

Scottish Charity No. SC012836

Church of St John the Evangelist

Vestry Report and Consolidated Financial Statements
For the year ended 31 July 2024

Church of St John the Evangelist

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Church of St John the Evangelist

Report of the Vestry for the year ended 31 July 2024

The Vestry, who are the Trustees of the Charity for the purpose of Charity law, is pleased to present their report together with the consolidated financial statements of the Church for the year to 31 July 2024.

Reference and administrative details

Charity number

SC012836

Principal and registered office

The Church of St John the Evangelist
Princes Street
Edinburgh
EH2 4BJ

Bankers

Bank of Scotland plc	CAF Bank Ltd
Princes Exchange	25 Kings Hill Avenue
3 Earl Grey Street	West Malling
Edinburgh	Kent
EH3 9PN	ME19 4JQ

Auditors

Whitelaw Wells
Chartered Accountants and Statutory Auditor
9 Ainslie Place
Edinburgh
EH3 6AT

Solicitors

Morton Fraser LLP	Allingham & Co
Quartermile Two	134 Marchmont Road
2 Lister Square	Edinburgh
Edinburgh	EH9 1AQ
EH3 9GL	

Vestry members

Jean Grier	Chair (from 2 October 2024)	(appointed 19 November 2023)
The Rev Dr David Bagnall	Associate Rector	
Kevin Ludwick	Treasurer	(appointed 5 December 2023)
Nancy Van Kirk	Lay Representative	
Allstair Dinnie	Secretary	(appointed 17 November 2024)
Florian Englberger		
Morag Fairhurst		
Susan Spilsbury		
Slobhan McGovern		(appointed 17 November 2024)
Gillian Taleyakhon		(appointed 17 November 2024)
The Rev Markus Duenzkofer	Rector	(resigned 19 August 2024)
Nicky Benn	Treasurer	(resigned 5 December 2023)
Rachael Murphy	Secretary	(resigned 31 October 2024)
Ioan Kettle	Alternate Lay Representative	(resigned 16 July 2023)
Anthony Falconer		(resigned 4 November 2023)

Iain Herbert, Operations Manager, is included in Key Management Personnel but does not sit on Vestry.

Structure, governance and management

The Church of St John the Evangelist ('the Church') is a component part of the Scottish Episcopal Church (SEC) in communion with the Anglican Church. The superior authority is the Bishop of Edinburgh. The present constitution of the church dates from 1817 and was last revised in 2020. It is available for inspection on request.

The Trustees of the Church are the members of Vestry whose constitutionally appointed officers are The Rector and Associate Rector, Secretary and Treasurer, up to eight elected members and up to five co-opted members. The Lay Representative and Alternative Lay Representative to the Synods of the SEC are ex officio members of the Vestry.

The church has a wholly owned trading subsidiary, Cornerstone Developments (Edinburgh) Limited (CDEL), which operates the Cornerstone Centre and acts as landlord for the Terrace properties and managing the lets of the halls and other facilities. CDEL has its own Board of Directors.

Church of St John the Evangelist

Report of the Vestry for the year ended 31 July 2024

Structure, governance and management (continued)

The Vestry meets ten times per annum (monthly with the exceptions of July and December). The Vestry is drawn from the members of the congregation who serve for a term of four years and are eligible for re-election for one further term of four years if they so desire. Thereafter, they must stand down for at least one year. The Lay Representative and Alternate Lay Representative are elected annually. New members are inducted on to Vestry through an induction and training process which includes their responsibilities as a trustee, provision of a copy of the constitution of the Church and of its standing orders and provision of the annual accounts to assist them in the execution of their duties.

There are sub-committees who report to the Vestry who cover the following areas of Church activities – Finance, Fabric and Personnel. Each sub-committee has its own Remit and Convenor who reports to the Vestry on a regular basis.

Day to day management and responsibility for the Church's activities rest with the Rector, Associate Rector and Operations Manager. The management of CDEL's activities is carried out by the Operations Manager, reporting into the Board of Directors of the trading company.

Key management personnel of the Group constitute the Vestry, the Rector and Associate Rector and the Operations Manager. The Rector and Associate Rector are ex officio members of the Vestry and as such receive remuneration, benefits and expenses in respect of services as stipendiary clerics. No other member of Vestry received remuneration or expenses. Remuneration of key management personnel is set by Vestry annually, with reference to church stipendiary scales and local market conditions.

Objectives and activities

The Church, by the grace of the Spirit, seeks to be an open community, walking in the way of Jesus, engaging with an ever-changing world and living a faith which is timeless yet contemporary, thoughtful and compassionate.

Our aim is to provide an attractive worshipping community to encourage others to seek out the truth of Jesus and in so doing, increase our congregation and those coming to faith through our ministry.

We deliver those aims through having our church open and available for as long as we can resource, and in the provision of services and outreach which reach people where they are.

Achievements and performance

The Church

The congregation of St John's is the bedrock of all the Church is and does, and members of the congregation continue to serve the church and the wider community through prayer, volunteering, and financial support. St John's continues to serve all ages within the church community and to develop our wider mission to the city and world beyond.

This year, congregation numbers have grown by some 10-20% and are now above pre-covid levels. The church has seen a particular increase in growth among the 20-30s demographic, and among young families. This owes itself in part to the founding of a new all-age eucharist on Friday mornings, and new opportunities for volunteering, including a new soup kitchen – 'Welcome Space' – which is managed by younger members of the church. The schedule of regular worship under normal circumstances consists of a eucharist service on Wednesdays, Thursdays, and Fridays and a contemplative prayer service on Tuesdays. Once a month, there is an additional prayer service on Tuesdays. On Sundays, there are two Eucharists (one sung), Choral Matins (except the first Sunday of the month) and Choral Evensong. Compline continues to be offered seasonally.

Occasional offices continue to be a core mission of the church, with 10 baptisms, 11 funerals, and 7 weddings over the course of the year. Members of the clergy team also continue to carry out regular pastoral visits to members of the congregation unable to attend services in-person, and to distribute Holy Communion in care homes and hospitals on a regular basis. The choir, too, continues to flourish and alongside singing three regular services for some 48 Sundays of the year has also been on two tours, sung at various weddings and funerals, and performed at each of the festival services of the liturgical year.

