

Church of St John the Evangelist

Vestry Report and Consolidated Financial Statements
For the year ended 31 July 2025

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 2025

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 2025.

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
The Rev Dr David Bagnall
Peter Silver
Nancy Van Kirk
Siobhan McGovern
Alistair Dinnie
Rachael Murphy
Florian Englberger
Morag Fairhurst
Sandra Frost
Susan Spilsbury
Gillian Taleyarkhan
The Rev Markus Duenzkofer
Kevin Ludwick

Chair

(from 2 October 2024)

Associate Rector

Treasurer

(appointed 30 September 2025)

Lay Representative

Alternative Lay Representative (appointed 17 November 2024)

Secretary

(appointed 17 November 2024)

Secretary

(till 31 October 2024)

Rector

(appointed 17 November 2024)

Treasurer

(resigned 19 August 2024)

(resigned 30 September 2025)

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 2025

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

Church activities this year have been dominated by the vacancy process initiated by the departure of our Rector, Markus Duenzkofer, in August 2024. As canonically required, the church embarked upon an extensive recruitment process which involved the appointment of an interim pastor, the forming of a congregational study and profile committee, the production of a church profile, and the eventual shortlisting of candidates and appointing of a new rector. The Reverend Dr David Bagnall was duly appointed on 19 July 2025 and will be formally installed as rector on 16 September 2025.

Beyond these extensive vacancy processes, church life has continued unabated throughout the year. The congregation of St John's continues to be 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 continued to grow by some 10% and are now above pre-covid levels. This year's major festivals saw a particular increase in attendance numbers, with Christmas numbers up by 23%, and Holy Week and Easter by 34%. 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. 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.

Church of St John the Evangelist

Report of the Vestry for the year ended 31 July 2025

Achievements and performance (continued)

The Church (continued)

Occasional offices continue to be a core mission of the church, with 7 baptisms, 6 confirmations, 4 funerals, and 5 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 under the leadership of the new Director of Music, Giles Longstaff, appointed in December 2024, 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.

Our teaching ministry is offered both online and in person. We continue to run “Exploring Faith Matters”, a four-year lay theological training programme. 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 of these 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 Anglican Communion, and on our ecumenical partners within the Edinburgh City Centre Churches Together (ECCCT). A major project commenced this year has been the founding of the Global Centre for Peacebuilding and Business, a new Anglican global peacebuilding initiative of which St John’s is set to play a major part, and which will be formally launched in the new year.

Cornerstone Developments (Edinburgh) Limited (CDEL)

We ended the year with income generation relatively flat but with active plans in place to expand operations creatively, as well as continuing the renegotiation of our current unit leases as they fall due. 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.

Specific items of note this year were:

- The Bookshop unit closed as planned in January 2025 after a long period of trading and some residual stock was passed to CDEL at no cost to be used to start a new ‘Church Shop’ in the near future. After some remedial work, the unit was let to a new organisation called Airchair Therapies at an increased rental value which we agreed to implement on a phased basis and as such will not benefit our income until the following financial year.
- Glenfinlas who operate the Cafe unit have reported an excellent year and are anticipating the payment of a profit share to us at the end of their financial year. This contract falls due for renegotiation in September 2025 and discussions will include Sunday opening during the festival.
- Both the One World Shop and Pulse have reported a strong year of trade and continue to pay their rentals on time. The One World Shop contract was reviewed and a rental increase agreed along with additional charges for utilities.
- The annual craft fair is held on the terraces in August. This year, we electronically counted footfall, and we estimate that some 67,000 people visited our grounds in August. We are looking forward to our second Christmas Market this year in conjunction with 3D2D, the operators of the festival craft fair. This year saw an increased focus on accessibility allowing all visitors to enjoy the facilities freely.
- The Church has been open for increased hours, opening daily from 10am till 4pm. These hours have again been supported by the St John’s Guardians.
- Hall rental enquiries have increased, rising by 18% in the first part of 2024 with over 460 inquiries.

Church of St John the Evangelist

Report of the Vestry for the year ended 31 July 2025

Financial review

Results for the year

The financial statements for the year are set out on pages 10 to 24 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 income of £20,413 (2024: net expenditure of £31,349). This net movement is made up of net income of the Church of £36,476 and net expenditure of CDEL of £16,063.

