

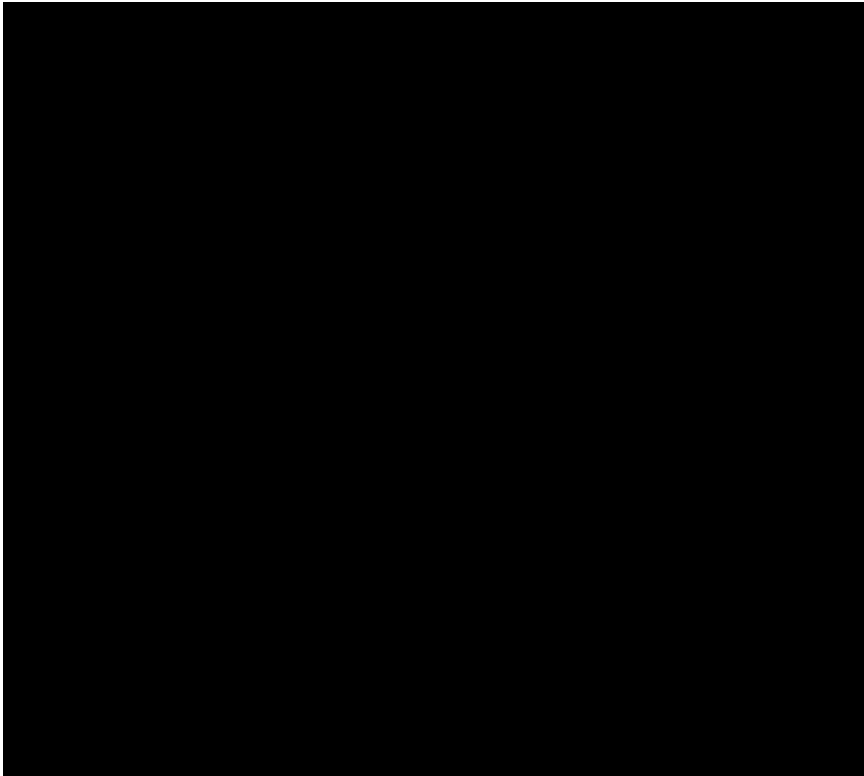
Charity Registration No. SC039655 (Scotland)

THE CITY OF EDINBURGH METHODIST CHURCH
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

THE CITY OF EDINBURGH METHODIST CHURCH

LEGAL AND ADMINISTRATIVE INFORMATION

Church Council Members



Charity number (Scotland)	SC039655
Registered office	25 Nicolson Square Edinburgh EH8 9BX
Independent examiner	Johnston Smillie Ltd 5 South Gyle Crescent Lane Edinburgh EH12 9EG
Custodian Trustees	Trustees for Methodist Church Purposes Central Buildings Oldham Street Manchester M1 1JQ

THE CITY OF EDINBURGH METHODIST CHURCH

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THE CITY OF EDINBURGH METHODIST CHURCH

TRUSTEES REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

The Church Council Members present their annual report and financial statements for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Church's constitution, 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 (FRS 102)" (effective 1 January 2019).

Objectives and activities

The vision of the City of Edinburgh Methodist Church (CEMC) is to be an inclusive community in the heart of the city where we share God's love through working with and for others, to transform our community and the world.

The mission priorities agreed by the Church Council are consistent with the four aims of the Methodist Church in Great Britain: worship, learning and caring, service, evangelism.

Activities

CEMC conducts a wide range of activities in a number of areas, including 25 Nicolson Square, and other locations across the City and wider area. A number of activities are also based in the digital sphere.

1. Worship

We share in worship, prayer and fellowship. This involved Sunday Morning, Wednesday evening services, and Wednesdays at 'The Well'. These have been supported by a team of volunteers dealing with technical matters, and worship leaders.

2. Learning and Caring

CEMC has several small groups, that meet to deepen Christian discipleship; these include a number of house and small groups, meeting on site and online. We have a system of pastoral care, undertaken by volunteer pastoral visitors alongside the church ministers. A church group organise and distribute flowers on a weekly basis as part of the pastoral care exercised by CEMC.

3. Service

CEMC provides practical, financial, volunteer, and administrative support to a variety of organisations (including YMCA Edinburgh SCIO, Courts Listening Service, Bethany Christian Trust, Christian Aid and Soul Food, among others). We are a 'Festival Fringe Venue', now facilitating this within Nicolson Square Venues. We also support and are part of *Edinburgh Churches Together*, *Newington Churches Together* and the *Edinburgh Interfaith Association*. We are part of the Methodist Heritage movement.

THE CITY OF EDINBURGH METHODIST CHURCH

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Achievements and performance

General Church Work

Worship

- Through the year we have worked around the Main Sunday Service, to maintain the high quality and authentically Methodist, including the online offering. This has included the ongoing work of the volunteer technical team to maintain the online presence and access to worship.
- The Wednesday Worship service online continues to be supported well, with a regular attendance of between 10 and 20, and a number of different leaders. This is a positive contribution to the growing and maintaining of the faith of the congregation.
- Church wide prayer life has continued, with prayer groups meeting daily on weekdays.

