

**Congregation No: 010039**

**Scottish Charity No: SC003565**

**CHURCH OF SCOTLAND  
ST. GILES' CATHEDRAL**

**CONSOLIDATED ANNUAL REPORT AND ACCOUNTS**

**For the year ended 31 December 2022**

**ST. GILES' CATHEDRAL**  
**CONSOLIDATED ANNUAL REPORT AND ACCOUNTS**  
**For the year ended 31 December 2022**

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## ST. GILES' CATHEDRAL

### TRUSTEES' CONSOLIDATED ANNUAL REPORT and ACCOUNTS

#### Year ended 31 December 2022

The Trustees of St. Giles' Cathedral ("St Giles'" or the "Parent") present the consolidated annual report and accounts for St Giles' for the year ended 31 December 2022 incorporating the accounts of the St. Giles' Cathedral Renewal Appeal Trust (a separate charity – No. SC007126) and St. Giles' Luckenbooths Limited, a wholly owned subsidiary of St. Giles'. The accounts 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 (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Objectives and Activities**

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

St Giles' seeks to fulfil the aims expressed in the previous paragraph and to respond to the wishes of many thousands of people who visit the Church as tourists/pilgrims and for worship, private and public, on regular occasions on Sundays and weekdays, for recitals of music and for special services – commemoration, military, the Order of the Thistle, anniversaries and other.

#### **Her Majesty Queen Elizabeth II**

A few days after the death of Her Majesty Queen Elizabeth II at Balmoral, her body was brought to St Giles' where a Service of Thanksgiving for her life was held on 12 September attended by His Majesty the King, members of the Royal Family and leaders of public life throughout Scotland and the rest of the UK. The service was broadcast live by the BBC to a global audience of many millions. Following the service, and before her body was taken to London for the State Funeral, more than 30,000 citizens and visitors to Scotland filed past the Queen's coffin in its Lying at Rest, guarded by the Royal Company of Archers, and attended by the Royal Chaplains in Scotland; overnight, members of the Royal Family and Knights of the Most Ancient and Most Noble Order of the Thistle stood vigil.

#### **Other Special Services**

While the Queen's Service of Thanksgiving was clearly the highest-profile of St Giles' civic duties during the year, the Cathedral also hosted many other ceremonial services. In April, the celebration of the **Science Festival** took place, and in May we were delighted once more to be able to welcome the Commissioners of the **General Assembly of the Church of Scotland** to St Giles', once more to raise the roof with their enthusiastic singing. Following the Council elections, May also saw the ceremony of the **Kirking of the City of Edinburgh Council**. On 30 June, a formal ceremonial was held, attended by HRH the Duke of Rothesay and HRH the Princess Royal, to install Dame Elish Angiolini and Sir George Reid to the **Most Ancient and Most Noble Order of the Thistle**, and the beginning of August saw St Giles' host the annual service celebrating the beginning of the **Edinburgh International Festival**.

The first weekend in December saw a unique display of pageantry: the 350th Anniversary of the Public Register of All Arms and Bearings was marked by a **Festival of Heraldry** in St Giles' on 3 December, while on 4th, the Knights of the Thistle paid their traditional visit to the Cathedral to mark **St Andrewstide**.

## **ST. GILES' CATHEDRAL**

### **TRUSTEES' CONSOLIDATED ANNUAL REPORT and ACCOUNTS (continued)**

**Year ended 31 December 2022**

#### **Achievements and Performance**

For nearly 900 years, St. Giles' has offered to the citizens of Edinburgh opportunities for Christian worship. The building has also housed, at differing times, councils and parliaments of city and nation and general assemblies of the Church. As the central public building of the city and nation for many centuries, St. Giles' has an importance and attraction which has called for careful maintenance and sensitive development. Over the past forty-five years a programme of renewal and refurbishment has maintained and protected the roofs, walls, lighting and interior of the building.

As part of its wider plan for the future of worship within the Presbytery of Edinburgh and West Lothian, it was decided at a meeting in October 2022 that St Giles' and Canongate should work together in a Linkage as a stepping stone towards a Deferred Union. It will be served by two ministers and will undertake a city-wide missional role to Parliament, Council and the Armed Forces.

These congregations will respond to common challenges and synergies along the central axis of the Old Town from the Palace to the Castle: these are historic buildings active in tourism (with more than a million visitors each year), pilgrimage, daily services, musical events and concerts, civic and armed services. St. Giles' community of online worshippers from around the world and Canongate's participation in the 'Faith at the Heart of the Nation' programme will strengthen outreach and mission. Both congregations are supportive of linkage but accept that full union is not possible at this time as the complexities need further discussion and consideration. The two churches, given their role in community and civic life, should be retained.

#### **Financial Review**

The consolidated accounts bring together the accounts of St. Giles', St. Giles' Cathedral Renewal Appeal Trust and St. Giles' Luckenbooths Limited.

For the third consecutive year, the Cathedral's finances have been damaged by the aftermath of the COVID-19 pandemic. Although the restrictions on social distancing, face coverings and overall numbers permitted in the Cathedral have all been removed, we continued during the year to follow Church of Scotland advice to avoid passing offering bags amongst the congregation and therefore we continued to lose the donations by members of the public and from those attending the "big services" such as the Opening Service for the Edinburgh International Festival, Remembrance, St Andrewside and Christmas Watchnight. Additionally, the number of visitors entering the Cathedral during the week picked up significantly but only at seventy percent of the pre-Pandemic levels. The fact that this lower percentage of visitors has yielded income slightly exceeding pre-Pandemic levels is testament to the initiatives, sheer hard work and professionalism of our small Heritage & Culture team.

In addition, like households and business across the land we experienced painful increases in our cost base due to inflation and the cost-of-living and energy increases. In addition, the Church of Scotland's Insurance Company (CoSIC) through which all churches insure their buildings, experienced significant difficulty in finding an insurer to take on St Giles', a highly prominent historic building situated in a UNESCO World Heritage Site. The solution found by CoSIC will result in our buildings premium rising from around £60,000 in 2022 to £121,000 in 2023. We anticipate all costs will continue to rise through 2023 and 2024.

During the year, St Giles' joined EcoCongregation Scotland, a Christian environment charity addressing climate change and conservation. It provides a network for local congregations to support each other, resources for congregations to develop their own activities to care for creation and tackle the climate emergency. As one of the first steps taken by St Giles', we have replaced one of our two boilers in the Cathedral with a significant increase in efficiency and reduction in energy costs.

The Covid Recovery Fund, set up in 2020 and 2021 with generous donations by the late Sir Angus Grossart and from Scottish Ministers in recognition of St Giles' role as Scotland's national church, has allowed us to meet our costs for the past two years but is inevitably under considerable strain. To ensure our future financial viability, the Kirk Session continues to review further sustainable income streams. In addition, the proceeds of the sale of 12 George IV Bridge (concluded in the early weeks of 2023), one of our two investment properties, will allow us to invest further in the long-term resilience of the Cathedral.