The Group's small surplus is set to continue, though managing costs this year will continue to be a focus.

The trading subsidiary CDEL produced a trading surplus this year again but the net position was a loss after charging depreciation on the Cornerstone Centre asset and loan interest on the intercompany loan. However, we are encouraged by the significant turnaround in the financial stability of the subsidiary following the debt restructuring we undertook last year and we are optimistic that CDEL will deliver an operating profit for the first time in the new financial year.

Reserves policy

The total unrestricted reserves of the Church held at 31 July 2025 amounted to £687,444 (2024: £663,395) and for the consolidated group to £2,460,531 (2024: £2,452,545). Our reserves policy for the Church is to maintain general 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 £108,869 in the general fund at the year-end, Vestry is working hard to address the deficit and build reserves for the future stability of the Church.

Future plans

This year focussed on the calling of a new Rector - a significant process which involved carrying out an extensive review of all our activities and ministries, along with the production of a 5-year financial plan. Our recent work in realigning the intercompany loan has also helped significantly and our focus continues to be on the cost challenges while the loan is repaid. Vestry has established a revitalised Finance Committee empowered to work on the revenue and costs challenges in the following projects:

1. Stewardship campaign (regular giving)

With the new Rector in post, Vestry plans to initiate a stewardship campaign. 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.

2. Renegotiation of existing commercial tenant rates

There are now strong relationships with CDEL's tenants, whose original rents were set at a price to attract them to new and unproven business premises. However, our focus this year is to continue to renegotiate these leases on a more commercial basis as they fall due.

3. Cornerstone Bookshop relocation

The bookshop, now closed in its previous form, will be relocated to the back of the church with the first phase planned as a short-term simple operation requiring little investment/building work. The plan in the future is to grow this into a bigger operation, requiring some capital spend but only once St John's is operating sustainably in surplus.

4. The Rectory

As part of the congregational review, we considered the rectory and its future. Due to an urgent need for some renovation and modernisation, a budget of £30k has been ring-fenced to carry out this work. We recognise some additional work may be required thereafter and a structured 5 year plan and related budget has been established.

Church of St John the Evangelist

Report of the Vestry for the year ended 31 July 2025

Financial review (continued)

Future plans (continued)

5. 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.

Going concern

As described in note 1 and note 22 of the financial statements, the accounts have been prepared on the going concern basis. However, the financial position continues to be challenging and Vestry are closely monitoring the cash flow and budget projections. The Vestry 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 is the loan to the trading subsidiary, CDEL. Vestry reduced the value of this investment last year and we are pleased to report that the loan terms have been met by the Subsidiary in the current financial year.

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.

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.

Church of St John the Evangelist

Report of the Vestry for the year ended 31 July 2025

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: 26 November 2025

Church of St John the Evangelist

Report of the Independent Auditor to the Vestry for the year ended 31 July 2025

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 2025 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 2025 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, which explains that the financial statements have been prepared on a going concern basis. As set out in Note 22, the charitable group is experiencing ongoing financial challenges and cash flow pressures. In addition, its unrestricted general funds amount to £151,457, which represents a limited level of reserves relative to its operational requirements. These conditions, together with the inherent uncertainty regarding future legacy income and the need to achieve challenging budget targets, indicate that a material uncertainty exists that may cast significant doubt on the charitable group'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.

Church of St John the Evangelist

Report of the Independent Auditor to the Vestry for the year ended 31 July 2025

Other information (continued)

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.

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.

Church of St John the Evangelist

Report of the Independent Auditor to the Vestry for the year ended 31 July 2025

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

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.

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.

