

Charity registration number SC017137 (Scotland)

ST MARK'S EPISCOPAL CHURCH
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

ST MARK'S EPISCOPAL CHURCH

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ST MARK'S EPISCOPAL CHURCH

VESTRY'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2025

The vestry present their annual report and financial statements for the year ended 31 August 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the church's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Introduction

This annual report and accounts presents a summary of our financial activities during the year September 2024 - August 2025 and gives an overview of the general activities which have taken place in the life of our church.

Objectives and activities

The main objectives of the church are the advancement of religion and to provide public benefit.

Achievements and performance

The year was dominated by a major Renovation and Renewal to the 200 year old Georgian church building to ensure it continues to serve both the congregation and the wider community for the next generation,

The work was overseen and carried out by Taft Architects, Lee Boyd Architects, Morham and Brotchie and HMR Raitt.

The congregation moved out of the building in November 2024, the opening service was held in mid-May 2025 and full access was granted in mid June 2025.

The planned main work included:

- conservation to the external stonework
- repair to the 200-year-old windows and secondary glazing
- renewing the chancel, removing obstacles, curving the front steps and carpeting
- installing new LED lighting throughout which is both practical and flexible
- creating a new community kitchen with a hatch to the main space for safety
- installing a second fully accessible toilet
- insulating the nave fully and making the attic space safe
- repairing the iconic Georgian cupola in the entrance hall
- laying a new floor, over the old floor which was splintered and worn
- fully redecorating the space to create a warm and welcoming atmosphere.

As with any large project, there were unforeseen challenges. The main challenge was the chancel roof which was found to be dangerously degraded. There had been no signs externally or internally of any issue. These issues required the whole of the chancel roof to be re-slatted. As the windows were removed for repair it also became clear that more work was needed than anticipated.

ST MARK'S EPISCOPAL CHURCH

VESTRY'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

The project costs totalled £950,000 and has set out what it planned to do by completely restoring and renewing one of Portobello's most historic buildings.

During the year, however, as a congregation we also continued to:

- meet for worship twice a week and celebrate Christian festivals – we were welcomed by our neighbouring churches in Portobello – St John the Evangelist Roman Catholic Church, Portobello and Joppa Church of Scotland and Portobello Baptist Church
- offer baptisms, marriages and funerals to the congregation and community
- offer activities for children, young people and the elderly, for social support and spiritual sustenance. The work of our newly appointed Pastoral Worker enabled much of this work to continue and venues were used around Portobello
- seek to serve the people of Portobello, through support of local activities, prayer and (since reopening) provision of meeting space for a wide range of community and charity activities.

The vestry met regularly throughout the year to review and plan activities. This was especially important in this financial year due to the decisions and work of the renovation project.

The house owned by the church for use by the rector has not been of adequate size or quality for a number of years. In the past decade it has been rented out, but the departure of a tenant opened the opportunity to start to renovate and bring up to standard. This has been a slow progress, but the work will be completed sometime in the financial year 2025-6.

The renovation project lays the foundation for the mission and ministry of St Mark's in the future. Within this financial year we have already seen the increased usefulness of the building at a number of Open Days, concerts, the Portobello Holiday Club, and the start of rents.

Other key achievements this year:

- 10 Community lunches, 5 lunch and craft sessions, a celebratory service of opening and a community Open Day.
- Discipleship discussions for Advent, Lent and in baptism preparation
- Continued support for our three nominated charities: Portobello Beach Wheelchairs, Social Bite and Edinburgh School Uniform Bank.

Financial review

Results for the year ended 31 August 2025 are given in the Statement of Financial Activities. The assets and liabilities are given in the Balance Sheet. The financial statements should be read in conjunction with the related notes.

In summary income amounted to £924,953 (2024 - £133,054) and expenditure totalled £114,411 (2024 - £108,291) resulting in a net surplus for the year before gains and losses, of £810,542 (2024 - surplus of £24,763).

Reserves policy

It is the policy of the church that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The vestry consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the church's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

ST MARK'S EPISCOPAL CHURCH

VESTRY'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Structure, governance and management

St Mark's is an unincorporated charity governed by a constitution which was adopted in 2013 (currently being reviewed). As a member congregation of the Diocese of Edinburgh in the Scottish Episcopal Church it is governed by Canon Law of the Scottish Episcopal Church. For the purposes of charities law, the members of the Vestry are the Charity Trustees of the church.

