# EDINBURGH: GREYFRIARS KIRK
# (CHURCH OF SCOTLAND)

# CONGREGATIONAL ACCOUNTS 2022

## Congregation No: 010047

## Scottish Charity No: SC003761

**EDINBURGH: GREYFRIARS KIRK (CHURCH OF SCOTLAND)**
**Financial Statements**
**Year ended 31 December 2022**

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**EDINBURGH: GREYFRIARS KIRK (CHURCH OF SCOTLAND)**
**Trustees' Report**
**Year ended 31 December 2022**

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2022. 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 FRS102 (effective 1 January 2019).

**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.

Greyfriars Kirk has a distinctive ministry both in English and in Gaelic with an active, gathered congregation that seeks to respond to its setting in the heart of the Old Town of Edinburgh by working with some of the poorest and most marginalised members of the community, those with experience of homelessness and isolation. We have a long-standing three-way partnership with our neighbouring congregations of St Columba's by the Castle (Scottish Episcopal Church) and Augustine United (United Reform Church).

Beyond the Kirk itself Greyfriars has been the visionary driving force in the development of three substantial and successful social enterprise charities: Greyfriars Outreach operating from the Kirk, the Grassmarket Community Project (GCP) from the Greyfriars Grassmarket Centre next to the kirkyard in Candlemaker Row and the Greyfriars Charteris Centre (GCC) in the former Kirk o' Field church in the Pleasance. Through them we support the life of the congregation, engage in pioneering work amongst those on the edge of society and offer a ministry to visitors, tourists and the arts. It is this missionary outreach which gives meaning and justification for us as a gathered congregation in the city centre.

**Achievements and Performance**

Greyfriars Kirk seeks to serve and connect with a number of communities. These include our worshipping congregation; our team of volunteer welcomers who greet summer visitors and provide stewarding for concerts and other events on behalf of Greyfriars Outreach; the performers and audiences of our free weekly concert series Greyfriars@12 on a Thursday; our members at the Grassmarket Community Project; and people brought together at the Greyfriars Charteris Centre. Greyfriars Outreach, The Grassmarket Community Project and the Greyfriars Charteris Centre are constituted as charities separate from Greyfriars Kirk and together they advance the mission of Greyfriars Kirk to serve our neighbours over four key areas:

- Community: Liturgy, worship and day-to-day congregational and communal life
- Compassion: Addressing social need
- Commerce: Generating finance via enterprise
- Culture: Art, music and performance re-imagining the Christian narrative for the present moment

**Achievements and Performance (cont.)**

These are the themes of HeartEdge, a movement initiated by St Martin in the Fields in London, and Greyfriars Kirk has been nominated as its hub in Scotland. HeartEdge is an international, ecumenical movement galvanising churches to be at the heart of their communities, while being with people on the edge. The interdependence of commerce, culture, compassion and community life is key to the HeartEdge vision. It rests on the conviction that the interplay of these elements can profoundly enrich a church and can cross-fertilise one another to great effect.

The financial contribution of St Martin in the Fields is gratefully acknowledged in their support, alongside two other major donors, of two part time, locally funded pioneer ministry posts. Rev Ruth Halley, Associate Minister, and Gillian Couper, Parish Associate were appointed to these posts in 2021, taking forward the HeartEdge vision across the Kirk, the Grassmarket Community Project and the Greyfriars Charteris Centre.

During the year congregational life progressively resumed as the covid-19 pandemic receded and at the time of writing is substantially back to normal with the regular Sunday morning services in English and Gaelic and midweek prayers every Thursday at lunchtime. Refugio is a monthly evening gathering set in the context of silence, symbol and reflective prayer. We continue to live stream the Sunday morning English service which continues to be well used, partly simultaneous with the live service but mostly after the event. We became used to a mixed ecosystem of online and in-person gatherings, the return to meeting face to face giving us a keen appreciation of what we had been missing during long months of meeting only on-line.

Greyfriars Outreach had an outstandingly successful year, exceeding the activity level achieved in 2019 which was our last “normal” year. It is through Greyfriars Outreach that the facilities of Greyfriars Kirk are made available for clients, visitors and tourists, for artistic and educational groups and for weddings and funerals for non-members of the congregation. Greyfriars Outreach also presents its own artistic and educational events such as regular Greyfriars@12 concert programme. The surplus from its trading activities was, as usual, donated to the Kirk to support its work of Christian outreach and as a contribution towards facilities and administrative costs.

The Grassmarket Community Project continued to work with and for our members, many of whose mental health issues were aggravated during the enforced isolation of the pandemic. While we were able to stay in one to one contact with members over the phone during the lockdowns, the return to normal, face to face interaction has been very welcome. Rather later than planned the Grassmarket Centre reopened in the summer with the completion of the new pavilion building in the courtyard. It has added valuable new space for the café, for events and for members' activities but the construction delays impacted on trading this year. Coffee Saints, hosted in the church hall of St Mary's RC Cathedral at the top of Leith Walk, benefitted from recovery of footfall in the new St James Centre and two new social enterprises started up: catering for the students and staff of New College in the Rainy Hall and a shop unit in Candlemaker Row making and selling items of Greyfriars tartan.

Our major building project at Greyfriars Charteris Centre completed just before the end of 2021 but construction snagging persisted through most of 2022. However this did not hinder the reoccupation of the building by our many partners and user groups, who are finding it as attractive as we had hoped, truly an inspirational centre for wellbeing and enterprise. The final construction stage has been to instal photovoltaic panels on the roof and it has turned out that quite extensive works on roof and stonework are required to keep the building wind and watertight – currently in progress. All the capital works have been commissioned by the Kirk but fully funded by third parties.

**Achievements and Performance (cont.)**

All these activities depend critically on the contribution of a large number of volunteers, who give their time and diverse talents freely for the benefit of this Church community, and to whom we are enormously grateful.

**Financial Review**

The results for the year and the charity's financial position at the end of the year are shown in the attached financial statement.