## ST. GILES' CATHEDRAL

### TRUSTEES' CONSOLIDATED ANNUAL REPORT and ACCOUNTS (continued)

#### Year ended 31 December 2022

Total consolidated income amounted to £1.8m (2021: £1m). Total expenditure amounted to £1.3m compared with £1.1m in 2021. The surplus in 2022 amounted to £0.6m compared with a deficit of £0.1m in 2021, and after net losses on investment and heritable property assets, a surplus of £0.4m compared with £0.1m in 2021.

The total funds in hand at the end of the year amounted to £6.4m (2021: £6.0m). Of this sum, £3.1m is attributable to unrestricted funds which includes the incorporation of four properties owned by St. Giles' at a valuation of £3.2m. Restricted funds and endowment funds amounted to £1.4m and £1.8m respectively.

The consolidated balance sheet shows fixed assets of £1.7m (2021: £1.7m) and investments at valuation of £3.2m (2021 - £3.4m). Net current assets increased by £0.6m year on year. The total bank and cash and short term deposits at the end of the year amounted to £1.8m (2021: £1m). At the end of 2022, £0.2m of unrestricted deposits was available towards the running of the Cathedral.

#### St. Giles' Cathedral

The total income amounted to £1.2m in 2022 compared with £0.9m in 2021. Donations and legacies amounted to £0.2m (2021 - £0.4m). Legacies of £20,500 were received in 2022 (2021 - £12,000). Other trading activities (visitor and shop income and income from the use of the Cathedral) increased from £0.2m in 2021 to £0.7m in 2022 due to the recovery in tourist income and reopening of the shop. Total expenditure in 2022 amounted to £1.2m compared with £0.9m in 2021.

Overall in 2022, there was a net surplus in income over expenditure of £18,447 (2021: £28,746). After taking account of net losses on investment and heritable property assets, the net decrease in funds in 2022 amounted to £0.2m compared with a net increase in funds of £0.3m in 2021.

#### St Giles Cathedral Renewal Appeal Trust

The Trustees would like to acknowledge the very important contribution to the renewal of the Cathedral over many years by **Sir Angus Grossart**, who led the Cathedral's Renewal Appeal until his death in May 2022. His artistic vision for St Giles' directed numerous projects, and the enhancement of the building through his generosity has attracted the admiration of congregation and visitors. His last contribution to the Trust, received days before his death, will allow the lighting in St Giles' to be brought up to today's standards of power, positioning and environmental impact.

Following the completion of the vault cleaning, gilding and repainting works undertaken in the previous financial year the principal activity has been the development of a project to upgrade and enhance the existing Cathedral lighting. The works will replace all the existing and now obsolete tungsten halogen lighting with energy efficient LED light sources. A full redesign and enhancement of the existing chandeliers and window ledge fittings will be undertaken to install new technology that will operate replacement LED lamps. This will significantly reduce the Cathedral's energy usage whilst providing an improved ability to control the lighting within the building for worship, concerts and events. All other lighting sources will be replaced and upgraded to provide improved illumination to the Sanctuary, Choir and Organ where all the lighting equipment has exceeded its design life. Other improvements will be introduced to the other areas on the main Cathedral area and improvements will also be undertaken to the supply and control in the back of house areas. The planning work is complete, and the main works will be undertaken in the 2023 financial year. The lighting works will significantly contribute to the reduction of the Cathedral's climate change commitments and is in line with the Church of Scotland's Eco-Congregation obligations. The development and installation works are fully funded by a donation to the Wood Fund.

During the year, income totalled £0.6m compared with £33,020 in 2021. The direct costs incurred during the year amounted to £48,894 (2021 - £150,152). The cost of raising funds and the costs of management, administration and governance amounted to £6,012 (2021- £5,879) which gave a total expenditure for the year of £54,906 (2021 - £156,031). At the end of the year, total funds carried forward amounted to £0.6m (2021 - £0.1m).

## ST. GILES' CATHEDRAL

### TRUSTEES' CONSOLIDATED ANNUAL REPORT and ACCOUNTS (continued)

#### Year ended 31 December 2022

#### **Outlook for 2023**

During the restrictions imposed by the pandemic on worship, St Giles', in common with many other churches, introduced livestreaming of our weekly services. This has attracted a local, national and international audience, and viewing numbers are growing. We will be upgrading our livestreaming offer at the same time as we upgrade our sound system.

The Kirk Session plans to use part of the proceeds of the sale of 12 George IV Bridge to secure more sustainable sources of income. Meanwhile, the demands of maintaining a building many centuries old and the cost of living crisis with the upward pressure on all of our other costs contribute to a challenging financial environment for the foreseeable future.

Work is underway in planning the programme of celebrations of the Cathedral's 900<sup>th</sup> anniversary in 2024. These celebrations will be proportionate to the financial stringencies under which we are currently operating.

#### **Risk Management**

The Trustees have assessed the major risks to which the Charities are exposed and systems have been established to mitigate them. The principal risks and uncertainties are financial, and further details of income, expenditure, commitments and reserves levels are noted in the Financial Review and Reserves Policy sections of this Report. Comprehensive insurance is taken out annually for all major risks including buildings, contents, employers and third party liability.

Over the years, St Giles' has made a significant financial contribution towards the work of the Church through its Ministries and Mission ("M & M") contributions. The formula for the calculation of such contributions was agreed by the General Assembly some time ago. The formula includes a specific requirement to include income from fabric funds in ascertaining the income to be assessed. In St Giles' case, this element of the income is restricted income. It cannot be used to contribute to M & M and so income from unrestricted sources must be used to fill the gap. This has resulted in many hundreds of thousands of pounds of unrestricted income being used to cover the allocation of assessed restricted income over the last eighteen or so years. Until 2014, it was possible to meet our M & M obligations in full but in 2015 and several later years, an insufficiency of unrestricted liquid funds available resulted in a shortfall in the contribution to M & M. The continuing pressures on our finances has caused St Giles', once again, to defer some of its M&M levy for 2021 and 2022 but at the time of writing we are paying our 2021 shortfall in quarterly instalments together with a reduced contribution for 2023.

The Trustees have made representations concerning the formula but, to date, there has been no change. A small congregation such as that of St Giles' cannot hope to meet its allocated contributions from congregational giving alone, while still maintaining a full programme of worship. Accordingly, the Trustees have taken steps to increase the income from tourist visitors to the Cathedral, and are actively examining ways in which this can be further increased.

Given the difficulty experienced by the Church of Scotland Insurance Company in finding an insurer with the appetite to take on St Giles' (see page 4), we may be faced in future years with demands for premiums which could be beyond the church's ability to meet them.

#### **Reserves Policy**

It is the Trustees' policy, as far as St. Giles' is concerned, to aim to hold free reserves of approximately twelve months' expenditure under unrestricted funds. Six months' expenditure is the minimum which is considered desirable by the Church of Scotland. At the year end, unrestricted funds in the Cathedral amounted to £3m (2021: £3.2m) of which approximately £0.2m (2021: £0.1m) was cash readily available to cover ongoing expenditure, which equates to around 2 months' "normal" expenditure. St Giles' has substantial costs which it has to bear in relation to its operations, and maintaining and insuring a historic Listed Building in a World Heritage site which is open to the public all year round. The Trustees are aware of the need to raise funds and continue to look at various ways to increase funds and to contain or reduce costs to enable the Congregation to meet its commitments to worship, its employees and to make a reasonable contribution to central funds on an annual basis.

