

The Church of Scotland
Edinburgh: Morningside Parish Church



**ANNUAL REPORT
AND FINANCIAL STATEMENTS**

for the year ended

31 DECEMBER 2025

Congregation No: 010069

Scottish Charity No: SC 034396

Morningside Parish Church
Trustees' Annual Report and Accounts
Year ended 31 December 2025

The Trustees present the annual report and financial statements for Morningside Parish Church for the year ended 31 December 2025. The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the General Assembly Regulations for Congregational Finance, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Objects, Activities, Achievements and Performance

The Church of Scotland is Trinitarian in doctrine, Reformed in tradition and Presbyterian in polity. It exists to glorify God and to work for the advancement of Christ's Kingdom throughout the world. As a national Church it acknowledges a distinctive call and duty to bring the ordinances of religion to the people of every parish in Scotland through a territorial ministry. It co-operates with other churches in various ecumenical bodies in Scotland and beyond.

Morningside Parish Church furthers its charitable purposes by various activities.

General

How does one measure the health of a congregation? Is it purely by numbers attending and financial viability? These undoubtedly must be included, but so also the things a congregation does, and represents, and achieves. Reviewing 2025 reveals our congregation faithfully getting on with its Christian witness within the life of our Church, the wider community and parish, and beyond. At a time where there are significant regional and national challenges facing the Church of Scotland and all major faith communities, whilst not without our own issues, Morningside Parish Church continues to go about the business of the Kingdom of God, doing what we can, when we can. Reality means looking not only at what is difficult for us, or where we need to improve or change, but also to acknowledge that we are still doing significant Christian work across the board.

At the Church door each Sunday people are genuinely thankful for the life of the Church. Yes there are occasional brickbats which make us pause and think, but by and large we have a strong body of work demonstrating faithful commitment. In a world where commitment is not what it used to be, many continue to commit to Sunday worship at both services, the work of Morningside Hope (which has a major connection to the wider community and is also bringing people into the life of the congregation), and the support of charities and good causes like the David Nott Foundation, the Edinburgh Clothing Store, the South East Edinburgh Foodbank, and Christian Aid. Monies and goods in kind donated are not insignificant and make a difference. The Run for David, in memory of one of our much-loved elders who died two years ago, raised £5,000 towards Morningside Hope. A joint effort with our neighbours at Greenbank Parish Church for Christian Aid, where people donated loose change and unused foreign currency, raised nearly £3,000. Alongside monies raised in different ways, the people-hours committed to the life of our Church remain high. Yes, there will always be room for more volunteers, but that in no way down-plays

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Objects, Activities, Achievements and Performance (continued)

the amount of time and talent that is generously offered to the life of the Church. We should never ease back, but nor should we fail to be grateful for all that we do achieve, and to the people who make our achievements possible.

The work of the Presbytery of Edinburgh and West Lothian Mission plan continues but in relation to our grouping with neighbours has stalled until the General Assembly of 2026 where there may be changes which could have an impact locally. At Morningside Parish Church we have kept our doors and our minds open to working more closely with our neighbours, and continue to await, albeit with a sense of frustration as we see different areas where collaboration would be a good thing, for any developments at the forthcoming General Assembly. These may enable Presbytery to move things forward.

Worship

Weekly worship at our Sunday services remains central to our witness as a congregation. Attendances remain steady, and the 'passing trade' of visitors particularly at the 10.30am service is noticeable. We see it most at the traditionally popular Christmas and Easter events. The Lessons and Carols service last December attracted one of the largest congregations we have seen, and the Christmas Eve services continue to remain very busy.

The choral scholarship programme continues to provide us with younger singers who supplement the choir each year. The programme was again funded by donations from the Friends of Morningside, Summer and Christmas concerts organized by our organist and choirmaster, and generous private donations. Our organist helped produce a CD of favourite organ pieces, and the proceeds of the sale went to the Choral Scholarship fund. Not only do our choral scholars sing on Sundays, but they have also been supportive of the Summer concerts (singing and playing musical instruments - with our first ever marimba solo this summer!) but also provided a small group to sing as a musical interlude at the 2025 Christmas Tree Festival. Their commitment and engagement with the life of our Church is to be commended.

This year's Holy Week services with our neighbours at Greenbank were hosted in our Church. For a trial year we reduced the number of services from a full week to Maundy Thursday, Good Friday and Holy Saturday. With the advent of live-streaming many people opt to watch the services online rather than attend in person.

Lent Studies were held in the Church and at the manse, where themes looked at Palm Sunday, the Crucifixion of Jesus, and Easter and beyond. Numbers at these studies remain small, but are valued and appreciated by those who attend.

We continue with the annual Remembering Service on the Sunday after Easter and the Blue Christmas Service on the Sunday before Christmas. It allows members of the congregation and the wider community to gather in Church to remember loved ones who have died as well as difficult memories and situations in the community and wider world. During the services there is an

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Objects, Activities, Achievements and Performance (continued)

opportunity to write names on stars and attach them to our Remembering tree which will be placed beside the communion table. These two quieter services are a significant addition to our services and do attract support from the wider community. It was noticeable this year given the number of funerals the Minister conducted for church members and for people in the parish and beyond that many came along to one or other of these services. The time for tea and coffee afterwards has a strongly supportive feel and is greatly appreciated by people who have faced sad and difficult situations.

The Flower Committee and those who donate flowers to the Church each Sunday enable a quiet ministry of kindness to people in the congregation and far beyond. Whether or not there is a 'reason' for receiving flowers, being remembered in this way is a gentle form of pastoral care and evangelism that continues to be appreciated. We remain grateful for all who are involved with the 'flower ministry.'

The 2025 World Day of Prayer was held at St Peter's Roman Catholic Church and members of our congregation participated.

During the year four new elders were added to the Kirk Session: Robert McCabe, Morag Shankland, Laura Shaw and Neil Thrower. All had been involved in some way in the life of the Church, and our new elders are settling into their growing roles within the life of the congregation. Harvest Thanksgiving was held in September where we continued our support of the work done by the South East Edinburgh Foodbank. This year, alongside a substantial cash donation, 274kg of food and related goods was collected.

Towards the end of the year we welcomed a Reader-in-Training, Graeme Allen, who is a member at Corstorphine Old. He will continue his training with the congregation into 2026.

Outreach and Communication

Morningside Parish Church continues to retain a significant commitment to the community and wider world. We continue to support the international charity, The David Nott Foundation which delivers Trauma Medical Training for doctors serving in areas affected by natural disasters or wars, thereby enabling them to save more lives. Support for the Edinburgh Clothing Store and the David Nott Foundation was well maintained during the year. The annual coffee morning in November, held once more in the sanctuary, combined coffee and stalls and was a huge success for the Edinburgh Clothing Store.

The fourth Christmas Tree Festival was held in December, where there was an increased number of trees, including one from the relatively new Canaan Lane Primary School which is in our parish. This year, alongside our choral scholars providing music, we had a musical contribution from George Watson College's Junior Musicians, and also an early music singing and instrumental group. Throughout the festival there were visits from the South Morningside Primary School (at

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Objects, Activities, Achievements and Performance (continued)

their Christmas assembly), groups from the Morningside Hope project (who were also entertained by singers from Boroughmuir High School), and the annual Edinburgh Telephone Choir who provide a concert which helps raise funds for the Wednesday Club for people with disability, and draws a large number of people from the community who enjoy the mixture of choral and congregational carol singing. William Purves, local undertakers, continues to supply funding for the purchase of the Christmas trees. A significant sum of money was raised for charity this year. Again a 'small thing' that makes a difference for good is the monthly Jam, Baking and Making stall, sponsored by our Communication Committee, which continues to raise surprising amounts for Church funds, as well as giving great pleasure to the congregation.