26 November 2025

Church of St John the Evangelist

Consolidated Statement of Financial Activities (Group)

For the year ended 31 July 2025

		Group				Group			
		General	Designated	Restricted	2025	General	Designated	Restricted	2024
	Notes	fund	funds	funds	Total	fund	funds	funds	Total
		£	£	£	£	£	£	£	£
Income and endowments									
Donations and legacies	2	418,400	-	12,427	430,827	344,342	3,381	-	347,723
Other trading activities	3	191,872	-	-	191,872	176,503	-	-	176,503
Investments	4	432	-	-	432	770	-	-	770
Other income	5	-	-	-	-	137,039	-	-	137,039
Total income and endowments		610,704	-	12,427	623,131	658,654	3,381	-	662,035
Expenditure									
Raising funds	6	80,081	55,891	-	135,972	75,339	112,025	-	187,364
Charitable activities	7	438,745	8,771	-	447,516	451,361	8,800	1,886	462,047
Other costs	9	19,230	-	-	19,230	123	43,850	-	43,973
Total expenditure		538,056	64,662	-	602,718	526,823	164,675	1,886	693,384
Net income/(expenditure)		72,648	(64,662)	12,427	20,413	131,831	(161,294)	(1,886)	(31,349)
Transfers between funds	17	(5,710)	5,710	-	-	(190,766)	190,766	-	-
Net movement in funds		66,938	(58,952)	12,427	20,413	(58,935)	29,472	(1,886)	(31,349)
Total funds brought forward		84,519	2,368,026	8,114	2,460,659	143,454	2,338,554	10,000	2,492,008
Total funds carried forward		151,457	2,309,074	20,541	2,481,072	84,519	2,368,026	8,114	2,460,659
Represented by:									
General fund	17	151,457	-	-	151,457	84,519	-	-	84,519
Designated funds	17	-	2,309,074	-	2,309,074	-	2,368,026	-	2,368,026
Restricted funds	17	-	-	20,541	20,541	-	-	8,114	8,114
Total funds		151,457	2,309,074	20,541	2,481,072	84,519	2,368,026	8,114	2,460,659

All income and expenditure is derived from continuing activities.

The notes on pages 15 to 24 form part of these financial statements.

Church of St John the Evangelist

Statement of Financial Activities (Charity only)
For the year ended 31 July 2025

	Notes	General fund £	Designated funds £	Restricted funds £	2025 Total £	General fund £	Designated funds £	Restricted funds £	2024 Total £
Income and endowments									
Donations and legacies	2	418,400	-	12,427	430,827	344,342	3,381	-	347,723
Other trading activities	3	52,846	-	-	52,846	46,622	-	-	46,622
Investments	4	19,549	-	-	19,549	235,836	-	-	235,836
Other income	5	-	-	-	-	137,039	-	-	137,039
Total income and endowments		490,795	-	12,427	503,222	763,839	3,381	-	767,220
Expenditure									
Raising funds	6	-	-	-	-	-	-	-	-
Charitable activities	7	438,745	8,771	-	447,516	451,361	8,800	1,886	462,047
Other costs	9	19,230	-	-	19,230	123	43,850	-	43,973
Total expenditure		457,975	8,771	-	466,746	451,484	52,650	1,886	506,020
Net gains/(losses) on investments	10	-	-	-	-	-	(2,598,031)	-	(2,598,031)
Net income/(expenditure)		32,820	(8,771)	12,427	36,476	312,355	(2,647,300)	(1,886)	(2,336,831)
Transfers between funds	17	-	-	-	-	(368,635)	368,635	-	-
Other recognised gains/losses:									
Exceptional write-off of intercompany debt	10	-	-	-	-	-	(823,272)	-	(823,272)
Net movement in funds		32,820	(8,771)	12,427	36,476	(56,280)	(3,101,937)	(1,886)	(3,160,103)
Total funds brought forward		76,049	587,346	8,114	671,509	132,329	3,689,283	10,000	3,831,612
Total funds carried forward		108,869	587,575	20,541	707,985	76,049	587,346	8,114	671,509
Represented by:									
General fund	17	108,869	-	-	108,869	76,049	-	-	76,049
Designated funds	17	-	587,575	-	587,575	-	587,346	-	587,346
Restricted funds	17	-	-	20,541	20,541	-	-	8,114	8,114
Total funds		108,869	587,575	20,541	707,985	76,049	587,346	8,114	671,509

All income and expenditure is derived from continuing activities.
The notes on pages 15 to 24 form part of these financial statements.

