

The Church of Scotland
Fairmilehead Parish Church of Scotland, Edinburgh

**TRUSTEES' REPORT
AND FINANCIAL STATEMENTS**

for the year ended

31 December 2016

Congregation No: 000010033

Registered Charity No: SC015967

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Report Year ended 31 December 2016

The Trustees present the annual report and financial statements of Fairmilehead Parish Church of Scotland, Edinburgh for the year ended 31 December 2016. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 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 published on 16 July 2014.

Objectives and Activities

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

There are currently two Sunday morning services, at 9.45am and 11am with a time between so that both congregations can meet together for coffee, tea, and fellowship.

Worship Now! is at 9.45am and is a service of contemporary worship featuring modern music and songs with a Praise Group, musical instruments, PowerPoint, and new ways of exploring life and faith. There is a rota of story tellers who talk to the younger children (up to P7) during the first third of the service; the children then leave to attend their own Young Church groups in the halls. Crèche facilities are available for children under 3. Pathfinders, for young people of Secondary School age meet at 11am. Many Pathfinders help at the Young Church.

The Morning Service is at 11am and follows a more traditional pattern of hymns, songs, sermon and prayers.

Communion is served on the last Sunday of each month and on festival Sundays. In the summer, and on festival Sundays, a combined service is held at 10.30am.

The Holy Week services are held jointly with St Fillan's Scottish Episcopal Church. Other services are the occasional 'Night Light' evening service held jointly with Greenbank and Morningside Parish Churches. An All Souls Service and Blessing of the Animals Service are also held annually.

Many groups are available for the congregation and others to join including the Guild, Study and Praise Groups whilst other groups, including the Forum, Badminton, Walking Group, Country Dancing and the Uniformed Organisations, also meet in the halls. The halls are rented out for use by the surrounding community and provide classes and activities for all ages. South Morningside Primary School's Nursery use the halls during term time, as do the Council's Social Work Department and, on occasion, the Community Council, Scottish Water and the Blood Transfusion Service. One of the halls is used as a Polling Station.

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report (continued)

Year ended 31 December 2016

Achievements and Performance

The minister, members of the Kirk Session and its Committees continue to meet the needs of the congregation through worship, study groups, home and hospital visits and social events.

The Associate Minister's contract ended in September 2016 and she returned to the United States with her family. A part time Youth and Families Worker, Jamie Woods, was appointed in October 2016 to continue her work with the Young Church, the local primary schools and our neighbouring congregations

As a result of the 'Conversations' held with members during 2015, a Pop Up café opened on Wednesday mornings in the spring of 2016. It is manned by volunteers. There is no charge for refreshments although donations are welcomed. This is an opportunity for the church to reach beyond the congregation to the wider community.

The church's magazine 'Crossroads' continues to be produced three times a year and is delivered to the whole parish. It contains topical articles by the Ministers and members of the community. The monthly newsletter, the website, Facebook, banners and other publicity all continue to promote the work of the church to the wider community.

A Holiday Club 'The Guardians of Ancora' was held during August 2016 for 50 children of primary school age. A Holiday Club is planned for August 2017 on the theme of Moses.

The 'Join the Journey' Sunday afternoon meeting has now moved to meeting in various member's homes on Monday evenings.

The congregation continues to support Christian Aid and St Catherine's Mercy Centre in Lauriston Place with gifts of food and clothing for their work with the homeless in Edinburgh. The Young Church sponsor a child through the charity Action Aid.

The current Minister demits office at Easter 2017 and the Kirk Session is aware of its responsibility to prepare for the appointment and arrival of a new minister.

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report (continued)

Year ended 31 December 2016

Financial Review

Financially, 2016 has been a particularly good year.

Against a balanced budget, unrestricted ordinary income exceeded unrestricted expenses by £25,139, only £1,000 of this being attributable to legacies. Along with an unrealized gain on investments of £2,487, the surplus has raised reserves to the equivalent of over 10 months of forecasted expenditure. Our accounting policy is to hold reserves equal to 3 months expenditure but, last year, it was increased to 4 months and general reserves are maintained at that level. This has allowed us to designate the entire surplus for this year for future replacement, renewal and development projects. Designated funds now stand at £95,000 although £70,000 of that is committed to boiler replacement, kitchen refurbishment and replacement flooring.

