

Scottish Charity No: SC044674

Chalmers Church Edinburgh

Trustees' Report and Financial Statements
For the year ended 31 August 2024

Chalmers Church Edinburgh

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Chalmers Church Edinburgh

Report of the Trustees for the year ended 31 August 2024

The Trustees present their report and the audited financial statements of the charity for the year ended 31 August 2024.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and the 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 published in October 2019.

Governing document

Chalmers Church Edinburgh was registered on 19 February 2014 as a Scottish Charitable Incorporated Organisation with the Office of the Scottish Charity Regulator under charity number SC044674.

The Church is governed by a Constitution.

The Trustees have no liability to pay any sums to help to meet the debts or other liabilities if it is wound up.

Charitable objectives

The Church's purpose is the advancement of the Christian religion in Scotland and the world for the public benefit through the maintenance in Edinburgh of a body of Christian believers founded on the Basis of Faith and engaged in serving God through worship, discipling, pastoral care and outreach.

Basis of Faith

The Church's Basis of Faith requires acceptance of the Holy Bible, comprising the scriptures of the Old and New Testaments, as the inspired Word of God and the supreme authority in matters of faith and life. In explanation and clarification of this acceptance, but not in dilution thereof:

- As a confessional church, the Church takes the Westminster Confession of Faith as its subordinate standard for the purposes of stating what the Church believes the Bible to teach on the matters addressed in the Confession.
- The Elders may by Special Resolution from time to time adopt and amend an Ethos Statement further clarifying the Church's understanding of the teaching of the Holy Bible and of the Westminster Confession of Faith.

Public benefit

The Church provides direct public benefit by fulfilling its charitable purpose of the advancement of religion through worship, discipling, pastoral care and outreach.

The Church provides indirect public benefit by:

- Providing education in the Christian faith; and
- Arranging for communicant members to be involved in activities directly relieving poverty and distress.

Banker

Bank of Scotland plc
The Mound
Edinburgh
EH2 3EW

Solicitor

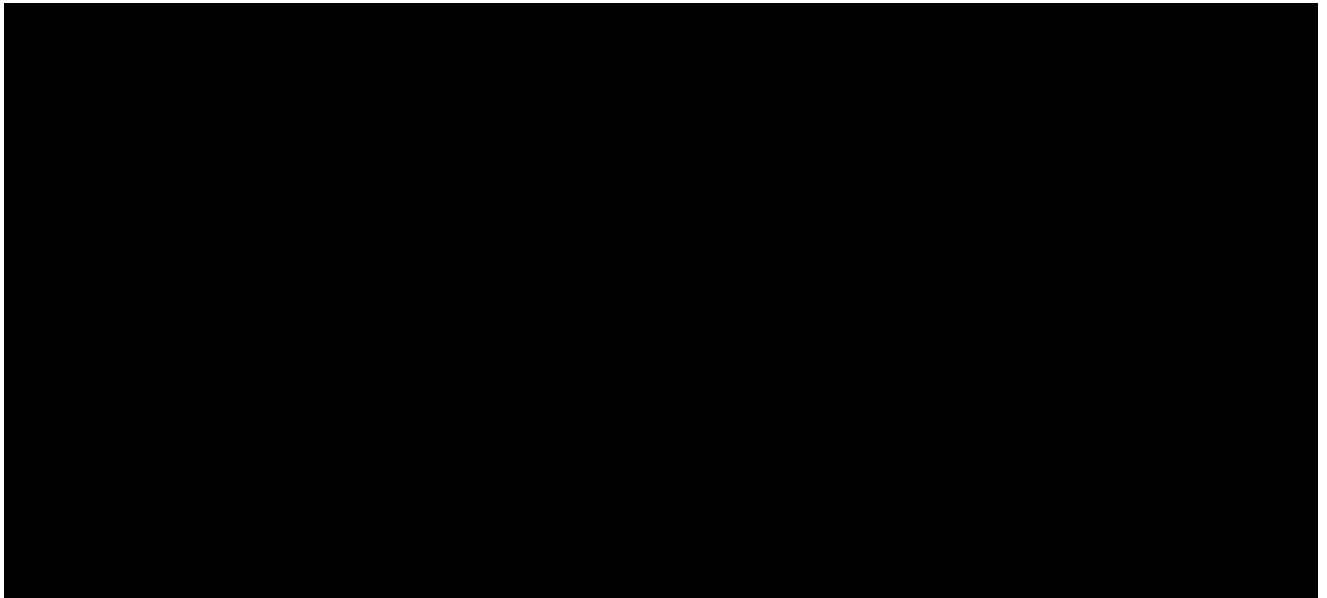
Shepherd and Wedderburn LLP
9 Haymarket Square
Edinburgh
EH3 8FY

