



**Diocese of Edinburgh  
Scottish Episcopal Church**

Scottish Charity Number SC001214

**Report and Accounts  
for the Year ended  
31 December 2021**

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**Contents**

	<i>page</i>
Reference and administrative details	2
Report of the Standing Committee (Trustees' report)	3-6
Statement of responsibilities of the Members of the Standing Committee	7
Independent auditor's report	7-9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the accounts	13-22

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## Reference and administrative details

<b>NAME OF CHARITY</b>	Diocese of Edinburgh Scottish Episcopal Church (Edinburgh Diocesan Synod)
<b>SCOTTISH CHARITY NUMBER</b>	SC001214
<b>PRINCIPAL ADDRESS</b>	Edinburgh Diocesan Office 21A Grosvenor Crescent Edinburgh EH12 5EL  <i>Email:</i> <a href="mailto:office@edinburgh.anglican.org">office@edinburgh.anglican.org</a> <i>Internet:</i> <a href="http://www.edinburgh.anglican.org">www.edinburgh.anglican.org</a>
<b>STANDING COMMITTEE (TRUSTEES)</b>	For the purposes of charities law, the members of the Standing Committee are the Charity Trustees of the Diocese. As at the date of this report, the Trustees and members of the Standing Committee were:  <i>Ex officio:</i> The Right Rev. Dr John Armes (Convenor) The Very Rev. Frances Burberry (Dean) Godfrey Robson (Diocesan Secretary) Ian Lawson (Treasurer) Ms Pippa Snell (Registrar) The Rev. Dr. Sophia Marriage (Convenor, Mission and Ministry Committee)  <i>Appointed by Synod:</i> Mrs Victoria Elliott The Rev. Rosie Addis The Rev. David Dixon ( <i>appointed 9 March 2021</i> )
<b>CUSTODIAN TRUSTEES</b>	The following were Custodian Trustees for the Diocese in respect of heritable and moveable property:  The Right Rev. Dr John Armes (Bishop) The Very Rev. Frances Burberry (Dean) The Hon Lady Poole (Chancellor) Ms Pippa Snell (Registrar)
<b>SECRETARY</b>	Mr Godfrey Robson
<b>TREASURER</b>	Mr Ian Lawson
<b>ADMINISTRATOR</b>	Mr Simon Filsell
<b>BANKERS</b>	Reliance Bank Ltd Faith House, 23-24 Lovat Lane, London EC3R 8EB
<b>SOLICITORS</b>	Murray Snell LLP Excel House, 30 Sempie Street, Edinburgh EH3 8BL
<b>AUDITORS</b>	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street, Edinburgh EH3 6NL

## **Report of the Standing Committee (Trustees' report) Year ended 31 December 2021**

As Trustees of the Diocese of Edinburgh, the Standing Committee presents its report and the audited accounts of the Diocese for the year ended 31 December 2021. These have been prepared in accordance with applicable charities law and the requirements of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### **Objectives and activities**

The primary charitable purpose of the Diocese is the advancement of religion and to provide public benefit. The main activities of the Diocese are the provision of spiritual, pastoral, administrative and financial support to its Charges (or local congregations) and their members in carrying out the ongoing mission of the Christian Church.

These activities are pursued through:

- assuring the regular availability of the Church's liturgy
- training and leadership in mission and ministry;
- conferences, retreats and educational events;
- support for youth and children's activities;
- grants to Charges to support mission activity;
- access to central administrative facilities.

### **Achievements and performance**

The year saw a gradual reopening of Churches as the deadly Delta variant of Covid-19 retreated in the face of the Scottish vaccine roll-out. The Diocese played a pivotal role, as the rules relaxed, in relaying advice to congregations from the Scottish Government and, more specifically, the College of Bishops. As many churches within the Diocese moved to online provision of services, so too the Diocese made greater use of communications technology to hold virtual Synods in March and October, and in maintaining support networks for diocesan clergy. The newly appointed Ministry Coordinator, Rev'd Jane MacLaren, provided a vital role supporting the calling and well-being of clergy as they met the difficult new challenges of meeting the needs of a more scattered, home-based membership.