Restricted funds have also benefited through continued fund-raising and regular giving as well as one-off donations. The stained glass windows funds, which was in deficit at the start of the year, has now been cleared off.

Unrestricted receipts and payments

Page 10 shows that ordinary income (including legacies of £1,000) exceeded ordinary expenses by £25,139 against a balanced budget.

Members' offerings (excluding legacies) are £2,363 above projections but £5,583 down on 2015. Also, hall-letting income (Rent received), at £100,219, is £13,219 above budget and £6,020 more than the previous year. As a separate cost centre, the halls contribute a significant amount to our ministries and mission allocation while still generating a modest surplus.

Payments appear to be more tightly controlled being £7,427 less than the budget and £5,212 less than 2015. This is largely due to the actual spend on fabric repairs and maintenance being much less than anticipated although it is accepted that such outlays, by their nature, are more variable from year to year.

Restricted funds

Overall, the restricted funds increased by £10,245 although half of that is due to a recovery of the value of our investments while these investments also brought in £5,388 of dividends.

As anticipated, the Youth Development & Young Church fund continued to fall substantially as expenditure exceeded receipts. Following the departure of the Youth Minister, youth development and youth ministry is now being conducted on a part-time basis and sufficient regular funds are being donated to cover the costs involved.

Thanks to additional donations, the Stained Glass Windows Fund has now been cleared while the efforts of the Sunday Tea/Coffee Group continue to build up the fund to help with the refurbishment of the kitchen.

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report (continued)

Year ended 31 December 2016

Risk Management

The average age of the congregation continues to rise with a potential negative impact on ordinary givings. Accordingly, a provision of £5,000 has been made for such losses which may impact in the next twelve months. The level of members' donations is continually under review and annual appeals are made to members to regularly review the amount of their giving.

Extensive use of the halls also brings the risk that a fall in the rental take-up could also reduce the incoming resources. The Trustees are aware that there will no longer be a requirement for council nursery provision at Fairmilehead from 2019. The current contract, equivalent to £18,000 per annum, expires in August 2018 and the Church Centre Committee will be charged with considering various options for replacement rents.

With the extensive use of halls, we are continually being faced with high refurbishment costs. Thanks to legacies and surpluses over recent years, the Trustees are setting aside substantial funds for replacement, renewals and development projects.

Reserves Policy

It is the policy of the Trustees to hold unrestricted reserves of approximately three months expenditure, excluding designated funds. At the year end, the Church held unrestricted cash funds of £158,441. This represents 10.05 months budgeted, unrestricted expenditure for 2017, and shows a continuing and significant improvement over the previous year, particularly as legacies account for only £1,000 of that figure.

Having been able last year to hold the equivalent of 4 months expenditure in general reserves, this year's surplus has allowed us to maintain that level and allocate all of the surplus to designated funds, raising the balance from £70,000 to £95,000. This will enable the Trustees to meet the costs of agreed expenditure (boiler replacement, refurbishment of the kitchen, etc.) expected over the short term as well as setting up a provision for future replacement and renewal costs.

The Church also held £681,527 of restricted funds which have been provided for the purposes specified in Note 14.

Investment Objectives and Performance against those Objectives

Investment fixed assets are held in the Church of Scotland Investors Trust – Income Fund which invests in a mix of government bonds, corporate bonds with a small exposure to shares. It is therefore a safer investment than the Growth Fund which invests mainly in a mix of shares with some investments in corporate bonds and property. The Income Fund is an appropriate medium-term investment which currently offers a reliable rate of income (4%).

The Church has invested £125,000 in a Manse Fund (being the surplus on the recent turnover of manses), £40,000 for major capital projects and £20,000 in a General Fund.