Auditor and Accountant

Jonathan N Innes FCCA
Innes & Partners Limited
Chartered Certified Accountants and Statutory Auditors
9 Ardrross Street
Inverness
IV3 5NN

Chalmers Church Edinburgh

Report of the Trustees for the year ended 31 August 2024



Recruitment and appointment of Trustees

Appointment of Trustees is solely by resolution of not less than 75% of the Trustees in office from time to time. To be appointed as a Trustee a person must (a) be male and aged 18 or over; (b) must not be disqualified from being a charity trustee under the Charities and Trustee Investment (Scotland) Act 2005 as amended, consolidated and re-enacted from time to time; (c) must confirm his personal acceptance of the Basis of Faith to the satisfaction of the Trustees.

Trustees' induction and training

Newly appointed Trustees will have the opportunity to discuss the work of the Church with Trustees to acquaint themselves with the activities of the Church. Trustees will seek opportunities for appropriate ongoing training in their role.

Organisational structure

The Trustees meet fortnightly, or more frequently as needs be, and are responsible for the strategic direction and policy of the Church. A scheme of delegation is in place and day to day responsibility for the running of the Church rests with the principal office bearers and members of the staff team. Committees of Trustees, which also include communicant members, have been established to assist Trustees in the areas of finance, buildings and mission support. Each committee is chaired by a Trustee.

Risk management

The Trustees are responsible for identifying the major risks faced by the Church and for determining the appropriate course of action to manage those risks. A Risk Register is maintained by Trustees and reviewed quarterly. Appropriate insurance cover is in place for risks relating to property, employees and liability cover.

The principal risks, and plans and strategies for mitigating these are around the areas of:

- Loss of donation income which is mitigated by regular communication of vision and financial needs to supporters and monitored by management accounts.
- Loss of vision which is mitigated by maintaining clarity of the vision underlying activities.

Chalmers Church Edinburgh

Report of the Trustees for the year ended 31 August 2024

Achievements and performance

The Trustees are pleased to report the continuation of the Church's gospel work during the year.

Principal activities

The principal activities of the Church are public worship, the spiritual development of its communicant members, and the mission to tell others the good news of Jesus Christ. These activities are underpinned by prayer meetings held before services on Sundays and monthly on Tuesday evenings. The vision of the Church is "Passionate for the glory of God: reaching unbelievers with the gospel, building committed disciples, training gospel workers, sending and supporting gospel partners".

Public worship

There are typically three services each Sunday at 9.30am, 11.30am and 6.30pm. Attendance at the morning services is around 400, including 75 children, with around 150 attending the evening service. Additional services are held at Christmas and Easter.

Spiritual development

Apart from Sunday services and the preaching of God's Word, small groups are the principal method of providing discipleship, accountability and spiritual care. The Trustees' vision is that all members of the congregation are part of a small group as far as possible. Around 340 members are part of the various small groups - home, student, young worker and daytime groups.

The Church provides a full educational programme for children. Groups for children from age two to secondary three meet during the 9.30am Sunday service for Bible teaching, games and activities. A crèche for younger children meets during the 9.30am morning service. In addition, older teenagers meet before the evening service for teaching and fellowship.

Outreach

The Church has a number of gospel partners at home and abroad which it supports through prayer, finance, regular contact and other practical support. Locally, the Church supports the care shelter for homeless in the city and runs various activities for the community. These include a weekly youth club, an English conversation class for internationals, and a baby and toddler group. The local community are also invited to festival services. The Church also offers regular courses exploring the Christian faith.

Training future leaders

The Church is committed to training gospel workers through our ministry associate and leader in training programmes. The Church currently has six ministry associates and four leaders in training.

Contribution of volunteers

A valuable contribution is made by volunteers who assist the Trustees in the delivery of activities. Each week around 80 volunteers serve to support the church services and activities. They serve in a variety of ways from set-up and playing in the band to leading children's work and flower arranging. Additional volunteers support the mid-week activities of the Church. The Church remains committed to recruiting more volunteers to assist in a range of activities across the organisation.