Church of St John the Evangelist

Report of the Vestry for the year ended 31 July 2024

Achievements and performance (continued)

The Church (continued)

Our teaching ministry is offered both online and in person. We will run the Alpha Course sporadically and continue to run "Exploring Faith Matters", a four-year lay theological training programme. There are plans to continue co-hosting a theological symposium with New College Edinburgh annually. We have seen recent growth in attendance and membership, mostly fuelled by the arrival of a number of new members under the age of 35 (including young families). Some meet weekly to discuss issues of faith, theology, and spirituality. A review of our catechumenal programme will be underway shortly.

We continue to build on our denominational relationships within the Diocese of Edinburgh, the wider Scottish Episcopal Church and the Anglican Communion.

CDEL

Glenfinlas continue to lease the café unit from CDEL and have provided monthly rental income throughout the year. There has been a clear level of growth in their operation throughout the year although they are still not open 7 days a week during the peak months. The lease arrangement includes provision for a percentage take of revenue over a certain threshold, but this arrangement has yet to see fruit. Both the One World Shop and Pulse have reported a strong year of trade and continue to pay their rentals on time. This, however, has not been the case with the Bookshop which, after much discussion with their Board and support from the church, is looking to cease trading at the end of this calendar year. The unit will become available for re-let in January 2025 and we are in discussions with a number of interested parties.

The annual craft fair is held on the terraces in August. This year, we electronically counted the footfall, and we estimate that some 63,000 people visited our grounds in August. We are looking forward to our first Christmas Market this year in conjunction with 3D2D, the operators of the festival craft fair.

With the support of the St John's Guardians, the Church was able to open more regularly for visitors which in turn helped to increase footfall to the units on the lower terrace. The Hall rental enquiries have increased, rising by 18% in the first part of 2024 with over 460 inquiries.

We ended the year with income generation relatively flat but with active plans in place to expand operations creatively, as well as commencing the renegotiation of our current unit leases. Although our vision is long-term, every step forward has to be viable for the short-term and we continue to resist expenditure that is not aimed at generating a greater income.

Financial review

Results for the year

The financial statements for the year are set out on pages 10 to 25 and include both the results of the Church and the consolidated results of the Church and CDEL. The Statement of Financial Activities of the Group on page 10 reflects net expenditure of £31,349 (2023: net expenditure of £176,488). This deficit is made up of net expenditure of the Church of £3,160,103 (including exceptional write-offs of £3,421,303) and net income of CDEL of 3,128,754.

The Group deficit is set to continue and St John's 2025 budget anticipates an £11,100 loss. This is of concern as there are no "special circumstances" that produce this. The deficit would be even greater were our clergy costs not reduced as a result of our Rector's departure; the inevitable delays in bringing staffing back to normal and other windfall savings. In fact, without those factors our deficit would be forecast at over £30,000.

The trading subsidiary CDEL produced a trading surplus this year but suffered a large deficit due to the level of loan interest charged on the intercompany loan and the depreciation charge on the Cornerstone Centre asset. The Trustees of the Church and the Board of CDEL have recognised that the business model designed when the trading company was set up is not tenable for the company going forward. A restructuring of the debt was agreed between the Vestry and the Board of CDEL to match the intercompany debt with the bank loan so that CDEL will continue to meet the costs of this debt.

Church of St John the Evangelist

Report of the Vestry for the year ended 31 July 2024

Financial review (continued)

Reserves policy

The total unrestricted reserves of the Church held at 31 July 2024 amounted to £663,395 (2023: £3,821,612) and for the consolidated group to £2,452,545 (2023: £2,482,008). Our reserves policy is to maintain cash reserves of six months of our operational costs. These allow us to absorb the forecast deficit. Our reserves target currently equates to £250,000.

With £76,049 in the general fund at the year-end, the Trustees are working hard to address this deficit and build reserves for the future stability of the Charity. Our congregation is growing, income from hire of church facilities continues to increase and CDEL has real opportunities to boost its revenues from the present estate.

Future plans

As the Church enters a period of vacancy, plans for the year ahead are focused mainly on conducting a thorough congregational review and producing a church profile, both of which will lead eventually to the calling of a new rector. This will involve an extensive review of all our activities and ministries, along with the production of a 5-year financial plan. Notwithstanding the demands of a vacancy period, however, the Church will continue to live out its core mission and thereby both to consolidate our recent growth and ensure a flourishing future.

For our Group cost challenges, particularly in our trading subsidiary, Vestry has established a revitalised Finance Committee empowered to work on the revenue and costs challenges in the following projects:

1. Cornerstone Bookshop relocation

We will continue to support the bookshop by forgiving rent and the repayment of monies owed to us until January 2025. From that point the space they currently occupy will be freed up to be let on a commercial basis. The bookshop will relocate to the back of the church probably in two phases: a short term reduced operation requiring little investment/building work and then a later bigger operation requiring some capital spend (but not until St John's is operating sustainably in surplus).

2. Renegotiation of existing commercial tenant rates

There are now strong relationships with CDEL's existing tenants. It should be remembered that while their rents are at a discount to market, those rents were set at a price to attract them to new and unproven business premises. However, now we plan to renegotiate those rents on a more commercial basis and we will progress this during the new financial year.

3. Exploring potential commercial revenue opportunities as agreed with Vestry

These are likely to be an important part of our sustainability going forward. There are several proposals ranging from enhancing the forecourt by Lothian Road for small commercial vendors to the development of our church tower as a tourist attraction. We will focus on those opportunities which do not require a high injection of cash; investing in large, complex or expensive projects would need a development partner who could provide capital and development expertise while simpler ideas would require discipline in terms of cost outlay. These initiatives require a short form plan that can be presented to vestry and communicated with the wider congregation before being commissioned. One initiative we will progress immediately is to let the vacant rectory on a short-let basis.

4. Stewardship campaign (regular giving)

St John's is growing in terms of congregation size and yet congregational giving has declined, so Vestry has agreed to initiate a stewardship campaign during the Easter period. The Finance Committee will support this with the provision of clear compelling financial information that allows the congregation to see the good use to which their generosity is put. The financial arguments for giving are strong but they need to be made clearly particularly to those who might be new to the church. This initiative alone might be sufficient to transform our revenues and put our finances on a sustainable footing.

Church of St John the Evangelist

Report of the Vestry for the year ended 31 July 2024

Financial review (continued)

Future plans (continued)

5. The organ

At the beginning of the financial year it was thought that a speedy refurbishment of the organ – such an integral part of worship in our church – was a critical project that might cost as much as £1.2 million. It now appears that the costs are nowhere near as high and more importantly might be deferred for up to 5 years. This is very good news: trying to raise funds in the short term for organ refurbishment would seriously hamper our plans to increase revenues from sustainable giving more generally.