Over the first year of the investment, market value dropped, as expected but fully recovered in 2016. The year-end market value (including Guild investments) was £188,492 against the cost of £185,999 as shown in Note 9.

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report (continued)

Year ended 31 December 2016

Structure, Governance and Management

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

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

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

Reference and Administrative Information

Principal Office

Church Office
1a Frogston Road West
Edinburgh
EH10 7AA

Charity Number: SC015967

Independent Examiner

Anne Dobson FCA
Greenbank Accountants Ltd
6c Canaan Lane
Edinburgh
EH10 4SY

Bankers

Royal Bank of Scotland
17 Comiston Road
Edinburgh
EH10 6AA

Fairmilehead Parish Church of Scotland, Edinburgh

Trustees' Annual Report (continued)

Year ended 31 December 2016

Trustees' Responsibilities in Relation to the Financial Statements

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

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity, for that period. In preparing those financial statements, the Trustees are required to:

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

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

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

Approved by the Trustees and signed on their behalf,

Session Clerk

Date: 21 March 2017

**Independent Examiner's Report to the Trustees of Fairmilehead Parish Church
Year ended 31 December 2016**

I report on the accounts of the charity for the year ended 31 December 2016, which are set out on pages 10 to 24.

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 **Accounts Regulations** does not apply. It is my responsibility to examine the accounts as required under **section 44(1) (c)** of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination is carried out in accordance with **Regulation 11** of the **Charities Accounts (Scotland) Regulations 2006 (as amended)**. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

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

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

Name: Anne Dobson FCA

Address: Greenbank Accountants Ltd
6c Canaan Lane
Edinburgh
EH10 4SY

Date: March 2017

Fairmilehead Parish Church of Scotland, Edinburgh

Statement of Financial Activities Year ended 31 December 2016

	Note	Unrestricted Funds 2016	Restricted Funds 2016	Total 2016	Total 2015
Income from:		£	£	£	£
Donations and Legacies	1	101,863	23,812	125,675	178,855
Income from charitable activities	2	-	3,387	3,387	3,096
Income from other trading activities	3	100,219	11,118	111,337	99,527
Investment income	4	2,731	5,688	8,419	4,622
Total Income		<u>204,813</u>	<u>44,005</u>	<u>248,818</u>	<u>286,100</u>
Expenditure on:	5				
Raising funds		80	-	80	92
Charitable activities		179,594	39,041	218,635	242,281
Total Expenditure		<u>179,674</u>	<u>39,041</u>	<u>218,715</u>	<u>242,373</u>
Net income/(expenditure) before gains and losses on investments		25,139	4,964	30,103	43,727
Net gains/(losses) on investments		<u>2,487</u>	<u>5,281</u>	<u>7,768</u>	<u>(6,638)</u>
Net movement in funds		<u>27,626</u>	<u>10,245</u>	<u>37,871</u>	<u>37,089</u>
Reconciliation of funds:					
Total funds brought forward		<u>130,815</u>	<u>671,282</u>	<u>802,097</u>	<u>765,008</u>
Total funds carried forward		<u>158,441</u>	<u>681,527</u>	<u>839,968</u>	<u>802,097</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 13 to 24 form part of the financial statements.

Fairmilehead Parish Church of Scotland, Edinburgh

Balance Sheet

At 31 December 2016

	Note	2016		2015	
		£	£	£	£
Fixed Assets					
Tangible Fixed assets	8		506,146		510,900
Investments	9		188,492		180,724
			<u>694,638</u>		<u>691,624</u>
Current Assets					
Debtors	10	18,595		10,057	
Deposits – Church of Scotland		69,283		68,813	
Bank and cash		<u>58,397</u>		<u>32,608</u>	
		146,275		111,478	
Creditors					
Falling due within one year	11	<u>945</u>		<u>1,005</u>	
Net Current Assets			<u>145,330</u>		<u>110,473</u>
Net Assets			<u>839,968</u>		<u>802,097</u>
Unrestricted Funds					
General funds	14	63,441		60,815	
Designated funds		<u>95,000</u>	158, 441	<u>70,000</u>	
					130,815
Restricted Funds	14		<u>681,527</u>		<u>671,282</u>
Total Funds			<u>839,968</u>		<u>802,097</u>

The accounts were approved by the Kirk Session on 21 March 2017.