Learning & Caring

- Pastoral care/pastoral network (both formal through pastoral carers and informal), care and attention, loving concern continues within the congregation.
- A number of small groups have continued to meet, some based on geographic areas, some short-term Bible studies, and others been groups with a common interest. These all offer an opportunity for people to explore faith aside from worship, building up people both inside and outside church in faith and discipleship.
- Provision for children and young people has continued, supported by the children and young people team. Some young people from CEMC also attended 3Generate (The Methodist Youth Assembly) 6-8 October 2023.

Service

- We continue to work with local university chaplaincies and our Young Adults group continues to meet monthly.
- CEMC has continued to work with and support wider work across Edinburgh and the region, including the ongoing work with YMCA Edinburgh, support for Bethany Christian Trust and the Courts Listening Service in use of the building. We also continue our partnership with Edinburgh City Mission to provide the Soul Food meal on a Monday evening.

Evangelism

- We have continued to develop the welcome offered by both the congregation and the building, this has included improving our publicity and signage.
- We have linked with the Methodist Church's Connexional Evangelism and Growth Strategy, especially around how the Methodist Church has a presence at the festivals in Edinburgh. This has seen a working party from the wider Methodist Church and including members drawn from CEMC putting on "Lost in Wonder" as a Fringe show.

Discussions with Central Hall Westminster Ltd

The relationship with CHW Ltd changed over the year, with support being offered for the establishment of a trading subsidiary of CEMC to oversee the provision of conference and meeting space in the buildings at Nicolson Square, and also the support of the maintenance and running of the buildings and others which CEMC has care of. This work continued over the year and there is now a different nature to the partnership with CHW Ltd.

THE CITY OF EDINBURGH METHODIST CHURCH

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Financial review

Net incoming resources before transfers and revaluations totalled £23,839 (2023: Net outgoing resources £360,817). Total incoming resources were £422,735 (2023: £455,869). Total resources expended came to £398,896 (2023: £816,686).

Charitable income

The main sources of charitable income in 2023/24 were collections and donations, grant income, investment income and room hire.

Investment income was £11,918 higher than in 2022/23. This is a result of there being a larger write off of irrecoverable debts due from a tenant in the prior year. There was also slight increase in rent. At £43,317 income from room hire was £683 lower than in the previous year. Even though an organisation is hiring additional space for storage, there was a small write off from the prior year causing the overall decrease.

Charitable expenditure

The largest items of expenditure were property-related costs, the CEMC's contribution to the Forth Valley Circuit, and management charges. Employment costs accounted for a lion's share of the rest. The large decreased cost of donations in the year is a result of the sale proceeds of 1 Junction Place, Edinburgh being transferred to the Scotland District in 2022/23.

Assets and Liabilities

In order to ease a deteriorating cash balance, we will draw on our financial investments in the coming year. This will enable us to aggressively address room letting and other sources of income.

Reserves

Reasons for retaining free reserves:

Free reserves are unspent funds for which no particular purpose has been identified for the time being. This is in addition to money prudently set aside for known future expenditure (designated funds). The managing trustees have identified the following main reasons for holding free reserves.

1. As prudent provision for unknown future expenditure e.g. unexpected deterioration of some part of the buildings. The trustees note, in this regard, the age and, in the case of the premises at Nicolson Square, A-listed status of the buildings.

2. As prudent provision against unexpected loss or reduction of income e.g. unexpected loss of income from lessees. The trustees note, in this regard, the Church's obligations to employees.

3. As a strategic financial resource to 'pump-prime' new initiatives in fulfilment of the church's mission.

THE CITY OF EDINBURGH METHODIST CHURCH

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Reserves (continued)

The level of free reserves deemed appropriate by the managing trustees will vary from year to year. The Church Finance and Development Group is responsible for recommending a specific figure to the Church Council annually. This figure is recorded in the minutes of the appropriate Church Council meeting.

The current approved policy is to target a level of free reserves of £141,000. This is made up of the following elements: -

Contingency	Basis of calculation	Reserves (£)
Uninsured property repairs	5% book value, inflation-adjusted	100,000
Retail units vacant	2 units vacant for 12 months	25,000
Increase in Circuit Assessment	10% increase	14,000
Staff redundancies		2,000

The actual amount of unrestricted reserves held as at 31 August 2024 was £20,350 (2023: £124,688). This is below the desired level of free reserves, primarily due to a large one off donation in the prior year, and additional costs such as management charges, and higher property expenditure this year. This approach recognises the fact that CEMC's positive balance of restricted funds is held in assets that are either illiquid or producing income that is currently required to support annual expenditure.

Restricted funds

Restricted funds amounted to £2,531,850 (2023: £2,403,422) at the balance sheet date. Of this, £1,595,385 consists of land, buildings and equipment utilised by CEMC and its associated charities. The balance consists largely of investment properties together with other investments, less loans and other liabilities.

Maintenance of Reserves

Finance, Development and Property Group are responsible for monitoring and maintaining the level of reserves. Information on these activities is included in regular reports to the managing trustees.

Policy Review

The Finance, Development and Property Group reviews the Reserves Policy, annually. Changes to the policy require the approval of the managing trustees. No change to this has been recommended since March 2023.