The operating deficit for the year per the statement of financial activities before unrealised gains on investments was £2,002,023 (2021: £1,183,496 surplus). The calculation of this deficit includes an impairment write down to the value of the Charteris Centre of £2,114,645. The result for the year also includes income received for the Charteris capital project of £181,342 (2021: £1,256,289), and reimbursement of spend on other fabric and capital projects of £11,076 (2021: £4,712) from the Church of Scotland central fabric fund. Offerings, including Gift Aid recovery on general donations, were ever so slightly up on last year at £110,912 (2021: £110,439). Greyfriars Outreach, which makes the Kirk available for concerts and an increasing variety of other events, had an excellent year and as a result contributed £135,738 (2021: £54,770) to the Kirk towards the costs of our office and caretaking staff.

In November 2019 work started on a re-development of the Charteris Centre which was completed in December 2022. During the current period work was undertaken to install solar photo-voltaic panels on part of the roof of the centre. The total project costs are £2.6 million but this has been written down by £2.1 million after a professional valuation of the Charteris Centre was obtained.

Total funds at the year end amounted to £1,403,520 (2021: £3,455,625) of which £115,801 (2021: £2,327,323) was restricted and £1,287,719 (2021: £1,128,302) was unrestricted.

**Investment policy**

The Kirk holds a portfolio of collective investments which is managed on a fully discretionary basis by Brewin Dolphin. The intention is to hold it long term and the investment objective is Growth Return, where the level of potential return should increase as a result of taking greater risk. The performance of the portfolio was below benchmark over the year, but the investments are being held for the longer term, and the longer term returns remain satisfactory.

**Reserves Policy**

The unrestricted and undesignated reserves fund (the General fund, Note 14) represents mainly past donations and legacies. The balance remains available to meet future contingencies. At the 2022 year end the balance on this fund was £315,636 (2021: £416,261). The intention, which is currently being met, is that these reserves should not fall below a level of at least six months general expenditure which based on current expenditure is £163,428.

**Risk management**

The Trustees have assessed the major risks to which the Church is exposed. They include:

- While it appears that the risks associated with the pandemic are now largely behind us, congregational numbers attending services on site remain somewhat below pre pandemic levels, balanced to some degree by online attendance. Congregational givings are tending to decline year on year, especially in real terms with the resurgence of inflation. This trend accentuates the importance of proper resourcing and management attention for Greyfriars Outreach, both in financial terms and in promotion of the Church's ministry in settings other than Sunday services. At a time of significant cost increases it is important to maintain tight budgetary control, which is overseen by the Financial Management Group.

**Risk management (cont.)**

- Departure of key people whether from paid or voluntary positions. Mitigated through active succession planning and recruitment to newly created roles in order to spread responsibilities and reduce reliance on particular individuals.
- Building and property risks. Mitigated by insurance, by regular safety inspections and by prompt maintenance as required.

**Structure, Governance and Management**

The congregation is a registered charity, number SC003761. It 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.

Pay levels for senior staff are determined on behalf of the Kirk Session by those Trustees who are members of the Financial Management Group. The principles are that pay should be fair both on an internal and on an external basis. The internal basis of fairness includes comparison with roles of similar responsibility in the other charities associated with Greyfriars Kirk, and the financial position of the Kirk. The external basis is the comparison with similar roles in other charities using survey data and the general rate of salary increases in the economy as a whole.

**Plans for future periods**

The Presbytery Plan, first published as a draft at the start of 2022 and refined during the year, provides for Greyfriars Kirk to enter into a parish grouping with St Cuthbert's, leading in due course to a full union and served, between the two congregations, by one full time minister of word and sacrament plus one other ordained post. This will bring challenges as well as opportunities in the same way as our union with Kirk o'Field in 2013.

Our associated charity the Grassmarket Community Project remains key to our approach in offering Christian service to the community, walking with people who suffer from social exclusion and mental health issues and giving them opportunities for re-engagement through volunteering in social enterprises, through training and through social activities. The completion of their building extension, the Pavilion, in the front courtyard enhances cafe and events capacity and releases space to expand members' activities.

Likewise the re-opening of the Greyfriars Charteris Centre, now that the building project is complete, offers exciting opportunities for developing our mission to the communities that we host – of faith, need, interest, aspiration and many more.

The pandemic seems to have accelerated demographic and societal changes, such that people's spiritual needs have to be met in new ways. The task remains to meet people where they are and to develop and adapt our ways of working accordingly, whether through conventional patterns of worship and congregational life or through broader outreach. We recognise that the work of the Holy Spirit is never monopolised by the church; the Spirit is at loose in the world already. Our task in mission is to look outward and find where the Spirit is at work and join in, celebrating the reality that, for all the challenges we face, God is still active. We see all our activities as furthering that mission and we continually articulate the faith that holds them all together.

**Related Parties**

The charity is one of a larger group of organisations which undertake activities within the Grassmarket area of Edinburgh consisting of:

***Greyfriars Outreach Limited:*** This is a charitable company which makes available the premises and facilities of Greyfriars Kirk for non-congregational services, artistic, educational purposes and private hires. It also manages visitor operations and the Kirk shop. It is a related party by virtue of the fact that one of its three directors, Jo Elliot, is also a Trustee of the Kirk.

***Greyfriars Charteris Centre:*** This is a Scottish Charitable Incorporated Organisation (SCIO) which runs the Greyfriars Charteris Centre. Its trustees include Jo Elliot and Rev Richard Frazer.

***Grassmarket Community Project:*** This is a charitable company incorporated in 2009 to undertake a variety of community projects helping individuals to avoid deep social exclusion and live healthier lives. Rev Richard Frazer and Jo Elliot are directors of Grassmarket Community Project.

***Greyfriars Foundation:*** Rev Richard Frazer, Angus Tod, Catherine Alexander, and Kathleen Munro are trustees of the Greyfriars Foundation, constituted as an independent charity. This body was set up to raise money and fund improvements to the Kirk and related projects.

***The Michael Chibbett Charitable Trust:*** Rev Richard Frazer is one of three Trustees of this charity. It was set up to fund music in the Kirk and improvements to the organ.

***William Brotherston's Grassmarket Charitable Trust:*** Rev Richard Frazer, Anne Bradbury and Jo Elliot are the Trustees of this charity, used to meet individual cases of need which come to the attention of the Minister.