The Wednesday Club for people with disability has been run by the church for almost 70 years and continues its quiet work of friendship and support. Summer outings in 2025 saw members of the club travelling to Biggar, and also to take a barge trip along the canal.

The Morningside Hope project, working with people living with dementia and their carers, goes from strength to strength, supported by our Pastoral Assistant, Jacqui Lindsay, and by Alex Bleck who has been funded to provide support for the group. Alex is also a church member and our Church Officer. As well as the usual activities of music, art, games and gentle exercise, and return visits from therapy ponies and the alpacas, a Play List for Life works with people facing memory loss and enabling them to remember times, places and people by the choice of music from their past. We have also been able to get some helpful involvement with senior Boroughmuir pupils. The regular Dementia-Friendly concerts not only give pleasure to those directly involved with the Morningside Hope project, but they also bring in a growing number of residents and staff from local nursing homes and also members of the public. All the concerts are well-attended, as is the tea and coffee served afterwards, and the concert featuring the Heriots Chamber Choir and musicians was particularly well supported. Nearly 200 people attended. With all of the work associated with Morningside Hope, we continue to be indebted to our Pastoral Assistant, Jacqui Lindsay.

Throughout the year it has often been the 'small things' that have helped shaped our congregational life, communicating our belief in the Good News of Jesus Christ. We are not simply a charity, we are a Christian Church, and it is our faith that informs and impels our lived-out kindness and care. Two final examples of these are important. For significant events in the life of the nation (last year we commemorated VE Day), and for the 90th birthdays of Church members, a Church member regularly bakes and decorates special cakes. In one way it is a relatively small act of kindness, but its impact on the congregation at Sunday tea and coffee, and on the recipient, is immense. We remain grateful to our kind and generous baker, who seeks no plaudits for the work.

The other 'small thing' happens outside the Church just before Easter. During Lockdown and the Covid Pandemic the Sunday Club leaders wondered how we might still show the outside world that even although in those days the Church could not be open as usual, we were still in the business of proclaiming the Easter message and the resurrection of Jesus. One of the trees in the Church grounds, nearest Morningside Station, was chosen for decoration with a variety of handmade

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Objects, Activities, Achievements and Performance (continued)

decorations. Some made by the young people in Sunday Club, and the uniformed organisations, others made by Church members. It was an instant success with Church and community over Easter, and the Easter tree is now as regular a fixture in the Church calendar as the Christmas tree exhibition.

How does one measure the health of a congregation? What is reported above is only a fraction of the good we are enabled to do, and for which we remain consistently and humbly grateful.

Social

Social activities perform a useful mixture of providing opportunities for social interaction, support of other church activities and fund raising. The Social committee works hard to deliver a high standard irrespective of whether it is a special event or a more routine occasion and they are generally well supported and people seem to enjoy them very much.

Coffees are served after Church Services every Sunday. This means for the 9 months during which there is a service at 9.30 service there are two sittings provided by a rota of members. The congregation and visitors to the Church seem to really enjoy the opportunity to meet informally and chat and feel part of the church community.

In addition, on the special event days of Easter Sunday and on the Sunday of the December Family Service traditional treats are provided and much enjoyed by the congregation. If a member admits to having a 90th birthday, a cake is provided, decorated appropriately according to their interests, and shared amongst those present.

The Social Committee also played a supportive role in other activities –

Twice in March and twice in October, soup and sandwiches were served to those attending the Pastoral Assistant's evening Training Classes.

In June a drinks and nibbles reception was held for the Choir after they had sung Choral Evensong. It was the last Sunday for the Choral Scholars for 2024-2025,

In May and October, in conjunction with the Outreach Committee, two Speaker Suppers were held. The format is that although the actual meal is served, and provided by an outside caterer, all other arrangements including providing drinks, serving coffee, and clearing up afterwards fall to the Social committee, supported by the caretaker on duty. After the meal, the guest speaker gives a short talk and answers any questions raised on the subject. In March the speaker was Janet, Lady Balfour of Burleigh who spoke about two of her books, a biography of Agatha Christie and a biography of Edwina Mountbatten. In October the speaker was Sir Paul Grice, who after a career as a senior civil Servant is now Principal and Vice Chancellor of Queen Margaret University. These events were well supported and enjoyed.

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Objects, Activities, Achievements and Performance (continued)

In December, coffees and mince pies with brandy cream were served on the two Saturday mornings of the Christmas Tree Festival– the added draw of musicians including, a choir from George Watson's College on the first Saturday and our choral scholars on the second Saturday, ensured busy mornings. The funds raised from catering added to the funds raised otherwise by the Communications committee at this event.

These events are hard work and much effort goes into each one - but they are a vital part of our church's life. Not only do they raise money for the two charities which the church supports as well as the church itself, but they provide an opportunity for members to meet socially, provide a welcoming experience to visitors and new members and much needed social contact for so many people.

It may be hard work, but the committee and helpers claim to have a lot of fun and after expenses have raised over £10,000. It is their hope that 2026 will equally prove to be fun and rewarding.

Staffing

The work of the church would not be possible without the contribution of our staff. It is good, once again, to be able to report there was a willingness, particularly by the staff, but also by others to be flexible, to take on extra tasks including cover for holidays and the occasional illness. They provide what is necessary to ensure the smooth running of the background operations of the church. Even so, occasionally there has been a need to employ some agency staff to cover, and good as they have been, they do bring home how well we are served by our own staff.

We were sorry that Leigh Malaihollo gave notice that she wanted to pursue other interests and wished to resign as Church Administrator at the end of June. She had brought her considerable skills to the role and had not just managed to maintain the work of the office but enabled progress towards addressing long overdue issues. Because Leigh had given extended notice of her intention to leave, it was possible to recruit as our new administrator, Gail Burns, who could start immediately. Indeed there could be two weeks overlap during which Leigh could, as far as possible in that short time, try to prepare Gail for the tasks ahead. The role of administrator is very diverse but the indications are that Gail has been able to get to grips with the work and settled into her new role.

The caretaking team continue to work together and liaise closely with the administrator to provide the church and its tenants with a welcoming oversight. Cleaning work is outsourced and takes place early on weekday mornings. The Caretakers retain responsibility for the sanctuary and for any necessary "top up" required throughout the day after use of the premises – sometimes a not

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Objects, Activities, Achievements and Performance (continued)

inconsiderable task. They also provide valuable support to the Property Committee including obtaining estimates and overseeing tradesmen.

The Church Officer continues to work effectively, not only in his role of Church Officer but also has taken on even more extra hours when he works to assist with Morningside Hope. It is reported that he is a welcome addition to the team.

Jacqui Lindsay performs with excellence the role of Pastoral Assistant to the congregation, in training, and in the work of Morningside Hope. Her work to secure additional funding towards the work of Morningside Hope is ongoing. Some of the funding continues to be secured from a series of concerts which perform a double role of fundraising and while being “dementia friendly” are also enjoyed by all of the large numbers of attendees.