Investment Policy

Funds not immediately required, including bequests and other funds held in trust by The Trustees for Methodist Church Purposes, are invested through the Methodist Church's in-house investment manager, the Central Finance Board (CFB) of the Methodist Church.

Risk Management

The trustees have reviewed the major risks to which the charity is exposed and put in place systems to mitigate those risks. The areas of risk considered to be most significant and corresponding action to manage them are as follows:

Risk Mitigation

Unexpected property repairs:

- A 'Quinquennial' Building Condition Report is commissioned every five years from a qualified surveyor and recommendations followed. An annual flat roof inspection is undertaken

Unexpected loss of income from investment properties:

- Risk factored into free reserves policy.
- Risk spread between three properties.

THE CITY OF EDINBURGH METHODIST CHURCH

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Future Plans

As outlined in the CEMC's mission plan the priorities for the coming year are:

Worship

- Main Sunday Service, to maintain the high quality and authentically Methodist, including the online offering.
- Wednesday Worship
- Develop further worship opportunities
- Church wide prayer life

Learning & Caring

- Pastoral care/pastoral network (both formal through pastoral carers and informal), care and attention, loving concern
- Establishing and maintaining small groups, offering opportunity for people to explore faith aside from worship, building up people both inside and outside church in faith and discipleship
- Holding meetings in the most appropriate way (Face to face, online or a combination).
- Continue our work with children and young people
- Establish Church-life committee to encourage the developing life of the church

Service

- Engage with University: Student Group / Chaplaincy work
- Work out which "community" we can serve
- Support of specific non-CEMC forms of service, which are seen as good and important: e.g. YMCA, The Listening Service, Soul Food.
- Engage with issue of social justice as a congregation, and helping individuals do so

Evangelism

- Develop the welcome
- Better publicity and signage
- Christian engagement courses
- Linking with the Connexional God for All Strategy

Support

- Develop refreshed Mission Plan
- Staff Support

Establishment of Nicolson Square Venues Limited

Over the end of 2023-24 and into 2024-25 financial year, work has been underway to establish Nicolson Square Venues Limited (Company number **SC828337**) as a trading company of CEMC, this was achieved in November 2024, and the relationship continues to develop.

The Trustees acknowledge there is uncertainty about the future, however CEMC continues to fulfil its charitable objectives.

THE CITY OF EDINBURGH METHODIST CHURCH

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management

The governing document for the Methodist Church in Great Britain is "The Constitutional Practice and Discipline of the Methodist Church" (latest revision 2023). Section 6 deals with the governance of local churches

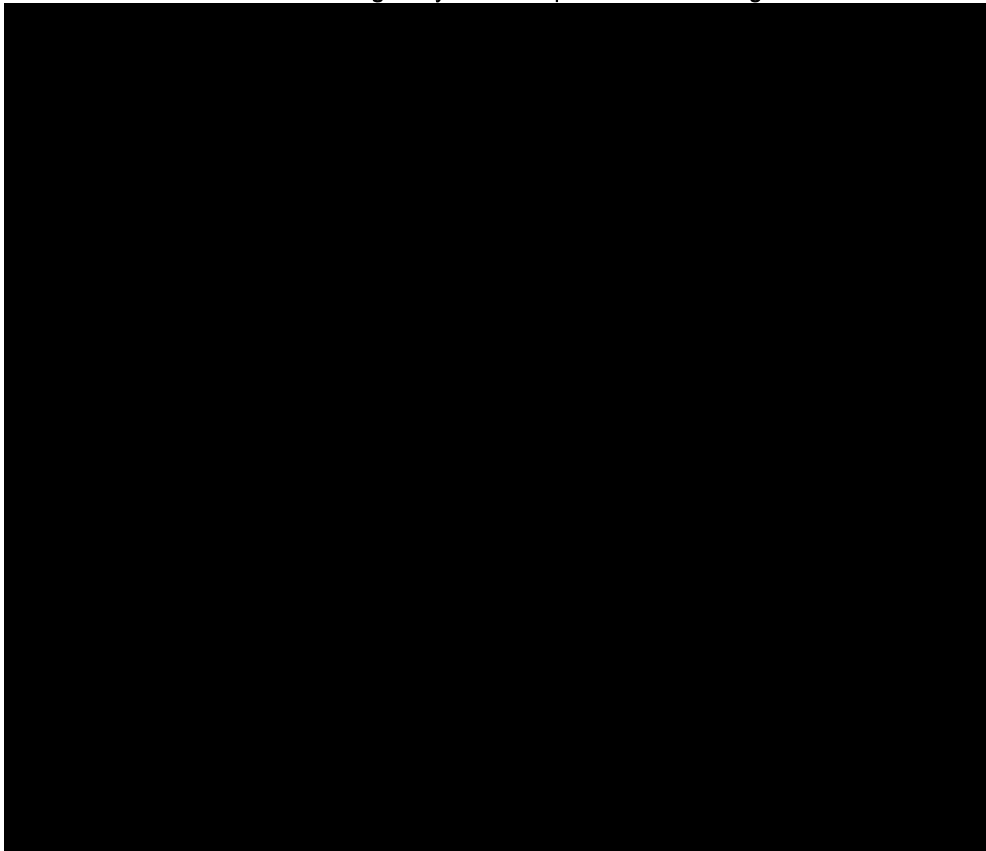
Charity Constitution

All members of the Church are entitled to vote at the General Church Meeting which is convened at least annually. In addition to mutual counsel as to the condition of the Church, the function of the meeting is to elect church stewards and representatives to the Church Council.

