

Charity No. SC 003009

CHRIST CHURCH, MORNINGSIDE

Annual Report and Accounts

FOR THE YEAR ENDED

30 SEPTEMBER 2011

Christ Church Morningside

Annual Report and Accounts for the year ended 30th September 2011

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**Christ Church Morningside
Vestry Report for the year ended 30 September 2011**

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

Scottish Charity Number:-	SC003009
Principal Office:-	6a Morningside Road Edinburgh EH10 4DD
Members of Vestry:-	
Rev Susan Macdonald	Chair
Angela Brown	People's Warden
Ceci Stephens	Rector's Warden (appointed November 2010)
Nick Bowry	Rector's Warden (retired November 2010)
Timothy Horne	Lay Representative (appointed November 2010)
Jennie Ritchie	Lay Representative (retired November 2010)
Jane Green	Secretary
Kenneth Ramage	Treasurer
Robin Morris	
Howard Moody	
Jacqui Drinkwater	
Helen Godfrey	
Rona Nussey	
Rob Johnson	retired November 2010
Assisting Clergy:-	
Rev Anderson Jeremiah	
Rev Elizabeth Koepping	Non-stipendiary minister in secular employment
Rev Dr Alex Baker	Non-stipendiary minister in secular employment
Supporting Clergy:-	
Rev Margaret Raven	Non-stipendiary
Rev Hendy Procter	Non – stipendiary (retired November 2010)
Bankers:-	Bank of Scotland 8 Morningside Road Edinburgh EH10 4DD
Independent Examiners:-	Chiene + Tait Chartered Accountants 61 Dublin Street Edinburgh EH3 6NL
Solicitors:-	Anderson Strathern LLP 1 Rutland Court Edinburgh EH3 8EY

Structure & Governance

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

**Christ Church Morningside
Vestry Report for the year ended 30 September 2011**

Structure & Governance (continued)

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

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

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

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

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

Objectives & Activities

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

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

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

In carrying out its objectives the Vestry depends upon the contribution, both human and material, of many volunteers from the congregation. Activities carried out include contributions preparatory to and during worship, service on sub-committees (for example social) and through group activities (for example, pastoral care), the maintenance of premises and fabric, and a variety of pastoral and social activities (for example, Young People's church and Choir). These contributions are all highly valued and all members of the congregation are encouraged to, and many do, participate in them.

Achievements & Performance

During the past year the Vestry (Management Committee) has taken forward its vision and goals for the growth and development of the mission and ministry of Christ Church. At its first meeting of 2011 Vestry reviewed and refocused priorities for the short and medium term future in relation to the objectives and activities set out above.

Christ Church Morningside
Vestry Report for the year ended 30 September 2011

Achievements & Performance (continued)

Rev Dr Anderson Jeremiah, full time Associate Priest resigned as at 31st October 2011 and the post will be vacant until 8th January 2012 when Rev Philip Blackledge will take up the position.

The Church Administrator position remains at 25 hours per week.

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

The church's tradition and overall policy is one of openness and inclusivity.

Treasurer's Report

The four funds which comprise the accounts of Christ Church produced a surplus of £2,562 for the year. This is made up of surpluses of £6,954 and £1,143 on the General and Capital funds and deficits of £5,207 and £328 on the Church Centre and Transport funds. The surplus for the year however becomes a deficit of £1,364 after an unrealised loss of £3,926 on our investment in SEC units is taken into account.

The General Fund which is responsible for the day to day activities of the church performed much better than anticipated with a surplus of £6,954. Income increased by 2.6% to £173,744 with members giving and rent increasing by 5% and 10.4% respectively. Rental income which is an important source of income is derived from Hall, and Centre lets and the lease of the flat which we own in Maxwell street. Whilst members giving increased this year we will lose approximately £2,600 of gift aid next year as the transitional relief ended in April 2011.

Expenditure on the General Fund increased by 3.5%. Salaries and associated costs increased by 13.3% to £97,292. The charge reflects the costs of employing Susan, Anderson, Sally and a cleaner and the increase on last year was due to lower costs in 2010 as we had six months without a Church Administrator. Rates and insurance costs fell from £13,096 to £5,658 as the previous year's figure included a significant water charge arising from the water leak. Worship, music & young church costs fell slightly to £4,794 whilst maintenance on the Church property increased from £10,521 to £12,251. Maintenance costs include painting the guttering of the Church, organ tuning, servicing of boilers, removal of pews, carpet for no.6 and plumbing repairs. Heating and lighting fell by £640 to £7,266 and office expenses which now includes the printing of the newsletter increased from £5,112 to £5,485. The quota we pay to the Diocese increased very slightly to £14,183. The contribution to the Church Overseas and Eric Liddell Centre amounted to £10,409 with £8,009 being donated to the Church Overseas and £2,400 to the Eric Liddell Centre to support their dementia services. Finally £888 was donated to local/national charities from the net income from Maxwell Street as part of our 10% legacy giving.