Morley Whitehead enjoys his role as Organist and Choirmaster, each year recruiting and training choral scholars to supplement longstanding choristers to provide a high standard of choral work. Each year during the Edinburgh Festival he organises three lunchtime concerts which are not only popular but produce income to help fund the expense of having the choral scholars.

Volunteers

In common with most churches, Morningside Parish Church relies heavily on the goodwill and generosity of volunteers to help with the running of the Church and its various committees, organisations and activities.

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Objects, Activities, Achievements and Performance (continued)

Outreach Committee Report for 2025

The supported charities for 2025 were;

- The Edinburgh Clothing Store
- Morningside Parish Church
- David Nott Foundation

Funds received in 2025 totalled £11,725. These funds came from;

- Speaker Suppers held in May & Oct 2025
- Tea & Coffee donations
- Christmas Tree Festival (funds were allocated to the David Nott Foundation only)
- Christmas Eve & Day Services (funds were allocated to The Edinburgh Clothing Store & the David Nott Foundation).

Distributions made in 2025:

- The Edinburgh Clothing Store £4,294.15
- Morningside Parish Church £2,300
- David Nott Foundation £4,973.15

Total: £11,567.30

The funds are distributed in line with the following parameters:

The external charities receive an initial sum of £1,500. Any further funds raised after these payments have been met are distributed equally between the external charities and Morningside Parish Church, unless otherwise stated.

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Financial Review 2025

In 2025 Morningside Parish Church has several sources of income, namely congregational offerings, hall rental income, grant income and investment income.

In 2025 congregational offerings (Free Will Offering and Open Plate) amounted to £133,016 resulting in a 2.4% increase on the 2024 level of giving of £129,835. The total figure came from Free Will Offering of £122,711 and £10,305 from the Open Plate. The total congregational membership roll as at end December 2025 was 308 of which we could identify 185 active contributing members.

An important source of income for the Church comes from the gift aid claimed on gift-aided offerings, and in 2025 this amounted to £33,206 (2024: £36,895) thanks to prompt claims lodged with HMRC by the Free Will Offering and Gift Aid Convener.

Sundry Income, gifts and donations comprised mainly donations from members of congregation. Restricted donations received during 2025 included £24,020 restricted donations from members of congregation and others towards Morningside Hope Project, £798 from William Purves towards Christmas Trees exhibition, £5,460 from members of the congregation which were earmarked for the choral scholarship fund, £275 towards new tables and £1,490 towards the Roof Repair fund.

During the year an amount of £1,850 was received by Presbytery in relation to the North Merchiston Fund. The funding is to be used for mission purposes, to develop work in parishes and/or to highlight the work of the church in the local communities. The Trustees agreed to allocate this funding to the Benevolent Fund.

The Kirk Session is very grateful for all donations received during 2025.

Income from Weddings and Funerals during 2025 amounted to £1,626 (2024: £860) shown as "Charitable activities" on page 21 of the Accounts.

Rental income in 2025 for use of our premises in Church Halls amounted to £59,339 which represents a decrease of 2.8% over the 2024 rental income of £61,057.

Investment income received from dividends and bank interest amounted to £27,550 in 2025, representing a decrease over the total investment income of £29,891 received in 2024.

Under 'Other trading activities' (see note 3 of the Accounts on page 27) congregational fundraising events such as a concerts generated a total of £5,049 (2024: £2,624) that includes £2,102 restricted donations from members of the congregation for choral scholarship fund and £2,947 towards Morningside Hope Project.

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Financial Review 2025 (continued)

Total income for the year 2025 amounted to £403,545 (2024: £385,546), an overall increase of 4.7% over 2024.

The total market value of investments held on behalf of Morningside Parish Church amounted to a total of £641,628 as at end December 2025 (2024: £761,557). The two holdings were 43,480 units in the Church of Scotland Investors Trust Growth Fund (value as at 31/12/25 £299,142) and 30,069 units in the Church of Scotland Investors Trust Income Fund (value as at 31/12/25 £342,486).

The largest elements of the Church's expenditure for 2025 were our Giving to Grow contribution of £107,748 (2024: £100,064), Staff Costs £135,080 (2024: £125,857) allocated as £58,669 within raising funds through use of premises and £76,411 to charitable activities, principally included in the total for 'other salary costs' £64,007 (2024: £63,910)— see note 6, page 28, Organ and Music of £23,039 (2024: £23,376), Fabric Repairs and Maintenance £34,449 (2024: £45,352).

The cost of raising funds through the use of our premises amounted to £115,421 (2024: £115,168).

Total Expenditure for the year 2025 amounted to £467,570 (2024: £456,002). One-off expenditure at the Church and Church Halls during 2025 amounted to £1,888 (2024: £16,678).

With Income of £403,545 and Expenditure of £467,570 in 2025 there was an operating deficit of £64,025 for the year to end December 2025. After gains on investments of £30,080 the net deficit for the year was £33,945.

At the balance sheet date the unrestricted reserves were £1,339,557 (2024: £1,383,061) including designated funds of £120,166 (2024: £65,548) with £102,678 (2024: £93,119) in restricted funds.

Reserves Policy

At 31 December 2025 the Church held three different types of reserves, set out below:

1. At the year end, the Church held unrestricted general funds, excluding Buildings and Assets Reserves, amounting to £574,018 (2024: £668,534) of which £213,478 represented a provision against approximately six months' expenditure and £360,540 was retained for future developments. The Buildings Reserve stood at £600,000 and the Asset reserve stood at £45,373.

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Reserves Policy (continued)

2. The church also held £102,678 (2024: £93,119) of restricted funds provided for the following purposes specified below.

	£
Benevolent	11,640
Organ and Music	755
Sunday Club	11
Fabric Fund	126
Audio System Maintenance	1,082
Choir Library Fund	1,000
General Upkeep Fund	4,144
Morningside Hope RSM Fund	1,571
Morningside Hope – Funds raised for year 4	81,265
Playlist for life fund	649
New tables fund	275
Giving campaign	160
	<u>102,678</u>

3. The church also held £120,166 (2024: £65,548) of unrestricted designated funds provided for the following purposes specified below.

	£
Music Fund	3,085
Organ	4,954
Fabric	32,853
Kirk Session	5,754
Flowers	3,687
Roof Repair Fund	65,927
Organisational Funds	3,906
	<u>120,166</u>

The organisations for which funds were held included The Cradle Roll, The Wednesday Club and The Social Committee.

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Investment Policy and Performance

The Trustees' investment policy is agreed and monitored by the Stewardship & Finance Committee and endorsed by the Kirk Session. The Trustees seek to obtain equity and fixed interest income from investments in the Church of Scotland Investors Trust, with a spread of assets allocated to the Investors Trust Growth Fund, the Investors Trust Income Fund, and the Investors Trust Deposit Fund in suitable proportions to provide a balanced portfolio producing a rising income consistent with long term capital growth. At end December 2025 the breakdown of investments held by Morningside Parish Church in the Investors Trust Funds was 47% in the Investors Trust Growth Fund and 53% in the Investors Trust Income Fund.

Although the global geopolitical and economic backdrop remains volatile and uncertain, stockmarkets generally performed well in 2025. Both the Global and Income Funds delivered positive returns during 2025.

The Church of Scotland Investors Trust Trustees continue to participate in the Church of Scotland Ethical Oversight Committee which was established by the 2023 General Assembly with a view to defining and making public the Church's investment values.