For the year 1st September 2023 to 31st August 2024, membership of the Church Council consists of:

- The Ministers
- Church Stewards (elected by General Church Meeting)
- Treasurer (appointed by council)
- The Secretary of the Pastoral Committee (appointed by the council)
- The Secretary of the council (appointed by the council)
- Between six and fifteen representatives elected by the General Church Meeting
- Up to fifteen additional persons appointed by the council to ensure adequate representation from all areas of the church's life
- One circuit steward appointed by the circuit stewards.

The Members who served during the year and up to the date of signature of the financial statements were:



THE CITY OF EDINBURGH METHODIST CHURCH

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Trustee Recruitment and Training

Ministers with pastoral oversight are Trustees by virtue of their appointment. The Circuit stewards appoint one of their number as a Trustee. Other Trustee vacancies come from within the church membership, either through direct election, appointment to an office or co-option. Of these, the General Church Meeting elects congregational representatives to Church Council as well as Church Stewards who serve on the Leadership Team. The Church Council elects its own Secretary, the Secretary of the Pastoral Committee and the Treasurer, and co-opted those it wishes to represent specific parts of the life of the church.

The Constitutional Practice and Discipline of the Methodist Church sets out the responsibilities of Methodist trustees and office bearers. Further guidance is available from the website of the Methodist Church. Training in the responsibilities of trustees and developments in charity regulation is provided by the Methodist Church's Learning Network

Staff and Volunteers

Over the year the paid staff of CEMC included the Director of Music and Organist, and the Church Administrator. The substantial contribution made by volunteers to the life and activities of the church includes the following areas:

- All Trustees, other than the Ministers, are volunteers.
- Stewards and other office bearers.
- Local Preachers and Worship Leaders.
- Pastoral Visitors.
- Leadership of small groups.
- Those involved in work with young people and safeguarding.
- Other contributions to worship services: choir, welcomers, communion stewards, tea/coffee, arrangement and distribution of flowers.
- Members of the Finance, Development and Property Group.
- Board members of YMCA Edinburgh and volunteer support for YMCA activities.
- Fundraising and awareness raising in the church on behalf of other charities e.g. Annual Church Project.
- Maintaining links with the wider Methodist Connexion.
- Ecumenical and inter-faith work.

THE CITY OF EDINBURGH METHODIST CHURCH

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Organisational Structure

The City of Edinburgh Methodist Church is registered as a charity in Scotland (no. SC039655). The church is part of the Forth Valley Circuit (31/3) (Charity Registration No. SC037950), which in turn is part of the Synod of the Methodist Church in Scotland (Charity Registration No. SC038098) of the Methodist Church in Great Britain (Charity number: 1132208). The Church Council, in a consultation initiated by the Methodist Church in Scotland gave it's support to the uniting of the six circuits in Scotland, this was agreed by the Methodist Conference in July 2024, and will come into effect on the 1st of September 2025, with the Forth Valley Circuit (31/3) uniting into the Scotland Circuit.

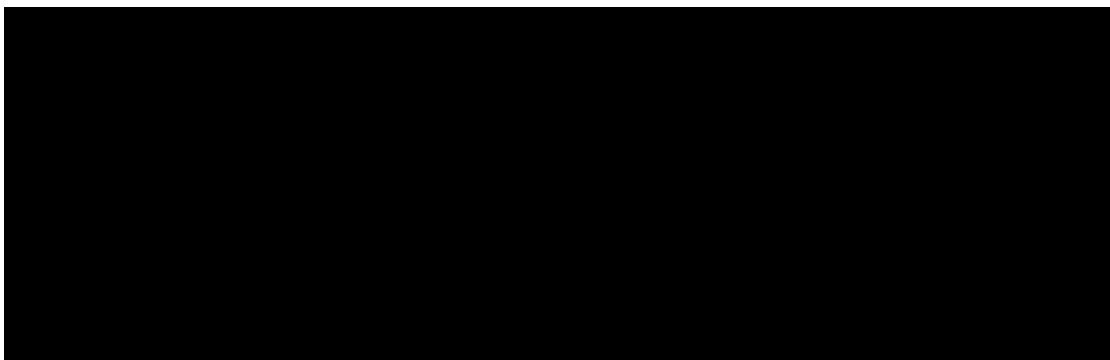
The Church Council members are the Trustees of the charity and Managing Trustees of the property and Model Trust monies (the Custodian Trustees for the property and Model Trust monies are the Trustees for Methodist Church Purposes – Registered Charity No. 1136358, a body corporate established by the Methodist Church Act 1939). The Church Council meets at least four times each year. It is responsible for achieving CEMC's mission, and for the appointment of office bearers and committees to enact the agreed strategies.