The sale of our investment property in George IV Bridge for £586,000 in early 2023 provides us additional cash cover if needed.

## **ST. GILES' CATHEDRAL**

### **TRUSTEES' CONSOLIDATED ANNUAL REPORT and ACCOUNTS (continued)**

#### **Year ended 31 December 2022**

#### **Investment Policy and Performance**

The major investments held by St Giles' are managed by RBC Brewin Dolphin Investment Managers. The investment objective is to achieve a balance between long term capital growth and the generation of income. The risk profile is that of a medium risk approach which corresponds to a diversified portfolio invested in a broad spread of equities including a proportion of fixed interest securities, cash and where appropriate, alternative readily realisable assets such as property and infrastructure funds. The performance is measured against the RBC Brewin Dolphin Risk Level 6 Index.

The main St Giles Cathedral Fund generated a total return of -6.7% for the year to 31<sup>st</sup> December 2022, which compares to a total return of -6.3% from the Risk Level 6 benchmark. The investments managed by RBC Brewin Dolphin at the end of 2022 were valued at £1.5m (2021 - £1.6m).

#### **Plans for the Future**

During the restrictions imposed by the pandemic on worship, St Giles', in common with many other churches, introduced livestreaming of our weekly services. This has attracted a local, national and international audience, and viewing numbers are growing.

As reported above, we concluded the sale of one of our investment properties in George IV Bridge in the early weeks of 2023. The Kirk Session is mindful to ensure that the proceeds of this sale be invested in projects which enhance and develop our sustainable income streams.

Work is also underway in planning the programme of celebrations of the Cathedral's 900<sup>th</sup> anniversary in 2024. During 2022, we invited Mary Miller, an experienced festival director and arts administrator in Edinburgh and overseas, to advise the Kirk Session's 900 committee on appropriate cultural events and potential sources of funding. These celebrations will be proportionate to the financial stringencies under which we are currently operating.

Building on current strengths such as developing our Heritage and Culture activities and our strong heritage in music programming, there is a keen sense of the need to be more open to children and families, not just on a Sunday but throughout the week. Growth areas include exploring campus ministries in the city in partnership with Presbytery and other churches; offering education and fellowship programming for the young adult age group and increased use of the Cathedral for arts events and exhibitions.

We have, also, an ongoing research project cataloguing and storing archival materials which are being held in various locations.

#### **Structure, Governance and Management**

##### **Governing Document**

The Congregation is administered in accordance with the terms of the quoad omnia constitution of a church and parish of the Church of Scotland.

##### **Recruitment and Appointment of Trustees**

Members of the Kirk Session are the Charity Trustees. The members of the Kirk Session are the Minister of the charge and the elders of the Church who are chosen from those members of the Church who are considered to have the appropriate gifts and skills.

##### **Organisational Structure**

The Kirk Session is chaired by the Minister and meets five times each year. Certain responsibilities are delegated to the Finance & Administration Committee, the General Committee, the Business Committee and the Communications Committee as appropriate. The Kirk Session is responsible for spiritual affairs within the Church. The Treasurer presents the Accounts annually to the Kirk Session for its approval.

## ST. GILES' CATHEDRAL

### TRUSTEES' CONSOLIDATED ANNUAL REPORT and ACCOUNTS (continued)

Year ended 31 December 2022

#### Key Management Personnel Remuneration

The Trustees consider the Kirk Session as comprising the key management personnel of St Giles' in charge of directing and controlling the Charity and running and operating the Charity on a day to day basis. All Trustees give of their time freely. No trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 15 to the accounts.

#### Reference and Administrative Information

##### Trustees

The Trustees who served during the year and up to the date of the signing of the accounts were:-

#### Principal Office-bearers

##### Principal Address

Charity Name:	St. Giles' Cathedral
Contact Address:	St. Giles' Cathedral, High Street, EDINBURGH EH1 1RE
Charity Registration Number:	SC003565
Congregation Reference No:	010039

##### Independent Auditor

Chiene + Tait LLP  
Chartered Accountants & Statutory  
Auditor  
61 Dublin Street  
EDINBURGH EH3 6NL

##### Bankers

Bank of Scotland  
The Mound  
EDINBURGH, EH1 1YZ

##### Investment Advisors

RBC Brewin  
Dolphin  
Atria One  
144 Morrison Street  
EDINBURGH EH3 8BR



## ST GILES' CATHEDRAL

### TRUSTEES' CONSOLIDATED ANNUAL REPORT and ACCOUNTS (continued)

#### Year ended 31 December 2022

#### **Trustees' Responsibilities in relation to the Accounts**

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution.

The Trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees and signed on their behalf,

## ST GILES' CATHEDRAL

### INDEPENDENT AUDITOR'S REPORT to the KIRK SESSION of ST GILES' CATHEDRAL

#### Opinion

We have audited the accounts of St Giles Cathedral (the 'charity') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2022, and of the group's and parent charity's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 where the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the accounts; or
- proper accounting records have not been kept; or
- the parent charity's accounts 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.

**Respective responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the Trustees are responsible for the preparation of accounts which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the group's and parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the accounts**

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

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

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

- agreement of the account disclosures to underlying supporting documentation;
- enquiries of the trustees;
- review of minutes of trustee meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of the accounts and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the accounts, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the members that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**ST GILES' CATHEDRAL**

**INDEPENDENT AUDITOR'S REPORT to the KIRK SESSION of ST GILES' CATHEDRAL (continued)**

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street  
Edinburgh EH3 6NL

  
\_\_\_\_\_ 2023

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**ST GILES' CATHEDRAL**  
**CONSOLIDATED STATEMENT of FINANCIAL ACTIVITIES**

**Year ended 31 December 2022**

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>						
Donations and legacies	7	176,087	649,469	200	825,756	409,272
Charitable activities	8	16,785	100,000	-	116,785	161,700
Other trading activities	9	733,995	4,456	-	738,451	189,090
Investments	10	97,093	5,936	43,658	146,687	129,334
Other income – Furlough grants		-	-	-	-	82,130
<b>Total income</b>	22	<u>1,023,960</u>	<u>759,861</u>	<u>43,858</u>	<u>1,827,679</u>	<u>971,526</u>
<b>Expenditure on:</b>						
Raising funds	11	406,582	3,697	8,561	418,840	238,081
Charitable activities	12	762,958	58,894	18,926	840,778	827,709
<b>Total expenditure</b>	22	<u>1,169,540</u>	<u>62,591</u>	<u>27,487</u>	<u>1,259,618</u>	<u>1,065,790</u>
Net (expenditure)/income before movements on investment assets		<u>(145,580)</u>	<u>697,270</u>	<u>16,371</u>	<u>568,061</u>	<u>(94,264)</u>
(Losses)/Gains on investment assets	22	<u>(1,610)</u>	<u>(13,361)</u>	<u>(169,866)</u>	<u>(184,837)</u>	<u>225,155</u>
<b>Net (expenditure)/income</b>		<u>(147,190)</u>	<u>683,909</u>	<u>(153,495)</u>	<u>383,224</u>	<u>130,891</u>
Transfers between funds	22	<u>67,000</u>	<u>(16,000)</u>	<u>(51,000)</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		<u>(80,190)</u>	<u>667,909</u>	<u>(204,495)</u>	<u>383,224</u>	<u>130,891</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>3,221,351</u>	<u>740,893</u>	<u>2,053,202</u>	<u>6,015,446</u>	<u>5,884,555</u>
<b>Total funds carried forward</b>	22	<u>3,141,161</u>	<u>1,408,802</u>	<u>1,848,707</u>	<u>6,398,670</u>	<u>6,015,446</u>

All the Charities' activities are continuing.