Growth Fund

The review of the management arrangements at the end of 2024 concluded with the decision to move the management of the Growth Fund from Newton Investment Management who had managed the fund since 2006 to a combination of Wellington Management and M&G. The larger portion of the fund will be managed by Wellington through their Global Stewards strategy which makes long-term investments in and engages actively with high quality businesses; M&G provides a sustainable credit fund which complements the Wellington fund, offering good long-term absolute returns and additional income.

The transition from Newton to Wellington and M&G took place over several tranches and was completed in November.

Income Fund

The Income Fund, which is managed by Royal London Asset Management, invests in fixed interest bonds both in the UK and globally and seeks to provide investors with a high and sustainable income and to protect the long-term nominal value of capital. In the 12-month period to 30 September 2025, the Fund delivered a total return of 7.58% which outperformed its benchmark return of 3.70%. This fund has continued to deliver returns over the long term which are better than that of the benchmark against which the Fund is measured.

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Plans for Future Periods

Morningside Parish Church looks forward in 2026 and beyond, to continuing and indeed further developing the wide range of worship and witness already reported on above.

A key area of uncertainty for the future relates to the implementation of proposals, from the Presbytery of Edinburgh and West Lothian, that the congregations of Morningside, Greenbank and Fairmilehead should form a new supportive collaboration involving a union of Morningside and Greenbank. Discussions on greater collaboration have been underway but have paused for the time being. It is disappointing that more progress has not been made but we continue to be optimistic for the opportunities this could bring.

Despite that, we believe there is already much synergy in the work undertaken by both Morningside and Greenbank and whether as a single congregation or in a new larger unit there is likely to be a continuation and possible development of many aspects of the work currently undertaken. For example, it is likely that the live streaming of services will continue, allowing increasing numbers to participate in a live experience of worship although not able physically to attend Church.

The use of the premises both for church focused and community activities continues and is likely to be a focus for cost effective expansion in 2026.

It is already planned that in 2026 there will be a return of Speaker Suppers which have proved popular and an opportunity to meet over dinner and learn from different speakers. It is hoped that the Annual Autumn lectures will once again be held in collaboration with our neighbours at Greenbank.

Coffees after Sunday services will continue to provide on a regular basis an opportunity for fellowship, both for existing members and visitors. Once again, the Social committee will offer special treats at Easter and at Christmas and organise other special events such as a return of the popular Summer Lunch.

Funds raised by events organised by the Social and Outreach committees are shared between the church and 2 external charities - The Edinburgh Clothing Store which offers free clothing, bedding and towels to the most needy in the community who have been referred by a wide variety of caring agencies. It is staffed entirely by volunteers, a significant number of whom are members of Morningside.

Also, since 1 January 2024, as part of the outreach programme, we have supported "The David Nott Foundation" which is a humanitarian organisation motivated to save the lives of the medical victims of human conflict and natural catastrophe by up-skilling the local doctors who care for them. Sadly, the need for such medical skills can be seen regularly in the news and for this reason it has been agreed to continue this support into 2026.

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Plans for Future Periods (continued)

Morningside Hope which comes under auspices of our Pastoral Care Committee, resourced by the Pastoral Assistant, has successfully carried on obtaining the necessary funding to guarantee its continuity and is establishing a strong position in the Morningside community. Its development under its banner is ongoing, a range of events to reach out to those who have a diagnosis of dementia and the people who care for them. The events use exercise, art and music to enhance their lives. It also reaches out to members of the congregation and the wider community. A very welcome by-product of Morningside Hope is that they organise a wide range of excellent regular concerts suitable for people living with dementia but enjoyed by all. These concerts are open to the public and raise funds for the project. Again a programme of concerts for 2026 is in planning.

During the year a new challenge arose which is a significant roof repair on the south side of the church buildings. Planning for it and the necessary fund raising which is required began during the latter stages of the year with the expectation that the work will be carried out in the summer of 2026 to minimise the impact on the day to day activities of our church. An imaginative fund raising campaign “the Umbrella Campaign” was planned for launch in early 2026 but has already established great interest in the local community as well as with our members. It is anticipated that the cost of the roof repair will be circa £300,000.

Through its Kirk Session Committees, the congregation continues to plan for the future.

Generally, it is planned not only to continue established activities but to look for new ventures to enrich the life of the congregation and community.

Structure, Governance and Management

Governing Document

The Church is administered in accordance with the terms of the Unitary Constitution.

Recruitment and Appointment of Trustees

Members of the Kirk Session are the charity trustees. The Kirk Session members are the elders of the church and are chosen from those members of the church who are considered to have the appropriate gifts and skills. The minister, who is a member of the Kirk Session, is elected by the congregation and inducted by Presbytery.

Induction and Training of Trustees

Procedures are in place for the training of Trustees in areas of responsibility, for example in volunteer roles involving contact with children and/or vulnerable adults where PVG (Protection of Vulnerable Groups) clearance is required and applied for through Disclosure Scotland. Compliance with guidelines set out by the Church of Scotland is a requirement of the Trustees and is communicated through the Kirk Session and individually to Trustees by email or hard copy, for example compliance with the Bribery Act as set out in the Morningside Parish Church Guidance Notes on Bribery and Procurement Policy.

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Structure, Governance and Management (continued)

Organisational Structure

The Kirk Session is responsible for spiritual and temporal affairs within the church. It normally meets for business nine times a year. The Kirk Session has a number of standing committees that help with the more detailed administration of the congregation's life, but all decisions on policy remain the responsibility of the Kirk Session.

Wider network

Morningside Parish Church is part of the Church of Scotland Presbytery of Edinburgh and West Lothian, and as such enjoys the support of a strong local as well as a national network for rules and guidance on structure, governance and management.

Risk Management

The Trustees have assessed the major risks to which the church is exposed, in particular those related to the operations and finances of the church and are satisfied that systems are in place to mitigate any exposure to the major risks. The finances of the Church are overseen by the Stewardship & Finance Committee on a regular basis and reported to the Kirk Session.

There is a Health & Safety Committee, a PVG (Protection of Vulnerable Groups) Committee for compliance and training, Data Protection compliance complete with a Data Protection Officer, and a Bribery and Procurement Policy in place, all reporting to the Kirk Session on a regular basis.

The Kirk Session has identified three key area of risk for close risk management as follows:

FRAUD RISK: in order to minimise exposure to fraud, cash handling always requires a minimum of two people present with countersignatures, and there are only three authorised signatories (the Treasurer, Session Clerk and the Church Accountant) at present for making outgoing payments such as invoices and expenses. All possible steps are taken to avoid scam frauds and bank details are only accessible by the two signatories with several layers of security including unique access codes for each sign-on to the Church bank accounts.

HEALTH AND SAFETY: as dictated by the regulations, fire drills for evacuation are organised for the Church and the Church Halls at regular intervals, and food hygiene courses and certificates are mandatory for those handling foods for social events.

PROTECTING VULNERABLE GROUPS (PVG SCHEME): all elders and pastoral visitors in contact with children and vulnerable adults must have membership of the PVG Scheme.

In addition, all members of Morningside Parish Church staff are required to apply for clearance check from Disclosure Scotland to confirm identity, nationality, current address and 5 year address history.

Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2025

Reference and Administrative Information

Charity Name: Morningside Parish Church
 Charity Registration Number: SC034396
 Congregation Reference No: 010069
 Contact Address: The Church Office
 2 Cluny Gardens
 Edinburgh EH10 6BQ

Trustees

Members of the Kirk Session:

During the year to 31st December 2025 and up to the date the report was approved.