We need to plan a fund raising and grant seeking campaign that might begin around 2027 and in that time set aside monies to fund the acquisition of a temporary digital solution which might be sold on when refurbishment is completed.

Going concern

We are pleased to report that we continue to fully service the CAF loan (capital and interest). The increase in interest rates has meant that we have taken the prudent decision to pay down more of the capital balance to reduce the interest charges. These funds were secured through the sale of the Cornwall Street flat.

We would like to record our thanks to the numerous parties who have helped us financially during the year especially the congregation who continue to provide essential income through donations, regular giving and legacy offers. These funds help both St John's and CDEL to cover all monthly commitments (staffing, facilities, loan payments, quota) and invest in repairs and maintenance to the building property.

Investment policy

The Vestry is authorised by its Constitution to invest unrestricted funds in securities suitable for the Investment of Trust Funds, including heritable property and investment in a wider range of securities can be made upon the advice of a qualified financial adviser.

The principal investment of the Church has been the loan to the trading subsidiary, CDEL. The establishment of the terms of this loan and the structure of the division of assets into the trading vehicle have been demonstrated now to be flawed, with the interest and depreciation charges far outweighing even the turnover of the trading company. Vestry has revisited the business model and looked at forward projections for CDEL to establish to what extent the subsidiary will be able to service both the formal loan and current account inter-entity balance due to the Church. Accordingly, Vestry has reduced the value of the intercompany loan to match the external CAF bank loan and written off the intercompany debtor.

Grant making policy

The Rector and Associate Rector are both provided with modest discretionary funds with which to make small grants to individuals in need.

Related parties and cooperation with other organisations

The Church has had close working relationships with both the Just Festival and the Cornerstone Bookshop through the years. While both organisations operate independently with their own Boards, they have reached the same conclusion that they will cease to operate and close down the charities accordingly. They have both thanked the Church for our support.

Risk assessment and management

The Vestry has assessed the major risks to which the Church is exposed, in particular those related to the operations and finances of the Church, retention of key personnel, Health and Safety and the stewardship of a Grade A building. A risk management process is used to identify and mitigate those risks which is maintained by the Risk Register sub-group. The key mitigating strategies in place in respect of these include holding appropriate insurance cover and regular reviews and reports to Vestry on operational, financial and property matters, adherence to regulatory requirements and staff policies.

Church of St John the Evangelist

Report of the Vestry for the year ended 31 July 2024

Risk assessment and management (continued)

The risks associated with CDEL are primarily financial and those associated with leasing rental units and premises space. Financial controls are in place to monitor performance and to give early warning indicators of changes required.

Statement of responsibilities of the Vestry

The Vestry, who are the Trustees of the Church for the purposes of charity law, is responsible for preparing the Report of the Vestry and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Charity law 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 Church and of its income and expenditure for that year.

In preparing these financial statements, the Vestry is 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 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 Church will continue in operation.

The Vestry is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Church and enable it to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Constitution of the Church. The Vestry is 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.

Statement as to disclosure of information to auditors

To the knowledge and belief of each member of the Vestry, at the time the report is approved:

- So far as each member of the Vestry is aware, there is no relevant information of which the charity's auditor is unaware; and
- Each member of the Vestry has taken all the steps that he/she ought to have taken as a member of the Executive Committee in order to make him/herself aware of any relevant audit information and to establish that the charity's auditor is aware of the information.

On behalf of the Vestry



Jean Grier

Chair

Date: 30 April 2025

Church of St John the Evangelist

Report of the Independent Auditor to the Vestry for the year ended 31 July 2024

Opinion

We have audited the consolidated financial statements of The Church of St Johns the Evangelist (the 'parent' charity) for the year ended 31 July 2024 which comprise the Consolidated and Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated 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 FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2024 and of its income or expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Material uncertainty related 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.

We draw attention to note 22 in the financial statements. These conditions indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Church of St John the Evangelist

Report of the Independent Auditor to the Vestry for the year ended 31 July 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 and Trustees Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 6, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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:

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

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

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

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

Church of St John the Evangelist

Report of the Independent Auditor to the Vestry for the year ended 31 July 2024

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

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

Use of our report

This report is made solely to the charity's members and trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
EH3 6AT

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

30 April 2025

Church of St John the Evangelist

Consolidated Statement of Financial Activities (Group)
For the year ended 31 July 2024

	Notes	Group			2024 Total £	Group			2023 Total £
		General fund £	Designated funds £	Restricted funds £		General fund £	Designated funds £	Restricted funds £	
Income and endowments									
Donations and legacies	2	344,342	3,381	-	347,723	241,067	3,410	10,000	254,477
Other trading activities	3	176,503	-	-	176,503	155,475	-	-	155,475
Investments	4	770	-	-	770	660	-	-	660
Other Income	5	137,039	-	-	137,039	-	-	-	-
Total income and endowments		658,654	3,381	-	662,035	397,202	3,410	10,000	410,612
Expenditure									
Raising funds	6	75,339	112,025	-	187,364	60,622	120,269	-	180,891
Charitable activities	7	451,361	8,800	1,886	462,047	349,788	8,890	-	358,678
Other costs	9	123	43,850	-	43,973	285	47,246	-	47,531
Total expenditure		526,823	164,675	1,886	693,384	410,695	176,405	-	587,100
Net income/(expenditure)		131,831	(161,294)	(1,886)	(31,349)	(13,493)	(172,995)	10,000	(176,488)
Transfers between funds	17	(190,766)	190,766	-	-	(73,575)	73,575	-	-
Net movement in funds		(58,935)	29,472	(1,886)	(31,349)	(87,068)	(99,420)	10,000	(176,488)
Total funds brought forward		143,454	2,338,554	10,000	2,492,008	230,522	2,437,974	-	2,668,496
Total funds carried forward		84,519	2,368,026	8,114	2,460,659	143,454	2,338,554	10,000	2,492,008
Represented by:									
General fund	17	84,519	-	-	84,519	143,454	-	-	143,454
Designated funds	17	-	2,368,026	-	2,368,026	-	2,338,554	-	2,338,554
Restricted funds	17	-	-	8,114	8,114	-	-	10,000	10,000
Total funds		84,519	2,368,026	8,114	2,460,659	143,454	2,338,554	10,000	2,492,008

All income and expenditure is derived from continuing activities.
The notes on pages 15 to 25 form part of these financial statements.