The notes on pages 17 to 29 form part of these accounts.

**ST GILES' CATHEDRAL**

**CONSOLIDATED BALANCE SHEET**

**At 31 December 2022**

		2022		2021	
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	16		1,670,000		1,670,000
Investments	17		3,215,230		3,413,693
			-----		-----
Total fixed assets			4,885,230		5,083,693
<b>Current Assets</b>					
Stocks		16,472		23,102	
Debtors	18	37,280		38,512	
Investments		196,047		192,362	
Cash at bank and in hand		1,588,046		833,582	
			-----		-----
Total current assets		1,837,845		1,087,558	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	19	(324,405)		(155,805)	
			-----		-----
Net current assets			1,513,440		931,753
			-----		-----
<b>Total net assets</b>	20		<b>6,398,670</b>		<b>6,015,446</b>
			=====		=====
<b>The consolidated funds of the charity:</b>					
Endowment funds	22		1,848,707		2,053,202
Restricted income funds	22		1,408,802		740,893
Unrestricted funds	22		3,141,161		3,221,351
			-----		-----
<b>Total consolidated charity funds</b>			<b>6,398,670</b>		<b>6,015,446</b>
			=====		=====

The accounts were approved by the Kirk Session on

The notes on pages 17 to 29 form part of these accounts.

**ST GILES' CATHEDRAL**

**CHARITY BALANCE SHEET**

**At 31 December 2022**

	Note	£	2022 £	£	2021 £
<b>Fixed assets</b>					
Tangible assets	16		1,670,000		1,670,000
Investments	17		3,190,314		3,385,714
			-----		-----
Total fixed assets			4,860,314		5,055,714
<b>Current assets</b>					
Stocks		16,472		23,101	
Debtors	18	169,110		83,332	
Investments		196,047		192,362	
Cash at bank and in hand		961,275		765,614	
		-----		-----	
Total current assets		1,342,904		1,064,409	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	19	(446,595)		(200,505)	
		-----		-----	
Net current assets			896,309		863,904
			-----		-----
<b>Total net assets</b>	23		<b>5,756,623</b>		<b>5,919,618</b>
			=====		=====
<b>The funds of the charity:</b>					
Endowment funds	22		1,823,356		2,024,456
Restricted income funds	22		846,714		730,302
Unrestricted funds	22		3,086,553		3,164,860
			-----		-----
<b>Total charity funds</b>			<b>5,756,623</b>		<b>5,919,618</b>
			=====		=====

**The accounts were approved by the Kirk Session on**

The notes on pages 17 to 29 form part of these accounts.

**ST GILES' CATHEDRAL**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**At 31 December 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Net cash used in operating activities</b>	26	597,834	(178,128)
<b>Cash flows from investing activities:</b>			
Interest, dividends and rent		146,687	129,334
Purchase of investments		(335,720)	(239,325)
Proceeds from sale of investments		349,348	200,860
<b>Net cash provided by investing activities</b>		160,315	116,169
Change in cash and cash equivalents in the year		759,149	(61,959)
<b>Cash and cash equivalent brought forward</b>		1,025,944	1,113,203
<b>Cash and cash equivalents carried forward</b>		1,785,093	1,025,944

**Analysis of Changes in Net Debt - Group**

	<b>2021 £</b>	<b>Cash flows £</b>	<b>Non-cash changes Finance leases</b>	<b>Other changes</b>	<b>2022 £</b>
<b>Cash and cash equivalents</b>	1,025,944	759,149	-	-	1,785,093
<b>Total net debt</b>	<b>1,025,944</b>	<b>759,149</b>	<b>-</b>	<b>-</b>	<b>1,785,093</b>

The notes on pages 17 to 29 form part of these accounts.



# ST GILES' CATHEDRAL

## NOTES to the ACCOUNTS

### For the year ended 31 December 2022

#### 1. Accounting Policies

##### Basis of Accounting

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

##### Basis of Preparation

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention, modified to reflect the inclusion of investments and heritable properties at market value, and 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 (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The consolidated accounts herein include the accounts of St Giles' Cathedral (a separate charity), St. Giles' Cathedral Renewal Appeal Trust (a separate charity) and St. Giles Luckenbooths Limited (the trading subsidiary of St. Giles' Cathedral). The Kirk Session has formed a Scottish Charitable Incorporated Organisation with the name "The St Giles' Heritage and Culture SCIO" ("the SCIO") to take on areas of the work of the Cathedral relating to heritage and culture. The SCIO has been incorporated, but is not active as yet.

##### Going Concern

The accounts have been prepared on a going concern basis. The Trustees take comfort from (a) the heartening recovery of income from visitors, (b) the Charity's substantial asset base and (c) the receipt of the sale proceeds of 12 George IV Bridge as part of their assessment of the Charity's ability to continue as a going concern. In addition, the Trustees are actively examining ways in which income from visitors to the Cathedral could be significantly increased. The Trustees have reasonable expectation that the Charity has adequate resources to continue for the foreseeable future.

##### Income and Endowments

Income and endowments are accounted for in the Statement of Financial Activities when there is a legal entitlement to the income and the amount can be quantified with reasonable accuracy. All income and endowments are included within the relevant fund headings: unrestricted, restricted or endowment.

For legacies, entitlement is the earliest of the estate account being finalised, the date of receipt, or where there is sufficient evidence to provide the necessary certainty that the legacy will be received and the value can be measured with sufficient reliability. Legacies are credited to the relevant fund either in accordance with the wishes of the donor or as approved by the Kirk Session.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has gone ex-dividend.

Other trading income represents the sales from the gift shop, income from events and fundraising and is accounted for when the right to consideration arises.

All grants and contractual payments are included on a receivable basis. Income received for expenditure in future accounting periods is deferred and included in creditors.

Tax recoverable on Gift Aid but not received is accrued at the year end.

## ST GILES' CATHEDRAL

### NOTES to the ACCOUNTS Continued)

#### For the year ended 31 December 2022

### 1. Accounting Policies (Continued)

#### Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The cost of raising funds include the costs incurred in generating donations, fundraising trading costs and investment management costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

Governance costs, which comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice, are included within Charitable Activities.