Church of St John the Evangelist

Consolidated Balance Sheet (Group)

As at 31 July 2025

	Notes	General fund	Designated funds	Restricted funds	2025 Total	General fund	Designated funds	Restricted funds	2024 Total
		£	£	£	£	£	£	£	£
Fixed assets									
Tangible assets									
Heritable property and plant	12	-	2,554,388	-	2,554,388	-	2,619,810	-	2,619,810
Furniture and equipment	12	-	141	-	141	-	185	-	185
Total fixed assets		<u>-</u>	<u>2,554,529</u>	<u>-</u>	<u>2,554,529</u>	<u>-</u>	<u>2,619,995</u>	<u>-</u>	<u>2,619,995</u>
Current assets									
Debtors	14	42,806	-	-	42,806	55,936	-	-	55,936
Cash at bank and in hand		210,334	-	20,541	230,875	86,288	-	8,114	94,402
Total current assets		<u>253,140</u>	<u>-</u>	<u>20,541</u>	<u>273,681</u>	<u>142,224</u>	<u>-</u>	<u>8,114</u>	<u>150,338</u>
Liabilities									
Creditors: falling due within one year	15	101,683	6,660	-	108,343	57,705	5,448	-	63,153
Net current assets		<u>151,457</u>	<u>(6,660)</u>	<u>20,541</u>	<u>165,338</u>	<u>84,519</u>	<u>(5,448)</u>	<u>8,114</u>	<u>87,185</u>
Total assets less current liabilities		<u>151,457</u>	<u>2,547,869</u>	<u>20,541</u>	<u>2,719,867</u>	<u>84,519</u>	<u>2,614,547</u>	<u>8,114</u>	<u>2,707,180</u>
Creditors: falling due after more than one year	16	-	238,795	-	238,795	-	246,521	-	246,521
Net assets		<u>151,457</u>	<u>2,309,074</u>	<u>20,541</u>	<u>2,481,072</u>	<u>84,519</u>	<u>2,368,026</u>	<u>8,114</u>	<u>2,460,659</u>
Funds of the Charity									
General fund	17	151,457	-	-	151,457	84,519	-	-	84,519
Designated funds	17	-	2,309,074	-	2,309,074	-	2,368,026	-	2,368,026
Restricted funds	17	-	-	20,541	20,541	-	-	8,114	8,114
Total funds		<u>151,457</u>	<u>2,309,074</u>	<u>20,541</u>	<u>2,481,072</u>	<u>84,519</u>	<u>2,368,026</u>	<u>8,114</u>	<u>2,460,659</u>

The financial statements on pages 10 to 24 were approved by the Members of Vestry on 26 November 2025 and signed on their behalf by:

Jean Grier
Chair

The notes on pages 15 to 24 form part of these financial statements.

Church of St John the Evangelist

Balance Sheet (Charity only)
As at 31 July 2025

	Notes	General fund	Designated funds	Restricted funds	2025 Total	General fund	Designated funds	Restricted funds	2024 Total
		£	£	£	£	£	£	£	£
Fixed assets									
<i>Tangible assets</i>									
Heritable property and plant	12	-	578,434	-	578,434	-	587,161	-	587,161
Furniture and equipment	12	-	141	-	141	-	185	-	185
<i>Investments</i>									
Loan to group undertaking	13	-	245,455	-	245,455	-	251,969	-	251,969
Total fixed assets		-	824,030	-	824,030	-	839,315	-	839,315
Current assets									
Debtors	14	32,611	-	-	32,611	50,857	-	-	50,857
Cash at bank and in hand		136,337	-	20,541	156,878	61,080	-	8,114	69,194
Total current assets		168,948	-	20,541	189,489	111,937	-	8,114	120,051
Liabilities									
Creditors: falling due within one year	15	60,079	6,660	-	66,739	35,888	5,448	-	41,336
Net current assets		108,869	(6,660)	20,541	122,750	76,049	(5,448)	8,114	78,715
Total assets less current liabilities		108,869	817,370	20,541	946,780	76,049	833,867	8,114	918,030
Creditors: falling due after more than one year	16		238,795	-	238,795	-	246,521	-	246,521
Net assets		108,869	578,575	20,541	707,985	76,049	587,346	8,114	671,509
Funds of the Charity									
General fund	17	108,869	-	-	108,869	76,049	-	-	76,049
Designated funds	17	-	578,575	-	578,575	-	587,346	-	587,346
Restricted funds	17	-	-	20,541	20,541	-	-	8,114	8,114
Total funds		108,869	578,575	20,541	707,985	76,049	587,346	8,114	671,509

