

CENTRAL

Report of the Trustees and Financial Statements

For the year ended 31 August 2024

CENTRAL

Report of the Trustees and Financial Statements

For the year ended 31 August 2024

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Report of the Trustees

The trustees have pleasure in presenting their report for the year ended 31 August 2024.

Objectives and activities

Central, which was previously called Morningside Baptist Church, is referred to within this report as the Church. The Church is an unincorporated charity, formed for the worship of God and the promotion of the evangelical Christian faith and is a member of the Baptist Union of Scotland. There have been no changes to the charitable purposes since the last annual report. Our vision as a church is to serve the City of Edinburgh. Our goal is to make disciples of Jesus Christ.

Achievements and Performance

At Central we are as committed as ever to our vision to serve the city, to love one another as a church family and to dedicate our lives to worshipping and following Christ. We continue to have three gatherings each Sunday (except for the last Sunday in the month) where we meet around the city in various community groups and allow the teaching of Jesus to shape how we live today. The church has been encouraged by a number of individuals choosing to be baptised as a public declaration of their faith, including around 10 of our students and youth. We have also been heartened as new people have joined our church family, commit to membership, and play their part in the wider vision of the church.

Central church is a larger family of approximately thirty smaller communities that meet several times each month and on the last Sunday of the month. These communities are varied but endeavour to support one another in living out the teachings of Jesus and fulfilling the wider church vision. We have contact with around 100 students, who attend one of our gatherings, and/or are part of one of 6 student communities. We seek to support students as they make friends and connections, building communities and networks that support them on both their academic and faith journey. Our “Sanctuary” work continues to support around 70 Syrian refugees. Some of our Sanctuary volunteers are now helping out with a new “Conversation café”, hosted by Edinburgh City Mission at Central’s Café which supports up to 50 individuals who come to learn ways to improve their English language skills, build friendships and understand how they can access other support services for people who don’t speak English as a first language.

Our financial situation has improved since our last report in August 2023. Through the increased generosity of our members and attendees (both in seeing an increase in regular giving as well as one-off donations) we have been able to meet our budget and with savings in expenditure we have increased our staff salaries ensuring that everyone is paid at least the Real Living Wage.

We have seen people give generously to the HVI project, our “Just Christmas” campaign through which we gave over £20k towards the work of Bethany Christian Trust here in Edinburgh – a charity which supports many people who are homeless, recovering from addiction or other significant trauma in their lives.

Over this past year several staff (one full time and three part time) have moved on to other jobs elsewhere. We have not felt that we need to replace all these positions, though recruitment for a Gatherings Pastor began in June 2024. This has led to savings in our outgoings.

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Report of the Trustees (continued)

Achievements and Performance (continued)

We have run our first large scale ALPHA course post pandemic this year, in which we saw over 50 people register and attend the eleven-week programme, exploring the meaning of life, discussing big questions together, with several committing their lives to God and following the way of Jesus Christ.

Our Care ministries have gone from strength to strength with the Clothesbank+, SoulFood meal, CAP ministry, Counselling service and the Church café serving hundreds of people each week. It is both fantastic to meet so much need but also alarming to see first-hand increasing poverty. Since launching our new accredited Parish Nursing ministry last Spring, we have continued to see the number of individual contacts whom we help grow. This has included running a Decider Skills course in participation with colleagues from NHS Lothian. This course seeks to equip people who have struggled to put structure in their hectic lives and follow through on basic life skills which can lead to healthier choices.

Our café has given away over 850 hospitality gifts (e.g. soup, barista drinks, cakes) provided to visitors, including many refugees and asylum seekers. Many of our volunteers themselves have had experiences of homelessness, addiction, and other significant life challenges. It is a privilege and blessing to have such a variety of life experience on our team, as the team can then better support some guests who are going through difficult circumstances. The Christians Against Poverty service has seen 7 (2023: 16) cases (a case may include multiple clients, for example a couple) become debt free, and a total of £200,665 (2023: £174,013) debt cleared. The Counselling service has had 10 (2023: 11) counsellors who have worked with 55 (2023: 60) clients and have had over 123 (2023: 100) enquiries. All of these statistics are testament to the amazing work of the various care ministries and reflect many individuals being impacted by the love of God through our Church.

