish Church
Year ended 31 December 2020

I report on the accounts of the charity for the year ended 31 December 2020 set out on pages 18 to 34.

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

Independent examiner's statement

In the course of my examination, no matter has come to my attention 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
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

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.

Kevin Cattanach CA
Whitelaw Wells
Chartered Accountant
9 Ainslie Place
Edinburgh
EH3 6AT

Morningside Parish Church
Statement of Financial Activities

Year ended 31 December 2020	Note	Unrestricted Funds 2020	Restricted Funds 2020	Total 2020	Total 2019
<u>Income and Endowments from:</u>		£	£	£	£
Donations and legacies	1	176,105	37,299	213,404	307,647
Charitable activities	2	500	-	500	200
Other trading activities	3	23,046	-	23,046	45,510
Investments	4	33,037	-	33,037	41,875
Other	5	-	29,486	29,486	527,146
<u>Total Income</u>		<u>232,688</u>	<u>66,785</u>	<u>299,473</u>	<u>922,378</u>
<u>Expenditure on:</u>	6				
Raising funds		66,262	12,850	79,112	74,791
Charitable activities		269,903	45,709	315,612	936,431
<u>Total Expenditure</u>		<u>336,165</u>	<u>58,559</u>	<u>394,724</u>	<u>1,011,222</u>
Net gains/ (losses) on investments	11	(16,975)	(225)	(17,200)	101,014
Net (expenditure)/ income		(120,452)	8,001	(112,451)	12,170
Transfers between funds	14	17,065	(17,065)	-	-
Net movement in funds		(103,387)	(9,064)	(112,451)	12,170
Reconciliation of funds:					
Total funds brought forward		<u>1,809,621</u>	<u>32,460</u>	<u>1,842,081</u>	<u>1,829,911</u>
Total funds carried forward	14	<u>1,706,234</u>	<u>23,396</u>	<u>1,729,630</u>	<u>1,842,081</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 20 to 34 form part of the financial statements.

Morningside Parish Church
Balance Sheet
At 31 December 2020

		2020		2019	
	Note	£	£	£	£
Fixed Assets					
Tangible Fixed assets	9		658,909		655,508
Investments	11		<u>990,532</u>		<u>1,107,748</u>
			1,649,441		1,763,256
Current Assets					
Debtors	12	23,010		14,122	
Deposits – Church of Scotland		19		19	
Bank and cash		<u>90,956</u>		<u>116,134</u>	
		113,985		130,275	
Creditors					
Falling due within one year	13	<u>33,796</u>		<u>51,450</u>	
Net Current Assets/ (Liabilities)			<u>80,189</u>		<u>78,825</u>
Net Assets			<u>1,729,630</u>		<u>1,842,081</u>
Unrestricted Funds					
General funds	14	982,025		1,088,616	
Buildings Reserve		600,000		600,000	
Asset Reserve		58,909		55,508	
Designated funds		<u>65,300</u>		<u>65,497</u>	
			1,706,234		1,809,621
Restricted Funds	14		<u>23,396</u>		<u>32,460</u>
Total Funds	15		<u>1,729,630</u>		<u>1,842,081</u>

The accounts were approved by the Kirk Session on 9 March 2021.

For and on behalf of the Kirk Session:

R Stimpson

Session Clerk

C McNeil

Treasurer

Morningside Parish Church

Year ended 31 December 2020

Accounting Policies

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) as amended in March 2018 (effective 1 January 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. The Trustees' going concern assessment includes the expected impact of COVID-19 to the Charity for a period of at least 12 months from the date of signing of these financial statements.

Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Expenditure recognition

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 attributed 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.

Morningside Parish Church
Year ended 31 December 2020

Accounting Policies (continued)

Tangible fixed assets

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets vested in the Church of Scotland General Trustees, comprising the Church, the Church Hall and a residence for the widow of a former Minister. During the year the residence in Esslemont Road was sold and the alterations to the Sanctuary were completed (see note 6). This asset has been excluded from the accounts and no consideration is payable for the use of this asset.