CEMC has close constitutional and operational ties with one further charity:

- *YMCA Edinburgh SCIO (Charity Registration No. SC048494) works with young people and families in Edinburgh. CEMC have the right to appoint four of the board members for YMCA Edinburgh, however this relationship is currently under review, and CEMC have agreed that the right to appoint board members is no longer required following the changing relationship with the sale of the property at 1 Junction Place.*

Objectives of CEMC's mission priorities are:

- To provide a range of quality worship services which draw as many as possible closer to God.
- To nurture faith development in all at whatever stage of their faith journey.
 1. To seek actively through prayer, pastoral care and other spiritual disciplines, to allow the kingdom of God to grow amongst us such that we all become active partners in the mission of the church both as individuals and as a faith community.
 2. To follow the example of Christ in caring for and championing the needs of the most vulnerable with an emphasis on working with partners and developing clear mission priorities for the use of our buildings.



THE CITY OF EDINBURGH METHODIST CHURCH

INDEPENDENT EXAMINER'S REPORT

TO THE CHURCH COUNCIL MEMBERS OF THE CITY OF EDINBURGH METHODIST CHURCH

I report on the financial statements of the Church for the year ended 31 August 2024, which are set out on pages 10 to 28.

Respective responsibilities of Church Council Members and examiner

The Church's Church Council Members are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's Church Council Members 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 financial statements 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. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking 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 financial statements.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

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



Relevant Professional Body: The Institute of Chartered Accountants in England and Wales

Johnston Smillie Ltd
5 South Gyle Crescent Lane
Edinburgh
EH12 9EG

Dated: 27.05.2025

THE CITY OF EDINBURGH METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2024

Current financial year

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Total 2023 £
<u>Income and endowments from:</u>						
Donations and legacies	3	104,178	201,901	-	306,079	175,146
Other trading activities	4	43,317	-	-	43,317	45,441
Investments	5	73,195	-	144	73,339	60,424
Other income	6	-	-	-	-	174,858
Total income and endowments		220,690	201,901	144	422,735	455,869
<u>Expenditure on:</u>						
Raising funds	7	42	-	16	58	167
Charitable activities	8	325,365	73,473	-	398,838	816,519
Total resources expended		325,407	73,473	16	398,896	816,686
Net gains/(losses) on investments	13	379	-	278	657	(377)
Net movement in funds		(104,338)	128,428	406	24,496	(361,194)
Fund balances at 1 September 2023		124,688	2,403,422	6,599	2,534,709	2,895,903
Fund balances at 31 August 2024		20,350	2,531,850	7,005	2,559,205	2,534,709

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE CITY OF EDINBURGH METHODIST CHURCH

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

Prior financial year

		Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	3	126,956	48,190	-	175,146
Other trading activities	4	45,441	-	-	45,441
Investments	5	60,245	-	179	60,424
Other income	6	-	174,858	-	174,858
Total income and endowments		232,642	223,048	179	455,869
<u>Expenditure on:</u>					
Raising funds	7	150	-	17	167
Charitable activities	8	321,855	494,664	-	816,519
Total resources expended		322,005	494,664	17	816,686
Net gains/(losses) on investments	13	(218)	-	(159)	(377)
Gross transfers between funds		(4,529)	4,529	-	-
Net movement in funds		(94,110)	(267,087)	3	(361,194)
Fund balances at 1 September 2022		218,798	2,670,509	6,596	2,895,903
Fund balances at 31 August 2023		124,688	2,403,422	6,599	2,534,709

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE CITY OF EDINBURGH METHODIST CHURCH

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	14	1,595,385		1,599,355	
Investment property	15	485,000		485,000	
Investments	16	306,644		305,987	
			2,387,029		2,390,342
Current assets					
Debtors	17	28,998		34,402	
Cash at bank and in hand		212,458		184,637	
			241,456		219,039
Creditors: amounts falling due within one year	18	(57,524)		(62,916)	
Net current assets			183,932		156,123
Total assets less current liabilities			2,570,961		2,546,465
Creditors: amounts falling due after more than one year	19	(11,756)		(11,756)	
Net assets			2,559,205		2,534,709
The funds of the Church					
Endowment funds	21	7,005		6,599	
Restricted income funds	22	2,531,850		2,403,422	
Unrestricted funds		20,350		124,688	
			2,559,205		2,534,709

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Charity information

The City of Edinburgh Methodist Church is an unincorporated charity registered in Scotland (no SC039655). The registered office is 25 Nicolson Square, Edinburgh, EH8 9BX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Church's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) " (as amended for accounting periods commencing from 1 January 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019). The Church is a Public Benefit Entity as defined by FRS 102.

The Church has taken advantage of the provisions in the SORP for small charities not to prepare a Statement of Cash Flows.

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

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

1.2 Going concern

At the time of approving the financial statements, the Church Council Members have a reasonable expectation that the Church has adequate resources to continue in operational existence for the foreseeable future. The Church has several sources of income and a significant level of funds held in bank accounts, the Church Council Members believe that the Church will have sufficient funds to be able to continue as a going concern for a period of not less than 12 months from the date of approval of these financial statements. Thus the Church Council Members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Church Council Members in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Church.

1.4 Income

Income is recognised when the Church is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Church has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Church has been notified of an impending distribution, the amount is known, and receipt is expected.