#### Investments

Fixed asset investments are stated at market value at the balance sheet date. Gains or losses on investments incorporate unrealised gains and losses representing the difference between the market value at the beginning and end of the financial year or, if purchased in the year, the difference between cost and market value at the end of the year and realised gains and losses representing the difference between the proceeds on disposal and the market value at the start of the year or cost if purchased in the year. These gains and losses on investments are recorded in the Statement of Financial Activities.

St Giles' does not acquire or use put options, derivatives or other complex financial instruments.

#### Heritable Properties

See Note 3.

#### Tangible Fixed Assets (other than Heritable Properties)

Tangible fixed assets costing more than £10,000 (2021 - £10,000) are capitalised. Below this amount, the costs of the fixed assets are charged to the appropriate heading within Expenditure.

#### Depreciation

Depreciation is provided on Tangible Fixed Assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Motor vehicle	3 years
Computer equipment	3 years
Office equipment	5 years
Furniture and fittings	10 years

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

#### Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

#### Cash at bank and in hand

Cash at bank and cash in hand 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 or similar account.

## ST GILES' CATHEDRAL

### NOTES to the CONSOLIDATED ACCOUNTS (Continued)

#### For the year ended 31 December 2022

#### 1. Accounting Policies (Continued)

##### Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

##### Financial instruments

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

#### 2. Funds structure

##### Unrestricted Funds

These are Income Funds which are expendable in furtherance of any of the purposes of the group.

##### Restricted Funds

These are Income Funds which are subject to donor restrictions and may only be used for the stated purpose.

##### Permanent Endowment Funds

These are Capital Funds where there is no power to convert the capital into income, i.e., the capital must be held in perpetuity and only the income can be expended.

##### Expendable Endowment Funds

These are Capital Funds where there is discretion to convert the capital into income.

##### Endowment Funds

These Funds comprise both Permanent Endowment Funds and Expendable Endowment Funds.

Further details of each fund are disclosed in note 22

#### 3. Heritable Properties

The Charity has the right to occupy and use for its charitable objects the building known as St. Giles' Cathedral which is vested in the Church of Scotland General Trustees. No consideration is payable for the use of this asset. Expenditure incurred on the repair and maintenance of this asset is charged to Expenditure in the Statement of Financial Activities in the period in which the liability arises.

The following properties were owned by St. Giles' Cathedral throughout 2021 and 2022:

Manse and Basement Flat in Northumberland Street, Edinburgh  
Flat in Jeffrey Street, Edinburgh

The manse and basement flat were valued at £1.5m and the flat in Jeffrey Street was valued at £0.17m at 31 December 2022 and at 31 December 2021. No depreciation has been charged on these properties as the Trustees are of the view that the cost of these properties is not more than the valuation.

# ST GILES' CATHEDRAL

## NOTES to the CONSOLIDATED ACCOUNTS (Continued)

### For the year ended 31 December 2022

#### 4. Investment Properties

St. Giles' Cathedral owns two investment properties in George IV Bridge, Edinburgh both of which are tenanted. The cost of the properties is not known. The Trustees are of the opinion that the Market Value of the two properties at balance sheet date is £1.45m (2022: £1.45m). One of these, 12 George IV Bridge, was sold on 24 January 2023.

#### 5. Taxation

St. Giles' Cathedral has charitable status for tax purposes and as such has the usual exemptions from UK income, capital gains and corporation taxes. The charity is registered for VAT which can be partially recovered. That element of input VAT which cannot be recovered is included within Resources Expended.

#### 6. Pension Scheme

St Giles' Cathedral and St Giles Luckenbooths Limited make contributions on behalf of their employees under the pension auto-enrolment regulations. The employers' contributions in 2022 were at a rate of 3% of relevant salary. The employees must also contribute at rates allowed within the regulations. The chosen pension provider is NEST. This is a direct contribution scheme with no further liability on the part of the Employers.

7. Donations and Legacies	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Offerings	130,835	-	200	131,035	120,182
Tax recovered on Gift aid	24,752	8,880	-	33,632	61,687
Legacies	20,500	-	-	20,500	13,000
Donations	-	640,589	-	640,589	213,773
	-----	-----	-----	-----	-----
	176,087	649,469	200	825,756	409,272
	=====	=====	=====	=====	=====

Income from donations and legacies was £825,756 (2021: £409,272) of which £176,087 was unrestricted, (2021: £158,564), £649,469 was restricted (2021 - £250,708) and £200 was endowment (2021 - £nil).

8. Charitable Activities	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Rents	11,818	-	-	11,818	11,700
Weddings and Funerals	4,967	-	-	4,967	-
Grants	-	100,000	-	100,000	150,000
	-----	-----	-----	-----	-----
	16,785	100,000	-	116,785	161,700
	=====	=====	=====	=====	=====

Income from charitable activities was £116,785 (2021: £161,700) of which £100,000 (2021 - £150,000) is restricted and £16,785 unrestricted (2021 - £11,700).

9. Other Trading Activities	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Trading operations	258,697	-	-	258,697	54,984
Use of premises	-	4,456	-	4,456	4,096
Neighbourhood fundraising	21,223	-	-	21,223	17,594
Visitor and miscellaneous	454,075	-	-	454,075	112,416
	-----	-----	-----	-----	-----
	733,995	4,456	-	738,451	189,090
	=====	=====	=====	=====	=====

Income from other trading activities was £738,451 (2021: £189,090) of which £733,995 was unrestricted, (2021: £188,840) and £4,456 was restricted (2021: £250).

# ST GILES' CATHEDRAL

## NOTES to the CONSOLIDATED ACCOUNTS (Continued)

### For the year ended 31 December 2022

10. Investments	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Interest receivable	11	178	124	313	668
Dividends receivable	2,492	5,758	43,534	51,784	49,249
Rent	94,590	-	-	94,590	79,417
	-----	-----	-----	-----	-----
	97,093	5,936	43,658	146,687	129,334
	=====	=====	=====	=====	=====

Income from investments was £146,687 (2021: £129,334) of which £97,093 was unrestricted, (2021: £82,194), £5,936 was restricted (2021: £5,434) and £43,658 was endowment (2021: £41,706).

11. Raising Funds	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Direct fundraising costs	197,366	3,697	-	201,063	159,356
Commercial trading operations	209,216	-	-	209,216	70,453
Investment management costs	-	-	8,561	8,561	8,272
	-----	-----	-----	-----	-----
	406,582	3,697	8,561	418,840	238,081
	=====	=====	=====	=====	=====

Expenditure on raising funds was £418,840 (2021: £238,081) of which £406,582 was unrestricted (2021: £229,809), £3,697 was restricted (2021: £nil) and £8,561 was endowment (2021: £8,272).