Staff

The Trustees thank the staff for their dedication and hard work over the year. They are integral to the functioning of the Church.

The Senior Minister [REDACTED] resigned on 8 September 2024 following his appointment as Director of The Proclamation Trust. The Trustees are fully supportive of [REDACTED] calling to this new role. The Trustees and congregation of Chalmers Church Edinburgh thank [REDACTED] for their service in the church since its inception in 2014.

Chalmers Church Edinburgh

Report of the Trustees for the year ended 31 August 2024

Financial review

Principal funding sources

The principal funding source for the Church is donations by Trustees, communicant members and adherents, along with the associated Gift Aid. Some funding for the Restricted property fund has been provided by grant-making Trusts.

Financial results

The General fund, an unrestricted fund for the general purposes of the Church, received donations of £502,514 during the year (2023: £519,768), much of it attracting Gift Aid. The balance on the General fund at the year-end was £87,360 (2023: £69,665).

The Restricted Church Family Support fund is a restricted fund for the support of those in the congregation in financial need.

The Restricted property fund, a restricted fund for the acquisition and development of permanent premises for the Church, received donations of £10,000 during the year (2023: £28,445) and grants of £8,768 (2023: £151,379).

The Designated property fund, an unrestricted fund for the acquisition and development of permanent premises for the church.

Reserves policy

Unrestricted funds are described in note 19 of the accounts.

- The Designated assets fund has a balance of £632,006 (2023: £629,944), which represents the net book value of the fixed assets held by the church less loans outstanding on those assets.
- The Designated property fund has a balance of £48,060 (2023: £38,060), which is held for future upgrading of church premises.
- The Designated revaluation reserve fund has a balance of £90,000 (2023: £90,000), which represents the revaluation value of the manse.

Restricted funds are described in note 20 to the accounts. These are subject to restrictions by the terms on which Trustees solicited donations or by restrictions imposed by the donor.

- The Restricted property fund has a balance £1,427 (2023: £nil).
- The Restricted Church family support fund has a balance of £1,790 (2023 £2,790), which is available for distribution in future years.

It is the aim of the church to maintain unrestricted general funds at a level which provides adequate working capital for general activities. The charity's total reserves amounted to £860,643 (2023: £830,459).

Going Concern

Trustees have concluded that it is appropriate to prepare the accounts on a going concern basis. A detailed four year cash and Income & Expenditure budget has been prepared which demonstrates that the charity is budgeted to operate without significant recourse to brought forward reserves in the General fund. The major risk in the assumptions made in preparing the budget is in the assumption that congregational donations will continue to hold up and rise to meet increased levels of assumed donations.

Grant making policy

The Church makes grants to individuals and organisations in accordance with the Constitution and in fulfilment of its charitable objectives. These are disclosed in note 11 to the accounts.

Remuneration

The Church sets remuneration for key management personnel by reference to external benchmarking.

Plans for the future

The Church will continue to give specific focus to its principal activities of public worship, the spiritual development of its members, and the mission to tell others the good news of Jesus Christ.

The Trustees will recruit a new Senior Minister for the church.

Chalmers Church Edinburgh

Report of the Trustees for the year ended 31 August 2024

Trustees' responsibilities

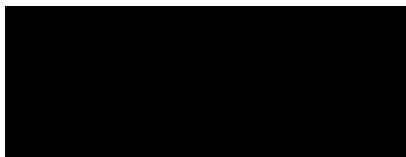
The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the church's financial position and enable the Trustees 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). The Trustees 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.

Approved by the Trustees on 26th February 2025 and signed on their behalf by:



Trustee

Chalmers Church Edinburgh

Report of the Independent Auditors to the Trustees for the year ended 31 August 2024

Opinion

We have audited the financial statements of Chalmers Church Edinburgh (the 'charity') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2024, and of 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 requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available to small entities, in the circumstances set out in note 23 to the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Chalmers Church Edinburgh

Report of the Independent Auditors to the Trustees *for the year ended 31 August 2024*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Trustees and other management, and from our wider knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities SORP FRS 102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Chalmers Church Edinburgh

Report of the Independent Auditors to the Trustees *for the year ended 31 August 2024*

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- requesting correspondence with HMRC, OSCR and the legal advisors of the charity.