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Deferred income represents rental income received in the year in respect of periods post year end.

1.5 Expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis. They are recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured or estimated reliably.

Expenditure is classified under the following activity headings:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Costs of generating funds comprise investment management fees.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	not depreciated
Equipment	varying rates from 10%-33.33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The charity's policy is to capitalise all fixed assets with a value over £500.

Tangible fixed assets include church heritable property and investment properties which are included in the balance sheet at cost. The trustees consider the lives of the church properties are so long and their residual values so high based on the latest valuation that the annual depreciation charge and accumulated depreciation is not material. Accordingly, no depreciation has been provided on church heritable property.

Under Methodist Church practices, title to property is held by Trustees for Methodist Church Purposes as custodian trustees and the church is the managing trustee responsible for the upkeep of the property and is entitled to any income arising on the use of the property. Methodist Church guidance requires the relevant managing trustee to include respective property assets in its balance sheet.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the Church reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

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

1.11 Financial instruments

The Church has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Church's balance sheet when the Church becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Church's contractual obligations expire or are discharged or cancelled.

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies (Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Church is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

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

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

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	104,178	2,398	106,576	126,956	48,190	175,146
Grants	-	199,503	199,503	-	-	-
	<u>104,178</u>	<u>201,901</u>	<u>306,079</u>	<u>126,956</u>	<u>48,190</u>	<u>175,146</u>

4 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Room hire income	43,317	44,000
Sundry income	-	1,441
	<u>43,317</u>	<u>45,441</u>

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

5 Income from investments

	Unrestricted funds	Endowment funds	Total	Unrestricted funds	Endowment funds	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Rental income	69,846	-	69,846	57,928	-	57,928
Income from unlisted investments	3,349	144	3,493	2,317	179	2,496
	<u>73,195</u>	<u>144</u>	<u>73,339</u>	<u>60,245</u>	<u>179</u>	<u>60,424</u>

6 Other income

	Restricted funds	Restricted funds
	2024	2023
	£	£
Net gain on disposal of tangible fixed assets	-	174,858
	<u>-</u>	<u>174,858</u>

7 Raising funds

	Unrestricted funds	Endowment funds	Total	Total
	2024	general	2024	2023
	£	£	£	£
Investment management fees	42	16	58	167
	<u>42</u>	<u>16</u>	<u>58</u>	<u>167</u>
For the year ended 31 August 2023				
Investment management fees	150	17		167
	<u>150</u>	<u>17</u>		<u>167</u>
For the year ended 31 August 2023	<u>150</u>	<u>17</u>		<u>167</u>

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

8 Charitable activities

	2024 £	2023 £
Staff costs	16,519	20,114
Depreciation	3,970	9,437
Property expenses	151,610	146,675
Donations paid	3,090	485,865
Circuit assessment	137,999	140,000
Legal and professional fees	11,242	1,479
	<u>324,430</u>	<u>803,570</u>
Share of support costs (see note 9)	67,316	8,539
Share of governance costs (see note 9)	7,092	4,410
	<u>398,838</u>	<u>816,519</u>
Analysis by fund		
Unrestricted funds	325,365	
Restricted funds	73,473	
	<u>398,838</u>	
For the year ended 31 August 2023		
Unrestricted funds		321,855
Restricted funds		494,664
		<u>816,519</u>

Included in 'donations paid' is £Nil (2023:£485,202) which was transferred to the Scotland District following the sale of the property at 1 Junction Place, Edinburgh during the year.

9 Support costs allocated to activities

	2024 £	2023 £
Office costs	4,611	4,394
Telephone & broadband	4,743	4,075
Bank charges	283	70
Management charge	57,679	-
Governance costs	7,092	4,410
	<u>74,408</u>	<u>12,949</u>
Analysed between:		
Charitable activities	74,408	12,949

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

9 Support costs allocated to activities

(Continued)

Support costs have not been separately identified as the Trustees consider there to be one charitable activity, which is to transform the community by sharing God's love through working with and for others.

The management charge of £57,679 (2023: £nil) consists of amounts payable to Central Hall Westminster for facilities management and administrative assistance.

10 Net movement in funds

2024	2023
£	£

The net movement in funds is stated after charging/(crediting):

Fees payable for the independent examination of the charity's financial statements	7,092	4,410
Depreciation of owned tangible fixed assets	3,970	9,437
Loss/(profit) on disposal of tangible fixed assets	-	(174,858)
	<u> </u>	<u> </u>

11 Church Council Members

None of the Church Council Members (or any persons connected with them) received any remuneration or benefits from the Church during the year (2023: no Church Council Members received any remuneration).

12 Employees

The average monthly number of employees during the year was:

2024	2023
Number	Number
2	3
<u> </u>	<u> </u>

Employment costs

2024	2023
£	£

Wages and salaries	15,975	19,116
Social security costs	19	364
Other pension costs	525	634
	<u> </u>	<u> </u>
	16,519	20,114
	<u> </u>	<u> </u>

No Employees received emoluments of more than £60,000 in either year.

All ministers appointed to the Forth Valley Circuit are paid centrally from the Methodist Church in London with the costs being apportioned to the Circuit, which in turn included those sums within the Assessment paid by Church Congregations.