The Capital Fund reported a surplus of £1,143. Income was derived from the base station rent of £10,005 and a legacy of £5,000 from the estate of Ruth Mary Young. This legacy will support the refurbishment of the side chapel which was re-dedicated in November. Income from the base station rent is allocated to capital projects and will be used to fund various improvements and repairs recommended in the quinquennial report.

Expenditure amounted to £13,864 and included £3,968 on the refurbishment of the side chapel, £5,239 on various improvements to No.6, including roof repairs, £1,983 on repairs to the stonework and downpipes at the rear of the church and £1,560 fee to the church's architect for the quinquennial report.

The deficit of £5,207 on the church centre represents the yearly amount to write off the original cost of the Centre of £223,000 over its expected useful life.

**Christ Church Morningside
Vestry Report for the year ended 30 September 2011**

Treasurer's Report (continued)

Finally a further £328 was incurred on taxi charges for the elderly and infirm to attend church and church events. The balance remaining on this fund is £472.

The Church has total funds of £536,138 of which £426,881 represents fixed assets comprising the Church Centre and Maxwell Street flat. The bank balance remains strong at £55,411 and we will use some of these deposits to purchase additional SEC units to provide additional income to compensate for the reduction in gift aid relief.

Whilst 2011 was a sound year as far as the finances of the Church were concerned we must not be complacent. There will be increasing pressures on costs such as energy, insurance and maintenance and maintaining the current high levels of income will be a challenge as household budgets are stretched in these very difficult financial times. I hope our members will continue to provide the level of financial support to allow the clergy to continue the excellent ministry and mission which makes our Church so strong.

Reserves Policy

The Vestry's reserves policy is to maintain reserves to meet future capital and revenue expenditure. Restricted reserves comprise funds raised to construct the new Church Centre and provide transport for the elderly and infirm. The balance on the General Fund at 30th September 2011 was £166,573 and the Capital Fund was £280,573. The balance on the Fabric Fund (Centre) was £88,520 and Transport Fund £472.

Investment Policy

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

Plans for Future Periods

Within the limitations of its resources, the Vestry is intent on continuing its range of present activities for the future and in particular the activities associated with its "Mission Goals" strategy.

**Christ Church Morningside
Vestry Report for the year ended 30 September 2011**

Statement of Responsibilities of Members of Vestry

The members of the Vestry are responsible for preparing the Vestry Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the members of the Vestry to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the members of the Vestry are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The members of the Vestry are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution. The applicable law also sets out the members of the Vestries' responsibilities for the preparation and content of the Vestry Report.

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

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

Conclusion

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

BY ORDER OF THE VESTRY



J Green
Vestry Secretary

CHRIST CHURCH MORNINGSIDE

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 30 September 2011

	Note	Unrestricted Funds :		Restricted Funds:			Total 2011	Total 2010
		General Fund	Capital Fund	Centre Fund	Transport Fund			
		£	£	£	£	£		
Incoming resources :								
Incoming resources from generated funds								
Voluntary income								
Collections, donations and legacies		130,872	5,000	0	0	135,872	127,024	
Grants received, insurance claim		0	0	0	0	0	5,000	
Activities for generating funds								
Rent		36,559	10,005	0	0	46,564	43,808	
Sundry income		3,063	0	0	0	3,063	3,295	
Investment income		3,250	2	0	0	3,252	3,227	
Total incoming resources		<u>173,744</u>	<u>15,007</u>	<u>0</u>	<u>0</u>	<u>188,751</u>	<u>182,354</u>	
Resources expended :								
Charitable activities - The worship of God & the furtherance of God's mission	3	165,762	13,864	5,207	328	185,161	182,301	
Governance Costs	8	1,028	0	0	0	1,028	977	
Total resources expended		<u>166,790</u>	<u>13,864</u>	<u>5,207</u>	<u>328</u>	<u>186,189</u>	<u>183,278</u>	
Net incoming/outgoing resources before transfers		6,954	1,143	-5,207	-328	2,562	-924	
Transfer between Funds		0	0	0	0	0	0	
Unrealised (loss)/gain on revaluation	5	-3,926	0	0	0	-3,926	8,006	
Net movement in funds		<u>3,028</u>	<u>1,143</u>	<u>-5,207</u>	<u>-328</u>	<u>-1,364</u>	<u>7,082</u>	
Total funds brought forward		163,545	279,430	93,727	800	537,502	530,420	
Total funds carried forward		<u>166,573</u>	<u>280,573</u>	<u>88,520</u>	<u>472</u>	<u>536,138</u>	<u>537,502</u>	

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

All activities of the Church relate to continuing operations.