Church of St John the Evangelist

Statement of Financial Activities (Charity only)
For the year ended 31 July 2024

	Notes	General fund £	Designated funds £	Restricted funds £	2024 Total £	General fund £	Designated funds £	Restricted funds £	2023 Total £
Income and endowments									
Donations and legacies	2	344,342	3,381	-	347,723	241,067	3,410	10,000	254,477
Other trading activities	3	46,622	-	-	46,622	33,359	-	-	33,359
Investments	4	235,836	-	-	235,836	185,695	-	-	185,695
Other Income	5	137,039	-	-	137,039	-	-	-	-
Total income and endowments		763,839	3,381	-	767,220	460,121	3,410	10,000	473,531
Expenditure									
Raising funds	6	-	-	-	-	-	-	-	-
Charitable activities	7	451,361	8,800	1,886	462,047	349,788	8,890	-	358,678
Other costs	9	123	43,850	-	43,973	285	47,246	-	47,531
Total expenditure		451,484	52,650	1,886	506,020	350,073	56,136	-	406,209
Net gains/(losses) on investments	10	-	(2,598,031)	-	(2,598,031)	-	-	-	-
Net income/(expenditure)		312,355	(2,647,300)	(1,886)	(2,336,831)	110,048	(52,726)	10,000	67,322
Transfers between funds	17	(368,635)	368,635	-	-	(208,101)	208,101	-	-
Other recognised gains/losses:									
Exceptional write-off of Intercompany debt	10	-	(823,272)	-	(823,272)	-	-	-	-
Net movement in funds		(56,280)	(3,101,937)	(1,886)	(3,160,103)	(98,053)	155,375	10,000	67,322
Total funds brought forward		132,329	3,689,283	10,000	3,831,612	230,382	3,533,908	-	3,764,290
Total funds carried forward		76,049	587,346	8,114	671,509	132,329	3,689,283	10,000	3,831,612
Represented by:									
General fund	17	76,049	-	-	76,049	132,329	-	-	132,329
Designated funds	17	-	587,346	-	587,346	-	3,689,283	-	3,689,283
Restricted funds	17	-	-	8,114	8,114	-	-	10,000	10,000
Total funds		76,049	587,346	8,114	671,509	132,329	3,689,283	10,000	3,831,612

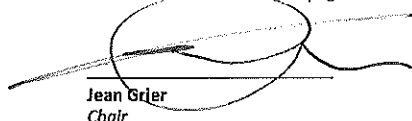
All income and expenditure is derived from continuing activities.
The notes on pages 15 to 25 form part of these financial statements.

Church of St John the Evangelist

Consolidated Balance Sheet (Group)
As at 31 July 2024

	Notes	General fund	Designated funds	Restricted funds	2024 Total	General fund	Designated funds	Restricted funds	2023 Total
		£	£	£	£	£	£	£	£
Fixed assets									
<i>Tangible assets</i>									
Heritable property and plant	12	-	2,619,810	-	2,619,810	-	3,059,662	-	3,059,662
Furniture and equipment	12	-	185	-	185	377	-	-	377
Total fixed assets		<u>-</u>	<u>2,619,995</u>	<u>-</u>	<u>2,619,995</u>	<u>377</u>	<u>3,059,662</u>	<u>-</u>	<u>3,060,039</u>
Current assets									
Debtors	14	55,936	-	-	55,936	78,912	-	10,000	88,912
Cash at bank and in hand		86,288	-	8,114	94,402	124,697	-	-	124,697
Total current assets		<u>142,224</u>	<u>-</u>	<u>8,114</u>	<u>150,338</u>	<u>203,609</u>	<u>-</u>	<u>10,000</u>	<u>213,609</u>
Liabilities									
Creditors: falling due within one year	15	57,705	5,448	-	63,153	60,532	16,986	-	77,518
Net current assets		<u>84,519</u>	<u>(5,448)</u>	<u>8,114</u>	<u>87,185</u>	<u>143,077</u>	<u>(16,986)</u>	<u>10,000</u>	<u>136,091</u>
Total assets less current liabilities		<u>84,519</u>	<u>2,614,547</u>	<u>8,114</u>	<u>2,707,180</u>	<u>143,454</u>	<u>3,042,676</u>	<u>10,000</u>	<u>3,196,130</u>
Creditors: falling due after more than one year	16	-	246,521	-	246,521	-	704,122	-	704,122
Net assets		<u>84,519</u>	<u>2,368,026</u>	<u>8,114</u>	<u>2,460,659</u>	<u>143,454</u>	<u>2,338,554</u>	<u>10,000</u>	<u>2,492,008</u>
Funds of the Charity									
General fund	17	84,519	-	-	84,519	143,454	-	-	143,454
Designated funds	17	-	2,368,026	-	2,368,026	-	2,338,554	-	2,338,554
Restricted funds	17	-	-	8,114	8,114	-	-	10,000	10,000
Total funds		<u>84,519</u>	<u>2,368,026</u>	<u>8,114</u>	<u>2,460,659</u>	<u>143,454</u>	<u>2,338,554</u>	<u>10,000</u>	<u>2,492,008</u>

The financial statements on pages 10 to 25 were approved by the Members of Vestry on 30 April 2025 and signed on their behalf by:


Jean Grier
Chair

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

Church of St John the Evangelist

Balance Sheet (Charity only)
As at 31 July 2024

	Notes	General fund	Designated funds	Restricted funds	2024 Total	General fund	Designated funds	Restricted funds	2023 Total
		£	£	£	£	£	£	£	£
Fixed assets									
<i>Tangible assets</i>									
Heritable property and plant	12	-	587,161	-	587,161	-	920,888	-	920,888
Furniture and equipment	12	-	185	-	185	377	-	-	377
<i>Investments</i>									
Loan to group undertaking	13	-	251,969	-	251,969	-	2,850,000	-	2,850,000
Total fixed assets		-	839,315	-	839,315	377	3,770,888	-	3,771,265
Current assets									
Debtors	14	50,857	-	-	50,857	57,882	639,503	10,000	707,385
Cash at bank and in hand		61,080	-	8,114	69,194	92,109	-	-	92,109
Total current assets		111,937	-	8,114	120,051	149,991	639,503	10,000	799,494
Liabilities									
Creditors: falling due within one year	15	35,888	5,448	-	41,336	18,039	16,986	-	35,025
Net current assets		76,049	(5,448)	8,114	78,715	131,952	622,517	10,000	764,469
Total assets less current liabilities		76,049	833,867	8,114	918,030	132,329	4,393,405	10,000	4,535,734
Creditors: falling due after more than one year	16	-	246,521	-	246,521	-	704,122	-	704,122
Net assets		76,049	587,346	8,114	671,509	132,329	3,689,283	10,000	3,831,612
Funds of the Charity									
General fund	17	76,049	-	-	76,049	132,329	-	-	132,329
Designated funds	17	-	587,346	-	587,346	-	3,689,283	-	3,689,283
Restricted funds	17	-	-	8,114	8,114	-	-	10,000	10,000
Total funds		76,049	587,346	8,114	671,509	132,329	3,689,283	10,000	3,831,612