Recruitment and appointment of trustees

Trustees are appointed by the vestry.

None of the vestry has any beneficial interest in the company. All of the vestry are members of the company and guarantee to contribute £1 in the event of a winding up.

Organisational structure

Registered Scottish Charity No:	SCO17137
Principal Address:	287 Portobello High Street, Edinburgh, EH15 2AR
Website:	www.stmarksportobello.org
Vestry Members:	Rev Dr Canon Sophia Marriage, Rector and Chair Church Warden: Anne Cunningham, Susan Gardner (resigned November 2025) Treasurer: Ian Gardner Vestry Secretary: Justine Stansfield Lay Rep: Helen Vincent (resigned November 2024), Michael Crump (appointed November 2024) Alt Lay Rep: Gill Smith Vestry Members: Tom Cullimore, David Drury, Louise Kowalska, Caroline Richards, Paul Sweet (resigned November 2025)
Bankers	Reliance Bank Limited Faith House 23-24 Lovat Lane London EC3R 8EB
Auditors	Thomson Cooper 3 Castle Court Carnegie Campus Dunfermline KY11 8PB

Relationship with Diocese and Province

St Mark's is supported by the Diocese and the Province through the pastoral oversight of the Bishop, central support functions provided at the Diocesan level, and grants from central funds. The church is represented at Diocesan level by the Rector and the Lay Representative. As a member of the SEC, St Mark's has an obligation to contribute to the costs of the Diocese and the Province through payment of an annual 'quota'. This amount is based on a percentage of an average income taken over a three year period.

Conclusion

The members of the Vestry would like to thank all those who contribute their time, energy and money so generously to ensure the continuation and development of St Mark's as a centre of worship and a focus for the community.

ST MARK'S EPISCOPAL CHURCH

VESTRY'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2025

Statement of vestry's responsibilities

The vestry are responsible for preparing the Vestry's Report 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 vestry to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the church and of the incoming resources and application of resources of the church for that year.

In preparing these financial statements, the vestry are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 vestry are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the church and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the church and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Thomson Cooper were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

Disclosure of information to auditor

Each of the vestry has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The vestry's report was approved by the Board of Vestry.

Sophia Marriage

Dr S Marriage

Chair

22 May 2026

ST MARK'S EPISCOPAL CHURCH

INDEPENDENT AUDITOR'S REPORT

TO THE VESTRY OF ST MARK'S EPISCOPAL CHURCH

Opinion

We have audited the financial statements of St Mark's Episcopal Church (the 'church') for the year ended 31 August 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2025 and of its incoming resources and application of 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 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 church 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 vestry'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 church'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 vestry with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The vestry are responsible for the other information contained within the annual report. 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 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 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 vestry's report; 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.

ST MARK'S EPISCOPAL CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE VESTRY OF ST MARK'S EPISCOPAL CHURCH

Responsibilities of vestry

As explained more fully in the statement of vestry's responsibilities, the vestry 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 vestry 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 vestry are responsible for assessing the church'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 vestry either intend 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of income, posting of unusual journals along with complex transactions and non-compliance with laws and regulations. We discussed these risks with management, designed audit procedures to test the timing and existence of revenue and tested a sample of journals to confirm they were appropriate. In addition, we reviewed areas of judgement for indicators of management bias to address these risks.

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. This included but was not limited to the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006.

We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the Directors and key management personnel;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion, or the provision of intentional misrepresentations.

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.

ST MARK'S EPISCOPAL CHURCH

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE VESTRY OF ST MARK'S EPISCOPAL CHURCH

Other matters

We were engaged to audit the financial statements of St Mark's Episcopal Church for the year ended 31 August 2025. We were not engaged to audit, nor did we audit, the financial statements of St Mark's Episcopal Church for the year ended 31 August 2024. Those financial statements were not audited.

Use of our 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.