For and on behalf of the Kirk Session:

Session Clerk

Treasurer

Fairmilehead Parish Church of Scotland, Edinburgh

Statement of Cash Flows

Year ended 31 December 2016

		Total Funds 2016	Total Funds 2015
	Note	£	£
Net cash used in operating activities	15	17,840	46,002
Cash flows from investing activities:			
Interest and dividends		8,419	4,622
Purchase of investments		-	(184,995)
Net cash provided by investing activities		8,419	(180,373)
Change in cash and cash equivalents in the year		26,259	(134,371)
Cash and cash equivalents brought forward		101,421	235,792
Cash and cash equivalents carried forward		<u>127,680</u>	<u>101,421</u>

Fairmilehead Parish Church of Scotland, Edinburgh

Accounting Policies Year ended 31 December 2016

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

Basis of preparation

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

Fund accounting

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

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

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

Fairmilehead Parish Church of Scotland, Edinburgh

Accounting Policies (continued) Year ended 31 December 2016

Incoming resources

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

Donated services

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

Interest receivable

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

Resources expended

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

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

Fairmilehead Parish Church of Scotland, Edinburgh

Accounting Policies (continued) Year ended 31 December 2016

Tangible fixed assets

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

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

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

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

Furnishings and fittings	10%
Artwork	10%

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

Investments

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

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

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

Fairmilehead Parish Church of Scotland, Edinburgh

Accounting Policies (continued)

Year ended 31 December 2016

Taxation

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

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements

for the year ended 31 December 2016

	Unrestricted Funds 2016	Restricted Funds 2016	Total 2016	Total 2015
1 Donations and Legacies	£	£	£	£
Offerings	81,963	18,048	100,011	103,011
Tax recovered on Gift Aid	18,877	4,098	22,975	25,361
Legacies	1,000	-	1,000	42,000
Other offerings, donations, etc.	23	1,666	1,689	8,483
	<u>101,863</u>	<u>23,812</u>	<u>125,675</u>	<u>178,855</u>
Income from donations and legacies was £125,675 (2015: £178,855) of which £101,863 was unrestricted (2015 £148,446) and £23,812 was restricted (2015 £30,409)				
2 Income from charitable activities	£	£	£	£
Coffee mornings, etc.	-	3,387	3,387	3,096
	<u>-</u>	<u>3,387</u>	<u>3,387</u>	<u>3,096</u>
Income from charitable activities was £3,387 (2015: £3,096) of which £- was unrestricted (2015 £-) and £3,387 was restricted (2015 £3,096)				
3 Income from other trading activities	£	£	£	£
Rent received	100,219	11,118	111,337	99,527
	<u>100,219</u>	<u>11,118</u>	<u>111,337</u>	<u>99,527</u>
Income from other trading activities was £111,337 (2015: £99,527) of which £100,219 was unrestricted (2015 £94,199) and £11,118 was restricted (2015 £5,328)				
4 Investment income	£	£	£	£
Deposit interest	193	299	492	709
Dividends received	2,538	5,389	7,927	3,913
	<u>2,731</u>	<u>5,688</u>	<u>8,419</u>	<u>4,622</u>
Total investment income was £8,419 (2015 £4,622) of which £2,731 was unrestricted (2015 £1,464) and £5,688 was restricted (2015 £3,158)				