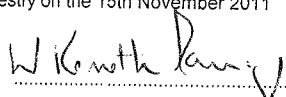
The notes on pages 9 to 13 form part of these accounts

CHRIST CHURCH MORNINGSIDE

BALANCE SHEET
As at 30 September 2011

	Note	2011	2010
		£	£
FIXED ASSETS	4		
Property		426,745	435,673
Furniture and equipment		136	548
		<u>426,881</u>	<u>436,221</u>
INVESTMENTS			
6701 SEC Units	5	65,914	69,840
CURRENT ASSETS			
Stock - One World Shop		392	413
Debtors	6	3,880	8,704
Cash at bank		55,411	31,805
		<u>59,683</u>	<u>40,922</u>
CREDITORS - amounts falling due within 12 months			
Sundry Creditors & accruals	7	16,340	9,481
		<u>16,340</u>	<u>9,481</u>
NET CURRENT ASSETS		43,343	31,441
NET ASSETS		<u>536,138</u>	<u>537,502</u>
REPRESENTED BY :			
UNRESTRICTED FUNDS :			
General Fund		166,573	163,545
Capital Fund		<u>280,573</u>	<u>279,430</u>
		447,146	<u>442,975</u>
RESTRICTED FUNDS :			
Centre Fund		88,520	93,727
Transport Fund		<u>472</u>	<u>800</u>
		88,992	<u>94,527</u>
		<u>536,138</u>	<u>537,502</u>

Approved by Vestry on the 15th November 2011


..... Hon Treasurer

The notes on pages 9 to 13 form part of these accounts

Christ Church Morningside
Notes to the Accounts for the Year Ended 30th September 2011

1. **Accounting Policies**

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

Accounting Bases

The accounts have been prepared under the historical cost convention as modified by the revaluation of investment assets and are in accordance with applicable UK accounting standards, the Charities Accounts (Scotland) Regulations 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) issued in 2005.

Income and Expenditure

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

Capital Expenditure

The Church and the properties at Numbers 4 & 6 Morningside Road are not reflected in the accounts. Values for original cost are not available. Vestry considers that the cost of carrying out a professional valuation to include these properties in the accounts would be disproportionate to any additional benefit derived by users of these accounts.

Since 2005 all property additions are capitalised and depreciated. Expenditure on the upgrading and refurbishment of Church properties is charged as a revenue expense. Office furniture and equipment in excess of £400 and having a value to the Church greater than one year are capitalised.

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

Property - Residential Flat (residual value exceeds cost)	0%	
Property - Centre	4%	Straight Line
Furniture and Equipment	33.33%	Straight Line

The residential flat at 23/12 Maxwell Street, Edinburgh, is stated at cost and no depreciation is charged. In the opinion of the trustees, the property has a long useful life and a residual value so high that any depreciation charge would be immaterial. The Trustees consider that the current market value is considerably in excess of cost and do not consider that the expense of undertaking a valuation is warranted.

Investments

Investments are included in the accounts at market value. Realised and unrealised gains/losses are recognised in the year in which they arise.

Pension Costs

The Church funds pension contributions for certain employees to the SEC Pension Fund a defined benefit non-contributory pension scheme and also private personal pension schemes. Contributions are charged to the Statement of Financial Activities so as to spread the cost of pensions over the employees' working lives with the Church.

Stock

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

Taxation

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

Christ Church Morningside
Notes to the Accounts for the Year Ended 30th September 2011 continued

2. **Nature and Purpose of Funds**

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

Unrestricted Funds

These funds are expendable at the discretion of the Trustees in the furtherance of the objects of the Church. The funds comprise:

General Fund

This is the fund through which the day to day transactions of the Church are recorded.

Capital Fund

This fund is used to finance capital improvements.