Fiona Haro (Senior Statutory Auditor)

For and on behalf of Thomson Cooper, Statutory Auditor

Dunfermline

25 May 2026

Thomson Cooper is eligible for appointment as auditor of the church by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ST MARK'S EPISCOPAL CHURCH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes						
Income and endowments from:							
Donations and legacies	2	69,137	845,021	914,158	65,436	250	65,686
Charitable activities	3	1,245	-	1,245	7,577	-	7,577
Other trading activities	4	1,310	5,216	6,526	4,694	2,217	6,911
Investments	5	1,000	1,137	2,137	2,580	-	2,580
Other income	6	887	-	887	25,120	25,180	50,300
Total income		73,579	851,374	924,953	105,407	27,647	133,054
Expenditure on:							
Raising funds	7	135	-	135	1,052	-	1,052
Charitable activities	8	94,223	20,053	114,276	102,038	5,201	107,239
Total expenditure		94,358	20,053	114,411	103,090	5,201	108,291
Net gains/(losses) on investments	12	3,167	-	3,167	9,699	-	9,699
Net income/(expenditure)		(17,612)	831,321	813,709	12,016	22,446	34,462
Transfers between funds		(60,000)	60,000	-	-	-	-
Net movement in funds		(77,612)	891,321	813,709	12,016	22,446	34,462
Reconciliation of funds:							
Fund balances at 1 September 2024		151,576	117,779	269,355	139,560	95,333	234,893
Fund balances at 31 August 2025		73,964	1,009,100	1,083,064	151,576	117,779	269,355

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

ST MARK'S EPISCOPAL CHURCH

BALANCE SHEET

AS AT 31 AUGUST 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	14		1,048,721		79,958
Investments	15		33,647		90,480
			<u>1,082,368</u>		<u>170,438</u>
Current assets					
Debtors	16	94,302		12,758	
Cash at bank and in hand		34,337		95,044	
		<u>128,639</u>		<u>107,802</u>	
Creditors: amounts falling due within one year	18	(67,943)		(8,885)	
Net current assets			<u>60,696</u>		<u>98,917</u>
Total assets less current liabilities			<u>1,143,064</u>		<u>269,355</u>
Creditors: amounts falling due after more than one year	19	(60,000)			-
Net assets			<u><u>1,083,064</u></u>		<u><u>269,355</u></u>
The funds of the church					
Restricted income funds	21		1,009,100		117,779
Unrestricted funds	22		73,964		151,576
			<u><u>1,083,064</u></u>		<u><u>269,355</u></u>

The financial statements were approved by the vestry on 22 May 2026

Sophia Marriage
Dr S Marriage
Chair

Ian Gardner
Mr I Gardner
Treasurer

ST MARK'S EPISCOPAL CHURCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	28		745,919		18,310
Investing activities					
Purchase of tangible fixed assets		(968,763)		(79,958)	
Proceeds from disposal of investments		60,000		-	
Investment income received		2,137		2,580	
Net cash used in investing activities			(906,626)		(77,378)
Financing activities					
Repayment of borrowings		100,000		-	
Net cash generated from financing activities			100,000		-
Net decrease in cash and cash equivalents			(60,707)		(59,068)
Cash and cash equivalents at beginning of year			95,044		154,112
Cash and cash equivalents at end of year			34,337		95,044

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

Charity information

St Mark's Episcopal Church is a unincorporated charity. The registered office is 287 Portobello High Street, Edinburgh, EH15 2AR.

1.1 Basis of preparation

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the vestry have a reasonable expectation that the church has adequate resources to continue in operational existence for the next 12 months. Thus the vestry continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

1.4 Income

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

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

Legacies are recognised on receipt or otherwise if the church has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income from government and other grants, whether 'capital grants or revenue grants', are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

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

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

Leasehold improvements	2% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

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

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Employee benefits

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

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

1.12 Retirement benefits

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

2 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	69,137	30,867	100,004	55,436	250	55,686
Legacies	-	-	-	10,000	-	10,000
Grants	-	814,154	814,154	-	-	-
	<u>69,137</u>	<u>845,021</u>	<u>914,158</u>	<u>65,436</u>	<u>250</u>	<u>65,686</u>

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

2 Income from donations and legacies

(Continued)

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Grants						
Baird Trust	-	7,000	7,000	-	-	-
Edinburgh Diocesan	-	1,000	1,000	-	-	-
EMB Ltd	-	134,056	134,056	-	-	-
FCC Communities	-	40,000	40,000	-	-	-
Garfield Weston	-	30,000	30,000	-	-	-
General Synod	-	126,645	126,645	-	-	-
Historic Environment Scotland	-	144,450	144,450	-	-	-
National Lottery - Heritage Fund	-	163,035	163,035	-	-	-
The National Church	-	110,000	110,000	-	-	-
The Congregational & General Charitable Trust	-	15,000	15,000	-	-	-
The Benefact Trust	-	14,400	14,400	-	-	-
The National Lottery	-	15,000	15,000	-	-	-
Zurich	-	335	335	-	-	-
Tor Christian Foundation	-	12,733	12,733	-	-	-
Edinburgh Diocesan - St Hilda Grant	-	500	500	-	-	-
	-	814,154	814,154	-	-	-