Although there is a level of co-trusteeship between the Kirk and these other charitable organisations, the Trustees regularly review these interests and, on review, there is only one that could be viewed as under common control and benefit. As noted in Note 1 to the accounts, a consolidation has not been undertaken on the grounds of materiality. Further details of the transactions with related parties are in note 15 to the accounts.

**Recruitment and Appointment of Trustees**
The members of the Kirk Session are the charity trustees. The Kirk Session members comprise the active Elders of the congregation. Elders in turn are chosen by existing Trustees from those members of the church congregation who are considered to have the appropriate gifts and skills.

**Trustees Induction and Training**
All Trustees are members of the church. Upon appointment as a Trustee the Members of the Kirk Session are briefed on:

- Their obligations as a Trustee
- The constitution and also their responsibilities as a charitable body
- The current financial position as set out in the latest published accounts
- Future plans and objectives

This is reinforced at the regular Session meetings and the annual Congregational Meeting.

**Organisational Structure**
In the Unitary Constitution, the Kirk Session is the decision making body and meets a minimum of four times per year. However, it is important that key financial decisions are taken by an appropriately qualified and informed group of people. This is the role taken by the **Financial Management Group**, chaired by the Session Clerk and including the Minister, Treasurer, Operations Manager, five further Trustees, and one further member of the congregation. This committee meets nine times a year and has the delegated responsibility for financial management of the affairs of the Kirk, with key decisions referred to the Kirk Session for formal authorisation.

In addition, the **Common Life Group** meet three times a year to receive reports and coordinate the activities of all the various groups forming the church community.

**EDINBURGH: GREYFRIARS KIRK (CHURCH OF SCOTLAND)**
**Trustees' Report**
**Year ended 31 December 2022**

**Reference and Administrative Information**

**Congregation No:** 010047
**Scottish Charity No:** SC003761

**Ministerial team**

| | |
|---|---|
| Minister and Moderator of the Session: | Rev Dr Richard Frazer* |
| Associate Minister: | Rev Ruth Halley |
| Parish Associate: | Gillian Couper |

**Trustees**

The Trustees are the members of the Kirk Session, which comprises the Minister and those elders who are active. Those serving during the year were:

| | |
|---|---|
| Catherine Alexander* | Roberta Blair |
| Robert Bradley | Anne Bradbury |
| Andrew Campbell | Ros Campbell |
| Margaret Cormack | Laura Dunlop* |
| Jo Elliot* | Alison Elliot |
| Joy Graham Marr (resigned 15 Feb 2023) | Alison Gregson |
| Albert Hutchings | Isobel Hutchings |
| Heather Jack | Herbert Kerrigan |
| Stephen Lunn | Mary Macpherson |
| Carol McKellar | Roderick John Macleod |
| Winifred Morrison | Kathleen Munro |
| Leslie Munro | Alison Noble* |
| Peter Rae | Stephanie Rae |
| Rosemary Scott | Kirsty Storrar |
| Jamie Sutherland* | Angus Tod* |
| Margaret Wallace | Jonathan Webster |

* Member of the Financial Management Group

**Principal Office-bearers**

| | |
|---|---|
| Session Clerk: | Jo Elliot |
| Convener of Financial Management Group: | Jo Elliot |
| Treasurer: | Heather Wright* |
| Fabric Convener: | Jonathan Webster |
| Operations Manager: | Stephen Lister* |

**Principal Office**

Greyfriars Kirk
Greyfriars Place
Edinburgh  EH1 2QQ

**Independent Auditor**

Whitelaw Wells
Chartered Accountants
9 Ainslie Place
Edinburgh EH3 6AT

**Investment Managers**

Brewin Dolphin
Sixth Floor, Atria One
144 Morrison Street,
Edinburgh, EH3 8EX

**Statement as to Disclosure to Auditors**

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and each Trustee has taken all the steps they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**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 year which show a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the method and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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,

**Jo Elliot, Session Clerk**

JC Elliot

**Date: 22 March 2023**

## Opinion

We have audited the financial statements of Edinburgh: Greyfriars Kirk (Church of Scotland) for the year ended 31 December 2022, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Including FRS102 ' The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of the resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' annual report;
- Proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit

**Responsibilities of the Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 8, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

**Auditor's responsibilities for the audit of the financial statements (cont.)**

We carried income testing and grants payable testing which was designed to identify any irregularities as a result of simple mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity's Trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Whitelaw Wells

Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
EH3 6AT

22 March 2023

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act

**EDINBURGH: GREYFRIARS KIRK (CHURCH OF SCOTLAND)**

**Statement of Financial Activities**

**Year ended 31 December 2022**

| | Note | Unrestricted funds £ | Restricted funds £ | 2022 Total funds £ | 2021 Total funds £ |
|---|---|---|---|---|---|
| **Income and endowments** | | | | | |
| Donations and legacies | **2** | 162,729 | 271,772 | 434,501 | 1,179,626 |
| Charitable activities | **3** | 139,229 | 60,350 | 199,579 | 67,770 |
| Other trading activities | **4** | 34,971 | - | 34,971 | 35,803 |
| Investments | **5** | 5,927 | 650 | 6,577 | 6,359 |
| Other income | **6** | 11,076 | - | 11,076 | 277,823 |
| **Total income and endowments** | | **353,932** | **332,772** | **686,704** | **1,567,381** |
| **Expenditure** | | | | | |
| Raising funds | **7** | 8,032 | - | 8,032 | 12,652 |
| Charitable activities | **7** | 506,908 | 59,142 | 566,050 | 371,233 |
| Charitable activities - impairment | **7** | - | 2,114,645 | 2,114,645 | - |
| **Total expenditure** | | **514,940** | **2,173,787** | **2,688,727** | **383,885** |
| **Net (losses)/ gains on investments** | **11** | (47,164) | (2,918) | (50,082) | 41,034 |
| **Net (expenditure)/ income** | | **(208,172)** | **(1,843,933)** | **(2,052,105)** | **1,224,530** |
| **Transfers between funds** | **14** | 368,739 | (368,739) | - | - |
| **Net movement in funds** | | **160,567** | **(2,212,672)** | **(2,052,105)** | **1,224,530** |
| **Total funds brought forward** | **14** | 1,127,152 | 2,328,473 | 3,455,625 | 2,231,095 |
| **Total funds carried forward** | **14** | **1,287,719** | **115,801** | **1,403,520** | **3,455,625** |

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 15 to 25 form part of these accounts.