The financial statements on pages 10 to 24 were approved by the Members of Vestry on 26 November 2025 and signed on their behalf by:

Jean Grier
Chair

The notes on pages 15 to 24 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 2025

	Group		Charity	
	2025	2024	2025	2024
	Total	Total	Total	Total
	£	£	£	£
Cash flows from operating activities				
Net (expenditure)/income for the year	20,413	(31,349)	36,476	(3,160,103)
Adjust for non-cash items:				
Depreciation expense	65,269	120,825	8,771	8,800
(Gain)/loss on sale of asset	10	(137,039)	-	(137,039)
Investment income (shown in investing activities below)	(432)	(770)	(19,549)	(235,836)
(Decrease)/increase in loan to group company	-	-	6,514	2,598,031
Decrease/(increase) in debtors	13,130	32,976	18,246	656,528
(Decrease)/increase in creditors	43,978	(2,827)	24,191	17,849
Cash used by operating activities	142,368	(18,184)	74,649	(251,770)
Cash flows from investing activities				
Investment income	432	770	19,549	235,836
Sale/(purchase) of fixed assets	187	456,258	-	462,158
Cash used by investing activities	619	457,028	19,549	697,994
Cash flows from financing activities				
Repayment of borrowings	(6,514)	(469,139)	(6,514)	(469,139)
Cash used by financing activities	(6,514)	(469,139)	(6,514)	(469,139)
Change in cash and cash equivalents in the year	136,473	(30,295)	87,684	(22,915)
Cash and cash equivalents at the start of the year	94,402	124,697	69,194	92,109
Cash and cash equivalents at the end of the year	230,875	94,402	156,878	69,194
Analysis of cash and cash equivalents				
Cash at bank	230,875	94,402	156,878	69,194
Analysis of changes in net debt	At start of year	Cashflows	Non-cash changes	At end of year
	£	£	£	£
Cash	94,402	136,473	-	230,875
Loans falling due within one year	(5,448)	6,514	(7,726)	(6,660)
Loans falling due after more than one year	(246,521)	-	7,726	(238,795)
Total	(157,567)	142,987	-	(14,580)

The notes on pages 15 to 24 form part of these financial statements.

Church of St John the Evangelist

Notes to the Consolidated Financial Statements for the year ended 31 July 2025

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 notes to the accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities and 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.

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.

Critical judgements made in preparing these financial statements comprise: the timing of recognition of income in accordance with Charities SORP FRS102; the applicability of the estimated useful lives of fixed assets to calculate the period over which depreciation is applied; review of fixed assets for impairment or obsolescence; and, the evaluation of the recoverability of debtors and completeness and accuracy of creditors, including timing, valuation and impairment or doubtful debts. The estimates are reviewed by the CDEL Board, the Church finance committee and Vestry on an ongoing basis. Revisions to 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.
- Legacies are recognised when it is probable they will be received. This is when there has been a grant of probate and the executors have established there are sufficient funds to pay the legacy. Where the payment amount is uncertain, the legacy is disclosed as a contingent asset.
- 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. 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 2025

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	50 years (2024: 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.

Following a review in 2024 by the CDEL Board, the Church finance committee and Vestry, we reassessed the rates which led to a change to the accounting policy for depreciation of the Cornerstone Centre. The change has resulted in a reduction in the depreciation charged in CDEL of approximately £55,700 and a corresponding increase in the asset value. This will have the same effect annually for the life of the asset.