The financial statements on pages 10 to 25 were approved by the Members of Vestry on 30 April 2025 and signed on their behalf by:



Jean Grier
Chair

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

Church of St John the Evangelist

Statement of Cash Flows (Group and Charity)
For the year ended 31 July 2024

	Group		Charity	
	2024 Total £	2023 Total £	2024 Total £	2023 Total £
Cash flows from operating activities				
Net (expenditure)/income for the year	(31,349)	(176,488)	(3,160,103)	67,322
Adjust for non-cash items:				
Depreciation expense	120,825	129,119	8,800	8,850
(Gain)/loss on sale of asset	(137,039)	40	(137,039)	40
Investment income (shown in investing activities below)	(770)	(660)	(235,836)	(185,695)
(Decrease)/increase in investment provisions	-	-	2,598,031	-
Decrease/(increase) in debtors	32,976	(11,068)	656,528	(143,349)
(Decrease)/increase in creditors	(2,827)	(13,540)	17,849	(12,589)
Cash used by operating activities	(18,184)	(72,597)	(251,770)	(265,421)
Cash flows from investing activities				
Investment income	770	660	235,836	185,695
Sale/(purchase) of fixed assets	456,258	(11,193)	462,158	-
Cash used by investing activities	457,028	(10,533)	697,994	185,695
Cash flows from financing activities				
Repayment of borrowings	(469,139)	(18,384)	(469,139)	(18,384)
Cash used by financing activities	(469,139)	(18,384)	(469,139)	(18,384)
Change in cash and cash equivalents in the year	(30,295)	(101,514)	(22,915)	(98,110)
Cash and cash equivalents at the start of the year	124,697	226,211	92,109	190,219
Cash and cash equivalents at the end of the year	94,402	124,697	69,194	92,109
Analysis of cash and cash equivalents				
Cash at bank	94,402	124,697	69,194	92,109
Analysis of changes in net debt	At start of year	Cashflows	Non-cash changes	At end of year
	£	£	£	£
Cash	124,697	(30,295)	-	94,402
Loans falling due within one year	(16,986)	469,139	(457,601)	(5,448)
Loans falling due after more than one year	(704,122)	-	457,601	(246,521)
Total	(596,411)	438,844	-	(157,567)

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

Church of St John the Evangelist

Notes to the Consolidated Financial Statements for the year ended 31 July 2024

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The group financial statements consolidate the financial statements of the Church of St John the Evangelist and its subsidiary company, Cornerstone Development (Edinburgh) Limited (CDEL).

The Church of St John the Evangelist constitutes a public benefit entity as defined by FRS102.

The accounts have been prepared on the going concern basis. Vestry are of the opinion that the charitable group can continue to meet its obligations as they fall due. The operating climate and cash flow financing continues to be challenging however, so the very necessary decision was taken to write-off the loan and inter-entity balance with the trading subsidiary in the year. Further detail on this is contained in note 22.

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 value 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.

Income

All income is included on the Statement of Financial Activities when the Church is legally entitled to the income and the amount can be quantified with reasonable accuracy. In particular:

- Income tax recoverable on donations received under Gift Aid is recognised at the time of the donation.
- Grants receivable are recognised when the Church has entitlement to the funds, any performance conditions are met, the amount can be measured reliably and no deferral is required.
- Rents received in advance are deferred and released in the period to which they relate.

Donated goods and services, principally the service of volunteers, have not been quantified for the purposes of the financial statements.

Expenditure

Expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation. It has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Support costs are those costs incurred directly in support of expenditure on the objects of the Church. The Church is not registered for VAT so all expenditure is shown gross. CDEL is registered for VAT, but only benefits from a partial recovery, so group expenditure is stated inclusive of irrecoverable VAT.

Operating leases

The Church has office equipment which is leased. The title to the equipment remains with the lessor and rental charges are charged on a straight line basis to the SOFA over the term of the lease.

Church of St John the Evangelist

Notes to the Consolidated Financial Statements for the year ended 31 July 2024

Pensions

The Church is a member of a multi-employer defined benefit pension scheme for some employees. The assets of the scheme are held separately from those of the Church. Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value.

The Group also operates a defined contribution pension scheme for other employees and pension contributions are charged as they fall due.

Taxation

The Church is exempt from Corporation Tax on its charitable activities. CDEL is liable to Corporation Tax but has been in a loss-making position since the company commenced trading, so has no tax liabilities to date.

Fixed assets and depreciation

Fixed assets are initially recorded at cost. Purchases of furniture and equipment greater than £500 are capitalised. Depreciation is provided on all fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life as follows:

Cornerstone Centre	25 years
Church central heating	25 years
Furniture and equipment	10 years
IT equipment	3-5 years

No depreciation is charged on heritable property held by the Church other than the development costs of the Cornerstone Centre which are depreciated over the length of the lease granted to it by the Church.

Investments in subsidiary

The investment in subsidiary is stated at cost less accumulated impairment losses in the balance sheet.

Stocks

Stocks comprise café consumables and are valued at cost.

Financial instruments

The Charity has no complex financial instruments, but does hold basic financial instruments of cash at bank, bank loans, debtors and creditors.

- Cash at bank includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit account.
- The bank loan is accounted for at cost.
- Debtors are valued at cost at the year-end and adjusted for any amounts considered to be irrecoverable.
- Creditors are valued at cost at the year-end and split between amounts due in less than one year and amounts due in more than one year.

Intercompany loan

The loan from the Church to CDEL is considered a mixed motive investment having been made both to generate a financial return and to contribute to the charitable purposes of the Church. The loan is recognised at cost and is adjusted each year to reflect repayments of the capital and any provisions made against its recoverability.

Fund accounting

For the purpose of the Statement of Financial Activities, funds are defined as follows:

- *Unrestricted* funds comprise income received for the objects of the Church without further specified purpose and are available as general funds.
- *Designated* funds comprise those unrestricted funds which Vestry have designated for specific purposes.
- *Restricted* funds comprise income which has been received for the objects of the Church and specified for a restricted purpose within these objects by the donor.