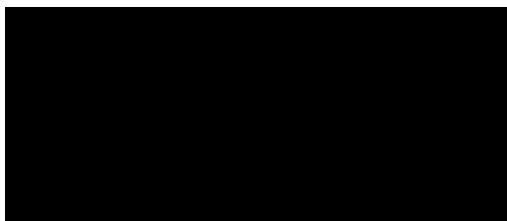
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of 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.



for and behalf of Innes & Partners Limited, Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

9 Ardross Street

Inverness

IV3 5NN

Date: 26th February 2025

Chalmers Church Edinburgh

Statement of Financial Activities for the year ended 31 August 2024

		Unrestricted				Unrestricted			
		General	Designated	Restricted	2024	General	Designated	Restricted	2023
	Notes	fund	funds	funds	Total	fund	funds	funds	Total
		£	£	£	£	£	£	£	£
Income and endowments from:									
Donations and legacies	3	594,238	-	18,768	613,006	621,140	-	183,556	804,696
Investment income	4	207	-	-	207	-	-	-	-
Charitable activities	5	7,868	-	-	7,868	7,188	-	-	7,188
Other trading activities	6	16,568	-	-	16,568	28,000	1,121	-	29,121
Total income and endowments		618,881	-	18,768	637,649	656,328	1,121	183,556	841,005
Expenditure on:									
Charitable activities	7	551,791	37,287	18,387	607,465	541,865	37,289	829,495	1,408,649
Total expenditure		551,791	37,287	18,387	607,465	541,865	37,289	829,495	1,408,649
Net income/(expenditure)		67,090	(37,287)	381	30,184	114,463	(36,168)	(645,939)	(567,644)
Transfers between funds	19,20	(49,395)	49,349	46	-	(125,968)	(463,495)	589,463	-
Net movement in funds		17,695	12,062	427	30,184	(11,505)	(499,663)	(56,476)	(567,644)
Reconciliation of funds:									
Total funds brought forward		69,665	758,004	2,790	830,459	81,170	1,257,667	59,266	1,398,103
Total funds carried forward	19,20	87,360	770,066	3,217	860,643	69,665	758,004	2,790	830,459
Represented by:									
Unrestricted fund	19								
General		87,360	-	-	87,360	69,665	-	-	69,665
Designated funds	19								
Designated assets		-	632,006	-	632,006	-	629,944	-	629,944
Designated property		-	48,060	-	48,060	-	38,060	-	38,060
Revaluation reserve		-	90,000	-	90,000	-	90,000	-	90,000
Restricted funds	20								
Restricted church family support		-	-	1,790	1,790	-	-	2,790	2,790
Restricted property		-	-	1,427	1,427	-	-	-	-
Total funds		87,360	770,066	3,217	860,643	69,665	758,004	2,790	830,459

All income and expenditure derive from continuing activities.

The notes on pages 12 to 19 form part of these financial statements.

Chalmers Church Edinburgh

Statement of Financial Position as at 31 August 2024

		Unrestricted			2024	2023
		General	Designated	Restricted	Total	Total
	Notes	fund	funds	funds	Total	Total
		£	£	£	£	£
Fixed assets						
Tangible assets	13	-	1,575,500	-	1,575,500	1,612,787
Total fixed assets		-	1,575,500	-	1,575,500	1,612,787
Current assets						
Debtors	14	32,259	-	3,841	36,100	79,997
Cash at bank and in hand		95,252	48,060	23,586	166,898	113,849
		127,511	48,060	27,427	202,998	193,846
Creditors: falling due within one year	15	(40,151)	(47,899)	(24,210)	(112,260)	(125,753)
Net current assets		87,360	161	3,217	90,738	68,093
Total assets less current liabilities		87,360	1,575,661	3,217	1,666,238	1,680,880
Creditors: falling due after one year	16	-	(805,595)	-	(805,595)	(850,421)
Net assets		87,360	770,066	3,217	860,643	830,459
Funds of the charity:						
Unrestricted fund	19					
General		87,360	-	-	87,360	69,665
Designated funds	19					
Designated assets		-	632,006	-	632,006	629,944
Designated property		-	48,060	-	48,060	38,060
Revaluation reserve		-	90,000	-	90,000	90,000
Restricted funds	20					
Restricted church family support		-	-	1,790	1,790	2,790
Restricted property		-	-	1,427	1,427	-
Total charity funds		87,360	770,066	3,217	860,643	830,459

The financial statements on pages 9 to 19 were approved by the Trustees on 26th February 2025 and signed on their behalf by the undersigned:



Trustee

The notes on pages 12 to 19 form part of these financial statements.