Investments in subsidiary

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

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 year-end and adjusted for any amounts considered to be irrecoverable.
- Creditors are valued at cost at 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 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 recorded at cost and is adjusted each year for repayments of 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 2025

2. Donations and legacies

	Group		Charity	
	2025	2024	2025	2024
	Total	Total	Total	Total
	£	£	£	£
Donations, collections and porch box	171,958	167,647	171,958	167,647
Gift aid tax receivable	35,460	37,459	35,460	37,459
Legacies	223,409	11,134	223,409	11,134
Funds transferred from ECCT	-	131,483	-	131,483
	430,827	347,723	430,827	347,723

3. Other trading activities

	Group		Charity	
	2025	2024	2025	2024
	Total	Total	Total	Total
	£	£	£	£
Letting income	43,596	37,075	43,596	37,075
Weddings and funerals	9,250	6,350	9,250	6,350
Other income	-	3,197	-	3,197
Income received by subsidiary company (see below)	139,026	129,881	-	-
	191,872	176,503	52,846	46,622

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 2025	Year ended 31 July 2024
	£	£
Turnover	139,026	128,927
Cost of sales	(19,968)	(27,897)
Gross profit	119,058	101,030
Other income	-	954
Administration costs:		
Audit fees	(9,673)	(3,000)
Other administration costs	(106,331)	(156,467)
Loan interest	(19,117)	(235,066)
Exceptional write back of intercompany debt	-	3,421,303
Profit/(loss) for the period	(16,063)	3,128,754

The assets and liabilities of CDEL are:

	Year ended 31 July 2025	Year ended 31 July 2024
	£	£
Fixed assets	2,044,995	2,101,690
Current assets	84,192	30,287
Current liabilities	(48,264)	(273,786)
Net current liabilities	35,928	(243,499)
Liabilities due after more than one year	(238,795)	-
Net assets	1,842,128	1,858,191

Church of St John the Evangelist

Notes to the consolidated financial statements
For the year ended 31 July 2025

4. Investment income

	Group		Charity	
	2025	2024	2025	2024
	Total	Total	Total	Total
	£	£	£	£
Interest on loan to subsidiary company	-	-	19,117	235,066
Bank interest	432	770	432	770
	432	770	19,549	235,836

5. Other income

	Group		Charity	
	2025	2024	2025	2024
	Total	Total	Total	Total
	£	£	£	£
Gain on sale of assets	-	137,039	-	137,039
	-	137,039	-	137,039

6. Expenditure on raising funds

	Group		Charity	
	2025	2024	2025	2024
	Total	Total	Total	Total
	£	£	£	£
Operating costs of subsidiary company	135,972	187,364	-	-
	135,972	187,364	-	-

Church of St John the Evangelist

Notes to the consolidated financial statements
For the year ended 31 July 2025

7. Expenditure on charitable activities

	Group		Charity	
	2025	2024	2025	2024
	Total	Total	Total	Total
	£	£	£	£
Direct costs				
Staff costs (see note 8)	167,173	182,019	167,173	182,019
Other clergy costs	1,063	5,309	1,063	5,309
Music, liturgy and worship	21,943	22,747	21,943	22,747
Diocesan quota	28,614	27,904	28,614	27,904
Property maintenance costs	64,340	38,957	64,340	38,957
Property running costs	69,102	98,851	69,102	98,851
Property rental costs	27,022	26,340	27,022	26,340
Insurance	11,261	10,764	11,261	10,764
Depreciation	8,771	8,800	8,771	8,800
Outreach activities:				
Grant to Cornerstone Bookshop	-	3,750	-	3,750
Ministry, mission and outreach costs	4,727	7,637	4,727	7,637
Support costs				
Other staff and volunteer costs	1,403	175	1,403	175
Office and IT costs	20,937	16,233	20,937	16,233
Operating lease rentals	1,591	1,061	1,591	1,061
Accounting support costs	7,539	3,920	7,539	3,920
Governance costs				
Auditor's remuneration:				
- in respect of audit services	9,810	4,560	9,810	4,560
Legal and professional fees	2,220	3,020	2,220	3,020
	447,516	462,047	447,516	462,047
Of which:				
Relating to unrestricted general fund	438,745	451,361	438,745	451,361
Relating to unrestricted designated funds	8,771	8,800	8,771	8,800
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	
	2025	2024	2025	2024
	Total	Total	Total	Total
	£	£	£	£
Gross stipends and salaries	154,283	148,328	154,283	148,328
Employer's NI	6,162	7,749	6,162	7,749
Pension contributions	6,728	25,942	6,728	25,942
	167,173	182,019	167,173	182,019
Average number of employees	7	8	7	8

No employees received more than £60,000 in the year (2024: 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 £96,404 (2024: £130,416), of which £12,000 (2024: £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 2025