3 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Charitable rental income	1,245	7,577

4 Income from other trading activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fundraising events	1,310	5,216	6,526	4,694	2,217	6,911

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

5 Income from investments

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Interest receivable	1,000	1,137	2,137	2,580	-	2,580

6 Other income

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Other income	887	-	887	25,120	25,180	50,300

7 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising and publicity		
Staging fundraising events	135	1,052

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

8 Expenditure on charitable activities

	2025 £	2024 £
Direct costs		
Staff costs	54,900	50,622
Rector expenses	548	432
Quota	8,368	8,301
Premises	4,307	10,441
Heat and Light	4,139	4,588
Insurance	15,424	5,013
Worship	3,769	1,845
Faith development	189	581
Bank charges	157	142
Sundry	13,175	23,876
	<u>104,976</u>	<u>105,841</u>
Grant funding of activities (see note 9)	-	1,398
Share of support and governance costs (see note 10)		
Governance	9,300	-
	<u>114,276</u>	<u>107,239</u>
Analysis by fund		
Unrestricted funds	94,223	102,038
Restricted funds	20,053	5,201
	<u>114,276</u>	<u>107,239</u>

9 Grants payable

	2025 £	2024 £
Grants to institutions:		
Beach Wheelchairs	-	466
School Uniform Bank	-	466
Social Bite	-	466
	<u>-</u>	<u>1,398</u>

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

10 Support costs allocated to activities

	2025 £	2024 £
Governance costs	9,300	-
Analysed between:		
Audit Fee	9,300	-

11 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	4	4

Employment costs

	2025 £	2024 £
Wages and salaries	46,327	40,192
Other pension costs	8,573	10,430
	54,900	50,622

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025 £	2024 £
Aggregate compensation	37,668	35,380

Key Management Personnel consists of the Rector.

12 Gains and losses on investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Gains/(losses) arising on:		
Revaluation of investments	3,309	9,699
Sale of investments	(142)	-
	3,167	9,699

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

14 Tangible fixed assets

	Leasehold improvements £
Cost	
At 1 September 2024	79,958
Additions	968,763
At 31 August 2025	1,048,721
Carrying amount	
At 31 August 2025	1,048,721
At 31 August 2024	79,958

Between November 2024 and May 2025, major work was undertaken to transform the 200 year old church. This included extensive conservation of the roof, ceiling and historic stained glass windows. Inside, there has been a transformation with the reordering of the front of the church, adding a second toilet and enhanced kitchen facilities, new flooring, lighting and decoration.

15 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2024	90,480
Valuation changes	3,309
Disposals	(60,142)
At 31 August 2025	33,647
Carrying amount	
At 31 August 2025	33,647
At 31 August 2024	90,480

16 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	17,463	12,758
Accrued Income	69,592	-
Prepayments	7,247	-
	94,302	12,758

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

17 Loans and overdrafts

	2025 £	2024 £
Loan from Scottish Episcopal Church due after One Year	100,000	-
Payable within one year	40,000	-
Payable after one year	60,000	-

18 Creditors: amounts falling due within one year

	2025 £	2024 £
Borrowings	40,000	-
Other taxation and social security	511	-
Trade creditors	940	8,000
Other creditors	2,192	885
Accruals and deferred income	24,300	-
	67,943	8,885

19 Creditors: amounts falling due after more than one year

	2025 £	2024 £
Borrowings	60,000	-

20 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to profit or loss in respect of defined contribution schemes	8,573	10,430

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

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

21 Restricted funds

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

	At 1 September 2024	Incoming resources	Resources expended	Transfers	At 31 August 2025
	£	£	£	£	£
Project	41,672	825,499	(18,334)	68,800	917,637
Rectory fund	76,107	12,642	(1,719)	(8,800)	78,230
Tor Christian Foundation	-	12,733	-	-	12,733
Edinburgh Diocesan - St Hilda Grant	-	500	-	-	500
	<u>117,779</u>	<u>851,374</u>	<u>(20,053)</u>	<u>60,000</u>	<u>1,009,100</u>
Previous year:	At 1 September 2023	Incoming resources	Resources expended	Transfers	At 31 August 2024
	£	£	£	£	£
Project	20,923	20,749	-	-	41,672
Rectory fund	74,410	6,898	(5,201)	-	76,107
	<u>95,333</u>	<u>27,647</u>	<u>(5,201)</u>	<u>-</u>	<u>117,779</u>