Locally held tangible fixed assets, including the Manse, not vested in the Church of Scotland General Trustees, are included in these accounts at deemed cost derived from valuation. It was not considered necessary to obtain professional valuations of these buildings. The Trustees based their valuation of these buildings on local knowledge, and based the valuation of the Manse on recent selling prices of properties in the same area. Expenditure incurred on the repair and maintenance of these assets is charged as expenditure in the statement of financial activities in the period in which the liability arises.

Communion Silver is the other class of asset included at deemed cost derived from valuation. In 2008, the Trustees obtained a professional valuation of communion silver from James Walker.

All tangible fixed assets having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised. The capitalisation threshold is £1,000.

Finance costs directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of these assets.

Plant and Equipment is included at cost; and depreciation is provided on a straight-line basis to write off the cost or initial value, less residual value, of plant and equipment at the following annual rates over their estimated useful lives:

Plant and machinery	20%
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No depreciation is provided on assets under construction.

The locally-held buildings and communion silver 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.

Where the recoverable amount of a tangible asset is found to be below its net book value, the asset is written down to its recoverable amount and the loss on impairment is charged as part of charitable activities within the statement of financial activities in the year.

Morningside Parish Church
Year ended 31 December 2020

Accounting Policies (continued)

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.

Taxation

Morningside 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.

Funds

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.

Transfers between funds are made on the authority of the Kirk Session (General Fund) or at the discretion of leaders of congregational organisations in accordance with each organisation's structure (restricted funds).

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Morningside Parish Church
Year ended 31 December 2020

Accounting Policies (continued)

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, loans, trade creditors, other creditors and accruals.

Morningside Parish Church
Notes forming part of the financial statements
for the year ended 31 December 2020

	Unrestricted	Restricted		
	Funds	Funds	Total	Total
	2020	2020	2020	2019
1 Donations and legacies	£	£	£	£
Offerings	111,873	120	111,993	123,588
Tax recovered on Gift Aid	25,034	-	25,034	31,461
Grant Income	500	37,044	37,544	103,808
Legacies	27,500	-	27,500	10,000
Sundry Income, gifts & donations	11,198	135	11,333	38,790
	<u>176,105</u>	<u>37,299</u>	<u>213,404</u>	<u>307,647</u>

Income from donations and legacies was £213,404 (2019: £307,647) of which £176,105 was unrestricted (2019: £187,919) and £37,299 was restricted (2019: £119,728).

2 Income from charitable activities

	£	£	£	£
Weddings and Funerals	500	-	500	200
	<u>500</u>	<u>-</u>	<u>500</u>	<u>200</u>

Income from charitable activities was £500 (2019: £200) of which £500 was unrestricted (2019: £200).

3 Other trading activities

	£	£	£	£
Use of Premises	21,846	-	21,846	43,882
Fundraising events	1,200	-	1,200	1,628
	<u>23,046</u>	<u>-</u>	<u>23,046</u>	<u>45,510</u>

Income from other trading activities was £23,046 (2019: £45,510) of which £23,046 was unrestricted (2019: £45,510).

4 Investment income

	£	£	£	£
Deposit interest	-	-	-	8
Dividends received	32,985	-	32,985	41,766
Bank interest	52	-	52	101
	<u>33,037</u>	<u>-</u>	<u>33,037</u>	<u>41,875</u>

Investment income was £33,037 (2019: £41,875) of which £33,037 was unrestricted (2019: £41,875).

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2020

	Unrestricted Funds	Restricted Funds	Total	Total
	2020	2020	2020	2019
	£	£	£	£
5 Other income				
Receipts from General Trustees	-	29,486	29,486	527,146
	<u>-</u>	<u>29,486</u>	<u>29,486</u>	<u>527,146</u>

Other income was £29,486 (2019: £527,146) of which £29,486 was restricted (2019: £527,146).