9. Other costs

	Group		Charity	
	2025	2024	2025	2024
	Total	Total	Total	Total
	£	£	£	£
Bank loan interest	19,117	43,850	19,117	43,850
Bank charges	113	123	113	123
	19,230	43,973	19,230	43,973

10. Exceptional items - write-off of intercompany debt

	Group		Charity	
	2025	2024	2025	2024
	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)

11. Net income/(expenditure)

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

	Group		Charity	
	2025	2024	2025	2024
	Total	Total	Total	Total
	£	£	£	£
Gain/(loss) on sale of fixed assets	(10)	137,039	-	137,039
Auditors' remuneration - audit services only	(19,483)	(7,560)	(9,810)	(4,560)
Depreciation	(65,876)	(129,030)	(8,771)	(8,800)
Operating lease rentals	(28,613)	(27,401)	(28,613)	(27,401)

12. Tangible fixed assets

(a) Group

	Property improvements	Heritable property	Furniture & equipment	Total
	£	£	£	£
Cost				
At 1 August 2024	2,786,532	691,242	792	3,478,566
Additions	653	-	-	653
Disposals	(1,457)	-	-	(1,457)
At 31 July 2025	2,785,728	691,242	792	3,477,762
Depreciation				
At 1 August 2024	753,883	104,081	607	858,571
Charge for year	56,498	8,727	44	65,269
Eliminated on disposals	(607)	-	-	(607)
At 31 July 2025	809,774	112,808	651	923,233
Net book value				
At 31 July 2025	1,975,954	578,434	141	2,554,529
At 31 July 2024	2,032,649	587,161	185	2,619,995

Church of St John the Evangelist

Notes to the consolidated financial statements
For the year ended 31 July 2025

12. Tangible fixed assets (continued)

(b) Charity

	Heritable property £	Furniture & equipment £	Total £
Cost			
At 1 August 2024	691,242	792	692,034
At 31 July 2025	691,242	792	692,034
Depreciation			
At 1 August 2024	104,081	607	104,688
Charge for year	8,727	44	8,771
At 31 July 2025	112,808	651	113,459
Net book value			
At 31 July 2025	578,434	141	578,575
At 31 July 2024	587,161	185	587,346

13. Investments

	2025 £	2024 £
Loan to group undertaking:		
Balance at 1 August 2024 (2023)	251,969	2,850,000
Loan repayments in the year	(6,514)	-
Restructure and write-down of intercompany loan	-	(2,598,031)
Balance at 31 July 2025 (2024)	245,455	251,969

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 2023/24, Vestry renegotiated the terms of the loan and established new terms for the intercompany agreement. The loan is repaid by the subsidiary company in line with the repayments on the CAF bank loan.

14. Debtors

	Group		Charity	
	2025	2024	2025	2024
	Total	Total	Total	Total
	£	£	£	£
Accounts receivable	4,546	6,070	850	1,028
Gift aid recoverable	9,000	10,830	9,000	10,830
Prepayments and accrued income	29,260	39,036	22,761	38,999
	42,806	55,936	32,611	50,857

15. Creditors: falling due within one year

	Group		Charity	
	2025	2024	2025	2024
	Total	Total	Total	Total
	£	£	£	£
Bank loan	6,660	5,448	6,660	5,448
Accounts payable	7,830	7,602	7,271	1,783
Taxation and social security	11,973	6,764	2,648	2,559
Other creditors	3,610	8,225	-	2,740
Accruals	52,270	31,006	45,770	26,806
Deferred income	26,000	4,108	1,000	2,000
Amount due to subsidiary company	-	-	3,390	-
	108,343	63,153	66,739	41,336

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.

Church of St John the Evangelist

Notes to the consolidated financial statements
For the year ended 31 July 2025

16. Creditors: falling due after more than one year

	Group and charity	
	2025	2024
	Total	Total
	£	£
Bank loan	238,795	246,521
Due within one year	6,660	5,448
Due in one to five years	33,300	21,792
Due after 5 years	205,495	224,729
	245,455	251,969

The loan is repayable in monthly instalments of capital and interest over a 30 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 2025, the covenants were fully met.