Financial Review

Overall, there was net income of £29,892 for the year (2023: net expenditure of £61,685) with net income on unrestricted funds of £66,120 (2023: net expenditure of £25,709), net expenditure on designated funds of £40,567 (2023: net expenditure of £40,571) and net income on restricted funds of £4,339 (2023: net income of £4,595). The main difference in the results this year compared to last is an increase in both donation and rental income and a reduction in administrative and property costs.

The Church continues to aim for a balanced budget. In August 2024 the Trustees approved a budget with income of £776,940 with a deficit of £3,825 which was presented to and agreed by members in September 2024.

The Trustees are grateful for the continued generosity of members giving regular donations. Work continues to communicate the self-funding nature of the church and encourage those members and others who consider Central to be their church to review existing giving or start giving regularly. Efforts will also continue to be made in cost management, ideally seeking to balance the budget.

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Report of the Trustees (continued)

Reserves policy

The trustees are conscious of the need to maintain reserves sufficient to enable the Church to pay debts as they fall due whilst not accumulating more funds than are necessary. The current policy is to hold no less than the budgeted expenditure for two months' expenditure. This equates to £130,128.

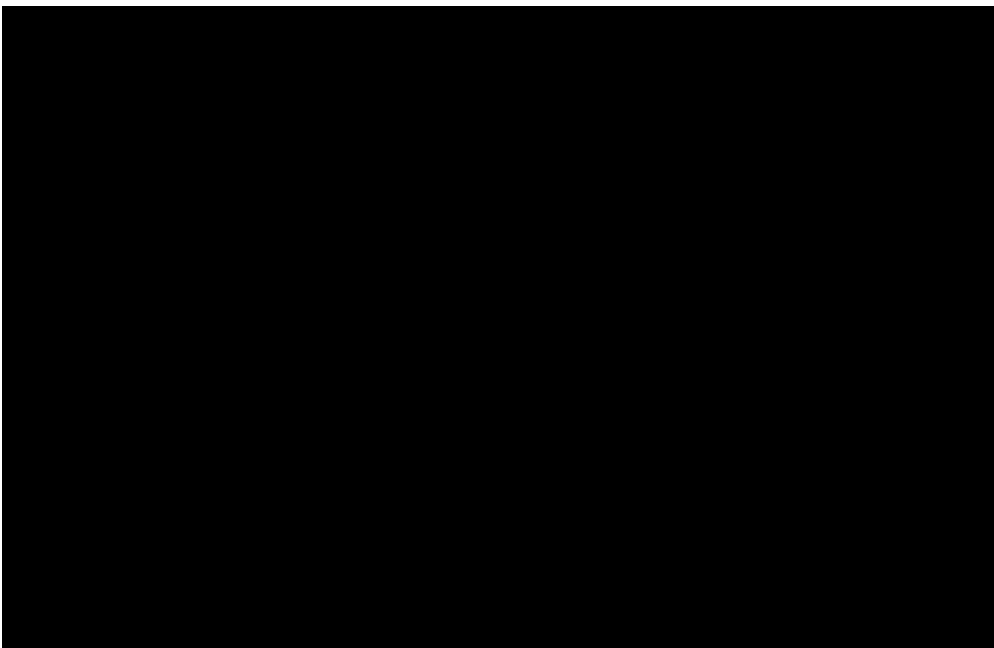
Excluding fixed assets, there is free reserves at 31 August 2024 of £213,399 (2023: £137,942) (see Note 16). This is above the Church's reserves policy as efforts continue to be made to balance the income available through donations with the cost of managing the Church and its activities.

Taxation

The Church is a registered Scottish charity and is recognised as such by the His Majesty's Revenue and Customs for taxation purposes. Accordingly, the Church is exempt from tax on income and gains to the extent that these are applied to the charitable objects. No tax charges have arisen in the charity.

Structure, governance and management

The Church was formed on 7th October 1894 by Rev J Cumming Brown and nineteen members. The principles on which the Church was formed are contained in a Covenant agreed at the meeting on 7th October 1894 which is in the relevant Church Minute Book. The Church has a written constitution which has been approved by the Church members and by the Office of the Scottish Charity Regulator (OSCR) who have a copy of the constitution.