On 11th March, Bill Reid died and Hugh Crawford died 4th September 2025, while on 12th October 2025, Diane Gaskin-Ruddock and Evelyn Reekie resigned as did Marie Ogilvie on 22nd December 2025 and four were appointed on 12th October 2025 being, Robert McCabe, Morag Shankland, Laura Shaw and Neil Thrower.

Anne Armour	Robert Armour	Nyria Bailey
Ewan Brown	Sally Brown	Very Revd Dr Derek Browning
Paul Cackette	Moirra Clark	Clark Gillespie
Lorna Graham	Penny Graham	Ian Hastie
Evelyn Henderson	Barry Hughes	Helen Hughes
Michael Hunter	Robert McCabe	Maren McElroy
Mark McInnes	Joan McKenzie	Kenneth McKenzie
Rona McLaren	Anne McNeil	Chris McNeil
Olga Macfadyen	Kimberley Milne	David Mitchell
Lesley Murphy	Euan Murray	Dorothy Mushet
Douglas Paterson	Isobel Paterson	Doreen Reekie
Catriona Reid	Alison Riddell	David Rimer
Jennifer Rimer	Kenny Robertson	Fiona Ross
John Scott Moncrieff	Morag Shankland	Laura Shaw
Fiona Stewart	Fiona Stimpson	Robin Stimpson
Keith Thomson	Walter Thomson	Neil Thrower
Lindsay Watson	Kerry Watt	Charles Wilson
Irene Wilson	Norma Wilson	

Minister: Very Reverend Dr Derek Browning

Session Clerk: Robin Stimpson
 Church Treasurer: Euan Murray (from 1 July 2025)
 Chris McNeil (to 30 June 2025)

Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2025

Reference and Administrative Information (continued)

Independent Examiner

Kevin Cattnach C.A.
Whitelaw Wells
Independent Examiner
9 Ainslie Place
Edinburgh EH3 6AT

Bankers

Royal Bank of Scotland plc

Bank of Scotland plc
426 Morningside Road
Edinburgh EH10 5QF

Investment Manager

The Church of Scotland Investors Trust
121 George Street
Edinburgh EH2 4YN

Morningside Parish Church
Trustees' Annual Report and Accounts (continued)
Year ended 31 December 2025

Statement of Trustees' Responsibilities

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by the Trustees on 10 March 2026 and signed on their behalf,

Very Revd Dr Derek Browning

Derek Browning
Derek Browning (Mar 24, 2026 15:35:42 GMT)

Morningside Parish Church
Independent Examiner's Report to the Trustees of Morningside Parish Church
Year ended 31 December 2025

I report on the accounts of the charity for the year ended 31 December 2025 set out on pages 21 to 38.

Respective responsibilities of trustees and examiner

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

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations
- to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Kevin Cattanaach CA
Whitelaw Wells
Chartered Accountant
9 Ainslie Place
Edinburgh
EH3 6AT

31 March 2026

Morningside Parish Church
Statement of Financial Activities

Year ended 31 December 2025	Note	Unrestricted Funds 2025	Restricted Funds 2025	Total 2025	Total 2024
<u>Income and Endowments from:</u>		£	£	£	£
Donations and legacies	1	259,096	44,830	303,926	287,998
Charitable activities	2	1,500	126	1,626	860
Other trading activities	3	59,339	5,049	64,388	63,681
Investments	4	27,550	-	27,550	29,891
Other	5	6,055	-	6,055	3,116
<u>Total Income</u>		<u>353,540</u>	<u>50,005</u>	<u>403,545</u>	<u>385,546</u>
<u>Expenditure on:</u>	6				
Raising funds		116,742	1,866	118,608	115,168
Charitable activities		310,213	38,749	348,962	340,834
<u>Total Expenditure</u>		<u>426,955</u>	<u>40,615</u>	<u>467,570</u>	<u>456,002</u>
Net gains on investments	11	29,911	169	30,080	36,185
Net (expenditure)/ income		(43,504)	9,559	(33,945)	(34,271)
Transfers between funds	14	-	-	-	-
Net movement in funds		(43,504)	9,559	(33,945)	(34,271)
Reconciliation of funds:					
Total funds brought forward		<u>1,383,061</u>	<u>93,119</u>	<u>1,476,180</u>	<u>1,510,451</u>
Total funds carried forward	14	<u>1,339,557</u>	<u>102,678</u>	<u>1,442,235</u>	<u>1,476,180</u>

The church has no recognised gains or losses other than the results for the year as set out above.
All of the activities of the church are classed as continuing.
The notes on pages 23 to 38 form part of the financial statements.

Morningside Parish Church
Balance Sheet
At 31 December 2025

		2025		2024	
	Note	£	£	£	£
Fixed Assets					
Tangible Fixed assets	9		645,373		648,979
Investments	11		641,628		761,557
			<u>1,287,001</u>		<u>1,410,536</u>
Current Assets					
Debtors	12	27,291		18,969	
Deposits – Church of Scotland		22		20	
Bank and cash		<u>147,036</u>		<u>66,829</u>	
		174,349		85,818	
Creditors					
Falling due within one year	13	<u>19,115</u>		<u>20,174</u>	
Net Current Assets			<u>155,234</u>		<u>65,644</u>
Net Assets			<u><u>1,442,235</u></u>		<u><u>1,476,180</u></u>
Unrestricted Funds	14				
General funds		574,018		668,534	
Buildings Reserve		600,000		600,000	
Asset Reserve		45,373		48,979	
Designated funds		<u>120,166</u>		<u>65,548</u>	
			1,339,557		1,383,061
Restricted Funds	14		<u>102,678</u>		<u>93,119</u>
Total Funds	15		<u><u>1,442,235</u></u>		<u><u>1,476,180</u></u>

The accounts were approved by the Kirk Session on 10 March 2026.

For and on behalf of the Kirk Session:

R Stimpson  Session Clerk
Robin M Stimpson (Mar 26, 2026 18:29:47 GMT)

E Murray  Treasurer

Morningside Parish Church
Year ended 31 December 2025

Accounting Policies

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

Basis of preparation

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income recognition

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Expenditure recognition

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended on the SOFA. The Charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Charitable expenditure comprises those costs incurred by the charity in delivery of its activities and services. Costs of raising funds are those costs incurred in attracting voluntary income.

Morningside Parish Church
Year ended 31 December 2025

Accounting Policies (continued)

Tangible fixed assets

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets vested in the Church of Scotland General Trustees, comprising the Church and the Church Halls.

Locally held tangible fixed assets, including the Manse, not vested in the Church of Scotland General Trustees, are included in these accounts at deemed cost derived from valuation. It was not considered necessary to obtain professional valuations of these buildings. The Trustees based their valuation of these buildings on local knowledge and based the valuation of the Manse on recent selling prices of properties in the same area. Expenditure incurred on the repair and maintenance of these assets is charged as expenditure in the statement of financial activities in the period in which the liability arises.

Communion Silver is the other class of asset included at deemed cost derived from valuation. In 2008, the Trustees obtained a professional valuation of communion silver from James Walker.

All tangible fixed assets having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised. The capitalisation threshold is £1,000.

Finance costs directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of these assets.