Chalmers Church Edinburgh

Statement of Cash Flows *for the year ended 31 August 2024*

	Notes	2024 Total £	2023 Total £
Net cash provided by operating activities	22	53,049	(511,122)
Cash flows from investing activities:			
Proceeds from sale of tangible fixed assets		-	6,500
Net cash used by investing activities		-	6,500
Change in cash and cash equivalents in the year		53,049	(504,622)
Cash and cash equivalents brought forward		113,849	618,471
Cash and cash equivalents carried forward		166,898	113,849

Chalmers Church Edinburgh

Notes to the Financial Statements for the year ended 31 August 2024

1. Accounting policies

Basis of preparation and assessment of going concern

Chalmers Church Edinburgh is a registered charity in Scotland. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are included in the trustees' report on pages 1 – 5.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

Fund accounting

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

Designated funds are unrestricted funds earmarked by Trustees for particular purposes.

Restricted funds are subject to restrictions on their expenditure by the terms on which Trustees solicited donations or by restrictions imposed by the donor.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP. Further detail is given in the Trustees' Annual Report.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Chalmers Church Edinburgh

Notes to the Financial Statements for the year ended 31 August 2024

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them; and
- Other expenditure represents those items not falling into the categories above.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Cash and cash equivalents

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

Tangible fixed assets

Fixed assets are capitalised at cost where the value is greater than £3,000 (2023: £3,000) less accumulated depreciation and accumulated impairment losses. For property assets, an impairment review is performed each year. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the costs, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Property	2% per annum straight line
Property improvements	20% per annum straight line

Property is measured at fair value with a formal external valuation obtained every 5 years and an interim valuation performed by the Trustees after 3 years.

Financial instruments

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the charity would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

Chalmers Church Edinburgh

Notes to the Financial Statements for the year ended 31 August 2024

Financial instruments (cont'd)

Financial assets are derecognised when the contractual rights to the cashflows from the asset expire, or when the charity has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Pensions

Employees of the charity are entitled to join a defined contribution pension scheme. The church's contribution is restricted to the contributions disclosed in note 9. The costs of the defined contribution scheme are included within charitable expenditure.

2. Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied in determining the depreciation rates.

Chalmers Church Edinburgh

Notes to the financial statements for the year ended 31 August 2024

3. Income from donations and legacies	Unrestricted				Unrestricted			
	General fund	Designated funds	Restricted funds	2024 Total	General fund	Designated funds	Restricted funds	2023 Total
	£	£	£	£	£	£	£	£
Donations	502,514	-	10,000	512,514	519,768	-	28,445	548,213
Grants	-	-	8,768	8,768	-	-	151,379	151,379
Gift Aid	91,724	-	-	91,724	101,372	-	3,732	105,104
	594,238	-	18,768	613,006	621,140	-	183,556	804,696

Included in grants is government grant income received from The Listed Places of Worship Scheme totalling £8,768 (2023: £106,379).

4. Income from investments	General fund	Designated funds	Restricted funds	2024 Total	General fund	Designated funds	Restricted funds	2023 Total
	£	£	£	£	£	£	£	£
Bank interest	207	-	-	207	-	-	-	-
	207	-	-	207	-	-	-	-

5. Income from charitable activities	Unrestricted				Unrestricted			
	General fund	Designated funds	Restricted funds	2024 Total	General fund	Designated funds	Restricted funds	2023 Total
	£	£	£	£	£	£	£	£
Accommodation and travel	7,868	-	-	7,868	7,188	-	-	7,188
	7,868	-	-	7,868	7,188	-	-	7,188

6. Income from other trading activities	Unrestricted				Unrestricted			
	General fund	Designated funds	Restricted funds	2024 Total	General fund	Designated funds	Restricted funds	2023 Total
	£	£	£	£	£	£	£	£
Rental income	16,321	-	-	16,321	28,000	-	-	28,000
Gain on disposal of assets	247	-	-	247	-	1,121	-	1,121
	16,568	-	-	16,568	28,000	1,121	-	29,121