Church of St John the Evangelist

Notes to the consolidated financial statements
For the year ended 31 July 2024

2. Donations and legacies

	Group		Charity	
	2024 Total £	2023 Total £	2024 Total £	2023 Total £
Donations, collections and porch box	167,647	194,079	167,647	194,079
Gift aid tax receivable	37,459	36,398	37,459	36,398
Grants - restricted	-	10,000	-	10,000
Legacies	11,134	14,000	11,134	14,000
Funds transferred from ECCT	131,483	-	131,483	-
	347,723	254,477	347,723	254,477

3. Other trading activities

	Group		Charity	
	2024 Total £	2023 Total £	2024 Total £	2023 Total £
Letting income	37,075	28,696	37,075	28,696
Weddings and funerals	6,350	4,642	6,350	4,642
Other income	3,197	21	3,197	21
Income received by subsidiary company (see below)	129,881	122,116	-	-
	176,503	155,475	46,622	33,359

Income received by subsidiary company:

Cornerstone Developments (Edinburgh) Limited

The 100% owned subsidiary of the Church, Cornerstone Developments (Edinburgh) Limited (CDEL) is a Company limited by guarantee and incorporated in the UK (Company number SC528276). It operates the Cornerstone Centre and an extract of its trading results from its audited financial statements are provided below:

The trading results of CDEL are:

	Year ended 31 July 2024 £	Year ended 31 July 2023 £
Turnover	128,927	121,416
Cost of sales	(27,897)	(21,625)
Gross profit	101,030	99,791
Other income	954	700
Administration costs:		
Audit fees	(3,000)	(3,000)
Other administration costs	(156,467)	(163,195)
Loan interest	(235,066)	(185,035)
Exceptional write back of intercompany debt	3,421,303	-
Profit/(loss) for the period	3,128,754	(250,739)

The assets and liabilities of CDEL are:

	Year ended 31 July 2024 £	Year ended 31 July 2023 £
Fixed assets	2,101,690	2,207,816
Current assets	30,287	53,618
Current liabilities	(273,786)	(3,531,997)
Net current liabilities	(243,499)	(3,478,379)
Liabilities due after more than one year	-	-
Net liabilities	1,858,191	(1,270,563)

Church of St John the Evangelist

Notes to the consolidated financial statements
For the year ended 31 July 2024

4. Investment income

	Group		Charity	
	2024	2023	2024	2023
	Total	Total	Total	Total
	£	£	£	£
Interest on loan to subsidiary company	-	-	235,066	185,035
Bank interest	770	660	770	660
	770	660	235,836	185,695

5. Other income

	Group		Charity	
	2024	2023	2024	2023
	Total	Total	Total	Total
	£	£	£	£
Gain on sale of assets	137,039	-	137,039	-
	137,039	-	137,039	-

6. Expenditure on raising funds

	Group		Charity	
	2024	2023	2024	2023
	Total	Total	Total	Total
	£	£	£	£
Operating costs of subsidiary company	187,364	180,891	-	-
	187,364	180,891	-	-

Church of St John the Evangelist

Notes to the consolidated financial statements
For the year ended 31 July 2024

7. Expenditure on charitable activities

	Group		Charity	
	2024 Total £	2023 Total £	2024 Total £	2023 Total £
Direct costs				
Staff costs (see note 8)	182,019	142,710	182,019	142,710
Other clergy costs	5,309	590	5,309	590
Music, liturgy and worship	22,747	16,435	22,747	16,435
Diocesan quota	27,904	29,733	27,904	29,733
Property maintenance costs	38,957	38,304	38,957	38,304
Property running costs	98,851	60,608	98,851	60,608
Property rental costs	26,340	11,280	26,340	11,280
Insurance	10,764	9,801	10,764	9,801
Depreciation	8,800	8,850	8,800	8,850
Loss on disposal of asset	-	40	-	40
Outreach activities:				
Grant to Cornerstone Bookshop	3,750	-	3,750	-
Ministry, mission and outreach costs	7,637	11,134	7,637	11,134
Support costs				
Other staff and volunteer costs	175	658	175	658
Office and IT costs	16,233	19,807	16,233	19,807
Operating lease rentals	1,061	-	1,061	-
Accounting support costs	3,920	3,748	3,920	3,748
Governance costs				
Auditor's remuneration:				
- In respect of audit services	4,560	4,800	4,560	4,800
Legal and professional fees	3,020	180	3,020	180
	462,047	358,678	462,047	358,678
Of which:				
Relating to unrestricted general fund	451,361	349,788	451,361	349,788
Relating to unrestricted designated funds	8,800	8,890	8,800	8,890
Relating to restricted funds	1,886	-	1,886	-

Further analysis of the charitable activities is not provided as the trustees believe the charity has only 1 main activity.

8. Staff costs and numbers

	Group		Charity	
	2024 Total £	2023 Total £	2024 Total £	2023 Total £
Gross stipends and salaries	148,328	114,498	148,328	114,498
Employer's NI	7,749	5,917	7,749	5,917
Pension contributions	25,942	22,295	25,942	22,295
	182,019	142,710	182,019	142,710
Average number of employees	8	6	8	6

No employees received more than £60,000 in the year (2023: nil).

Key management personnel of the Church and Group are the Rector, Associate Rector and Operations Manager. The remuneration of key management personnel amounted to £130,416 (2023: £109,788), of which £12,000 (2023: £12,000) was recharged to CDEL based on time spent, charged at an arm's length commercial rate.

Key management personnel of the Group are the same as for the Church, while CDEL has its own Board of Directors and contribute towards their share of the Operations Manager's time.

No accrual has been made for holiday pay due at the year-end as the amount is considered immaterial.

Church of St John the Evangelist

Notes to the consolidated financial statements
For the year ended 31 July 2024

9. Other costs

	Group		Charity	
	2024	2023	2024	2023
	Total	Total	Total	Total
	£	£	£	£
Bank loan interest	43,850	47,246	43,850	47,246
Bank charges	123	285	123	285
	<u>43,973</u>	<u>47,531</u>	<u>43,973</u>	<u>47,531</u>

10. Exceptional items - write-off of intercompany debt

	Group		Charity	
	2024	2023	2024	2023
	Total	Total	Total	Total
	£	£	£	£
Write-down of loan to group undertaking (note 13)	-	-	(2,598,031)	-
Write-down of intercompany debtor (note 14)	-	-	(823,272)	-

Vestry has renegotiated the terms of the loan and the intercompany agreement with the trading subsidiary as the business planning assumptions when they were set up are now considered to be flawed.