Plant and Equipment is included at cost; and depreciation is provided on a straight-line basis to write off the cost or initial value, less residual value, of plant and equipment at the following annual rates over their estimated useful lives:

Plant and machinery	20%
---------------------	-----

The locally held buildings and communion silver are not depreciated. The Trustees consider that these assets will, at worst, maintain their present values over time so that their estimated residual values will be no less than current valuations.

Where the recoverable amount of a tangible asset is found to be below its net book value, the asset is written down to its recoverable amount and the loss on impairment is charged as part of charitable activities within the statement of financial activities in the year.

Morningside Parish Church
Year ended 31 December 2025

Accounting Policies (continued)

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Taxation

Morningside Parish Church is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. The charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

Funds

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

Restricted funds are funds subject to specific requirements as to their use, but still within the wider objects of the charity. The specific requirements as to use may either be declared by the donor or with the donor's authority or be created through legal processes.

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the trustees for a particular purpose, they are designated as a separate fund. Such designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund.

Transfers between funds are made on the authority of the Kirk Session (General Fund) or at the discretion of leaders of congregational organisations in accordance with each organisation's structure (restricted funds).

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Accounting Policies (continued)

Financial instruments

Financial instruments comprise financial assets and financial liabilities which are recognised when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are classified as "basic" in accordance with FRS102 and are accounted for at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows over the life of the financial assets or liability to the net carrying amount on initial recognition. Discounting is not applied to short-term receivables and payables, where the effect is immaterial. Financial assets comprise cash, trade debtors, other debtors and accrued income. Financial liabilities comprise bank overdraft, loans, trade creditors, other creditors and accruals.

Judgements and key sources of estimation uncertainty

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

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

Morningside Parish Church
Notes forming part of the financial statements
for the year ended 31 December 2025

	Unrestricted	Restricted		
	Funds	Funds	Total	Total
	2025	2025	2025	2024
1 Donations and legacies				
	£	£	£	£
Offerings	130,729	2,287	133,016	129,835
Tax recovered on Gift Aid	30,333	2,873	33,206	36,895
Grant Income	-	6,636	6,636	43,051
Legacies	67,248	-	67,248	10,000
Sundry Income, gifts & donations	30,786	33,034	63,820	68,217
	<u>259,096</u>	<u>44,830</u>	<u>303,926</u>	<u>287,998</u>

Income from donations and legacies was £303,926 (2024: £287,998) of which £259,096 was unrestricted (2024: £196,012) and £44,830 was restricted (2024: £91,986).

2 Income from charitable activities

	£	£	£	£
Weddings and Funerals	<u>1,500</u>	<u>126</u>	<u>1,626</u>	<u>860</u>
	<u>1,500</u>	<u>126</u>	<u>1,626</u>	<u>860</u>

Income from charitable activities was £1,626 (2024: 860) of which £1,500 was unrestricted (2024: £860) and £126 (2024: £nil) was restricted.

3 Other trading activities

	£	£	£	£
Use of Premises	59,339	-	59,339	61,057
Fundraising events	<u>-</u>	<u>5,049</u>	<u>5,049</u>	<u>2,624</u>
	<u>59,339</u>	<u>5,049</u>	<u>64,388</u>	<u>63,681</u>

Income from other trading activities was £64,388 (2024: £63,681) of which £59,339 was unrestricted (2024: £61,057) and £5,049 (2024: £2,624) was restricted.

4 Investment income

	£	£	£	£
Dividends received	26,772	-	26,772	28,750
Bank interest	<u>778</u>	<u>-</u>	<u>778</u>	<u>1,141</u>
	<u>27,550</u>	<u>-</u>	<u>27,550</u>	<u>29,891</u>

Investment income was £27,550 (2024: £29,891) of which £27,550 was unrestricted (2024: £29,891).

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2025

	Unrestricted Funds	Restricted Funds	Total	Total
	2025	2025	2025	2024
	£	£	£	£
5 Other income				
Insurance claim	6,055	-	6,055	3,116
	<u>6,055</u>	<u>-</u>	<u>6,055</u>	<u>3,116</u>

Other income was £6,055 (2024: £3,116) of which £6,055 (2024: £3,116) was unrestricted and £nil (2024: £nil) was restricted.

6 Analysis of Expenditure

Raising Funds	£	£	£	£
Fundraising costs	1,321	1,866	3,187	-
Use of Premises	<u>115,421</u>	<u>-</u>	<u>115,421</u>	<u>115,168</u>
	<u>116,742</u>	<u>1,866</u>	<u>118,608</u>	<u>115,168</u>
Charitable Activities				
Giving to Grow Contribution	107,748	-	107,748	100,064
Presbytery Dues	2,666	-	2,666	2,131
Expenses of Ministry	3,145	348	3,493	4,130
Pulpit Supply	419	-	419	-
Other salary costs	64,007	-	64,007	63,910
Fabric Repairs & Maintenance	33,651	798	34,449	45,352
Council Tax	2,988	-	2,988	2,796
Other Buildings Costs	20,822	-	20,822	22,736
Church Office Expenses	5,592	20	5,612	6,603
Organ & Music	12,206	10,833	23,039	23,376
Accountancy Fees	15,720	-	15,720	17,130
Professional fees	337	-	337	324
Flowers	2,395	37	2,432	2,632
Other Expenses	30,784	26,713	57,497	41,081
Bank charges and interest	1,427	-	1,427	1,220
Depreciation	3,606	-	3,606	4,829
Governance costs:				
External scrutiny:				
- Independent examination fee	<u>2,700</u>	<u>-</u>	<u>2,700</u>	<u>2,520</u>
	<u>2,700</u>	<u>-</u>	<u>2,700</u>	<u>2,520</u>
	<u>310,213</u>	<u>38,749</u>	<u>348,962</u>	<u>340,834</u>
	<u>426,955</u>	<u>40,615</u>	<u>467,570</u>	<u>456,002</u>

Expenditure on raising funds was £118,608 (2024: £115,168) of which £116,742 was unrestricted (2024: £115,168) and £1,866 was restricted (2024: £nil).

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2025

6 Analysis of Expenditure (continued)

Expenditure on charitable activities was £348,962 (2024: £340,834) of which £310,213 was unrestricted (2024: £303,746) and £38,749 was restricted (2024: £37,088).

	2025	2024
	£	£
7 Staff costs and numbers		
Salaries and wages	127,606	117,648
Social security costs	3,030	4,244
Pension costs	4,444	3,965
Total	<u>135,080</u>	<u>125,857</u>

No employee had employee benefits more than £60,000 (2024: none).

The average number of employees during the year, calculated on the basis of a head count, was as follows:

	2025	2024
Ministerial support	1	1
Administration	1	1
Music staff	1	1
Premises maintenance	<u>3</u>	<u>3</u>
	<u>6</u>	<u>6</u>

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all Ministers' stipends and employer's contributions for national insurance, pension and housing and loan fund. Ministers' stipends are paid in accordance with the national stipend scale, which is related to years of service. For the year under review the minimum stipend was £32,433 (2024: £31,642) and the maximum stipend (in the fifth and subsequent years of service) was £39,856 (2024: £38,884).

The charity operates a defined contribution pension scheme on behalf of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the charity and amounted to £4,444 (2024: £3,965) in the year. At the year end an outstanding balance of £nil (2024: £nil) was owed to the scheme.

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2025

8 Trustee Remuneration and Related Party Transactions

Very Revd Dr Derek Browning, the Minister, received expenses, including car and phone expenses, of £3,060 (2024: £3,165). Dr Browning's Council Tax of £2,988 was paid by the Church (2024: £2,796).