6 Analysis of Expenditure

	£	£	£	£
Raising Funds				
Use of Premises	66,262	12,850	79,112	74,791
	<u>66,262</u>	<u>12,850</u>	<u>79,112</u>	<u>74,791</u>
Charitable Activities				
Ministries and Mission Allocation	119,583	-	119,583	124,514
Presbytery Dues	3,931	-	3,931	4,097
Expenses of Ministry	5,021	-	5,021	7,990
Pulpit Supply	73	-	73	440
Other salary costs	20,219	19,779	39,998	44,189
Fabric Repairs & Maintenance	59,785	3,421	63,206	41,624
Council Tax	2,138	-	2,138	2,425
Other Buildings Costs	16,102	-	16,102	17,586
Church Office Expenses	5,671	-	5,671	4,819
Organ & Music	9,051	5,179	14,230	17,981
Accountancy Fees	15,720	-	15,720	16,320
Flowers	2,059	-	2,059	2,289
Other Expenses	3,390	694	4,084	11,933
Bank charges and interest	948	-	948	1,203
Depreciation	4,232	-	4,232	3,009
Donations to Church of Scotland	-	16,636	16,636	631,692
Governance costs:				
External scrutiny:				
- Auditor fee	-	-	-	3,720
- Independent examination fee	1,980	-	1,980	-
- Over/ Underaccrual in respect of prior year fee in respect of the independent examination/ audit	-	-	-	600
	<u>1,980</u>	<u>-</u>	<u>1,980</u>	<u>4,320</u>
	<u>269,903</u>	<u>45,709</u>	<u>315,612</u>	<u>936,431</u>
	<u>336,165</u>	<u>58,559</u>	<u>394,724</u>	<u>1,011,222</u>

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2020

6 Analysis of Expenditure (continued)

Expenditure on raising funds was £79,112 (2019: £74,791) of which £66,262 was unrestricted (2019: £74,791) and £12,850 was restricted (2019: £nil).

Expenditure on charitable activities was £315,612 (2019: £936,431) of which £269,903 was unrestricted (2019: £402,506) and £45,709 was restricted (2019: £533,925).

7 Staff costs and numbers	2020	2019
	£	£
Salaries and wages	83,607	90,718
Social security costs	1,207	3,414
Pension costs	1,696	2,046
Total	<u>86,510</u>	<u>96,178</u>

During the year some staff were furloughed. Those salary payments are included above and the associated Job Retention Scheme payments received from HMRC are shown as a restricted grant as noted in note 14.

No employee had employee benefits more than £60,000 (2019: none).

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

	2020	2019
Ministerial support	1	1
Administration	1	1
Music staff	1	1
Premises maintenance	<u>3</u>	<u>3</u>
	<u>6</u>	<u>6</u>

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 £28,137 (2019: £27,585) and the maximum stipend (in the fifth and subsequent years of service) was £34,577 (2019: £33,899).

The charity operates a defined contribution pension scheme on behalf of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charity and amounted to £1,696 (2019: £2,046) in the year. At the year end an outstanding balance of £nil (2019: £nil) was owed to the scheme.

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2020

8 Trustee Remuneration and Related Party Transactions

Very Revd Dr Derek Browning, the Minister, received expenses, including car expenses, of £3,009 (2019: £3,674). Dr Browning's Council Tax of £2,538 was paid by the Church (2019: £2,425).

Other than the costs of ministry set out above the aggregate amount of Trustee Remuneration in the year is £nil (2019: £nil).

During the year 2020 a total of £42,490 could be identified as being donated to the congregation by Trustees (2019: £37,693).

9 Tangible Fixed Assets

	Buildings	Communion Silver	Plant & Equipment	Total
Cost	£	£	£	£
At 1 January 2020	600,000	41,219	24,640	665,859
Additions	-	-	7,633	7,633
At 31 December 2020	<u>600,000</u>	<u>41,219</u>	<u>32,273</u>	<u>673,492</u>
Depreciation and impairments				
At 1 January 2020	-	-	10,351	10,351
Depreciation charge	-	-	4,232	4,232
At 31 December 2020	<u>-</u>	<u>-</u>	<u>14,583</u>	<u>14,583</u>
Net Book value				
At 31 December 2020	<u>600,000</u>	<u>41,219</u>	<u>17,690</u>	<u>658,909</u>
At 31 December 2019	<u>600,000</u>	<u>41,219</u>	<u>14,289</u>	<u>655,508</u>

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2020

9 Tangible Fixed Assets (continued)

The buildings and communion silver are carried at deemed cost derived from valuation. The Trustees have based their valuations of the buildings on their knowledge of local market conditions. The valuation of the Manse was based on recent selling prices of properties in the same area. In 2008, the Trustees obtained a professional valuation of communion silver from James Walker.