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

13 Gains and losses on investments

	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Gains/(losses) arising on:						
Revaluation of investments	379	278	657	(218)	(159)	(377)

14 Tangible fixed assets

	Land and buildings £	Equipment £	Total £
Cost			
At 1 September 2023	1,577,466	145,286	1,722,752
At 31 August 2024	1,577,466	145,286	1,722,752
Depreciation and impairment			
At 1 September 2023	-	123,397	123,397
Depreciation charged in the year	-	3,970	3,970
At 31 August 2024	-	127,367	127,367
Carrying amount			
At 31 August 2024	1,577,466	17,919	1,595,385
At 31 August 2023	1,577,466	21,889	1,599,355

Under Methodist Church practices, title to property is held by Trustees for Methodist Church Purposes as custodian trustees and the church is the managing trustee responsible for the upkeep of the property and is entitled to any income arising on the use of the property. Methodist Church guidance requires the relevant managing trustee to include respective property assets in its balance sheet.

15 Investment property

	2024 £
Fair value	
At 1 September 2023 and 31 August 2024	485,000

Under Methodist Church practices, title to property is held by Trustees for Methodist Church Purposes as custodian trustees and the church is the managing trustee responsible for the upkeep of the property and is entitled to any income arising on the use of the property. Methodist Church guidance requires the relevant managing trustee to include respective property assets in its balance sheet.

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

16 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 1 September 2023	8,487	297,500	305,987
Valuation changes	657	-	657
	<hr/>	<hr/>	<hr/>
At 31 August 2024	9,144	297,500	306,644
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 August 2024	9,144	297,500	306,644
	<hr/>	<hr/>	<hr/>
At 31 August 2023	8,487	297,500	305,987
	<hr/>	<hr/>	<hr/>

17 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	2,933	6,512
Tax recoverable	12,504	8,051
Other debtors	21	6,709
Prepayments and accrued income	4,334	3,924
	<hr/>	<hr/>
	19,792	25,196
	<hr/>	<hr/>
Amounts falling due after more than one year:		
	2024 £	2023 £
Tenants' deposits	9,206	9,206
	<hr/>	<hr/>
Total debtors	28,998	34,402
	<hr/>	<hr/>

Tenants' deposits of £9,206 (2023: £9,206) are held in a separate bank account relating to the properties at 4 and 12-16 Earl Grey Street.

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

18 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	9,877	2,285
Other creditors	3,941	7,452
Accruals and deferred income	43,706	53,179
	<u>57,524</u>	<u>62,916</u>

19 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Trade creditors	11,756	11,756
	<u>11,756</u>	<u>11,756</u>

Tenants' deposits of £9,206 (2023: £9,206) are held in a separate bank account relating to the properties at 4 and 12-16 Earl Grey Street.

The remaining balance represents a tenants deposit of £2,550 (2023: £2,550) relating to a lease of part of the property at 25 Nicolson Square.

20 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	525	634
	<u>525</u>	<u>634</u>

The Church operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Church in an independently administered fund.

THE CITY OF EDINBURGH METHODIST CHURCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

21 Endowment funds

Endowment funds represent assets which must be held permanently by the Church. Income arising on the endowment funds can be used in accordance with the objects of the Church and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Movement in funds		Movement in funds		Balance at 1 September 2023		Incoming resources		Outgoing resources		Gain/(loss) on investment		Balance at 31 August 2024	
	£		£		£		£		£		£		£	
Permanent endowments														
Miss E Christies Bequest	3,608		91	(9)	3,560		9		(8)		227		3,788	
David Kirk Bequest	2,181		62	(6)	2,208		89		(6)		51		2,342	
J Westcott Bequest	807		26	(2)	831		46		(2)		-		875	
	6,596		179	(17)	6,599		144		(16)		278		7,005	

The Miss E Christie Bequest is restricted in that the income can only be used for the upkeep of the fabric of the Church. The fund is represented by investments and cash at bank.

The David Kirk Bequest is restricted in that the income can only be used for bread for the poor. The fund is represented by investments and cash at bank.

The J Westcott Bequest is restricted in that the income can only be used for the benevolent fund. The fund is represented by cash at bank.

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

22 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 September 2022	Movement in funds		Transfers	Balance at 1 September 2023	Movement in funds		Balance at 31 August 2024
	£	Incoming resources	Outgoing resources	£	£	Incoming resources	Outgoing resources	£
Benevolent fund	10,010	-	(25)	-	9,985	-	-	9,985
Annual Church project	410	1,522	-	-	1,932	2,398	-	4,330
Church Organisations	180	-	-	-	180	-	-	180
Third party charities	1,286	-	-	-	1,286	-	-	1,286
Property funds	2,648,618	221,526	(489,172)	-	2,380,972	-	(3,970)	2,377,002
Warm welcome appeal	7,195	-	-	-	7,195	-	-	7,195
Organ fund	938	-	(5,467)	4,529	-	-	-	-
Nicolson Square Redevelopment	1,872	-	-	-	1,872	-	-	1,872
NSV fund	-	-	-	-	-	60,000	-	60,000
Circuit Assessment fund	-	-	-	-	-	139,503	(69,503)	70,000
	2,670,509	223,048	(494,664)	4,529	2,403,422	201,901	(73,473)	2,531,850

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

22 Restricted funds

(Continued)

The Benevolent Fund represents restricted funds for benevolent purposes. The income represents donations received and dividends and interest generated on the David Kirk and J Westcott Bequests. The fund is represented by cash and bank balances.