Project - Funding for the building project

Rectory fund - Funds for the maintenance and improvement of the rectory

Tor Christian Foundation - grant for a pastoral worker for people in their later years

St Hilda Grant - grant for Messy Vintage and Wednesday Wonderings

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 August 2025
	£	£	£	£	£	£
General funds	151,576	73,579	(94,358)	(60,000)	3,167	73,964
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Previous year:	At 1 September 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 August 2024
	£	£	£	£	£	£
General funds	139,560	105,407	(103,090)	-	9,699	151,576
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

23 Analysis of net assets between funds

	Unrestricted funds 2025	Restricted funds 2025	Total 2025
	£	£	£
At 31 August 2025:			
Tangible assets	-	1,048,721	1,048,721
Investments	33,647	-	33,647
Current assets/(liabilities)	25,317	35,379	60,696
Long term liabilities	15,000	(75,000)	(60,000)
	<u>73,964</u>	<u>1,009,100</u>	<u>1,083,064</u>
	<u> </u>	<u> </u>	<u> </u>
	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
At 31 August 2024:			
Tangible assets	-	79,958	79,958
Investments	90,480	-	90,480
Current assets/(liabilities)	61,096	37,821	98,917
	<u>151,576</u>	<u>117,779</u>	<u>269,355</u>
	<u> </u>	<u> </u>	<u> </u>

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

24 HES Provision

During the year, the church received grant funding from Historic Environment Scotland (HES) for the restoration of the church building. This grant totals £144,450 of which £14,445 was still to be received post year end.

This grant includes clauses in which if the property were to be disposed of within 15 years without prior written consent from HES, HES will be entitled to either recover the Grant at a percentage of the grant or the net proceeds. The percentage to be repaid starts at 100% from completion of the building, reducing by 6% for each year passed until the building works are 15 years old, in which the percentage is £nil.

Due to the nature of the works being on the church building, it is highly unlikely that the building will be disposed and so there has been no potential liability disclosed within the financial statements.

25 Operating lease commitments

Lessee

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

	2025 £	2024 £
Within one year	376	376
Between two and five years	-	376
	376	752

26 Related party transactions

Transactions with related parties

During the year the church entered into the following transactions with related parties:

During the year a total of £14,754 (2024: £11,403) was donated to the congregation by trustees.

During the year, the following trustees received reimbursement of expenses incurred; Anne Cunningham £87 (2024: 302), Justine Stansfield £135 (2024: £nil), S Gardner £nil (2024: £431)

During the year, Sophia Marriage, the rector, received reimbursement of expenses incurred of £1,785 (2024: £763)

27 Post Year End

On 15th January 2026, the church sold the last of the units held within the Scottish Episcopal Church Unit Trust under the name of St Mark for £20,500. The church has also sold the remaining 386 units in St Mark - Mrs Reid Bq. Therefore, the church has sold all investments held post year end.

ST MARK'S EPISCOPAL CHURCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2025

28	Cash generated from operations	2025 £	2024 £	
	Surplus for the year	813,709	34,462	
	Adjustments for:			
	Investment income recognised in statement of financial activities	(2,137)	(2,580)	
	Loss on disposal of investments	142	-	
	Fair value gains and losses on investments	(3,309)	(9,699)	
	Movements in working capital:			
	(Increase) in debtors	(81,544)	(12,758)	
	Increase in creditors	19,058	8,885	
	Cash generated from operations	745,919	18,310	
29	Prior period adjustment			
	Changes to the balance sheet			
		At 31 August 2024		
		As previously reported	Adjustment	As restated
		£	£	£
	Fixed assets			
	Tangible assets	-	79,958	79,958
	Current assets			
	Debtors due within one year	-	12,758	12,758
	Creditors due within one year			
	Loans and overdrafts	98,917	(3,873)	95,044
	Other creditors	-	(8,885)	(8,885)
	Capital funds			
	Income funds			
	Restricted funds	62,717	55,062	117,779
	Unrestricted funds	126,680	24,896	151,576
	Total equity	189,397	79,958	269,355

The accounts were previously prepared on a receipts and payments basis due to the level of income received. Due to the building restoration project, the income received during the year was in excess of £500,000 and therefore required an audit on the accruals basis. The prior year accounts, therefore were required to be restated.