7. Analysis of expenditure on charitable activities			Staff costs	Other direct costs	2024 Total	Staff costs	Other direct costs	2023 Total
			£	£	£	£	£	£
Activity								
Local ministries			179,641	13,306	192,947	175,649	9,381	185,030
National and overseas ministries	(Note 11)		-	44,855	44,855	-	37,852	37,852
Property and resources	*		-	369,663	369,663	-	1,185,767	1,185,767
			179,641	427,824	607,465	175,649	1,233,000	1,408,649
			(Note 8)					
Of which:								
Relating to general fund			179,641	372,150	551,791	175,649	366,216	541,865
Related to designated funds			-	37,287	37,287	-	37,289	37,289
Relating to restricted funds			-	18,387	18,387	-	829,495	829,495

* Within property and resources costs of £369,663 (2023: £1,185,767), there are renovation costs of £18,387 (2023: £829,495). These have been expended as they have not added any value to the building.

8. Governance costs	Unrestricted				Unrestricted			
	General fund	Designated funds	Restricted funds	2024 Total	General fund	Designated funds	Restricted funds	2023 Total
	£	£	£	£	£	£	£	£
Auditor's fee	11,400	-	-	11,400	10,920	-	-	10,920
Accountancy and payroll costs	4,543	-	-	4,543	4,171	-	-	4,171
Other	66	-	-	66	66	-	-	66
	16,009	-	-	16,009	15,157	-	-	15,157

9. Analysis of staff costs	2024	2023
	£	£
Wages and salaries	157,008	154,073
Social security costs	7,415	6,769
Defined contribution pension costs	15,218	14,807
	179,641	175,649

Chalmers Church Edinburgh

Notes to the financial statements for the year ended 31 August 2024

9. Analysis of staff costs (cont'd)

The average number of employees by head count during the year was 7 (2023: 8).

The full time equivalent average number of employees during the year was 6 (2023: 6).

No employee received remuneration of more than £60,000 during the year (2023: nil).

The charity operates a defined contribution pension plan for all its permanent employees to which the charity contributes 6% of annual salary. The amount recognised as an expense in the year was £15,218 (2023: £14,807).

Key Management Personnel (see page 2) received total remuneration for the year £55,004 (2023: £51,744).

10. Auditor's remuneration

The fees paid to Innes and Partners Limited amounts to accountancy and payroll services of £4,543 (2023: £4,171) and audit fees of £11,400 (2023: £10,920).

11. Gifts and donations

National and Overseas Ministries, per note 7, comprises donations and grants made to individuals and organisations whose purposes fall within the objects of the church. Donations made to organisations in the period totalled £44,855 (2023: £37,852). Those greater than £1,000 included donations to: Wycliffe [REDACTED] £8,200 (2023: £7,747); OMF £8,200 (2023: £7,747); Stewardship £6,832 (2023: £6,432); OM [REDACTED] £6,155 (2023: £5,810), Japan Christian Link £8,200 (2023: £7,747) and [REDACTED] 6,000 (2023: £nil).

12. Transactions with Trustees and related parties

Salaries

[REDACTED] is employed as Senior Minister of the church and is also a Trustee. During the year he received £42,767 (2023: £40,157) as salary, £5,797 (2023: £5,443) as pension contributions and £3,706 (2023: £3,587) in rates for the Manse. These are in relation to his position as Senior Minister. [REDACTED] is employed as Associate Minister and is also a Trustee. During the year he received £25,762 (2023: £23,567) as salary, £2,808 (2023: £2,616) as pension contributions and £27,037 (2023: £26,103) in rent and rates for the Manse. These are in relation to his position as Associate Minister. [REDACTED] is employed as Associate Minister and is also a Trustee. During the year he received £23,910 (2023: £21,757) as salary, £2,821 (2023: £2,633) as pension contributions and £29,526 (2023: £25,237) in rent and rates for the Manse. These are in relation to his position as Associate Minister.

Expenses

During the year, 4 Trustees (2023: 4) received reimbursement of sundry expenses incurred totalling £2,433 (2023: £1,629).

Related party payments

During the year payments of £88 (2023: £nil) were made to Crosslight, a business in which [REDACTED] as control for the rental of lighting equipment.

Donations

The aggregate value of unconditional donations made by Trustees was £79,305 (2023: £69,323) and the value of conditional donations made by the Trustees was £nil (2023: £1,150).