The Annual Church Project is restricted in that the donations received are for a specific charitable cause. The beneficiary will change each year.

Church Organisation Funds are restricted funds held by various smaller internal organisations of the church to support their work and initiatives. The income represents donations received.

Third Party Charities is a fund intended to isolate donations that are intended for bodies that are part of the wider Methodist Church. The fund is represented by cash and bank balances.

Property Funds are restricted funds relating to the church's property assets. Although, as required under Methodist Church practice, legal title for properties is held by Trustees for Methodist Church Purposes as custodian trustees, it is the Church as managing trustees who pay for their upkeep and receive any rental income. Methodist Church guidance therefore requires that the property assets be included in the balance sheet of the relevant managing trustee. The church is able to draw down proceeds from its property sales upon application to the District which is why such funds are considered restricted.

The Warm Welcome Appeal is a restricted fund represented by donated funds received as part of the Church's annual appeal and specifically intended for the costs associated with developing a glazed porch at the entrance to the church building.

The Organ fund is a restricted fund represented by donated funds received as part of the Church's appeal for the purchase of a new organ. As the organ has been purchased this fund represents part of the asset held.

The Nicolson Square Redevelopment fund is a restricted fund represented by donated funds received as part of the Church's annual appeal and specifically intended to be used for the costs associated with the refurbishment of the basement of the Church's property.

The NSV fund is a restricted fund set up to support with the establishment of Nicolson Square Venues.

The Circuit Assessment fund is a restricted fund set up to support with the annual circuit assessment costs. There was £70k of grant income received this year which is to be utilized in 2024/25.

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

23 Unrestricted funds

	At 1 September 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 August 2024
	£	£	£	£	£	£
The Angove Bequest	80,823	-	-	-	-	80,823
Brian Curtis Bequest	10,000	-	-	-	-	10,000
Wesley Flat repairs	781	2,803	(748)	-	-	2,836
Welcome fund	10,000	-	-	-	-	10,000
General funds	23,084	217,887	(324,659)	-	379	(83,309)
	<u>124,688</u>	<u>220,690</u>	<u>(325,407)</u>	<u>-</u>	<u>379</u>	<u>20,350</u>
Previous year:	At 1 September 2022	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 August 2023
	£	£	£	£	£	£
The Angove Bequest	80,823	-	-	-	-	80,823
Brian Curtis Bequest	10,000	-	-	-	-	10,000
Wesley Flat repairs	703	2,671	(2,593)	-	-	781
Welcome fund	-	10,000	-	-	-	10,000
General funds	127,272	219,971	(319,412)	(4,529)	(218)	23,084
	<u>218,798</u>	<u>232,642</u>	<u>(322,005)</u>	<u>(4,529)</u>	<u>(218)</u>	<u>124,688</u>

The Angove Bequest fund represents a legacy which is to be used for special Church improvement.

The Brian Curtis fund represents a legacy which is to be used for the improvement of the AV and streaming facilities at the church.

The Wesley Flat repairs fund was set up in the previous year. A proportion of the rental income received from the Wesley flat is designated in order to help cover the costs of repair work on the flat.

The Welcome fund represents a donation of £10,000 received during the year to support the Church's 'welcome'.

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

24 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 August 2024:				
Tangible assets	-	1,595,385	-	1,595,385
Investment properties	-	485,000	-	485,000
Investments	5,282	297,500	3,862	306,644
Current assets/(liabilities)	26,824	153,965	3,143	183,932
Long term liabilities	(11,756)	-	-	(11,756)
	<u>20,350</u>	<u>2,531,850</u>	<u>7,005</u>	<u>2,559,205</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 31 August 2023:				
Tangible assets	-	1,599,355	-	1,599,355
Investment properties	-	485,000	-	485,000
Investments	4,902	297,500	3,585	305,987
Current assets/(liabilities)	131,542	21,567	3,014	156,123
Long term liabilities	(11,756)	-	-	(11,756)
	<u>124,688</u>	<u>2,403,422</u>	<u>6,599</u>	<u>2,534,709</u>

25 Operating lease commitments

Lessee

At the reporting end date the Church had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	3,586	3,830
Between two and five years	13,745	3,830
	<u>17,331</u>	<u>7,660</u>

26 Financial commitments, guarantees and contingent liabilities

At the year end there were contingent liabilities due to the Relief and Extension Fund for Methodism in Scotland of £17,550 in relation to the Nicolson Square premises (2023: £17,550).

THE CITY OF EDINBURGH METHODIST CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

27 Related party transactions

No Church Council Members received remuneration during the year (2023: no Church Council Members received remuneration).

No Church Council Members received reimbursement of expenses in the year (2023: one Church Council Member received reimbursement of £53).

During the year, a total of £14,362 was donated to the Church by the Trustees (2023: £16,705).