One Trustee was refunded £375 for repair work (2024: £nil).

Other than the costs of ministry set out above the aggregate amount of Trustee Remuneration in the year is £nil (2024: £nil).

During the year 2025 a total of £43,515 could be identified as being donated to the congregation by Trustees (2024: £37,801).

9 Tangible Fixed Assets

	Buildings	Communion Silver	Plant & Equipment	Total
Cost	£	£	£	£
At 1 January 2025	600,000	41,219	45,214	686,433
Additions	-	-	-	-
At 31 December 2025	<u>600,000</u>	<u>41,219</u>	<u>45,214</u>	<u>686,433</u>
Depreciation and impairments				
At 1 January 2025	-	-	37,454	37,454
Depreciation charge	-	-	3,606	3,606
At 31 December 2025	<u>-</u>	<u>-</u>	<u>41,060</u>	<u>41,060</u>
Net Book value				
At 31 December 2025	<u>600,000</u>	<u>41,219</u>	<u>4,154</u>	<u>645,373</u>
At 31 December 2024	<u>600,000</u>	<u>41,219</u>	<u>7,760</u>	<u>648,979</u>

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2025

9 Tangible Fixed Assets (continued)

The buildings and communion silver are carried at deemed cost derived from valuation. The Trustees have based their valuations of the buildings on their knowledge of local market conditions. The valuation of the Manse was based on recent selling prices of properties in the same area. In 2008, the Trustees obtained a professional valuation of communion silver from James Walker.

10 Analysis of Buildings

An analysis of building valuations is set out below:

	2025	2024
	£	£
Manse	600,000	600,000
	<u>600,000</u>	<u>600,000</u>

11 Investments

	2025	2024
	£	£
Market value at 1 January 2025	761,557	825,386
Additions at cost	-	-
Disposals	(150,009)	(100,014)
Realised gain / (loss) on investments	(1,582)	-
Unrealised gain / (loss) on investments	31,662	36,185
Market value at 31 December 2025	<u>641,628</u>	<u>761,557</u>

Investments at cost	<u>497,678</u>	<u>607,702</u>
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The following investments are held:	2025	2024
	£	£
Church of Scotland Growth Fund	299,142	379,699
Church of Scotland Income Fund	342,486	381,858
	<u>641,628</u>	<u>761,557</u>

All investments are UK investments.

12 Debtors

	2025	2024
	£	£
Hall Rentals	6,294	2,167
Other	20,997	16,802
	<u>27,291</u>	<u>18,969</u>

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2025

13 Creditors

	2025	2024
	£	£
Trade creditors	7,139	3,676
Accruals	9,540	11,645
Special Collections	-	1,644
Taxation and social security	2,229	2,132
Other creditors	207	1,077
	<u>19,115</u>	<u>20,174</u>

14 Movements in Funds

	At 1 Jan 2025	Income	Expenditure	Gains on investments	Transfers between funds	At 31 Dec 2025
	£	£	£	£	£	£
Restricted funds						
Benevolent Funds	9,650	1,850	-	140	-	11,640
Flower Fund Capital	35	-	(37)	2	-	-
Organ and Music	2,371	9,200	(10,836)	20	-	755
Sunday Club	24	-	(20)	7	-	11
Fabric Fund	126	-	-	-	-	126
Audio System Maintenance	1,430	-	(348)	-	-	1,082
Choir Library Fund	1,000	-	-	-	-	1,000
General Upkeep Fund	4,144	-	-	-	-	4,144
Pastoral Care	525	-	-	-	(525)	-
MH Faith Summer	-	-	-	-	-	-
Worker 2025 Fund	-	1,500	(1,500)	-	-	-
MH RSM Fund	-	4,713	(3,142)	-	-	1,571
Morningside Hope	17,937	-	(1,453)	-	(16,484)	-
Morningside Hope –						
Funds raised for year 4	52,792	28,245	(17,461)	-	17,689	81,265
Playlist for life fund	2,925	200	(2,476)	-	-	649
New tables fund	-	275	-	-	-	275
Giving campaign	160	-	-	-	-	160
Christmas Tree Festival	-	2,157	(1,477)	-	(680)	-
Roof Repair Fund	-	1,865	(1,865)	-	-	-
	<u>93,119</u>	<u>50,005</u>	<u>(40,615)</u>	<u>169</u>	<u>-</u>	<u>102,678</u>

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2025

14 Movements in Funds (cont'd)

Purposes of Restricted Funds

Benevolent Funds: These are funds to assist poor or disadvantaged people, especially those within the parish.

Flower Funds: These are funds to provide flowers for display during services of worship.

Organ and Music Funds: These are funds to contribute to the organ and music costs incurred.

Sunday Club Fund: This is a fund to meet costs incurred by the Sunday Club.

Fabric Fund: The Restricted Fabric Fund was established in 2018 to identify fabric (masonry) work on the Church building carried out and paid for by the Church but refunded from the Consolidated Fabric Fund held by the Church of Scotland General Trustees on behalf of the congregation.

Audio System Maintenance Fund: This fund is to be used to meet the costs of the maintenance of the audio system.

Choir Library Fund: This fund is to be used to meet the costs of the maintenance of the choir library.

Go For It Fund: This fund represents a Church of Scotland grant awarded for a dementia project lasting one year from grant drawdown date.

General Upkeep Fund: This fund is to be used in the general maintenance of the Church property including gardening and cleaning costs.

Pastoral Care: This Fund is to be used for Pastoral Care costs including appropriate training for volunteer pastoral visitors and any ancillary costs incurred.

Morningside Hope: Morningside Hope is the umbrella name applied by Morningside Parish Church for the dementia-friendly social care projects being made possible by the generous grant received from TOR Christian Foundation and the additional funding from the church itself. It is hoped that further funding will be secured on an ongoing basis. The balance at the year end has been transferred to the Morningside Hope – funds raised for year 4.

Morningside Hope – funds raised for year 4: Funds raised by Morningside Parish Church in 2025 and previous years to be ring-fenced and deferred for year 4 of the project.

LPWS fund – This restricted grant was received from the Listed Places of Worship Scheme in order to cover the VAT incurred in relation to eligible expenditure. During the prior year £9,634 was transferred from this fund to unrestricted general funds in relation to the reimbursement of VAT incurred.

Playlist for life fund - creating individual playlists of musical tracks for those living with a diagnosis of dementia; to the things we can offer within the Morningside Hope Project.

New tables fund - this was monies raised at the monthly Jam and Baking and Making Stall to enable the congregation to buy new tables for the Church Halls.

Giving campaign- this was the 2024 appeal to members of the congregation to review and if possible increase their giving to the Church.

Christmas Tree Festival: sponsorship donated by William Purves Funeral Directors for the Christmas Tree Festival held in the Church in December 2025. This also includes other donations in relation to the festival.

MH Faith Summer Worker 2025 Fund: £1,000 received from Presbytery North Merchiston Fund and a £500 donation which is applied to the cost of employment of one person to provide Morningside Hope group support as well as with Playlist for Life up until the summer.

MH RSM Fund: income received from the R S Macdonald funds applied to the cost of employment one person to provide Morningside Hope group support as well as with Playlist for Life to April 2026

Roof Repair Fund: funds for the roof repair expected in the summer of 2026.