The overall leadership structure comprises the elected elders/trustees who are responsible for the spiritual oversight of the Church along with the Senior Leadership Team (SLT) led by the Lead Pastor. The ultimate responsibility for the charity rests with the elders/trustees who delegate operational responsibility to the SLT, the wider staff team and other volunteers. The elders/trustees determine the remuneration of the key management personnel.

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Report of the Trustees (continued)

To ensure financial oversight the elders/trustees have formed a Finance Committee comprising two elders/trustees, two members of the SLT and the Church accountant. They review salary proposals for all staff which have been prepared by the SLT and Accountant. Any salaries where members of that committee have a conflict are discussed and agreed without them present.

Recruitment, appointment, induction and training of Trustees

The elders/trustees are democratically nominated and elected from the membership on a rolling three year basis on the votes of the Church members. For governance purposes they are also trustees of the Church. New elders/trustees are given a pack of information on the charity and OSCR guidance explaining their role and specific responsibilities as a trustee. They are developing further annual updates and training on their role as trustees.

The present elders/trustees hold the building for the use of the congregation. They are responsible for dealing with Church property and are the custodian trustees in terms of the SORP (Statement of Recommended Practice).

All major decisions are discussed and recommended by the elders/trustees and subsequently formally agreed by Church members in meeting prior to implementation. The elders/trustees and staff are considered to have the necessary skills and attributes to fulfil their roles. The Church receives a range of willing, voluntary help, without which many of its activities would be curtailed or impossible to run.

Risk management

The Trustees maintain a Risk Register which is amended as risks are identified and managed and reviewed annually. The key risks facing the Church and mitigating factors include:

Financial Controls: the trustees ensure that suitable financial controls are in place and these are checked annually as part of the external audit.

Vulnerable Groups: The church operates a strict recruitment policy for all volunteers prior to involvement with children or vulnerable adults, and compliance is monitored. All individuals working with vulnerable groups are required to join the Protecting Vulnerable Groups (PVG) scheme.

Major Decisions: All major projects are discussed and approved by the elders and the Church members in meeting prior to implementation.

Plans for future periods

In the year ahead here at Central Church we are looking to support our community as we work to Love Edinburgh, Be Family and Follow Jesus.

We continue to reach outside of our walls through our Care Ministries and our Communities who meet right across our city and seek to share the love of Jesus in both word and deed.

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Report of the Trustees (continued)

Plans for future periods (continued)


We continue to meet together regularly as part of our commitment to Being Family and to equip us for our missional activities whenever we found ourselves during the week so that we may both Love Edinburgh better and follow Jesus better.

We also continue to be aware that we need to maintain vigilance as we consider recruitment and staffing costs as, in order to maintain staffing levels and continue to increase salaries year on year, we need to see increased giving from our members or a growth in membership, or we have to make more challenging decisions around our expenditure. We seek to be good stewards of all the gifts from our members and friends and ultimately God, and therefore closely monitor both income and expenditure against budget throughout the year.

The next season will bring challenge and change as we send out two senior members of staff to begin ministering at Abbeyhill Baptist Church. This builds on Central's history of equipping, training and sending out leaders to do God's work. This also brings opportunity as we seek to maintain a relationship with these staff members and begin a relationship with Abbeyhill. The invitation has already been made to anyone in the Central family who feels God's stirring to journey with them as they leave Central for this post.

This is also the year we celebrate 130 years as a church family! We trust and pray for God to continue sustaining us and providing for us as we negotiate this transformational time, as He has done for the past 130 years.

Reference and administrative detail

Charity Name	Central
Charity Number	SCO05871
Church Office and Principal Address	
Auditors	MHA, 6 St Colme Street, Edinburgh, EH3 6AD
Bankers	Bank of Scotland, 8 Morningside Road, Edinburgh

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Report of the Trustees (continued)

Trustees' responsibilities statement

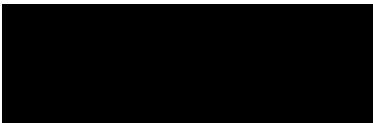
The trustees are responsible for preparing the Report of the Trustees' and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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 Charity and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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.

Approved by the Trustees on 5 February 2025 and signed on their behalf by:

A large black rectangular redaction box covering the signature of the trustee.

Trustee

CENTRAL

Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Independent Auditor's Report to the trustees of Central

Opinion

We have audited the financial statements of Central for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 Financial Reporting Standard 102 *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 August 2024, and of the charity's incoming resources and application of resources for the period 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.