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued)

for the year ended 31 December 2016

	Unrestricted Funds 2016	Restricted Funds 2016	Total 2016	Total 2015
5 Analysis of Resources Expended				
Raising Funds	£	£	£	£
Offering Envelopes	80	-	80	92
	<u>80</u>	<u>-</u>	<u>80</u>	<u>92</u>
Charitable Activities				
Ministries and Mission Allocation	73,597	280	73,877	71,639
Presbytery Dues	1,508	28	1,536	2,026
Voluntary Additional Stipend	-	-	-	33
Expenses of Ministry	2,319	-	2,319	2,588
Ministerial Assistance	-	27,231	27,231	29,862
Pulpit Supply	210	-	210	-
Other salary costs	35,377	-	35,377	34,394
Fabric Repairs & Maintenance	8,899	216	9,115	37,766
Council Tax	195	-	195	-
Other Buildings Costs	41,830	482	42,312	40,230
Church Office Expenses	5,504	41	5,545	6,077
Organ & Music	7,961	-	7,961	6,937
Independent Examiner Fee	945	-	945	900
Other Expenses	1,249	6,009	7,258	5,075
Depreciation	-	4,754	4,754	4,754
	<u>179,594</u>	<u>39,041</u>	<u>218,635</u>	<u>242,281</u>
	<u>179,674</u>	<u>39,041</u>	<u>218,715</u>	<u>242,373</u>

Expenditure on raising funds was £80 (2015 £92) of which £80 was unrestricted (2015 £92) and £- was restricted (2015 £-).

Expenditure on charitable activities was £218,635 (2015 £242,281) of which £179,594 was unrestricted (2015 £184,793) and £39,041 was restricted (2015 £57,488).

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

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued) for the year ended 31 December 2016

	2016	2015
	£	£
6 Staff costs and numbers		
Salaries and wages	63,638	66,075
Social security costs	1,941	2,664
Total	<u>65,579</u>	<u>68,739</u>

The cost of the use of agency staff for the year was £4,113 (2015: £2,134).

No employee earned more than £60,000 (2015: none).

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

	2016	2015
Ministerial support	1	1
Administration	1	1
Music staff	1	1
Premises maintenance	<u>1</u>	<u>1</u>
	<u>4</u>	<u>4</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 £26,380 (2015: £26,119) and the maximum stipend (in the fifth and subsequent years) was £32,419 (2015: £32,098).

7 Trustee Remuneration and Related Party Transactions

The Minister, received re-imburement of expenses of £2,319, comprising £2,127 travel expenses and £192 phone allowance.

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

During the year a total of £40,648 was donated to the congregation by Trustees.

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued)
for the year ended 31 December 2016

8 Tangible Fixed Assets

	Heritable	Furnishings & fittings	Artwork	Total
Cost	£	£	£	£
At 1 January 2016 and 31 December 2016	500,500	41,989	5,550	548,039
Accumulated Depreciation				
At 1 January 2016	-	34,364	2,775	37,139
Depreciation	-	4,199	555	4,754
At 31 December 2016	-	38,563	3,330	41,893
Net Book value				
At 31 December 2015	500,500	7,625	2,775	510,900
At 31 December 2016	500,500	3,426	2,220	506,146

9 Investments

	2016	2015
	£	£
Market value at 1 January 2016	180,724	2,367
Additions at cost	-	184,995
Unrealised gain/ (loss) on investments	7,768	(6,638)
Market value at 31 December 2016	188,492	180,724
Investments at cost	185,999	185,999

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

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued) for the year ended 31 December 2016

10 Debtors

	2016	2015
	£	£
Gift aid tax refund due	4,542	4,525
Accrued income – hall rentals	14,053	5,529
Other	-	3
	<u>18,595</u>	<u>10,057</u>

11 Creditors

	2016	2015
	£	£
Accrued charge & prepaid income	945	1,005
	<u>945</u>	<u>1,005</u>

12 Analysis of Net Assets Between Funds

	Unrestricted			Total
	General	Designated	Restricted	
	£	£	£	£
Fixed Assets	-	-	506,146	506,146
Investments	20,378	40,755	127,359	188,492
Net Current Assets	43,063	54,245	48,022	145,330
Net assets at 31 Dec 2016	<u>63,441</u>	<u>95,000</u>	<u>681,527</u>	<u>839,968</u>

13 Volunteers

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

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued)
for the year ended 31 December 2016