12. Charitable Activities	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Ministries and mission allocation	161,381	-	-	161,381	158,680
Presbytery dues	6,034	-	-	6,034	4,173
	-----	-----	-----	-----	-----
	167,415	-	-	167,415	162,853
Minister's expenses	1,389	-	-	1,389	1,434
Associate Minister's costs	43,719	-	-	43,719	17,596
Other salary costs	244,520	-	-	244,520	223,056
Fabric repairs and maintenance	48,306	46,350	15,820	110,476	184,788
Professional fees	9,983	-	-	9,983	9,952
Council tax	5,728	-	-	5,728	5,275
Other building costs	47,314	-	-	47,314	42,018
Insurance	71,259	-	-	71,259	52,027
Church office expenses	40,074	-	-	40,074	27,675
Organ and music	10,793	-	250	11,043	9,711
Donations	17,000	10,000	-	27,000	18,955
Irrecoverable VAT	12,607	2,544	1,712	16,863	22,447
Fixed asset purchases	3,972	-	-	3,972	8,438
Audit, accounting and taxation fees	17,975	-	-	17,975	18,060
Sir Walter Scott 250 <sup>th</sup> Anniversary	501	-	-	501	20,435
900 <sup>th</sup> Anniversary	16,756	-	-	16,756	-
Other expenses	3,647	-	1,143	4,790	2,989
	-----	-----	-----	-----	-----
	762,958	58,894	18,926	840,778	827,709
	=====	=====	=====	=====	=====

Support costs have not been separately identified as the Trustees consider there is only one charitable activity. Therefore, support costs relate wholly to that activity. Governance costs are shown under Audit, accounting and taxation fees above.

Expenditure on charitable activities was £840,778 (2021: £827,709) of which £762,958 was unrestricted, (2021: £644,235), £58,894 was restricted (2021: £180,587) and £18,926 was endowment (2021: £2,886).

## ST GILES' CATHEDRAL

### NOTES to the CONSOLIDATED ACCOUNTS (Continued)

#### For the year ended 31 December 2022

#### 13. Auditor's remuneration

The auditor's remuneration constituted an audit fee of £12,550, accounting/tax advice of £nil (2021: £10,900 and £nil respectively).

#### 14. Staff Costs and Numbers

	2022 £	2021 £
Salaries and wages	491,037	423,661
Social security costs	38,454	29,234
Pension costs	12,589	9,464
	-----	-----
Total	542,080	462,359
	=====	=====

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

	2022 Number	2021 Number
Ministry	2	2
Heritage and Culture	8	7
Shop	5	5
Administration	5	4
Music staff	2	2
Beadles & Maintenance	3	5
	-----	-----
Total	25	25
	=====	=====

No employees received emoluments in excess of £60,000 (2021: none). All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all ministers' stipends and employer's contributions for national insurance, pension and housing and loan fund. Ministers' stipends are paid in accordance with the national stipend scale, which is related to years of service. For the year under review the minimum stipend was £28,700 and the maximum stipend in the fifth and subsequent years of service was £35,269.

#### 15. Trustee Remuneration and Related Party Transactions

During the year one Trustee received expenses totalling £331 (2021: £953) together with benefits in kind to a value of £4,334 (2021: £4,152).

As indicated in Plans for the Future (see above) Mary Miller had been invited to assist in designing the programme for our 900<sup>th</sup> Anniversary celebrations in 2024. She receives a fee for her services. Mary is the sister of a trustee, Elizabeth McClelland.

The related party transactions are as follows:

	St. Giles Cathedral Renewal Appeal Trust		St. Giles Luckenbooths		St. Giles' Cathedral	
	2022 £	2021 £	2022 £	2021 £	2022 £	2021 £
<b>St Giles' Cathedral</b>						
Recharge of staff and other costs	4,000	4,000	80,359	46,350	-	-
<b>St. Giles Luckenbooths Limited</b>						
Management fees charged	-	-	-	-	129,840	46,350
Profit gift aided	-	-	-	-	49,481	-
	=====	=====	=====	=====	=====	=====

**ST GILES' CATHEDRAL**

**NOTES to the CONSOLIDATED ACCOUNTS (Continued)**

**For the year ended 31 December 2022**

<b>16. Tangible Assets</b>	<b>Heritable Properties £</b>	<b>Group and Parent Total £</b>
<b>Cost or valuation</b>		
At 1 January 2022	1,670,000	1,670,000
Valuation increase	-	-
	-----	-----
At 31 December 2022	1,670,000	1,670,000
	=====	=====
At 31 December 2021	1,670,000	1,670,000
	=====	=====

Tangible assets held in unrestricted funds were 2022: £1,670,000 (2021: £1,670,000).

<b>17. Investments</b>	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Parent 2022 £</b>	<b>Parent 2021 £</b>
Market value at 1 <sup>st</sup> January	3,413,693	3,150,074	3,385,714	3,150,174
Additions during the year	335,720	239,325	334,077	212,203
Disposals during the year	(352,277)	(196,478)	(351,089)	(196,478)
Unrealised (losses)/gains on investments	(181,906)	220,772	(178,388)	219,815
	-----	-----	-----	-----
Market value at 31 <sup>st</sup> December	3,215,230	3,413,693	3,190,314	3,385,714
	-----	-----	-----	-----
Investments at cost	1,337,085	1,160,677	1,309,506	1,133,555
	=====	=====	=====	=====

The following investments were held:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Parent 2022 £</b>	<b>Parent 2021 £</b>
Investment in subsidiary	-	-	100	100
Investment properties (see Note 4)	1,450,000	1,450,000	1,450,000	1,450,000
Investments listed on a recognised Stock Exchange	1,556,466	1,730,187	1,531,450	1,702,108
Unlisted investments (Church of Scotland Growth Fund)	208,764	233,506	208,764	233,506
	-----	-----	-----	-----
	3,215,230	3,413,693	3,190,314	3,385,714
	=====	=====	=====	=====

Investments listed on a recognised stock exchange, unlisted investments and investment properties are carried at their market value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The investment in the subsidiary is held at cost.

Investments held in 2022 were: unrestricted - £1,464,085 (2021: £1,465,771), endowment funds - £1,620,508 (2021: £1,775,845) and restricted funds - £130,637 (2021: £172,076).

**ST GILES' CATHEDRAL**

**NOTES to the CONSOLIDATED ACCOUNTS (Continued)**

**For the year ended 31 December 2022**

<b>18. Debtors</b>	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Parent 2022 £</b>	<b>Parent 2021 £</b>
Sundry debtors	33,870	29,518	33,870	29,572
Gift Aid tax and income receivable	2,360	7,944	2,360	2,360
Prepayments and accrued income	1,050	1,050	1,050	1,050
Intergroup debtors	-	-	131,830	50,350
	-----	-----	-----	-----
	<b>37,280</b>	<b>38,512</b>	<b>169,110</b>	<b>83,332</b>
	=====	=====	=====	=====

Debtor balances amounted to £37,280 (2021: £38,512) of which £32,452 was unrestricted (2021: £29,102), £nil was restricted (2021: £4,582) and £4,828 was endowment (2021: £4,828).