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 Auditor's 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 other 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 trustees' 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 charity'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.

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Independent Auditor's Report to the Trustees of Central (continued)

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustees; or
- 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 trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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.

CENTRAL**Report of the Trustees and Financial Statements****For the year ended 31 August 2024****Independent Auditor's Report to the Trustees of Central (continued)****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 regulations made under that Act.

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.

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of charity management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including the testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of the charity's activities and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

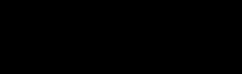
Independent Auditor's Report to the Trustees of Central (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of the report

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 auditor's 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


MHA
Statutory Auditor
6 St Colme Street
Edinburgh
EH3 6AD

5 February 2025

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

MHA is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Statement of Financial Activities

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Year ended 31 Aug 2024 £	Year ended 31 Aug 2023 £
Income from:						
Donations and legacies	2	556,095	-	67,128	623,223	598,892
Charitable activities	3	108,288	-	-	108,288	63,509
Other trading activities	4	72,337	-	-	72,337	88,623
Investments	5	3,143	-	-	3,143	544
Other income	6	10,000	-	-	10,000	-
Total income		<u>749,863</u>	<u>-</u>	<u>67,128</u>	<u>816,991</u>	<u>751,568</u>
Expenditure on:						
Raising funds	7	93,413	-	-	93,413	4,452
Charitable activities	8	590,330	40,567	62,789	693,686	808,801
Total expenditure		<u>683,743</u>	<u>40,567</u>	<u>62,789</u>	<u>787,099</u>	<u>813,253</u>
Net income/(expenditure) and net movement in funds		66,120	(40,567)	4,339	29,892	(61,685)
Reconciliation of funds						
Total funds brought forward	16	<u>180,479</u>	<u>1,595,921</u>	<u>18,759</u>	<u>1,795,159</u>	<u>1,856,844</u>
Total funds carried forward	16	<u><u>246,599</u></u>	<u><u>1,555,354</u></u>	<u><u>23,098</u></u>	<u><u>1,825,051</u></u>	<u><u>1,795,159</u></u>

The Statement of Financial Activities includes all gains and losses in the period. All income and expenditure derive from continuing activities.

The notes on pages 14 to 23 form part of these financial statements.

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Balance Sheet

	Notes	31 Aug 2024 £	31 Aug 2023 £
Fixed assets	13	<u>1,588,554</u>	<u>1,638,458</u>
Current assets			
Debtors and prepayments	14	62,918	68,839
Fixed term deposits		101,801	-
Cash at bank and in hand		<u>144,116</u>	<u>114,435</u>
Total current assets		308,835	183,274
Liabilities:			
Creditors: amounts falling due within one year	15	<u>(72,338)</u>	<u>(26,573)</u>
Net current assets		<u>236,497</u>	<u>156,701</u>
Total assets less current liabilities		<u>1,825,051</u>	<u>1,795,159</u>
Total net assets		<u><u>1,825,051</u></u>	<u><u>1,795,159</u></u>
Funds			
Restricted funds	16,17	23,098	18,759
Designated funds	16,17	1,555,354	1,595,921
Unrestricted funds	16,17	<u>246,599</u>	<u>180,479</u>
Total funds		<u>1,825,051</u>	<u>1,795,159</u>

The financial statements were approved and authorised for issue by the trustees on 5 February 2025 and signed on their behalf by:



Trustee

The notes on pages 14 to 23 form part of these financial statements.

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2024 £	2023 £
Net income/(expenditure) for the year (as per the SOFA)	29,892	(61,685)
Adjustments for:		
Depreciation	49,904	50,933
Gifts in-kind	6,000	-
Decrease/(increase) in debtors	5,921	(23,504)
Increase/(decrease) in creditors	45,765	(12,926)
Gain on sale of fixed assets	(10,000)	-
Investment income	(3,143)	(544)
	<u>124,339</u>	<u>(47,726)</u>
Net cash provided by/(used in) operating activities	<u>124,339</u>	<u>(47,726)</u>