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2025

14 Movements in Funds (cont'd)

Restricted funds						
	At 1 Jan 2024	Income	Expenditure	Gains on investments	Transfers between funds	At 31 Dec 2024
	£	£	£	£	£	£
Benevolent Funds	10,414	-	(1,000)	236	-	9,650
Flower Fund Capital	228	-	(196)	3	-	35
Organ and Music	3,062	9,276	(10,000)	33	-	2,371
Sunday Club	13	-	-	11	-	24
Fabric Fund	126	-	-	-	-	126
Audio System Maintenance	1,430	-	-	-	-	1,430
Choir Library Fund	1,000	-	-	-	-	1,000
Go For It Fund	855	-	(855)	-	-	-
General Upkeep Fund	4,144	-	-	-	-	4,144
Pastoral Care	525	-	-	-	-	525
Morningside Hope	9,479	28,603	(20,145)	-	-	17,937
Morningside Hope – Funds raised for year 4	13,672	41,039	(1,919)	-	-	52,792
LPWS Fund	-	9,634	-	-	(9,634)	-
Playlist for life fund	-	3,814	(889)	-	-	2,925
New tables fund	-	796	(796)	-	-	-
Giving campaign	-	800	(640)	-	-	160
Christmas Tree Festival	-	648	(648)	-	-	-
	<u>44,948</u>	<u>94,610</u>	<u>(37,088)</u>	<u>283</u>	<u>(9,634)</u>	<u>93,119</u>

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2025

14 Movements in Funds (cont'd)

	At 1 Jan 2025	Income	Expenditure	Gains on investments	Transfers between funds	At 31 Dec 2025
	£	£	£	£	£	£
Unrestricted funds						
Designated Funds:-						
Organisations:-						
Cradle Roll	2	100	(22)	-	-	80
Wednesday Club	4,032	1,371	(2,602)	-	-	2,801
Social Committee	9,748	15,421	(24,144)	-	-	1,025
Other Designated Funds:-						
Flower Fund	3,831	2,162	(2,306)	-	-	3,687
Fabric Fund	32,853	-	-	-	-	32,853
Kirk Session	5,646	-	-	108	-	5,754
Music Fund	3,041	-	-	44	-	3,085
Organ	6,395	-	(1,728)	287	-	4,954
Morningside Hope Project – Funding for MPC pastoral assistant additional hours	-	6,332	(6,332)	-	-	-
Roof Repair Fund	-	67,248	(1,321)	-	-	65,927
Total of Designated Funds	65,548	92,634	(38,455)	439	-	120,166
General Funds:-						
Buildings Reserve	600,000	-	-	-	-	600,000
Assets Reserve	48,979	-	(3,606)	-	-	45,373
General Fund	668,534	260,906	(384,894)	29,472	-	574,018
Total of General Funds	1,317,513	260,906	(388,500)	29,472	-	1,219,391
Unrestricted Funds (above)	1,383,061	353,540	(426,955)	29,911	-	1,339,557
Restricted Funds (b/f)	93,119	50,005	(40,615)	169	-	102,678
Total funds	1,476,180	403,545	(467,570)	30,080	-	1,442,235

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2025

14 Movements in Funds (cont'd)

	At 1 Jan 2024	Income	Expenditure	Gains on investments	Transfers between funds	At 31 Dec 2024
	£	£	£	£	£	£
Unrestricted funds						
Designated Funds:-						
Organisations:-						
Cradle Roll	3	100	(101)	-	-	2
Wednesday Club	1,101	5,756	(2,825)	-	-	4,032
Social Committee	7,537	12,318	(10,107)	-	-	9,748
Other Designated Funds:-						
Flower Fund	3,596	2,671	(2,436)	-	-	3,831
Fabric Fund	32,853	-	-	-	-	32,853
Kirk Session	5,463	-	-	183	-	5,646
Music Fund	2,968	-	-	73	-	3,041
Organ	7,500	-	(1,589)	484	-	6,395
Morningside Hope Project – Funding for MPC pastoral assistant additional hours	-	6,471	(6,471)	-	-	-
Total of Designated Funds	61,021	27,316	(23,529)	740	-	65,548
General Funds:-						
Buildings Reserve	600,000	-	-	-	-	600,000
Assets Reserve	53,808	-	(4,829)	-	-	48,979
General Fund	750,674	263,620	(390,556)	35,162	9,634	668,534
Total of General Funds	1,404,482	263,620	(395,385)	35,162	9,634	1,317,513
Unrestricted Funds (above)	1,465,503	290,936	(418,914)	35,902	9,634	1,383,061
Restricted Funds (b/f)	44,948	94,610	(37,088)	283	(9,634)	93,119
Total funds	1,510,451	385,546	(456,002)	36,185	-	1,476,180

Organisations: Their purposes are described in the Trustees' Annual Report ("Objectives & Activities").

Fabric Fund: The Trustees have set aside funds for the maintenance of the charity's properties.

Kirk Session Fund: The Trustees have set aside funds to assist poor or disadvantaged people.

Organ and Music Fund: The Trustees have set aside funds for the purchase and maintenance of organ and music resources for use in worship.

Flower Fund: These are funds to provide flowers for display during services of worship.

Roof Repair Fund: funds for the roof repair expected in the summer of 2026.

Building Reserve and Asset Reserve: These are funds representing the net book value of the relevant fixed assets.

Morningside Hope Project – Funding for MPC pastoral assistant additional hours: funds required to run the project - i.e. in addition to her normal pastoral duties for the congregation.

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2025

15 Analysis of Net Assets Between Funds

2025

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	645,373	-	-	645,373
Investments	632,275	6,759	2,594	641,628
Net Current (Liabilities) / Assets	(58,257)	113,407	100,084	155,234
Net assets at 31 Dec 2025	1,219,391	120,166	102,678	1,442,235

Analysis of Net Assets Between Funds

2024

	General	Designated	Restricted	Total
	£	£	£	£
Fixed Assets	648,979	-	-	648,979
Investments	749,684	8,579	3,294	761,557
Net Current (Liabilities) / Assets	(81,150)	56,969	89,825	65,644
Net assets at 31 Dec 2024	1,317,513	65,548	93,119	1,476,180

16 Collections for Third Parties

	2025	2024
	£	£
Collected during the year:		
Save the Children	-	1,077
Poppyscotland	211	-
Edinburgh Clothing Store and David Nott Foundation	9,267	5,985
Christian Aid	363	-
	9,841	7,062

Of these sums collected £nil (2024: £2,721) was payable to the third parties following the year end.

Morningside Parish Church
Notes forming part of the financial statements (continued)
for the year ended 31 December 2025

17 Financial Commitments

At 31 December 2025 the Church had total future commitments under non-cancellable operating leases as follows:

	Office Equipment	
	2025	2024
	£	£
Less than 1 year	615	821
Between 1 and 5 years	-	615
	615	1,436

Operating lease payments made during the year were £821 (2024: £781).

APPENDIX A

FUNDS HELD ON BEHALF OF THE CONGREGATION BY THE CHURCH OF SCOTLAND GENERAL TRUSTEES

	2025	2024
	£	£
CAPITAL ACCOUNTS		
Consolidated Fabric Fund		
Credit Balances held at 31 December 2025 - at cost	-	-
Consolidated Fabric Fund		
Market Value of Balances held at 31 December 2025	-	-
REVENUE ACCOUNT		
Consolidated Fabric Fund	£	£
Balance at 1 January 2025	1	1
Net activity during year	-	-
Credit Balance at 31 December 2025	1	1