Restricted Funds

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

Centre Fund

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

Transport Fund

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

3. **Analysis of Resources Expended**

	Unrestricted Funds :				Restricted Funds:	
	General Fund	Capital Fund	Centre Fund	Transport Fund	Total 2011	Total 2010
	£	£	£	£	£	£
Analysis of Resources Expended :						
Salaries, pensions and expenses	97,292	0	0	0	97,292	85,848
Diocesan Quota	14,183	0	0	0	14,183	14,131
Worship, mission and young church	4,794	0	0	0	4,794	4,864
Contribution to Church Overseas	8,009	0	0	0	8,009	7,592
Donation - Eric Liddell Centre	2,400				2,400	2,400
Ten Per Cent Giving	888	500			1,388	823
Overseas & UK Giving	11,297	500	0	0	11,797	10,815
Heating & lighting	7,266	0	0	0	7,266	7,906
Rates & Insurances	5,658	0	0	0	5,658	13,096
Repair, maintenance & improvements	12,869	13,364	0	0	26,233	27,614
Depreciation	4,133	0	5,207	0	9,340	9,203
Fabric Costs	29,926	13,364	5,207	0	48,497	57,819
Church Hall & social expenses	1,207	0	0	0	1,207	1,783
Office Expenses & magazine	5,485	0	0	0	5,485	5,112
Transport	0	0	0	328	328	668
Sundry	1,578	0	0	0	1,578	1,261
Other expenditure	8,270	0	0	328	8,598	8,824
Total Cost of Charitable Activity	165,762	13,864	5,207	328	185,161	182,301

Christ Church Morningside
Notes to the Accounts for the Year Ended 30th September 2011 continued

4	Fixed Assets	Property	Furniture And Equipment	Total
		£	£	£
	Cost			
	As at 1 st October 2010	498,217	2,284	500,501
	Additions	-	-	-
	Disposals	-	-	-
	As at 30 th September 2011	498,217	2,284	500,501
	Depreciation			
	As at 1 st October 2010	62,544	1,736	64,280
	Charge for Year	8,928	412	9,340
	Disposals	-	-	-
	As at 30 th September 2011	71,472	2,148	73,620
	Net Book Value			
	As at 30 th September 2011	426,745	136	426,881
	As at 30 th September 2010	435,673	548	436,221

Property costs represent expenditure in connection with the Church Centre and a residential flat received as a legacy on 1st September 2008.

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

5. Investments

	2011	2010
	£	£
Market value at beginning of year	69,840	61,834
Unrealised (loss)/gain	(3,926)	8,006
Market value at end of year	65,914	69,840
Cost at 30 September 2011	6,102	6,102

All investments are held in the Scottish Episcopal Church Unit Trust Pool (UTP).

Christ Church Morningside
Notes to the Accounts for the Year Ended 30th September 2011 continued

6. Debtors	2011	2010
	£	£
Office Float	100	100
Quota in advance	3,557	6,320
Rent	223	2,284
	<hr/>	<hr/>
	3,880	8,704
	<hr/>	<hr/>
7. Sundry Creditors	2011	2010
	£	£
Salaries, tax & NIC	4,590	2,113
Church overseas & charitable giving	1,546	2,023
Heat & light	515	384
Rent in advance	3,454	1,908
Maintenance & Capital expenditure	5,040	360
Other creditors & accruals	1,195	2,693
	<hr/>	<hr/>
	16,340	9,481
	<hr/>	<hr/>
8. Governance Costs	2011	2010
	£	£
Independent Examiner's fee	1,028	977
	<hr/>	<hr/>
9. Staff	2011	2010
	£	£
Gross Salaries	70,514	59,764
Employers NIC	6,164	5,453
Pension Costs	15,861	14,884
	<hr/>	<hr/>
	92,539	80,101
	<hr/>	<hr/>
Average Number of Employees *	4	3
	<hr/>	<hr/>

* including part-time and shared employees.

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

No remuneration or expenses have been paid to any member of the vestry, other than the Rector who received a salary, pension contributions and expenses of £38,877 for the year ended 30th September 2011.

Christ Church Morningside
Notes to the Accounts for the Year Ended 30th September 2011 continued

9. Staff – Continued

Pension Commitments

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

The Church paid contributions at the rate of 34.9% to 30th September 2011 and the pension charge payable by the Church was £15,861 (2010: £14,884). This included £Nil (2010: £Nil) in respect of amounts outstanding to the Fund at the year end.

The most recent actuarial valuation of the Fund was at 31 December 2008 which estimated the Fund's total deficit to be £8.8m.