Statement of cash flows

		2024 £	2023 £
Cash flows from operating activities:			
<i>Net cash provided by/(used in) operating activities</i>		<u>124,339</u>	<u>(47,726)</u>
Cash flows from investing activities:			
Investment income		3,143	544
Fixed asset purchases		-	(1,718)
Fixed asset sale proceeds		4,000	-
		<u>7,143</u>	<u>(1,174)</u>
Net cash provided by/(used in) investing activities		<u>7,143</u>	<u>(1,174)</u>
Cash flows from financing activities:			
Loan payments	18	-	(41,655)
		<u>-</u>	<u>(41,655)</u>
Net cash (used in) financing activities		<u>-</u>	<u>(41,655)</u>
Change in cash and cash equivalents in the period	18	131,482	(90,555)
Cash and cash equivalents at the beginning of the period	18	<u>114,435</u>	<u>204,990</u>
Cash and cash equivalents at the end of the period	18	<u>245,917</u>	<u>114,435</u>
Cash and cash equivalents comprise:			
Fixed term deposits		101,801	-
Cash at bank		144,116	114,435
		<u>245,917</u>	<u>114,435</u>

CENTRAL**Report of the Trustees and Financial Statements****For the year ended 31 August 2024****Notes to the financial statements****1 Accounting Policies**

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Basis of Accounting

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and UK Generally Accepted Accounting Practice.

The financial statements are presented in sterling which is the functional currency of the Church and rounded to the nearest £.

Central meets the definition of a public benefit entity under FRS 102.

Going Concern

The trustees have considered the impact of the current economic environment on the financial position and future performance of the charity. At the time of approving these financial statements, the trustees are confident that the charity has adequate funds to continue in operational existence. Steps have been taken to prevent further losses from arising. Trustees have therefore continued to adopt the going concern basis of accounting in preparing these financial statements.

Income

Income is recognised when the Church has entitlement to the funds, when it is probable that the income will be received and the amount can be measured reliably.

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

Income from charitable activities comprises rental income from groups with shared charitable purposes and income from community activities which is recognised when the Church has delivered the service and is therefore entitled to the income.

Income from other trading activities comprises rental income from other users of the church premises, which is recognised in accordance with the use of the property, which is when the Church becomes entitled to the income.

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

Expenditure

Expenditure is 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 reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

CENTRAL**Report of the Trustees and Financial Statements****For the year ended 31 August 2024****Notes to the financial statements (continued)****1 Accounting Policies (continued)****Expenditure (continued)**

Expenditure on raising funds includes costs associated with generating income for the Church through rental of space within the church building. Expenditure on charitable expenditure includes costs incurred in supporting the Church in the delivery of its activities and services.

Charitable expenditure comprises those costs incurred by the Church in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities, those costs of an indirect nature necessary to support them and an allocation of governance costs.

Support costs are allocated between governance costs and other support costs. Governance costs comprise those costs involving the public accountability of the Church and its compliance with regulations and good practice. They therefore include the cost of statutory audit. Other support costs relate to the administrative costs of running the Church and are allocated to charitable activities accordingly.

The Church is not registered for VAT and accordingly expenditure includes irrecoverable VAT where appropriate.

Pensions

The Church operates a defined contribution scheme for members of the Church staff. Contributions are charged to the Statement of Financial Activities in the period to which they relate.

Fixed assets and depreciation

Fixed assets comprise the Church building (Central Hall) and the adjoining shop at 2 Earl Grey Street. These are included in the balance sheet at cost, including the cost of refurbishment. The Trustees do not consider there to have been any impairment in the value of the property as stated in the balance sheet. Property is insured at an estimated full rebuilding cost and is maintained in a good state of repair.

Other fixed assets costing individually more than £1,500 are capitalised at cost and depreciated on a straight line basis over their estimated useful lives as follows:

Property	50 years
IT and other electronic equipment	5 years
Furniture and fittings	10 years
Motor vehicles	5 years

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts.

Cash at bank and in hand

Cash at bank and in hand includes cash and any short term highly liquid investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CENTRAL**Report of the Trustees and Financial Statements****For the year ended 31 August 2024****Notes to the financial statements (continued)****1 Accounting Policies (continued)****Investments**

Current asset investments are fixed term deposits that mature within one year.

Creditors and provisions

Creditors and provision are recognised where the Church has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Funds held on behalf of others

Any funds received or remitted by the charity where it acts as an agent for another organisation are included within creditors as funds held on behalf of others.