<b>19. Creditors</b>	<b>Group 2022 £</b>	<b>Group 2021 £</b>	<b>Parent 2022 £</b>	<b>Parent 2021 £</b>
Sundry creditors	31,228	4,325	31,228	4,325
Accruals and deferred income	293,177	151,480	285,527	149,830
Intergroup creditors	-	-	129,840	46,350
	-----	-----	-----	-----
	<b>324,405</b>	<b>155,805</b>	<b>446,595</b>	<b>200,505</b>
	=====	=====	=====	=====

Creditor balances amounted to £324,405 (2021: £155,805) of which £318,405 was unrestricted (2021: £155,805), £6,000 was restricted (2021: £nil) and £nil was endowment (2021: £nil).

<b>20. Analysis of Net Assets among Funds (Group)</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Tangible fixed assets	1,670,000	-	-	1,670,000	1,670,000
Investments	1,464,085	130,637	1,620,508	3,215,230	3,413,693
	-----	-----	-----	-----	-----
Total fixed assets	3,134,085	130,637	1,620,508	4,885,230	5,083,693
Net current assets	7,076	1,278,165	228,199	1,513,440	931,753
	-----	-----	-----	-----	-----
<b>Net Assets</b>	<b>3,141,161</b>	<b>1,408,802</b>	<b>1,848,707</b>	<b>6,398,670</b>	<b>6,015,446</b>
	=====	=====	=====	=====	=====

<b>Comparative information for year ending 31 December 2021</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2021 £</b>
Tangible fixed assets	1,670,000	-	-	1,670,000
Investments	1,465,771	172,076	1,775,845	3,413,693
	-----	-----	-----	-----
Total fixed assets	3,135,771	172,076	1,775,845	5,083,693
Net current assets	85,580	568,817	277,357	931,753
	-----	-----	-----	-----
<b>Net Assets</b>	<b>3,221,351</b>	<b>740,893</b>	<b>2,053,202</b>	<b>6,015,446</b>
	=====	=====	=====	=====

**21. Volunteers**

In common with all congregations of the Church of Scotland, the congregation benefits from the contribution made by volunteers who give their time and talents willingly for the benefit of St Giles'. The areas of congregational life which rely on the contribution of volunteers are many and varied and much of the activity would be unable to continue were it not for the commitment shown.



ST GILES' CATHEDRAL

NOTES to the CONSOLIDATED ACCOUNTS (Continued)

For the year ended 31 December 2022

	Balance 1 January 2022	Incoming Resources	Outgoing Resources	Fund Transfers	Investment Gains/ (Losses)	Balance 31 December 2022
	£	£	£	£	£	£
<b>22. Movement in Funds</b>						
<b>Unrestricted Funds (Group)</b>						
General (St. Giles' Cathedral)	3,135,372	1,019,545	(1,163,709)	67,000	-	3,058,208
General (Appeal)	56,491	3,948	(5,831)	-	-	54,608
Reserve (Designated)	24,280	464	-	-	(1,610)	23,134
Organ Cleaning (Designated)	5,208	3	-	-	-	5,211
	<u>3,221,351</u>	<u>1,023,960</u>	<u>(1,169,540)</u>	<u>67,000</u>	<u>(1,610)</u>	<u>3,141,161</u>
<b>Restricted Funds</b>						
Poor of Parish	180,566	4,090	(10,000)	-	(13,361)	161,295
Youth	39,292	1,143	-	(10,000)	-	30,435
Dunard	13,514	9	-	(3,000)	-	10,523
Tulliallan	205,024	115	-	(3,000)	-	202,139
COVID Recovery for loss of visitor income	280,240	149,469	-	-	-	429,709
The Wood Fund (Appeal)	3,223	600,000	(48,894)	-	-	554,329
Funds under £10,000*	11,666	4,463	(3,516)	-	-	12,613
Funds under £10,000 (Appeal)	7,368	572	(181)	-	-	7,759
	<u>740,893</u>	<u>759,861</u>	<u>(62,591)</u>	<u>(16,000)</u>	<u>(13,361)</u>	<u>1,408,802</u>
<b>Endowment Funds</b>						
Brown Bequest	1,743,416	40,777	(25,677)	(50,000)	(145,480)	1,563,036
Daily Service	54,061	0	-	-	(5,676)	48,385
Dunard	50,723	1,308	(238)	-	(2,441)	49,352
Thistle Chapel (Appeal)	28,746	0	-	-	(3,394)	25,352
Thistle Chapel (St. Giles' Cathedral)	38,242	953	(179)	(1,000)	(3,442)	34,575
Music	46,827	0	(250)	-	(4,422)	42,155
Flowers	16,651	802	(1,143)	-	(1,201)	15,109
Youth	28,665	0	-	-	(2,186)	26,479
Hope Rennie King Bequest	27,489	16	-	-	-	27,505
Other funds under £10,000	18,382	1	-	-	(1,624)	16,759
	<u>2,053,202</u>	<u>43,858</u>	<u>(27,487)</u>	<u>(51,000)</u>	<u>(169,866)</u>	<u>1,848,707</u>
<b>Total Funds</b>	<u>6,015,446</u>	<u>1,827,678</u>	<u>(1,259,618)</u>	<u>-</u>	<u>(184,837)</u>	<u>6,398,670</u>

\* Opening balance adjusted to reflect each year end change in makeup of Funds under £10,000.

Total Endowment Funds at 31 December 2022 of £1,848,707 are made up of £1,678,407 Permanent Endowment and £170,300 Expendable Endowment (2021: £1,853,897 Permanent Endowment and £199,305 Expendable Endowment).

As in prior years, transfers are made from Restricted and Endowment Funds to Unrestricted Funds to cover expenses paid out through the latter but which refer to specific costs which may be reimbursed from Restricted or Endowment Funds. The only exception to this is where Unrestricted funds are used for a particular purpose.

The material Restricted Funds transfers covered specific asset purchases, specific administration costs and a contribution to the deficit incurred in the year. The material Endowment Funds transfer covered the part reimbursement of maintenance costs incurred during the year.

## ST GILES' CATHEDRAL

### NOTES to the CONSOLIDATED ACCOUNTS (Continued)

#### For the year ended 31 December 2022

#### **22. Movement in Funds (continued)**

##### Purpose of Designated (Unrestricted) Funds

- a. Reserve Fund - to be used for extraordinary expenditure on fabric, properties, equipment and special projects.
- b. Organ Cleaning Fund - to be used to pay for significant long-term cleaning and major overhaul costs of the organ as opposed to annual maintenance costs.

##### Purpose of Restricted Funds

- a. Poor of Parish and Congregation - for the benefit of the Parish and the Congregation.
- b. Youth Uninvested - for the benefit of youth work and projects.
- c. Dunard - for the benefit of music.
- d. Tulliallan – for specific one-off costs.
- e. COVID Recovery fund for loss of visitor income – this fund is an appeal to the congregation and other interested parties to make contributions to assist in covering expenses normally covered by income from visitors. Visitor income having been dramatically reduced by the impact of COVID-19.
- f. Thistle Chapel - for repairs to the Thistle Chapel.
- g. The Wood Fund is to be used for works to the interior of the Cathedral as approved by the donor.