There were no unpaid contributions outstanding at 30th September 2011 payable by Vestry.

10. Capital Commitments

At the balance sheet date the following commitments had been made by the Vestry in respect of capital expenditure or repair and maintenance of buildings and other assets.

Internal painting of Church - £2,136
 Refurbishment of side chapel - £5,986

11. Analysis of Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fixed assets	339,361	88,520	427,881
Investments	65,914	-	65,914
Net current assets	41,871	472	42,343
	<hr/> 447,146 <hr/>	<hr/> 88,992 <hr/>	<hr/> 536,138 <hr/>

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
OF CHRIST CHURCH, MORNINGSIDE**

I report on the accounts of Christ Church, Morningside for the year ended 30 September 2011 which are set out on pages 7 to 13.

This report is made to the trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the trustees, as a body, for my work or for this report.

Respective responsibilities of trustees and independent examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 (the Act) and the Charities Accounts (Scotland) Regulations 2006 (the Regulations). The charity trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

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

Independent examiner's statement

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

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1)(a) of the Act and Regulation 4 of the Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 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.

Malcolm Beveridge

Malcolm Beveridge, BA CA

CHIENE + TAIT
Chartered Accountants and Independent Examiners
61 Dublin Street
Edinburgh EH3 6NL

25 November 2011

APPENDIX 1

CHRIST CHURCH MORNINGSIDE

INCOME AND EXPENDITURE ACCOUNT
For the year ended 30 September 2011

INCOME	2011	2010
GENERAL	£	£
Investment Income	3,250	3,225
Collections : Envelopes & Open Plate	8,261	7,922
Collections : Standing Orders & Cheques	95,883	89,899
Income Tax Recovered	26,728	26,773
Insurance Claim	0	5,000
Rent - Hall/Centre	27,059	24,063
Rent - Maxwell street	9,500	9,042
Coffee Proceeds	597	590
Magazine contribution	139	327
Surplus - One World Shop	23	13
Donations	638	1,514
Sundry	1,666	851
	<u><u>173,744</u></u>	<u><u>169,219</u></u>
CAPITAL		
Base Station Rental	10,005	10,703
Term Deposit Interest	2	2
Donations	0	2,430
Legacies	5,000	0
	<u><u>15,007</u></u>	<u><u>13,135</u></u>
TRANSPORT		
Donation - Contract Taxi	<u>0</u>	<u>0</u>
	<u><u>188,751</u></u>	<u><u>182,354</u></u>

APPENDIX 1 continued

CHRIST CHURCH MORNINGSIDE

INCOME AND EXPENDITURE ACCOUNT continued
For the year ended 30 September 2011

EXPENDITURE	2011	2010
	£	£
GENERAL		
Salaries,pensions, expenses & national insurance	97,292	85,848
Worship, mission & young church	4,794	4,864
Vestments	266	625
Heating & lighting	7,266	7,906
Rates & insurance - church/houses	5,658	13,096
Maintenance - church/houses	12,251	10,521
Factor's expenses - Maxwell street	618	810
Church hall & social expenses	1,207	1,783
Quota	14,183	14,131
Contribution to Church overseas	8,009	7,592
Donation - Eric Liddell Centre	2,400	2,400
Ten per cent giving (Maxwell Street rent)	888	823
Office expenses & magazine	5,485	5,112
Sundry	1,312	636
Examiner's fee	1,028	977
Depreciation	4,133	3,996
	<u>166,790</u>	<u>161,120</u>
CAPITAL		
Sound System	447	10,588
Tables, Chairs	167	3,322
Side Chapel	3,968	300
Refurbishment - No. 6	5,239	-2,614
Quinquennial fee	1,560	0
Repairs to NW & SW of Church	1,983	0
Ten per cent giving (Legacy)	500	0
Font, Candle Holder	0	1,775
Water Main Repair	0	2,912
	<u>13,864</u>	<u>16,283</u>
CHURCH CENTRE		
Depreciation	5,207	5,207
	<u>5,207</u>	<u>5,207</u>
TRANSPORT		
Taxi charges	328	668
	<u>328</u>	<u>668</u>
	<u>186,189</u>	<u>183,278</u>
SURPLUS/(DEFICIT)		
GENERAL	6,954	8,099
CAPITAL	1,143	-3,148
CHURCH CENTRE	-5,207	-5,207
TRANSPORT	-328	-668
	<u>2,562</u>	<u>-924</u>