**EDINBURGH: GREYFRIARS KIRK (CHURCH OF SCOTLAND)**

## Balance Sheet

### As at 31 December 2022

| | Note | Unrestricted funds £ | Restricted funds £ | 2022 Total funds £ | 2021 Total funds £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | **10** | 1,014,546 | - | 1,014,546 | 3,027,057 |
| Investments | **11** | 273,772 | 16,051 | 289,823 | 342,213 |
| **Total fixed assets** | | **1,288,318** | **16,051** | **1,304,369** | **3,369,270** |
| **Current assets** | | | | | |
| Debtors | **12** | 53,896 | 64,821 | 118,717 | 111,025 |
| Cash at bank and in hand | | 56,006 | 40,179 | 96,185 | 170,686 |
| **Total current assets** | | **109,902** | **105,000** | **214,902** | **281,711** |
| **Liabilities** | | | | | |
| Creditors falling due within one year | **13** | 110,501 | 5,250 | 115,751 | 195,356 |
| **Net current assets** | | **(599)** | **99,750** | **99,151** | **86,355** |
| **Total assets less current liabilities** | | **1,287,719** | **115,801** | **1,403,520** | **3,455,625** |
| **Net assets** | | **1,287,719** | **115,801** | **1,403,520** | **3,455,625** |
| **Funds of the charity** | | | | | |
| Unrestricted funds | | 1,287,719 | - | 1,287,719 | 1,127,152 |
| Restricted income funds | | - | 115,801 | 115,801 | 2,328,473 |
| **Total charity funds** | **14** | **1,287,719** | **115,801** | **1,403,520** | **3,455,625** |

The notes on pages 15 to 25 form part of these accounts.
The accounts were approved by the Kirk Session on 22 March 2023 and signed on their behalf by:

Richard Frazer

**Rev Dr Richard Frazer**
**Minister**

J C Elliot

**Jo Elliot**
**Session Clerk**

**EDINBURGH: GREYFRIARS KIRK (CHURCH OF SCOTLAND)**

**Statement of Cashflows**

**Year ended 31 December 2022**

| | Note | 2022 Total £ | 2021 Total £ |
|---|---|---|---|
| **Net cash generated by operating activities** | 18 | **206,007** | **1,197,311** |
| **Cash flows from investing activities:** | | | |
| Interest and dividends | | 6,577 | 6,359 |
| Purchase of fixed assets | | (289,393) | (1,161,708) |
| Purchase of investments | | (31,371) | (66,665) |
| Proceeds from sale of investments | | 33,679 | 98,795 |
| **Net cash used in investing activities** | | **(280,508)** | **(1,123,219)** |
| **Change in cash and cash equivalents in the year** | | **(74,501)** | **74,092** |
| Cash and cash equivalents brought forward | | 170,686 | 96,594 |
| **Cash and cash equivalents carried forward** | | **96,185** | **170,686** |

The notes on pages 15 to 25 form part of these accounts.

**Year ended 31 December 2022**

## 1. Accounting policies

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

**Basis of preparation**
The financial statements 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 Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS 102), 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).

These financial statements contain information about Edinburgh: Greyfriars Kirk as an individual charity and do not contain consolidated financial information as the parent of a group. Consolidated group accounts have not been prepared on the basis that the results for the subsidiary undertaking, William Brotherston's Grassmarket Charitable Trust, is immaterial.

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

The Trustees consider that there are no material uncertainties about the ability of the charitable company to continue as a going concern for the foreseeable future. Accordingly, the accounts have been prepared on a going concern basis. At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

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

- Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.
- Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the trustees for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund.

**Income recognition**
Donations and legacies
Donations, legacies and similar incoming resources are included in the period in which they are receivable, which is when the charity becomes entitled to the resource.

Income from charitable activities
Income from activities is included in the SOFA in the period in which it is receivable.

Investment income and rental income
Income from investments and from rental income is included in the SOFA in the period in which it is receivable.

Grant income
Income from grants where entitlement is not conditional on the delivery of a specific performance by the Kirk, are recognised when the Kirk becomes unconditionally entitled. Income related to performance and specific deliverables, are accounted for as the Kirk earns the right to consideration by its performance.

## 1. Accounting policies (cont.)

### Expenditure recognition
All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. The church is registered for VAT and, where applicable, expenditure is shown net of VAT although there is a high proportion of non-business transactions where VAT is not recoverable and therefore this expenditure is shown inclusive of irrecoverable input VAT.

### 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.

### Fixed Assets
The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, including the Church, halls and manse, vested in the Church of Scotland General Trustees. No consideration is payable for the use of these assets. Expenditure incurred on the repair and maintenance of these assets 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 £600 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:

| | |
|---|---|
| Fixtures, fittings and office equipment | 3 years |
| Capital improvements | 20 years on impaired cost |
| Musical instruments | no change as residual value is expected to be no less than cost |

### Investments
Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing quoted market price. The SOFA 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 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.

### Heritage Assets
The Kirk owns a number of church artefacts. The trustees do not consider that reliable cost or valuation information can be obtained for the vast majority of these items held. This is because of the diverse nature of the assets held and the lack of comparable market values. The church does not therefore recognise these assets on its Balance Sheet. Expenditure which, in the Trustees' view, is required to preserve or clearly prevent further deterioration of individual items is recognised in the SOFA when it is incurred.

### Pensions
The Charity operates a contribution scheme for members of staff's private pensions. From 1 January 2019, the charity's contribution is 4% of salary paid direct to the pension provider nominated by the member of staff.

### Taxation
Edinburgh: Greyfriars Kirk (Church of Scotland) is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities.