Financial instruments

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

Fund accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the general objectives of the Church.

Restricted funds are those donated for use in a particular area or for specific purposes, as specified by the donor.

2 Donations and legacies	Unrestricted	Restricted	2024	2023
	£	£	£	£
Donations and gifts	480,165	60,046	540,211	516,798
Tax reclaim	75,930	7,082	83,012	82,094
	<u>556,095</u>	<u>67,128</u>	<u>623,223</u>	<u>598,892</u>

Income from donations and legacies of £623,223 (2023: £598,892) comprises £556,095 (2023: £515,690) of unrestricted income and £67,128 (2023: £83,202) of restricted income.

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For the year ended 31 August 2024

Notes to the financial statements (continued)

3 Income from charitable activities	Unrestricted £	Restricted £	2024 £	2023 £
Rental income	75,995	-	75,995	38,924
Student and youth weekend income	4,416	-	4,416	2,629
Other charitable activities	27,877	-	27,877	21,956
	<u>108,288</u>	<u>-</u>	<u>108,288</u>	<u>63,509</u>

Income in both years relates wholly to unrestricted funds.

4 Income from other trading activities	Unrestricted £	Restricted £	2024 £	2023 £
Rental income	<u>72,337</u>	<u>-</u>	<u>72,337</u>	<u>88,623</u>

Income in both years relates wholly to unrestricted funds.

5 Investment income	Unrestricted £	Restricted £	2024 £	2023 £
Bank interest	<u>3,143</u>	<u>-</u>	<u>3,143</u>	<u>544</u>

Income in both years relates wholly to unrestricted funds.

6 Other income	Unrestricted £	Restricted £	2024 £	2023 £
Gain on sale of fixed assets	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>

Expenditure in both years relates wholly to unrestricted funds.

7 Cost of raising funds	Unrestricted £	Restricted £	2024 £	2023 £
Salary costs (note 12)	74,897	-	74,897	-
Property costs	18,516	-	18,516	4,452
	<u>93,413</u>	<u>-</u>	<u>93,413</u>	<u>4,452</u>

Expenditure in both years relates wholly to unrestricted funds.

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For the year ended 31 August 2024

Notes to the financial statements (continued)

8 Expenditure on charitable activities	Unrestricted £	Designated £	Restricted £	2024 £	2023 £
Care	209,987	-	23,219	233,206	174,181
Partnerships: Love Edinburgh & Wider Mission	45,282	-	-	45,282	54,994
Scattered and Gathered	102,355	-	-	102,355	123,590
Communities	5,046	-	11,148	16,194	11,049
	<u>362,670</u>	<u>-</u>	<u>34,367</u>	<u>397,037</u>	<u>363,814</u>
Total direct costs (note 9)	362,670	-	34,367	397,037	363,814
Administration costs (note 10)	121,044	-	-	121,044	228,545
Property costs (note 11)	96,506	40,567	28,422	165,495	211,092
Governance costs – audit fee	6,110	-	-	6,110	5,350
	<u>586,330</u>	<u>40,567</u>	<u>62,789</u>	<u>689,686</u>	<u>808,801</u>

Expenditure on charitable activities of £689,686 (2023: £808,801) comprises £586,330 (2023: £701,984) of unrestricted expenditure, £40,567 (2023: £40,594) of designated expenditure and £62,789 (2023: £66,223) of restricted expenditure.

9 Direct costs	Unrestricted £	Restricted £	2024 £	2023 £
Salary costs (note 12)	271,755	1,500	273,255	251,684
Project costs	90,915	32,867	123,782	112,130
	<u>362,670</u>	<u>34,367</u>	<u>397,037</u>	<u>363,814</u>

10 Administrative costs	Unrestricted £	Restricted £	2024 £	2023 £
Salary costs (note 12)	79,482	-	79,482	178,259
Office support costs	41,562	-	41,562	50,286
	<u>121,044</u>	<u>-</u>	<u>121,044</u>	<u>228,545</u>

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Notes to the financial statements (continued)

11	Property costs	Unrestricted £	Designated £	Restricted £	2024 £	2023 £
	Church running costs	87,169	-	22,705	109,874	135,186
	HVI project costs	-	-	5,717	5,717	24,062
	Loan interest	-	-	-	-	911
	Depreciation	9,337	40,567	-	49,904	50,933
		<u>96,506</u>	<u>40,567</u>	<u>28,422</u>	<u>165,495</u>	<u>211,092</u>
12	Wages and salaries				2024 £	2023 £
	Wages and salaries				410,974	389,163
	Social security costs				22,902	21,123
	Pension costs				<u>17,905</u>	<u>16,781</u>
					<u>451,781</u>	<u>427,067</u>

No employee received emoluments of more than £60,000 (2023: None).