10 Analysis of Buildings

An analysis of building valuations is set out below:

	2020	2019
	£	£
Manse	600,000	600,000
	<u>600,000</u>	<u>600,000</u>

11 Investments

	2020	2019
	£	£
Market value at 1 January 2020	1,107,748	1,156,746
Additions at cost	-	-
Disposals	(100,016)	(150,012)
Realised (loss)/gain on investments	(7,630)	10,954
Unrealised (loss)/gain on investments	(9,570)	90,060
Market value at 31 December 2020	<u>990,532</u>	<u>1,107,748</u>

Investments at cost	<u>785,487</u>	<u>864,697</u>
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The following investments are held:

	2020	2019
	£	£
Church of Scotland Growth Fund	466,245	562,135
Church of Scotland Income Fund	524,287	545,613
	<u>990,532</u>	<u>1,107,748</u>

All investments are UK investments.

12 Debtors

	2020	2019
	£	£
Hall Rentals	1,931	598
Other	21,079	13,524
	<u>23,010</u>	<u>14,122</u>

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2020

13 Creditors

	2020	2019
	£	£
Trade creditors	24,208	4,926
Accruals	5,764	37,342
Special Collections	1,083	7,943
Other tax and social security	837	1,195
Other creditors	1,904	44
	<u>33,796</u>	<u>51,450</u>

14

	At 1 Jan 2020	Income	Expenditure	Gains/ (Losses) on investments	Transfers between funds	At 31 Dec 2020
	£	£	£	£	£	£
Restricted funds						
Benevolent Funds	10,543	-	-	(187)	-	10,356
Flower Fund Capital	772	-	-	(3)	-	769
Organ and Music	5,473	50	(5,179)	(26)	-	318
Sunday Club	27	-	(18)	(9)	-	-
Fabric Fund	6	120	-	-	-	126
Audio System Maintenance	5,000	-	(3,421)	-	-	1,579
Choir Library Fund	1,000	-	-	-	-	1,000
LPWS Fund	-	17,265	-	-	(17,265)	-
Receipts from General Trustees	-	29,486	(29,486)	-	-	-
Go For It Fund	4,990	25	(416)	-	-	4,599
General Upkeep Fund	4,124	-	-	-	-	4,124
Pastoral Care and Outreach Support	525	-	-	-	-	525
Bethany Care Shelter	-	60	(260)	-	200	-
Catering	-	60	(260)	-	200	-
CJRS Fund	-	19,779	(19,779)	-	-	-
	<u>32,460</u>	<u>66,785</u>	<u>(58,559)</u>	<u>(225)</u>	<u>(17,065)</u>	<u>23,396</u>

Purposes of Restricted Funds

Benevolent Funds: These are funds to assist poor or disadvantaged people, especially those within the parish.

Flower Funds: These are funds to provide flowers for display during services of worship.

Organ and Music Funds: These are funds to contribute to the organ and music costs incurred.

Floodlighting Fund: This fund is to contribute to the annual costs of floodlighting.

Sunday Club Fund: This is a fund to meet costs incurred by the Sunday Club.

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2020

14 Movements in Funds (cont'd)

Fabric Fund: The Restricted Fabric Fund was established in 2018 to identify fabric (masonry) work on the Church building carried out and paid for by the Church but refunded from the Consolidated Fabric Fund held by the Church of Scotland General Trustees on behalf of the congregation.

Audio System Maintenance Fund: This fund is to be used to meet the costs of the maintenance of the audio system.

Choir Library Fund: This fund is to be used to meet the costs of the maintenance of the choir library.

LPWS Fund: This restricted grant was received from the Listed Places of Worship Scheme in order to cover the VAT incurred in relation the New Cluny Hall, St Andrew's Room and Church Development Project. During the year £17,265 was transferred from this fund to unrestricted general funds in relation to the reimbursement of VAT incurred.

Receipts from General Trustees: This fund represents payments from the Church of Scotland Consolidated Fabric Fund held on behalf of Morningside Parish Church (Appendix A) to be used solely for property development and maintenance purposes.