The loan owing to the parent charity has been reduced and matched to the level of the outstanding bank loan. The intercompany balance has been re-set at zero.

11. Net income/(expenditure)

Net income/(expenditure) is stated after crediting/(charging):

	Group		Charity	
	2024	2023	2024	2023
	Total	Total	Total	Total
	£	£	£	£
Gain/(loss) on sale of fixed assets	137,039	(40)	137,039	(40)
Auditors' remuneration - audit services only	(4,560)	(4,800)	(4,560)	(4,800)
Depreciation	(120,825)	(129,030)	(8,800)	(8,850)
Operating lease rentals	(27,401)	(11,280)	(27,401)	(11,280)

12. Tangible fixed assets

(a) Group

Cost	Property improvements	Heritable property	Furniture & equipment	Total
	£	£	£	£
At 1 August 2023	2,780,632	1,016,242	1,083	3,797,957
Additions	5,900	-	-	5,900
Disposals	-	(325,000)	(291)	(325,291)
At 31 July 2024	<u>2,786,532</u>	<u>691,242</u>	<u>792</u>	<u>3,478,566</u>
Depreciation				
At 1 August 2023	641,858	95,354	706	737,918
Charge for year	112,025	8,727	73	120,825
Eliminated on disposals	-	-	(172)	(172)
At 31 July 2024	<u>753,883</u>	<u>104,081</u>	<u>607</u>	<u>858,571</u>
Net book value				
At 31 July 2024	<u>2,032,649</u>	<u>587,161</u>	<u>185</u>	<u>2,619,995</u>
At 31 July 2023	<u>2,138,774</u>	<u>920,888</u>	<u>377</u>	<u>3,060,039</u>

Church of St John the Evangelist

Notes to the consolidated financial statements
For the year ended 31 July 2024

12. Tangible fixed assets (continued)

(b) Charity

	Heritable property £	Furniture & equipment £	Total £
Cost			
At 1 August 2023	1,016,242	1,083	1,017,325
Disposals	(325,000)	(291)	(325,291)
At 31 July 2024	691,242	792	692,034
Depreciation			
At 1 August 2023	95,354	706	96,060
Charge for year	8,727	73	8,800
Eliminated on disposals	-	(172)	(172)
At 31 July 2024	104,081	607	104,688
Net book value			
At 31 July 2024	587,161	185	587,346
At 31 July 2023	920,888	377	921,265

13. Investments

	2024 £	2023 £
Loan to group undertaking:		
Balance at 1 August 2023 (2022)	2,850,000	2,850,000
Restructure and write-down of intercompany loan	(2,598,031)	-
Balance at 31 July 2024 (2023)	251,969	2,850,000

The loan provided to Cornerstone Developments (Edinburgh) Limited was approved by Vestry both to generate a financial return and to contribute to the charitable purposes.

It was used to meet the capital build and set up costs for the Cornerstone Centre and bears interest at bank base rate plus 3% per annum.

During 2024/25, Vestry agreed to renegotiate the terms of the loan as the business planning assumptions established when the loan was set up are now considered to be unrealistic.

While the trading subsidiary has made a trading surplus in the year, the depreciation and loan interest charged against its profits are significantly in excess of this surplus.

While this review is undertaken, and in order to provide a prudent view of the church's assets, this loan has been fully provided against until Vestry can establish new terms for the intercompany agreement.

14. Debtors

	Group		Charity	
	2024 Total £	2023 Total £	2024 Total £	2023 Total £
Accounts receivable	6,070	18,050	1,028	200
Gift aid recoverable	10,830	8,947	10,830	8,947
Prepayments and accrued income	39,036	61,915	38,999	58,735
Amounts due from subsidiary company	-	-	-	639,503
	55,936	88,912	50,857	707,385

The intercompany arrangements with the subsidiary trading company have been restructured in the year and the amounts due from the subsidiary company have been written off.

Church of St John the Evangelist

Notes to the consolidated financial statements
For the year ended 31 July 2024

15. Creditors: falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	Total	Total	Total	Total
	£	£	£	£
Bank loan	5,448	16,986	5,448	16,986
Accounts payable	7,602	6,898	1,783	6,020
Taxation and social security	6,764	12,598	2,559	2,593
Other creditors	8,225	5,236	2,740	1,626
Accruals	31,006	8,800	26,806	4,800
Deferred income	4,108	27,000	2,000	3,000
	63,153	77,518	41,336	35,025

Deferred income in the Charity comprises rental income received in advance for a 10 year rental. This will continue to be released at £1,000 per annum until fully realised. The deferred income in the Group also includes rental received for the Craft Fair which was held after year-end.

16. Creditors: falling due after more than one year

	Group and charity	
	2024	2023
	Total	Total
	£	£
Bank loan	246,521	704,122
Due within one year	5,448	16,986
Due in two to five years	21,792	115,326
Due after 5 years	224,729	588,796
	251,969	721,108

The loan is repayable in monthly instalments of capital and interest over a 25 year term commencing in November 2017. The loan bears interest at 3% above base rate and is secured over the Church's heritable property.

The loan covenant is reviewed annually by the lender, based on the annual accounts. At 31 July 2024, the covenants were met.

17. Charity funds

Current year

(a) Group	Balance at 01.08.23	Income	Expenditure	Transfers	Other recog'd losses	Balance at 31.7.24
	£	£	£	£	£	£
Unrestricted funds						
General fund	143,454	658,654	(526,823)	(190,766)	-	84,519
Designated funds						
Assets fund	2,338,554	-	(120,825)	150,297	-	2,368,026
Development fund	-	3,381	(43,850)	40,469	-	-
Total unrestricted funds	2,482,008	662,035	(691,498)	-	-	2,452,545
Restricted funds						
Organ fund	10,000	-	(1,886)	-	-	8,114
Total group funds	2,492,008	662,035	(693,384)	-	-	2,460,659

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17. Charity funds (continued)

Current year (continued)

(b) Charity	Balance at 01.08.23 £	Income £	Expenditure £	Transfers £	Other recog'd losses £	Balance at 31.7.24 £
Unrestricted funds						
General fund	132,329	763,839	(451,484)	(368,635)	-	76,049
Designated funds						
Assets fund	920,888	-	(8,800)	(324,742)	-	587,346
Development fund	2,768,395	3,381	(43,850)	693,377	(3,421,303)	-
Total unrestricted funds	3,821,612	767,220	(504,134)	-	(3,421,303)	663,395
Restricted funds						
Organ fund	10,000	-	(1,886)	-	-	8,114
Total charity funds	3,831,612	767,220	(506,020)	-	(3,421,303)	671,509