Chalmers Church Edinburgh

Notes to the financial statements for the year ended 31 August 2024

13. Tangible fixed assets	Property £	Property improvements £	Total £
Cost and revaluation			
At 1 September 2023	1,641,000	103,939	1,744,939
Disposals	-	(103,939)	(103,939)
Impairment	16,000	-	16,000
At 31 August 2024	1,657,000	-	1,657,000
Depreciation			
At 1 September 2023	49,000	83,152	132,152
Charge for the year	32,500	20,787	53,287
Eliminated on disposals	-	(103,939)	(103,939)
At 31 August 2024	81,500	-	81,500
Net book value			
At 31 August 2024	1,575,500	-	1,575,500
At 31 August 2023	1,592,000	20,787	1,612,787

A security is held over the property at 69B Morningside Road, Edinburgh by Stewardship Services (UKET) Ltd. The net book value of the building at the balance sheet date was £800,000 (2023: £800,000).

The property was revalued on 18 June 2021 by Montagu Evans, Chartered Surveyors, at £800,000 at its open market value following completion of the refurbishment. It was previously valued at £650,000 by Montagu Evans, Chartered Surveyors, pre - renovation.

The original cost was £1,025,000, and if the building had not been impaired the accumulated depreciation would have been £157,235 and the net book value £867,765 (2023: £888,265).

A security is held over the property at 109 Meadowspot, Edinburgh by Stewardship Services (UKET) Ltd. The net book value of the building at the balance sheet date was £775,500 (2023: £792,000).

The property was revalued on 7 June 2021 by Shepherd, Chartered Surveyors, at £825,000 at its open market value.

The original cost was £735,000, and had the property not been revalued the accumulated depreciation would have been £102,900 and the net book value £632,100 (2023: £646,800).

14. Debtors	Unrestricted			2024	Unrestricted			2023
	General fund	Designated funds	Restricted funds	Total	General fund	Designated funds	Restricted funds	Total
	£	£	£	£	£	£	£	£
Prepayments	11,010	-	-	11,010	19,979	-	-	19,979
Gift Aid due	21,249	-	-	21,249	7,918	-	-	7,918
Accrued income	-	-	3,841	3,841	-	-	-	-
Other debtors	-	-	-	-	7,100	-	45,000	52,100
	32,259	-	3,841	36,100	34,997	-	45,000	79,997

15. Creditors: falling due within one year	Unrestricted			2024	Unrestricted			2023
	General fund	Designated funds	Restricted funds	Total	General fund	Designated funds	Restricted funds	Total
	£	£	£	£	£	£	£	£
Stewardship mortgage	-	47,899	-	47,899	-	42,421	-	42,421
Social security and other taxes	1,888	-	-	1,888	1,515	-	-	1,515
Accrued expenses	32,585	-	24,210	56,795	28,028	-	45,254	73,282
Other creditors	2,370	-	-	2,370	7,000	-	-	7,000
Pension fund	3,308	-	-	3,308	1,535	-	-	1,535
	40,151	47,899	24,210	112,260	38,078	42,421	45,254	125,753

16. Creditors: falling due after one year	Unrestricted			2024	Unrestricted			2023
	General fund	Designated funds	Restricted funds	Total	General fund	Designated funds	Restricted funds	Total
	£	£	£	£	£	£	£	£
Stewardship mortgage	-	730,595	-	730,595	-	775,421	-	775,421
Loan from First Fruits	-	75,000	-	75,000	-	75,000	-	75,000
	-	805,595	-	805,595	-	850,421	-	850,421

The Stewardship mortgage was granted in November 2021 at a value of £899,975. This is over a 15 year term with an initial interest rate of 3.75% per annum (this rate is variable on one month's notice). At 31 August 2024 the interest rate was 7.50%.

Chalmers Church Edinburgh

Notes to the financial statements for the year ended 31 August 2024

17. Analysis of Net Assets Among Funds

	Unrestricted			2024	Unrestricted			2023
	General	Designated	Restricted	Total	General	Designated	Restricted	Total
	fund	funds	funds		fund	funds	funds	
	£	£	£	£	£	£	£	£
Fixed Assets	-	1,575,500	-	1,575,500	-	1,612,787	-	1,612,787
Current Assets	127,511	48,060	27,427	202,998	107,743	38,059	48,044	193,846
Current Liabilities	(40,151)	(47,899)	(24,210)	(112,260)	(38,078)	(42,421)	(45,254)	(125,753)
Long Term Liabilities	-	(805,595)	-	(805,595)	-	(850,421)	-	(850,421)
	87,360	770,066	3,217	860,643	69,665	758,004	2,790	830,459

18. Operating lease commitments

	2024	2023
	£	£
The following operating lease payments are committed to be paid:		
Within one year	4,094	-
	4,094	-

The lease relates to the premises at 51 Buckstone Loan East, Edinburgh.