Go For It Fund: This fund represents a Church of Scotland grant awarded for a dementia project lasting one year from grant drawdown date.

General Upkeep Fund: This fund is to be used in the general maintenance of the Church property including gardening and cleaning costs.

Pastoral Care and Outreach Support: This fund is to be used for Pastoral Care costs including appropriate training for volunteer pastoral visitors and any costs incurred in the Church's Outreach activities.

Bethany Care Shelter Catering: This fund is to be used to cover costs for catering at the Care Shelter.

CJRS fund: This fund is to be used to meet wages cost for furloughed employees.

Restricted funds

	At 1 Jan 2019	Income	Expenditure	Gains/ (Losses) on investments	Transfers between funds	At 31 Dec 2019
	£	£	£	£	£	£
Benevolent Funds	10,299	-	(300)	544	-	10,543
Flower Fund Capital	764	-	-	8	-	772
Organ and Music	606	10,933	(6,142)	76	-	5,473
Floodlighting	-	233	(233)	-	-	-
Sunday Club	-	105	(104)	26	-	27
Fabric Fund	6	-	-	-	-	6
Audio System Maintenance	5,000	-	-	-	-	5,000
Choir Library Fund	1,000	-	-	-	-	1,000
LPWS Fund	-	98,818	-	-	(98,818)	-
Receipts from General Trustees	-	527,146	(527,146)	-	-	-
Go For It Fund	-	4,990	-	-	-	4,990
General Upkeep Fund	-	4,124	-	-	-	4,124
Pastoral Care and Outreach Support	-	525	-	-	-	525
	<u>17,675</u>	<u>646,874</u>	<u>(533,925)</u>	<u>654</u>	<u>(98,818)</u>	<u>32,460</u>

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2020

14 Movements in Funds (cont'd)

	At 1 Jan 2020	Income	Expenditure	Gains/ (Losses) on investments	Transfers between funds	At 31 Dec 2020
	£	£	£	£	£	£
Unrestricted funds						
Designated Funds:-						
Organisations:-						
Cradle Roll	25	100	(57)	-	-	68
Monday Circle	680	33	(436)	-	-	277
Wednesday Club	2,276	328	(582)	-	-	2,022
Social Committee	703	1,326	(911)	-	-	1,118
Other Designated Funds:-						
Flower Fund	2,061	2,645	(2,059)	-	-	2,647
Fabric Fund	32,853	-	-	-	-	32,853
Kirk Session	5,408	-	-	(144)	-	5,264
Music Fund	2,946	-	-	(58)	-	2,888
Organ	18,545	-	-	(382)	-	18,163
Total of Designated Funds	65,497	4,432	(4,045)	(584)	-	65,300
General Funds:-						
Buildings Reserve	600,000	-	-	-	-	600,000
Assets Reserve	55,508	-	(4,232)	-	7,633	58,909
General Fund	1,088,616	228,256	(327,888)	(16,391)	9,432	982,025
Total of General Funds	1,744,124	228,256	(332,120)	(16,391)	17,065	1,640,934
Unrestricted Funds (above)	1,809,621	232,688	(336,165)	(16,975)	17,065	1,706,234
Restricted Funds (b/f)	32,460	66,785	(58,559)	(225)	(17,065)	23,396
Total funds	1,842,081	299,473	(394,724)	(17,200)	-	1,729,630

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2020

14 Movements in Funds (cont'd)

	At 1 Jan 2019	Income	Expenditure	Gains on investments	Transfers between funds	At 31 Dec 2019
	£	£	£	£	£	£
Unrestricted funds						
Designated Funds:-						
Organisations:-						
Cradle Roll	112	-	(87)	-	-	25
Monday Circle	1,680	1,227	(2,227)	-	-	680
Wednesday Club	1,922	2,977	(2,623)	-	-	2,276
Social Committee	460	5,087	(4,844)	-	-	703
Other Designated Funds:-						
Flower Fund	1,973	2,377	(2,289)	-	-	2,061
Fabric Fund	32,853	-	-	-	-	32,853
Kirk Session	4,987	-	-	421	-	5,408
Music Fund	2,777	-	-	169	-	2,946
Organ	17,432	-	-	1,113	-	18,545
Total of Designated Funds	64,196	11,668	(12,070)	1,703	-	65,497
General Funds:-						
Buildings Reserve	600,000	-	-	-	-	600,000
Assets Reserve	47,807	-	(3,009)	-	10,710	55,508
General Fund	1,100,233	263,836	(462,218)	98,657	88,108	1,088,616
Total of General Funds	1,748,040	263,836	(465,227)	98,657	98,818	1,744,124
Unrestricted Funds (above)	1,812,236	275,504	(477,297)	100,360	98,818	1,809,621
Restricted Funds (b/f)	17,675	646,874	(533,925)	654	(98,818)	32,460
Total funds	1,829,911	922,378	(1,011,222)	101,014	-	1,842,081