The average number of employees during the year was 34 (2023: 29).

None of the trustees received any remuneration nor were reimbursed any expenses in their capacity as trustees during the year (2023: None). Trustee, [REDACTED] is employed as Lead Pastor and received a salary of £57,445 and pension contributions of £2,872 in the year. Remuneration of Trustees is permitted under section 16 of the Church Constitution.

The total amount of employee benefits received by key management personnel is £190,831 (2023: £165,847). The key management personnel comprise the members of the senior leadership team.

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Notes to the financial statements (continued)

13 Tangible Fixed Assets	Heritable Property £	IT and other electronic equipment £	Furniture and fittings £	Motor Vehicles £	Total £
Cost					
As at 1 September 2023	2,029,574	13,022	182,063	17,000	2,241,659
Disposals	-	-	-	(17,000)	(17,000)
As at 31 August 2024	<u>2,029,574</u>	<u>13,022</u>	<u>182,063</u>	<u>-</u>	<u>2,224,659</u>
Depreciation					
As at 1 September 2023	433,653	11,609	140,939	17,000	603,201
Charge for the year	40,567	-	9,337	-	49,904
Released on disposal	-	-	-	(17,000)	(17,000)
As at 31 August 2024	<u>474,220</u>	<u>11,609</u>	<u>150,276</u>	<u>-</u>	<u>636,105</u>
Net book value					
As at 31 August 2024	<u>1,555,354</u>	<u>1,413</u>	<u>31,787</u>	<u>-</u>	<u>1,588,554</u>
As at 31 August 2023	<u>1,595,921</u>	<u>1,413</u>	<u>41,124</u>	<u>-</u>	<u>1,638,458</u>
14 Debtors					
				2024 £	2023 £
Gift Aid recoverable				5,797	5,862
Prepayments				19,561	18,920
Other debtors				37,560	44,057
				<u>62,918</u>	<u>68,839</u>
15 Creditors: amounts falling due within one year					
				2024 £	2023 £
PAYE creditor				6,927	7,223
Other creditors				14,480	10,257
Accruals and deferred income				50,931	9,093
				<u>72,338</u>	<u>26,573</u>

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Notes to the financial statements (continued)

16 Analysis of funds	At 31 Aug 2023 £	Income £	Expenditure £	Transfers £	At 31 Aug 2024 £
2023/24					
Unrestricted funds	180,479	749,863	(683,743)	-	246,599
Designated funds	1,595,921	-	(40,567)	-	1,555,354
Unrestricted funds	<u>1,776,400</u>	<u>749,863</u>	<u>(724,310)</u>	<u>-</u>	<u>1,801,953</u>
Property Fund	-	27,362	(5,716)	-	21,646
Just Christmas	91	22,783	(22,705)	-	169
Project Pants	292	78	-	-	370
Soul Surfers Campervan	5,796	1,312	(7,108)	-	-
Nursing	12,580	-	(12,580)	-	-
Clothesbank	-	1,872	(959)	-	913
CAP Salaries Fund	-	8,721	(8,721)	-	-
Soul Food	-	3,500	(3,500)	-	-
Café Salary Fund	-	1,500	(1,500)	-	-
Restricted funds	<u>18,759</u>	<u>67,128</u>	<u>(62,789)</u>	<u>-</u>	<u>23,098</u>
Total funds	<u>1,795,159</u>	<u>816,991</u>	<u>(787,099)</u>	<u>-</u>	<u>1,825,051</u>
	At 31 Aug 2022 £	Income £	Expenditure £	Transfers £	At 31 Aug 2023 £
2022/23					
Unrestricted funds	206,188	668,366	(706,436)	12,361	180,479
Designated funds	1,636,492	-	(40,594)	23	1,595,921
Unrestricted funds	<u>1,842,680</u>	<u>668,366</u>	<u>(747,030)</u>	<u>12,384</u>	<u>1,776,400</u>
Property Fund	-	23,607	(911)	(22,696)	-
Just Christmas	198	20,979	(21,086)	-	91
Project Pants	4,719	-	(4,427)	-	292
Soul Surfers Campervan	4,975	1,500	(679)	-	5,796
HVI Project	-	13,750	(24,062)	10,312	-
Nursing	4,272	23,366	(15,058)	-	12,580
Restricted funds	<u>14,164</u>	<u>83,202</u>	<u>(66,223)</u>	<u>(12,384)</u>	<u>18,759</u>
Total funds	<u>1,856,844</u>	<u>751,568</u>	<u>(813,253)</u>	<u>-</u>	<u>1,795,159</u>