### Financial instruments
The Charity only has financial assets and liabilities of a kind that qualify as basic instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### 2. Donations and legacies

| | Unrestricted funds | Restricted funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Offerings | 88,616 | - | 88,616 | 86,429 |
| Tax recovered under Gift Aid | 22,296 | - | 22,296 | 24,010 |
| Legacies | 24,000 | 5,000 | 29,000 | 1,000 |
| Binks Trust | 10,000 | 202,008 | 212,008 | 1,001,667 |
| Michael Chibbett Trust | - | 3,000 | 3,000 | - |
| St-Martin-in-the-Fields | - | 6,666 | 6,666 | 6,666 |
| The Penpoint Charitable Trust | 2,500 | - | 2,500 | 2,500 |
| Anne Macdonald Charitable Trust | 1,000 | - | 1,000 | - |
| The Plum Trust | - | 5,000 | 5,000 | 5,000 |
| Benefact Trust | - | 15,600 | 15,600 | - |
| Local Energy Scotland Grant | - | 30,746 | 30,746 | - |
| Other donations | 14,317 | 3,752 | 18,069 | 52,354 |
| | **162,729** | **271,772** | **434,501** | **1,179,626** |

Income from donations and legacies was £434,501 (2021: £1,179,626) of which £162,729 was unrestricted (2021: £143,533) and £271,772 was restricted (2021: £1,036,093).

### 3. Charitable activities

| | Unrestricted funds | Restricted funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Contributions from: | | | | |
| Greyfriars Outreach Limited | 135,738 | - | 135,738 | 54,770 |
| Greyfriars Charteris Centre | - | 60,350 | 60,350 | - |
| Greyfriars Foundation | 3,491 | - | 3,491 | 13,000 |
| | **139,229** | **60,350** | **199,579** | **67,770** |

Income from charitable activities was £199,579 (2021: £67,770 ) of which £139,229 was unrestricted (2021: £67,770) and £60,350 was restricted (2021: £nil).

### 4. Other trading activities

| | Unrestricted funds | Restricted funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Rent received | 34,971 | - | 34,971 | 35,803 |
| | **34,971** | **-** | **34,971** | **35,803** |

Income from other trading activities for 2022 and 2021 was all unrestricted.

### 5. Investments

| | Unrestricted funds | Restricted funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Dividends received | 5,927 | 646 | 6,573 | 6,356 |
| Deposit interest | - | 4 | 4 | 3 |
| | **5,927** | **650** | **6,577** | **6,359** |

Investment income was £6,577 (2021: £6,359) of which £5,927 was unrestricted (2021: £5,751) and £650 was restricted (2021: £608).

### 6. Other income

| | Unrestricted funds £ | Restricted funds £ | 2022 Total £ | 2021 Total £ |
|---|---|---|---|---|
| Funds received from Church of Scotland: | | | | |
| contribution to costs at Grassmarket Community Project | - | - | - | 1,000 |
| reimbursement of refurbishment costs from the fabric fund held centrally | 11,076 | - | 11,076 | 256,001 |
| Presbytery of Edinburgh - Covid Grant | - | - | - | 500 |
| Coronavirus Job Retention Scheme | - | - | - | 20,322 |
| | **11,076** | **-** | **11,076** | **277,823** |

Other income was £11,076 (2021: £277,823 ) of which £11,076 was unrestricted (2021: £26,534) and £nil was restricted (2021: £251,289).

### 7. Analysis of expenditure

| | Unrestricted funds £ | Restricted funds £ | 2022 Total £ | 2021 Total £ |
|---|---|---|---|---|
| **Raising funds** | | | | |
| Investment manager fees | 3,061 | - | 3,061 | 2,867 |
| Insurance on rented properties | 4,971 | - | 4,971 | 9,245 |
| Rental property expenses | - | - | - | 540 |
| | **8,032** | **-** | **8,032** | **12,652** |
| **Charitable expenditure** | | | | |
| Ministries & Mission Allocation | 77,583 | - | 77,583 | 80,683 |
| Presbytery dues | 2,904 | - | 2,904 | 2,008 |
| Ministers' expenses | 4,006 | - | 4,006 | 1,390 |
| Other service costs | 1,492 | - | 1,492 | 446 |
| Other salary costs | 141,239 | 47,448 | 188,687 | 141,675 |
| Donation made to Grassmarket Community Project | - | - | - | 1,000 |
| Fabric repairs & maintenance | 24,709 | - | 24,709 | 13,946 |
| Depreciation | 187,259 | - | 187,259 | 60,970 |
| Impairment | - | 2,114,645 | 2,114,645 | - |
| Other building costs | 21,232 | - | 21,232 | 11,334 |
| Church office expenses | 11,960 | - | 11,960 | 10,497 |
| Organ & music | - | 7,224 | 7,224 | 8,622 |
| Rent, rates and insurance | 23,039 | - | 23,039 | 20,288 |
| Audit fee | 6,300 | - | 6,300 | 3,840 |
| Other accountancy | 2,681 | - | 2,681 | 4,785 |
| Other expenses | 2,504 | 4,470 | 6,974 | 9,749 |
| | **506,908** | **2,173,787** | **2,680,695** | **371,233** |
| **Total** | **514,940** | **2,173,787** | **2,688,727** | **383,885** |

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

Expenditure was £2,688,727 (2021: £383,885) of which £514,940 was unrestricted (2021: £336,616) and £2,173,567 was restricted (2021: £47,269). The current year balance of salary costs is net of recharged costs of £4,529 charged to Greyfriars Charteris Centre and £4,065 recharged to the City of Edinburgh Council. The prior year expenditure included a restricted donation of £1,000 received from the Church of Scotland which was transferred to Grassmarket Community Project towards the costs of a summer intern.

### 7. Analysis of expenditure (cont.)

The costs of charitable activities include governance costs as follows:

| | Unrestricted funds | Restricted funds | 2022 Total | 2021 Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Audit fee | 6,300 | - | 6,300 | 3,840 |
| Other accountancy | 2,681 | - | 2,681 | 4,785 |
| | **8,981** | **-** | **8,981** | **8,625** |

### 8. Analysis of staff costs

| | 2022 Total | 2021 Total |
|---|---|---|
| | £ | £ |
| Salaries and wages | 179,861 | 131,860 |
| Social security costs | 9,086 | 5,589 |
| Pension costs | 6,534 | 4,226 |
| | **195,481** | **141,675** |

The average number of employees on a headcount basis during the year was 12 (2021: 12).