14 Movements in Funds

	At 1 Jan 2016	Incoming Resources	Outgoing Resources	Invest- ment gains/ (losses)	Transfers between funds	At 31 Dec 2016
	£	£	£	£	£	£
Restricted funds						
Manse Fund	634,862	16,460	890	5,182	-	655,614
Furniture & fittings Fund	7,625	-	4,199	-	-	3,426
Artwork Fund	2,775	-	555	-	-	2,220
Youth Development & Young Church Fund	17,434	21,709	31,639	-	-	7,504
Sunday Tea/Coffee Fund	4,275	2,215	-	-	-	6,490
Praise Group Fund	2,416	31	18	-	-	2,429
Pastoral Fund	516	6	32	-	-	490
Stained Glass Fund	(2,317)	2,317	-	-	-	-
Other Funds	114	101	120	-	-	95
Guild Fund	3,582	1,166	1,588	99	-	3,259
	<u>671,282</u>	<u>44,005</u>	<u>39,041</u>	<u>5,281</u>	<u>-</u>	<u>681,527</u>
Unrestricted funds						
Designated Replacement, Renewals & Development Fund	70,000	-	-	-	25,000	95,000
General Fund	60,815	204,813	179,674	2,487	(25,000)	63,441
	<u>130,815</u>	<u>204,813</u>	<u>179,674</u>	<u>2,487</u>	<u>-</u>	<u>158,441</u>
Total Funds	<u>802,097</u>	<u>248,818</u>	<u>218,715</u>	<u>7,768</u>	<u>-</u>	<u>839,968</u>

Fairmilehead Parish Church of Scotland, Edinburgh
Notes forming part of the financial statements (continued)
for the year ended 31 December 2016

Purposes of Restricted Funds

Manse Fund: This reflects the cost price of the new manse property, the net surplus on the sale of the previous manse at 6 Braid Crescent, Edinburgh, and the net income from the temporary rental of the manse, less expenses in relation to the new manse.

Furniture & Fittings Fund: This reflects the written down value of capitalised furniture and fittings.

Artwork Fund: This reflect the written down value of the commissioned artwork.

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

Youth Development & Young Church Fund: This is a fund to provide for the salary of the Associate Minister for the development of youth ministry and the young church, and for youth development and young church expenses.

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

Stained-Glass Windows Fund: This is a fund used towards the cost of repairing the stained-glass windows in the Church.

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

Other funds: Currently this includes funds to be used towards the purchase of books on a religious theme for sale to members of congregation, funds to be used towards the licensing costs of providing educational films and activities, and funds to be used for the provision of family meals.

Guild Fund: This is a fund administered by the Guild.

Purposes of Designated Funds

Replacement, Renewals & Development Fund: the Trustees have set aside funds for the maintenance of the church property including specifically the replacement of boilers, kitchen upgrade and flooring replacement.

Fairmilehead Parish Church of Scotland, Edinburgh

Notes forming part of the financial statements (continued)
for the year ended 31 December 2016

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

	2016	2015
	£	£
Net movement in funds	37,871	37,089
Add back depreciation charge	4,754	4,754
Deduct interest income	(8,419)	(4,622)
Deduct gains/ add back losses on investments	(7,768)	6,638
Decrease (Increase) in debtors	(8,538)	1,138
Increase (Decrease) in creditors	(60)	1,005
Net cash used in operating activities	<u>17,840</u>	<u>46,002</u>

16 Collections for Third Parties

	2016	2015
	£	£
Christian Aid	3,264	3,232
Mercy Corps	322	187
	<u>3,586</u>	<u>3,419</u>
Collections from the Guild		
Street Pastors	511	-
Seagull Trust	129	-
Mary's Meals	-	712
CHAS	-	101
	<u>640</u>	<u>813</u>
Collections from the Young Church		
Sponsored Child	180	180
Nepal	500	-
Borderline	34	-
Heifer Appeal	-	611
	<u>714</u>	<u>791</u>
Total collected for and paid to third parties	<u>4,940</u>	<u>5,023</u>