Organisations: Their purposes are described in the Trustees' Annual Report ("Objectives and Activities").

Fabric Fund: The Trustees have set aside funds for the maintenance of the charity's properties.

Kirk Session Fund: The Trustees have set aside funds to assist poor or disadvantaged people.

Organ and Music Fund: The Trustees have set aside funds for the purchase of organ and music resources for use in worship.

Flower Fund: These are funds to provide flowers for display during services of worship.

Building Reserve and Asset Reserve: These are funds representing the net book value of the relevant fixed assets.

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2020

15 Analysis of Net Assets Between Funds

2020

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	658,909	-	-	658,909
Investments	975,953	10,534	4,045	990,532
Net Current Assets	<u>6,072</u>	<u>54,766</u>	<u>19,351</u>	<u>80,189</u>
Net assets at 31 Dec 2020	<u><u>1,640,934</u></u>	<u><u>65,300</u></u>	<u><u>23,396</u></u>	<u><u>1,729,630</u></u>

Analysis of Net Assets Between Funds

2019

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	655,508	-	-	655,508
Investments	1,090,171	12,700	4,877	1,107,748
Net Current (Liabilities)/ Assets	<u>(1,555)</u>	<u>52,797</u>	<u>27,583</u>	<u>78,825</u>
Net assets at 31 Dec 2019	<u><u>1,744,124</u></u>	<u><u>65,497</u></u>	<u><u>32,460</u></u>	<u><u>1,842,081</u></u>

16 Collections for Third Parties

	2020	2019
	£	£
Collected during the year:		
Christian Aid	-	4,372
Poppyscotland	88	48
Edinburgh Clothing Store, Scottish Love in Action, Water Aid	263	7,163
Blythswood Care	120	-
Mary Ross	40	-
	<u>511</u>	<u>11,583</u>

Of these sums collected £303 (2019: £7,211) was payable to the third parties following the year end.

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2020

17 Financial Commitments

At 31 December 2020 the Church had total future commitments under non-cancellable operating leases as follows:

	Office Equipment	
	2020	2019
	£	£
Less than 1 year	662	662
Between 1 and 5 years	1,325	1,987
	1,987	2,649

Operating lease payments made during the year were £662 (2019: £662).

18 Contingent Liabilities

At 31 December 2020 the charity had a contingent liability of £nil (2019: at least £12,000). The balance held at 31 December 2019 related to the outstanding contract sum due to H. M. Raitt & Sons in relation to the Phase 3 development.

APPENDIX A

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

	2020 £	2019 £
CAPITAL ACCOUNTS		
Consolidated Fabric Fund		
Credit Balances held at 31 December 2020 - at cost	4,931	34,417
	<hr/>	<hr/>
Consolidated Fabric Fund		
Market Value of Balances held at 31 December 2020	-	-
	<hr/>	<hr/>
REVENUE ACCOUNT		
Consolidated Fabric Fund		
Balance at 1 January 2020	£ 1,710	£ 2,305
Net activity during year	220	(595)
	<hr/>	<hr/>
Credit Balance at 31 December 2020	1,930	1,710
	<hr/>	<hr/>
TEMPORARY ACCOUNT		
Temporary Fund		
Balance at 1 January 2020	£ -	£ 2,228
Net activity during year	-	(2,228)
	<hr/>	<hr/>
Credit Balance at 31 December 2020	-	-
	<hr/>	<hr/>

Temporary Account: Initial legal costs and sales particulars costs relating to the sale of Esslemont Road.