The average number of employees on a full time equivalent basis during the year was as follows:

| | 2022 | 2021 |
|---|---|---|
| Operations | 2 | 1 |
| Administration | 2 | 2 |
| Ministerial staff | 1 | 1 |
| Premises maintenance | 1 | 1 |
| | **6** | **5** |

The costs include staff recharged to Greyfriars Charteris Centre.

No employee had employee benefits in excess of £60,000 (2021: nil).

During the prior year some staff were furloughed. Those salary payments are included above and the associated Job Retention Scheme payments received from HMRC are shown as an unrestricted grant as noted in note 6.

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all ministers' stipends and employer's contributions for national insurance, pension and housing and loan fund. Ministers' stipends are paid in accordance with the national stipend scale, which is related to years of service. For the year under review the minimum stipend was £28,700 and the maximum stipend in 5th and subsequent years £35,269.

### 9. Pensions

The charity operates a contribution scheme for the private pensions of some members of staff. The Charity's contribution is 4% (2021: 4%) of salary, paid direct to the pension provider nominated by the member of staff. The pension cost charge payable by the charity to the schemes has been charged to the income and expenditure account and amounted to £6,534 (2021: £4,226). Contributions outstanding at the year-end amounted to £1,221 (2021: £2,195).

**EDINBURGH: GREYFRIARS KIRK (CHURCH OF SCOTLAND)**

**Notes forming part of the financial statements**

**Year ended 31 December 2022**

**10. Tangible fixed assets**

| | Capital improvements | Office equipment | Musical instruments | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Cost/valuation** | | | | |
| As at 1 January 2022 | 5,081,018 | 79,873 | 24,900 | 5,185,791 |
| Additions | 282,809 | 6,584 | - | 289,393 |
| **As at 31 December 2022** | **5,363,827** | **86,457** | **24,900** | **5,475,184** |
| **Depreciation** | | | | |
| As at 1 January 2022 | 2,096,434 | 62,300 | - | 2,158,734 |
| Impairment charge | 2,114,645 | - | - | 2,114,645 |
| Charge for the year | 179,293 | 7,966 | - | 187,259 |
| **As at 31 December 2022** | **4,390,372** | **70,266** | **-** | **4,460,638** |
| **Net book value** | | | | |
| **As at 31 December 2022** | **973,455** | **16,191** | **24,900** | **1,014,546** |
| As at 31 December 2021 | 2,984,584 | 17,573 | 24,900 | 3,027,057 |

Heritage assets (included at nil value) consist of a number of church related assets that include communion chalices and other vessels which cannot be reliably valued. The insurance replacement cost of these items is in the region of £150,000.

Capital improvements comprise:

| | Kirkhouse | Visitor Centre | Charteris Centre | Other property | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Cost/valuation** | | | | | |
| As at 1 January 2022 | 2,436,887 | 236,776 | 2,357,872 | 49,483 | 5,081,018 |
| Additions | - | - | 282,809 | - | 282,809 |
| **As at 31 December 2022** | **2,436,887** | **236,776** | **2,640,681** | **49,483** | **5,363,827** |
| **Depreciation** | | | | | |
| As at 1 January 2022 | 1,971,770 | 112,101 | 2,473 | 10,090 | 2,096,434 |
| Impairment charge | - | - | 2,114,645 | - | 2,114,645 |
| Charge for the year | 41,606 | 11,839 | 123,562 | 2,286 | 179,293 |
| **As at 31 December 2022** | **2,013,376** | **123,940** | **2,240,680** | **12,376** | **4,390,372** |
| **Net book value** | | | | | |
| **As at 31 December 2022** | **423,511** | **112,836** | **400,001** | **37,107** | **973,455** |

During the year a major development of the Charteris Centre was completed which was funded by donations and grants.
On 24 February 2023 Graham & Sibbald, Chartered Surveyors, valued the buidling on an open market basis at £400,000. The value of the building has been reduced to reflect this in these accounts. The impairment charge of £2,114,645 has been charged to the statement of financial activities in the year and has reduced the value of the asset and the capital reserve.

### 11. Investments

| | 2022 Total £ | 2021 Total £ |
|---|---|---|
| Market value as at 1 January 2022 | 342,213 | 333,309 |
| Additions | 31,371 | 66,665 |
| Disposals | (33,679) | (98,795) |
| Unrealised (losses)/ gains on investments | (50,082) | 41,034 |
| Market value as at 31 December 2022 | **289,823** | **342,213** |

The following investments are held:

| | 2022 Total £ | 2021 Total £ |
|---|---|---|
| UK Securities | 136,999 | 142,880 |
| UK Property Investments | 4,087 | 5,338 |
| Other overseas investments | 148,737 | 193,995 |
| Market value as at 31 December 2022 | **289,823** | **342,213** |

Investments of £273,772 (2021: £323,243) were allocated to the general fund and £16,051 (2021:£18,970) were allocated to restricted funds.

### 12. Debtors

| | Unrestricted funds £ | Restricted funds £ | 2022 Total £ | 2021 Total £ |
|---|---|---|---|---|
| Gift Aid Tax Refund Due | 1,936 | - | 1,936 | 1,876 |
| Greyfriars Outreach Limited | 44,305 | - | 44,305 | 32,429 |
| Greyfriars Charteris Centre | 3,945 | - | 3,945 | - |
| Sundry Debtors | 2,925 | - | 2,925 | 2,228 |
| VAT Recoverable | (2,435) | 24,587 | 22,152 | 70,192 |
| Prepayments and accrued income | 3,220 | 40,234 | 43,454 | 4,300 |
| | **53,896** | **64,821** | **118,717** | **111,025** |

Accrued income includes £20,117 (2021: £nil) due after one year.