Prior year

(a) Group	Balance at 01.08.22 £	Income £	Expenditure £	Transfers £	Other recog'd losses £	Balance at 31.7.23 £
Unrestricted funds						
General fund	230,522	397,202	(410,695)	(73,575)	-	143,454
Designated funds						
Assets fund	2,437,974	-	(129,159)	29,739	-	2,338,554
Development fund	-	3,410	(47,246)	43,836	-	-
Total unrestricted funds	2,668,496	400,612	(587,100)	-	-	2,482,008
Restricted funds						
Organ fund	-	10,000	-	-	-	10,000
Total group funds	2,668,496	410,612	(587,100)	-	-	2,492,008

(b) Charity	Balance at 01.08.22 £	Income £	Expenditure £	Transfers £	Other recog'd losses £	Balance at 31.7.23 £
Unrestricted funds						
General fund	230,382	460,121	(350,073)	(208,101)	-	132,329
Designated funds						
Assets fund	929,616	-	(8,890)	162	-	920,888
Development fund	2,604,292	3,410	(47,246)	207,939	-	2,768,395
Total unrestricted funds	3,764,290	463,531	(406,209)	-	-	3,821,612
Restricted funds						
Organ fund	-	10,000	-	-	-	10,000
Total group funds	3,764,290	473,531	(406,209)	-	-	3,831,612

Explanation of funds

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

The *Designated Assets fund* holds the funds represented by fixed assets (net of the bank loans to fund the development of the Cornerstone Centre in the group accounts). The transfers represent the net of the additions and disposals of properties in the year.

The *Designated Development fund* held the balance of the investment in the subsidiary company now written down to zero at year-end.

The *Restricted Organ fund* holds a grant received for the maintenance of the church organ.

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18. Special collections

In addition to the income in the SOFA, special collections were undertaken for a number of charities and for leaving gifts for clergy. Funds received from the congregation in the year totalled £4,441 (2023: £292) and £2,740 (2023: £1,626) was still to be paid over to the charities at the year-end. This balance has subsequently been cleared.

19. Operating leases

The total of future minimum lease payments on a property rental and the printer under non-cancellable operating leases at 31 July is:

	2024	2023
	Total	Total
	£	£
Payments within one year	4,987	7,646
Payments within two to five years	-	2,387
Payments after more than five years	-	-
	<u>4,987</u>	<u>10,033</u>

20. Pension commitments

The Group subscribes to two pension schemes as follows:

a) Contributions are paid into the Scottish Episcopal Church Pension Fund in respect of the clergy. The scheme is a defined benefit scheme administered by the Scottish Episcopal Church. The contribution rate for the year under review was 32.2%. These contributions are expected to reduce to 22% from 1 January 2025. The current rate is based on the Actuarial Valuation of the Fund as at 31 December 2023 when the Scheme was fully funded with an estimated surplus of £4.6m. As this Scheme is operated by the Scottish Episcopal Church, St John's is unable to identify its share of the liabilities of the scheme on a consistent and reasonable basis and therefore it has been accounted for as if it were a defined contribution scheme, recognising the contributions payable during the year. The pension contributions paid by the Church were £20,604 (2023: £17,736).

b) A defined contribution scheme is operated with NEST, the assets of which are held separately from the Group in independently administered funds. The pension contributions payable by the Group and the Church were £5,572 (2023: £4,559).

21. Vestry and related party transactions

No Vestry member received remuneration or expenses relating to their position as Vestry members (charity trustees).

The Rector and Associate Rector received a standard stipend and payment of pension contributions in accordance with SEC-approved stipendiary amounts. The Rector received a stipend for the year of £34,588, with pension contributions of £10,366. The Associate Rector received a stipend of £29,471 and pension of £10,238. The Rector and Associate Rector occupied property owned by the Church on a rent-free basis, and council tax and energy costs were paid on these on their behalf.

Material transactions with related parties during the year are listed below:

Related party		Amount of	Balance due (to)/by related
		£	£
Cornerstone Developments (Edinburgh) Ltd	Loan	2,850,000	251,969
	Intercompany balance	- 639,503	0
Diocese of Edinburgh	Quota	27,904	-
Cornerstone Bookshop	Rent received	7,500	-
	Donation made	3,750	-

These parties are related to the Church as follows:

Cornerstone Developments (Edinburgh) Ltd	Subsidiary trading company of the Church
Diocese of Edinburgh	The Diocese to which the congregation at St John's belong
Cornerstone Bookshop	The Rector is a Trustee of this charity

Unrestricted donations by members of Vestry to the Church amounted to £4,685 (2023: £5,496).

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22. Going concern

As highlighted in note 1, the accounts have been prepared on the going concern basis.

* For the consolidated group position, we continue to fully service the CAF loan (capital and interest). We have paid down a significant portion of the capital balance in the year through the sale of the Cornwall Street flat and further funds to bolster our reserves have been received through the dissolution of ECCCT, securing a further £130,000 for the work of the church.

* For the church only position, without the trading subsidiary results, the significant asset in the balance sheet is the loan and intercompany debt with CDEL. Vestry has taken the view that it is highly unlikely that this debt is recoverable in the short to medium term. This has been due to a number of external factors, such as covid, but is fundamentally due to a flawed business model in the way that the trading company was set up at the outset. This has resulted in a write-off against the Church accounts this year of £3,421,303 (being £2,598,031 of loan written off and £823,272 of inter-entity debtor) which Vestry believe provides a realistic view of the financial position of the Church.

* For 2025, rental increases have been negotiated for half of the rental units that CDEL operates and a stewardship campaign is being undertaken for the church, both of which are budgeted to increase income to a level which is projected to provide a sustainable business model for the future financial security of the organisation. Large capital expenditure will be avoided in the medium term until reserves are restored to a healthy level.

However cash flow remains challenging. The 2024 results include 2 exceptional income items being the sale of the Cornwall Street property and a one off donation from ECCT. In 2025, legacies considerably in excess of budget have been received. However, whilst this is very welcome and gratefully received, it cannot be relied on. Budgets and projections have been prepared with challenging, but what the Vestry consider to be achievable, targets. Given the level of uncertainty and the dependence on the bank to continue to support with loan financing, a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

23. Events after the end of the year

The church received notification of a legacy before year-end and £39k was accrued for this at year-end. In October 2024, the actual amount received was £127,000 (including the £39k accrued) from the estate executor, with the expectation that further funds are to follow. This will all be included as Income in our accounts to 31 July 2025.