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Report of the Trustees and Financial Statements

For the year ended 31 August 2024

Notes to the financial statements (continued)

16 Analysis of funds (continued)

The Designated Fund represents the net book value of the Church building, which has been set aside as a separate fund. Depreciation is charged to this fund on an annual basis. Transfers to the fund represent fixed assets purchased in the year.

The Property Fund is used to address the property requirements (in a general sense) of the church going forward. Previously, its main use was to repay the loan to the Baptist Union Loan Corporation and we receive donations each month to fund the monthly repayments of capital and interest. Going forward, the fund will be used to meet ongoing repairs and maintenance costs.

The Just Christmas fund was established for special collections taken over the Christmas period.

The Project Pants fund relates to a project to provide clothing for vulnerable people during the winter period.

In October 2013 the Church purchased a VW Campervan for use by the Soul Surfers missional community. A restricted fund was set up to accommodate donations and gifts for the purpose of funding the purchase and running costs of the vehicle. The Campervan was sold during 2023/24.

The Nursing Fund started with funding from TOR Christian Foundation for a feasibility study to scope the establishment of a nursing ministry within Edinburgh churches. We have now completed that and are running a pilot scheme.

Clothesbank – this fund receives income to part fund the operation of a Clothesbank we operate in partnership with Edinburgh City Mission in Centra Hall.

CAP Salaries Fund – income received to part fund CAP staff salaries.

Soul Food Fund comprises income to contribute towards the cost of providing a weekly freshly prepared meal, while also offering some respite and support to anyone dealing with the challenges of homelessness, poverty or loneliness.

Café Salary Fund – income received to part fund café salaries.

The HVI fund comprises donations received for the purpose of looking at the heating, ventilation and insulation within the Church building.

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For the year ended 31 August 2024

Notes to the financial statements (continued)

17 Analysis of net assets between funds	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2024 £
Balances at 31 August 2024 represented by:				
Tangible assets	33,200	1,555,354	-	1,588,554
Net current assets	213,399	-	23,098	236,497
	<u>246,599</u>	<u>1,555,354</u>	<u>23,098</u>	<u>1,825,051</u>
	Unrestricted Funds £	Designated Funds £	Restricted Funds £	2023 £
Balances at 31 August 2023 represented by:				
Tangible assets	42,537	1,595,921	-	1,638,458
Net current assets	137,942	-	18,759	156,701
	<u>180,479</u>	<u>1,595,921</u>	<u>18,759</u>	<u>1,795,159</u>
18 Analysis of net funds	1 Sep 2023 £	Cashflows £	Non-cash Movements £	31 Aug 2024 £
Cash and cash equivalents	114,435	131,482	-	245,917
Total net funds	<u>114,435</u>	<u>131,482</u>	<u>-</u>	<u>245,917</u>

19 Operating lease commitments

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

	2024 £	2023 £
Within one year	1,790	7,162
Between two and five years	-	3,581
	<u>1,790</u>	<u>10,743</u>

20 Related party transactions

During the year the Church made payments of £3,150 (2023: £3,360) to Daysix Limited, a company in which Trustee [REDACTED] is also a director. The charity also made a charitable gift to Cairn Movement of £2,500 (2023: £5,000), a charity in which [REDACTED] was a trustee until 31 August 2023. The wife of Trustee [REDACTED] is employed by Central to run the Parish Nursing Project and she received a salary of £5,141 in the year.

The charity received donations of £44,120 (2023: £45,601) from 6 Trustees (2023: 9 Trustees) during the year.