##### Purpose of Endowment Funds

#### **Revenue**

- a. The revenue from the Brown Bequest under this heading may only be used for the preservation, repair and maintenance of the fabric of the Cathedral.
- b. The other funds includes a number of small revenue endowment funds, the largest of these is the moderator's fund to be used at the discretion of the moderator.

#### **Capital**

- a. The income of the Daily Service and Music Funds within this section is included under interest and dividends. The capital may not be used.
- b. The Dunard Fund may only be used for music purposes. Part of the income from the endowment is to be used to fund the Herrick Bunney Organ Scholarship. The revenue is shown under Restricted Funds.
- c. The income from the Thistle Chapel is to be used for the upkeep of the Thistle Chapel including repairs, maintenance and cleaning and towards the cost of insuring the Thistle Chapel.
- d. The income from the M. Hope Rennie Bequest is to be used for music purposes in St. Giles. The capital may not be used.
- e. The other funds includes a number of small capital endowment funds, the largest of which is for the purpose of the organ.

**ST GILES' CATHEDRAL**

**NOTES to the CONSOLIDATED ACCOUNTS (Continued)**

**For the year ended 31 December 2022**

<b>Prior Year Movement in Funds</b>	<b>Balance 1 January 2021</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>Fund Transfers</b>	<b>Investment Gains/ (Losses)</b>	<b>Balance 31 December 2021</b>
	£	£	£	£	£	£
<b>Unrestricted Funds (Group)</b>						
General (St. Giles' Cathedral)	3,239,185	516,991	(868,274)	247,470	-	3,135,372
General (Appeal)	56,283	5,979	(5,771)	-	-	56,491
Reserve (Designated)	22,766	452	-	-	1,062	24,280
Organ Cleaning (Designated)	5,202	6	-	-	-	5,208
	-	-	-	-	-	-
	3,323,436	523,428	(874,045)	247,470	1,062	3,221,351
<b>Restricted Funds</b>						
Poor of Parish	170,243	4,083	(10,000)	-	16,240	180,566
Youth	43,676	1,086	-	(5,470)	-	39,292
Dunard	16,497	17	-	(3,000)	-	13,514
Tulliallan	189,547	15,477	-	-	-	205,024
COVID Recovery for loss of visitor income	130,000	338,240	-	(188,000)	-	280,240
Sir Walter Scott 250 <sup>th</sup>	-	20,435	(20,435)	-	-	-
The Wood Fund (Appeal)	126,366	27,009	(150,152)	-	-	3,223
Funds under £10,000*	11,653	13	-	-	-	11,666
Funds under £10,000 (Appeal)	7,336	32	-	-	-	7,368
	695,318	406,392	(180,587)	(196,470)	16,240	740,893
<b>Endowment Funds</b>						
Brown Bequest	1,584,017	38,768	(9,797)	(50,000)	180,428	1,743,416
Daily Service	48,057	-	-	-	6,004	54,061
Dunard	44,417	1,285	-	-	5,021	50,723
Thistle Chapel (Appeal)	27,897	-	(108)	-	957	28,746
Thistle Chapel (St. Giles' Cathedral)	34,293	1,061	-	(1,000)	3,888	38,242
Music	42,697	-	(500)	-	4,630	46,827
Flowers	15,046	561	(753)	-	1,797	16,651
Youth	25,365	-	-	-	3,300	28,665
Hope Rennie King Bequest	27,460	29	-	-	-	27,489
Other funds under £10,000	16,552	2	-	-	1,828	18,382
	1,865,801	41,706	(11,158)	(51,000)	207,853	2,053,202
<b>Total Funds</b>	<b>5,884,555</b>	<b>971,526</b>	<b>(1,065,790)</b>	<b>-</b>	<b>225,155</b>	<b>6,015,446</b>

## ST GILES' CATHEDRAL

### NOTES to the CONSOLIDATED ACCOUNTS (Continued)

#### For the year ended 31 December 2022

<b>23. Charity Statement of Financial Activities</b>	<b>2022</b>	<b>2021</b>
	£	£
<b>Incoming and endowments from:</b>		
Donations and legacies	221,807	376,284
Charitable activities	116,785	161,700
Other trading activities	738,452	189,090
Investments	146,115	129,301
Other income – Furlough claims	-	82,130
	-----	-----
<b>Total income and endowments</b>	<b>1,223,159</b>	<b>938,505</b>
	-----	-----
<b>Expenditure on:</b>		
Raising funds	418,658	237,974
Charitable activities	786,054	671,785
	-----	-----
<b>Total expenditure</b>	<b>1,204,712</b>	<b>909,759</b>
	-----	-----
Net income/(expenditure) before other recognised gains and losses	18,447	28,746
	-----	-----
<b>Other recognised gains and losses</b>		
(Loss)/Gain on investment assets	(181,442)	224,198
	-----	-----
<b>Net movement in funds</b>	<b>(162,995)</b>	<b>252,944</b>
	-----	-----
<b>Reconciliation of funds</b>		
Total funds brought forward	5,919,618	5,666,674
	=====	=====
<b>Total funds carried forward</b>	<b>5,756,623</b>	<b>5,919,618</b>
	=====	=====

#### **24. Capital Commitments**

The total amount of capital commitments outstanding as at 31 December 2022 was £510,000. These commitments refer to the renewal and enhancement of the lighting in the cathedral described on page 5 under St Giles' Cathedral Renewal Appeal Trust.

#### **25. Special Collections**

During the year the undernoted sums were collected and distributed:

	<b>2022</b>	<b>2021</b>
	£	£
Various good causes (from congregational funds)	10,000	10,000
Various good causes (through the Neighbourhood Group)	17,000	8,955
	-----	-----
	<b>27,000</b>	<b>18,955</b>
	=====	=====

**ST GILES' CATHEDRAL**

**NOTES to the CONSOLIDATED ACCOUNTS (Continued)**

**For the year ended 31 December 2022**

**26. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net movement in funds	383,224	130,891
(Gains)/losses on investments	184,837	(225,155)
Interest, dividends and rent	(146,687)	(129,334)
Decrease/(increase) in stock	6,629	9,747
Decrease in debtors	1,232	22,167
Increase in creditors	168,600	13,556
	-----	-----
<b>Net cash outflow used in operating activities</b>	<b>597,834</b>	<b>(178,128)</b>
	=====	=====

**27. Subsequent events**

On 24 January 2023 we concluded the sale of 12 George IV Bridge, Edinburgh, one of our investment properties; we received £586,750. This sum, together with normal budgeted congregational givings and receipts from visitors, allow the Trustees to consider that the charity can continue to operate as a going concern.

## ST GILES' CATHEDRAL

FUNDS held on BEHALF of the CONGREGATION by the  
CHURCH of SCOTLAND GENERAL TRUSTEES

	<b>2022</b>	<b>2021</b>
	£	£
<b>Capital Account</b>		
Investment held at 31 December at cost	10,397	10,397
	=====	=====
Market value of Investment at 31 December	15,395	16,595
	=====	=====
<b>Revenue Account</b>		
Credit balance at 31 December	588	288
	=====	=====