	2024	2023
	£	£
The following operating lease payments are committed to be paid:		
Within one year	-	28,000
Between one and 5 years	-	112,000
More than 5 years	-	28,000
	-	168,000

The lease relates to the premises at 64 Bridge Road, Colinton, Edinburgh.

19. Unrestricted funds

	Balance at 01.09.23	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31.08.24
	£	£	£	£	£	£
General fund	69,665	618,881	(551,791)	(49,395)	-	87,360
Designated funds						
Designated assets	629,944	-	(37,287)	39,349	-	632,006
Designated property	38,060	-	-	10,000	-	48,060
Revaluation reserve	90,000	-	-	-	-	90,000
	758,004	-	(37,287)	49,349	-	770,066
Total unrestricted funds	827,669	618,881	(589,078)	(46)	-	857,426

Unrestricted funds

	Balance at 01.09.22	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31.08.23
	£	£	£	£	£	£
General fund	81,170	656,328	(541,865)	(125,968)	-	69,665
Designated funds						
Designated assets	704,667	-	(37,289)	(37,434)	-	629,944
Designated property	463,000	1,121	-	(426,061)	-	38,060
Revaluation reserve	90,000	-	-	-	-	90,000
	1,257,667	1,121	(37,289)	(463,495)	-	758,004
Total unrestricted funds	1,338,837	657,449	(579,154)	(589,463)	-	827,669

Explanation of funds

The General fund encompasses all income and expenditure relating to the primary focus activities of the charity, other than those for which funding is restricted.

The Designated assets fund encompasses the net book value of the fixed assets held by the church net of any borrowings.

The Designated property fund encompasses income ring fenced for future upgrading of church premises.

The Revaluation reserve fund encompasses the revaluation value for the manse.

Chalmers Church Edinburgh

Notes to the financial statements for the year ended 31 August 2024

20. Restricted funds	Balance at 01.09.23	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31.08.24
	£	£	£	£	£	£
Restricted church family support	2,790	-	(1,000)	-	-	1,790
Property	-	18,768	(17,387)	46	-	1,427
Total restricted funds	2,790	18,768	(18,387)	46	-	3,217

Restricted funds	Balance at 01.09.22	Income	Expenditure	Transfers	Gains / (losses)	Balance at 31.08.23
	£	£	£	£	£	£
Restricted church family support	-	-	-	2,790	-	2,790
Property	59,266	183,556	(829,495)	586,673	-	-
Total restricted funds	59,266	183,556	(829,495)	589,463	-	2,790

Explanation of funds

Church family support fund represents support of those in the congregation in need.

The Property fund represents funds raised for the future acquisition and development of church premises.

21. Fund transfers	Unrestricted		Restricted	2024
	General fund	Designated funds	funds	Total
	£	£	£	£
From General fund to Designated asset fund	(39,349)	39,349	-	-
From General fund to Designated property fund	(10,000)	10,000	-	-
From General fund to Restricted property fund	(46)	-	46	-
	(49,395)	49,349	46	-

The transfer of £39,349 from General fund to Designated assets fund relates to mortgage payments on charity premises.

The transfer of £10,000 from the General fund to Designated property fund relates to the replacement of the stained glass windows.

The transfer of £46 from the General fund to Restricted property fund relates to transactions reallocated between the funds.

22. Reconciliation of net movement in funds to net cash flow from operating activities	2024	2023
	£	£
Net movement in funds for the reporting period (as per the Statement of Financial Activities)	30,184	(567,644)
Adjustments for:		
Depreciation charges	53,287	53,288
Impairment	(16,000)	(16,000)
(Gain)/Loss on disposal of tangible fixed assets	-	(1,121)
(Increase)/decrease in debtors	43,897	(9,208)
Increase/(decrease) in creditors	(58,319)	29,563
Net cash provided by operating activities	53,049	(511,122)

23. FRC Ethical Standard - Provisions available for small entities

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements and prepare and submit returns to the tax authorities.