### 13. Creditors falling due within one year

| | Unrestricted funds £ | Restricted funds £ | 2022 Total £ | 2021 Total £ |
|---|---|---|---|---|
| Greyfriars Charteris Centre | - | - | - | 514 |
| Grassmarket Community Project | 2,731 | - | 2,731 | 7,330 |
| Accruals | 92,144 | 5,250 | 97,394 | 55,368 |
| Other taxes and social security | 3,505 | - | 3,505 | 3,877 |
| Sundry creditors | 12,121 | - | 12,121 | 128,267 |
| | **110,501** | **5,250** | **115,751** | **195,356** |

**EDINBURGH: GREYFRIARS KIRK (CHURCH OF SCOTLAND)**

**Notes forming part of the financial statements**

**Year ended 31 December 2022**

**14. Movement in funds**

| | As at 01.01.22 £ | Income £ | Expenditure £ | Gains on investments £ | Transfers £ | As at 31.12.22 £ |
|---|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | | |
| General fund | 416,261 | 342,856 | (326,857) | (47,164) | (69,460) | 315,636 |
| Fabric fund | 11,824 | 11,076 | (11,076) | - | - | 11,824 |
| Music fund | 23,911 | - | - | - | - | 23,911 |
| Charteris | 85,364 | - | (123,562) | - | 438,199 | 400,001 |
| Capital fund | 124,675 | - | (11,839) | - | - | 112,836 |
| Kirkhouse | 465,117 | - | (41,606) | - | - | 423,511 |
| | **1,127,152** | **353,932** | **(514,940)** | **(47,164)** | **368,739** | **1,287,719** |
| **Restricted funds** | | | | | | |
| Music | 337 | 5,004 | (250) | - | - | 5,091 |
| Organ | 589 | 8,000 | (6,974) | - | - | 1,615 |
| Charteris | 2,299,999 | 181,342 | (2,114,865) | - | (366,476) | - |
| Ladies Gaelic School and Highland Bursary Fund | 18,982 | 646 | (300) | (2,918) | - | 16,410 |
| Celebrate 400 | 2,552 | - | - | - | (2,552) | - |
| Pioneer Ministry | - | 87,682 | (47,448) | - | - | 40,234 |
| Solar panels | - | 30,746 | - | - | - | 30,746 |
| Counselling | - | 15,600 | (220) | - | - | 15,380 |
| Other small funds | 6,014 | 3,752 | (3,730) | - | 289 | 6,325 |
| | **2,328,473** | **332,772** | **(2,173,787)** | **(2,918)** | **(368,739)** | **115,801** |
| | **3,455,625** | **686,704** | **(2,688,727)** | **(50,082)** | **-** | **1,403,520** |

| | As at 01.01.21 £ | Income £ | Expenditure £ | Gains on investments £ | Transfers £ | As at 31.12.21 £ |
|---|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | | |
| General fund | 380,596 | 274,679 | (279,609) | 41,384 | (789) | 416,261 |
| Fabric fund | 11,824 | 4,712 | (4,712) | - | - | 11,824 |
| Music fund | 23,911 | - | - | - | - | 23,911 |
| Charteris | 85,364 | - | - | - | - | 85,364 |
| Capital fund | 136,514 | - | (11,839) | - | - | 124,675 |
| Kirkhouse | 506,723 | - | (41,606) | - | - | 465,117 |
| | **1,144,932** | **279,391** | **(337,766)** | **41,384** | **(789)** | **1,127,152** |
| **Restricted funds** | | | | | | |
| Music (formerly Steele) | 337 | - | - | - | - | 337 |
| Organ | 3,421 | 5,790 | (8,622) | - | - | 589 |
| Charteris | 1,053,401 | 1,256,289 | (9,691) | - | - | 2,299,999 |
| Ladies Gaelic School and Highland Bursary Fund | 19,324 | 608 | (600) | (350) | - | 18,982 |
| Celebrate 400 | 2,679 | 1,212 | (1,339) | - | - | 2,552 |
| Pioneer Ministry | - | 23,333 | (23,559) | - | 226 | - |
| Other small funds | 7,001 | 758 | (2,308) | - | 563 | 6,014 |
| | **1,086,163** | **1,287,990** | **(46,119)** | **(350)** | **789** | **2,328,473** |
| | **2,231,095** | **1,567,381** | **(383,885)** | **41,034** | **-** | **3,455,625** |

**Fund purposes:**

***Unrestricted funds:***

| | |
|---|---|
| General fund | These are general and unrestricted resources of the Kirk. |
| Fabric fund | Funds designated for the revenue costs of maintaining the Kirk, the Kirkhouse and other congregational buildings. |
| Music fund | The reserve represents the net book value of the Yamaha piano. |
| Charteris | The reserve has been established to finance activity in the Greyfriars Charteris Centre including funds to represent the net book value of capital improvements. |
| Capital fund | The fund represents the net book value of the porch and visitor centre. |
| Kirkhouse | The reserve represents the net book value of the Grassmarket Centre. |

***Restricted funds:***

| | |
|---|---|
| Music | Legacies left for the specified purpose of funding musical activities which funds, including choral awards for the Greyfriars church choir. |
| Organ | Fund specifically for the maintenance and improvement of the main church organ. |
| Charteris | Donations were received during the year specifically to fund the capital expenditure at the Greyfriars Charteris Centre. Following completion of the centre, the capital asset has been transferred to a designated fund. |
| Ladies Gaelic School and Highland Bursary Fund | Endowment fund whose income is used to finance student bursaries. |
| Pioneer Ministry | Funds received to assist in the funding of ministerial positions to serve Greyfriars Kirk and Greyfriars Charteris Centre. |
| Solar panels | Funds received to assist in the funding of solar photo-voltaic panels at the Greyfriars Charteris Centre. |
| Counselling | Funds donated by Benefact Trust to provide counselling support for members of the Grassmarket Community Project, delivered by Coco Counselling. |
| Celebrate 400 | Greyfriars Kirk celebrated its 400th anniversary in 2020. An extensive programme of events was planned for the year but due to the covid pandemic most were cancelled or postponed. Donations towards these events have been treated as restricted income. |
| <u>Other small funds</u> | |
| Gaelic Lecture | Funds used to finance the annual Gaelic Lecture. |
| Catering Fund | Funds used to finance the catering activities of the Kirk. |
| Flower Fund | Funds received to finance the floral displays at the Kirk. A transfer of £289 was made from the general fund to cover the additional costs of these displays. |
| Choir Fund | Funds used to finance the provision of choral music at the Kirk. |
| Lee Lectureship | Funds to be used for the purposes of funding lectures every 3 years which must deal with questions of Biblical criticism, theology or ecclesiastical history or policy with reference to the circumstances of the time. |