17. Charity funds

Current year

(a) Group	Balance at 01.08.24 £	Income £	Expenditure £	Transfers £	Other recog'd losses £	Balance at 31.7.25 £
Unrestricted funds						
General fund	84,519	610,704	(538,056)	(5,710)	-	151,457
Designated funds						
Assets fund	2,368,026	-	(64,662)	5,710	-	2,309,074
Total unrestricted funds	2,452,545	610,704	(602,718)	-	-	2,460,531
Restricted funds						
Organ fund	8,114	-	-	-	-	8,114
Bookshop fund	-	2,427	-	-	-	2,427
Music and garden fund	-	10,000	-	-	-	10,000
Total restricted funds	8,114	12,427	-	-	-	20,541
Total group funds	2,460,659	623,131	(602,718)	-	-	2,481,072
(b) Charity						
	Balance at 01.08.24 £	Income £	Expenditure £	Transfers £	Other recog'd losses £	Balance at 31.7.25 £
Unrestricted funds						
General fund	76,049	490,795	(457,975)	-	-	108,869
Designated funds						
Assets fund	587,346	-	(8,771)	-	-	578,575
Total unrestricted funds	663,395	490,795	(466,746)	-	-	687,444
Restricted funds						
Organ fund	8,114	-	-	-	-	8,114
Bookshop fund	-	2,427	-	-	-	2,427
Music and garden fund	-	10,000	-	-	-	10,000
Total restricted funds	8,114	12,427	-	-	-	20,541
Total charity funds	671,509	503,222	(466,746)	-	-	707,985

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Notes to the consolidated financial statements
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17. Charity funds (continued)

Prior year						
(a) Group	Balance at 01.08.23 £	Income £	Expenditure £	Transfers £	Other recog'd losses £	Balance at 31.7.24 £
<i>Unrestricted funds</i>						
General fund	143,454	658,654	(526,823)	(190,766)	-	84,519
<i>Designated funds</i>						
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
<i>Restricted funds</i>						
Organ fund	10,000	-	(1,886)	-	-	8,114
Total group funds	2,492,008	662,035	(693,384)	-	-	2,460,659

(b) Charity	Balance at 01.08.23 £	Income £	Expenditure £	Transfers £	Other recog'd losses £	Balance at 31.7.24 £
<i>Unrestricted funds</i>						
General fund	132,329	763,839	(451,484)	(368,635)	-	76,049
<i>Designated funds</i>						
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
<i>Restricted funds</i>						
Organ fund	10,000	-	(1,886)	-	-	8,114
Total group funds	3,831,612	767,220	(506,020)	-	(3,421,303)	671,509

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 investment in the subsidiary company now written down to zero.

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

The *Restricted Bookshop fund* holds funds received for the set-up of a new bookshop.

The *Restricted Music and garden fund* holds legacy funds received to be used by the church on activities relating to music or the gardens.

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 £6,193 (2024: £4,441).

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:

	2025 Total £	2024 Total £
Payments within one year	5,661	4,987
Payments within two to five years	1,061	-
Payments after more than five years	1,061	-
	7,783	4,987

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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 £10,622 (2024: £20,604).

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 £6,728 (2024: £5,572).

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 period he was employed of £5,250, with pension contributions of £1,770. The Associate Rector received a stipend of £27,000 and pension of £8,829. The Rector and Associate Rector occupied property either owned or rented on their behalf 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	-	245,455
	Intercompany balance	-	(3,390)
Diocese of Edinburgh	Quota	28,614	-
Cornerstone Bookshop	Rent received	2,708	-

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 £3,910 (2024: £4,685).

22. Going concern

As highlighted in note 1, the accounts have been prepared on the going concern basis. However, due to ongoing financial challenges there is a material uncertainty that may cast significant doubt on the Charity'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. Cash flow remains challenging. In 2025, legacies considerably in excess of budget have been received. 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. Vestry are acutely aware of the situation and the Finance Committee are monitoring the situation closely. In addition, we can report:

* For the consolidated group position, we continue to fully service the CAF loan (capital and interest), following a significant pay down of a portion of the balance last year.

* For the church only position, without the trading subsidiary results, the net current assets position is positive.

* For the year ahead, rental increases have been negotiated for 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 continue to be avoided in the medium term until reserves are restored to a healthy level.