***Endowment fund:***

| | |
|---|---|
| Consolidated stipend fund | Represents funds held by the General Trustees, the dividend income of which is used to reduce the Ministry and Mission contribution of the congregation. |

**15. Trustee remuneration and related party transactions**

During the year Council Tax of £4,299 (2021: £4,193) was paid in respect of the Manse, occupied by the Minister.

The total remuneration paid to trustees and key management during the year was £47,442 (2021: £43,489). One trustee was reimbursed expenses during the year which totalled £1,664 (2021: £857). During the year a total of £47,967 (2021: £49,790) was donated to the congregation by trustees.

Angus Tod is a director of Church of Scotland Insurance Services, which provides insurance broking services to Greyfriars Kirk.

Richard Frazer is the husband of Kate Frazer, who is a principal in CoCo Counselling, which provides counselling services to members of the Grassmarket Community Project. These services are funded by a grant from Benefact Trust to Greyfriars Kirk Counselling Fund.

Andrew Campbell is a trustee of the Anne Macdonald Charitable Trust.

Grants and donations of £212,008 (2021: £1,001,667) were received from Binks Trust, of which Jo Elliot is a Trustee and £3,000 (2021: £nil) was received from The Michael Chibbett Charitable Trust of which Rev. Richard Frazer is a Trustee.

Trustees' interests in Related Parties are disclosed in the Trustees' Report on pages 4 and 5.

A donation of £nil (2021: £1,000) to defray salary costs was made to Grassmarket Community Project during the current year. Rent of £10,000 (2021: £15,803) was received from Grassmarket Community Project in respect of the Kirkhouse. During the year goods and services amounting to £1,273 (2021: £7,964) were purchased from Grassmarket Community Project and £7,243 was recharged to them for insurance (2021: £nil). Donations of £423,877 (2021: £67,375) were received from Grassmarket Community Project. Greyfriars Kirk has provided a guarantee in favour of the lender in respect of their loan to the Grassmarket Community Project. The principal amount outstanding at the year end was £137,600, and the guarantee also covers interest and other costs.

A general donation of £135,738 (2021: £54,770) was recognised from Greyfriars Outreach Limited. At the year end £44,305 (2021: £32,429) remained outstanding from Greyfriars Outreach Limited.

During the year rent of £20,000 (2021: £nil) and salary recharges of £3,891 (2021:£690) were received from Greyfriars Charteris Centre and a donation of £20,116 (2021: £nil) was also received. At the year end £3,945 was due from Greyfriars Charteris Centre (2021: £514 due to Greyfriars Charteris Centre) .

A donation towards the charitable activities of the Kirk of £3,491 (2021: £13,000) was received from the Greyfriars Foundation. At the year-end £nil (2021: £nil) was due to or from the Greyfriars Foundation.

**16. Volunteers**

In common with all congregations of the Church of Scotland the Kirk benefits greatly from the contribution of volunteers who give their time and talents willingly for the benefit of the Church. The areas of congregational life which rely on them are many and varied and much of the activity could not be sustained continue without their extraordinary commitment.

**17. Funds held by the Church of Scotland**

The Church of Scotland hold funds on behalf of Greyfriars Kirk in the church's Consolidated Fabric Funds. These funds are amounts held by the Church of Scotland on behalf of each congregation and are not reflected in these accounts. At the year-end the amount held for Greyfriars, in terms of the cost of the underlying investments, was £41,888 (2021: £52,754).

### 18. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Net movement in funds | (2,052,105) | 1,224,530 |
| Add back depreciation charge | 187,259 | 60,970 |
| Add back impairment charge | 2,114,645 | - |
| Deduct interest income | (6,577) | (6,359) |
| Deduct gains on investments | 50,082 | (41,034) |
| Increase in debtors | (7,692) | (47,354) |
| Decrease/ (increase) in creditors | (79,605) | 6,558 |
| **Net cash generated in operating activities** | **206,007** | **1,197,311** |

### 19. Operating leases

At the end of the financial year the church had commitments under a non-cancellable operating lease for equipment as follows:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Within one year | 2,390 | 2,390 |
| Between two and five years | 4,184 | 6,574 |
| Over five years | - | - |
| | **6,574** | **8,964** |

### 20. Capital commitments

The redevelopment of the Charteris Centre, undertaken by the Kirk, was completed at the end of 2021. The final retention of £50,362 is outstanding at the end of this year as snagging work is still to be completed. A project to replace some of the roof and install solar panels was started during the year. The total expected cost of the work is £165,000 and at the end of the year there were costs of £10,324 contracted for but not yet incurred.

### 21. Development of Kirkhouse

A development project at the Kirkhouse, which is leased under a 25 year lease by Grassmarket Community Project,was completed during the year. This development was paid for by the Grassmarket Community Project and as the tenant will benefit from these works over the period of their lease the development work will be capitalised by them. The transactions regarding this development in the year are:

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Total building costs incurred | 350,756 | 60,045 |
| Expenses reimbursed by GCP | 423,877 | 67,375 |
| Cost still to be paid at the year end | - | (3,030) |
| VAT refund due at the year end | 6,832 | 11,734 |
| VAT refunded to GCP | 73,670 | - |
| Balance due to GCP at the year end | (6,782) | (7,330) |

### 22. Contingent liabilities

As set out in Note 15, Greyfriars Kirk has provided a guarantee in favour of the lender in respect of their loan to the Grassmarket Community Project. At 31 December 2022 the balance on this loan was £137,600, with an early repayment of the loan having been made during the year.