A welcome boost to church morale was provided by the Scottish Episcopal Church Recovery and Renewal Grants Scheme. This encouraged all dioceses and congregations to examine the opportunities to emerge from Covid with new skills and facilities, and apply for a share in a fund of £300,000. The Diocese encouraged and coordinated the formulation of applications by its congregations and succeeded in obtaining over £61,000 of funding for a variety of projects, many of them based on improving streaming facilities in churches. In addition, the Diocese made grants totalling £16,000 to congregations hardest hit by the pandemic, drawing mainly from Covid Support funds largely provided by other congregations paying voluntary additional quota.

Diocesan staff continued to work from home. Posts that were or became vacant were not immediately filled, partly to conserve costs and in part so that roles could be reimagined to suit the changing circumstances. Towards the end of the year, an appointment was made to a new enhanced part-time role of Assistant Administrator, which was temporarily coupled with Communications Officer. With generous support from AllChurches Trust, the Diocese was able to create a new part-time post, Ministry Development Officer, replacing the Ministry Coordinator contract when it came to an end, with a new Administrative Assistant to work alongside it. All these appointments will enable the Diocese to provide vital support to clergy and congregations as they seek to develop and change to meet the challenges of a 'new normal'.

Other Diocesan activities have continued as before. The St Hilda's Fund continued to support the two new groupings of charges in the Borders, as well as subsidising the training cost of ordinands placed with congregations under the Mixed Mode training scheme.

A full review of the activities of the year is given in the reports to Synod of the various committees, which are available from the Diocesan Office.

## Report of the Standing Committee (continued)

### Financial review

#### *Sources of funding*

The Diocese's main source of funding remains quota paid by Charges within the Diocese. A reduction of 10% compared to 2020 was budgeted, matching an equivalent reduction in quota payable to the Province. All quota due in the year was paid, despite the financial pressure on congregations. Grant income was considerably boosted by £61,000 of Recovery and Renewal Funding from the Province, all of which was paid to congregations to fund projects. Distributions from units in the SEC Unit Trust Pool rose by 12%, reflecting another exceptional year for these funds. Other income included charges to congregations for payroll services and attendance charges for an enlarged three-day Clergy Conference (held online in 2020).

#### *Review of the financial position*

Savings made as the pandemic struck in 2020 continued into 2021. Grant payments rose in line with grant income but quota payments fell thanks to a generous allowance from the Province to help meet the costs of the pandemic. In other respects, costs were similar to 2020, but much reduced below pre-pandemic levels as the scope for activities became restricted. The General Fund recorded a further surplus: £73k compared with a budget of £3k that had been based on an expectation of an earlier return to normality. Some of the savings reflect the deferral of costs, and some of the surplus has been used to fund a deficit budget for 2022.

The St Hilda's Fund for Mission continued to assist the establishment of two Borders groupings, utilising unspent past revenue reserves where necessary. However, an understandable lack of applications for congregational mission grants meant that there was in fact a surplus in designated funds. Restricted Funds also showed a surplus as grants were held back in the expectation of a continuing need in 2022 for Covid recovery funding.

The value of the Diocese's investment in the SEC Unit Trust Pool rose in the year by 9.6% (2020: 36%). However, markets remain volatile and by 30 April 2022 the market value had fallen by 14.4% compared to the year-end.

The resulting financial position of the Diocese is shown in the Balance Sheet on page 11. Total funds at 31 December 2021 amounted to £7.34m, an increase of £620k over the year, of which £93k was net operating income and £527k unrealised gains in the value of investments. (Unrealised losses on investments in the four months since the year end totalled £867k).

#### *Policy on investments*

The Diocese retains all its securities investments in the Scottish Episcopal Church Unit Trust Pool (UTP). The investment policy of the UTP, which accords with that of the Standing Committee, is to earn a return on the assets, over the long term, sufficient at least to maintain the real value of the distribution to unit holders. The UTP Investment Committee recognises its responsibilities to optimise investment returns whilst striving to meet reasonable ethical investment expectations. It aims to invest in companies that will not only successfully develop their business financially in the interests of shareholders, but also demonstrate responsible employment and good corporate governance practices, are conscientious regarding environmental performance and human rights, and act with sensitivity to the communities in which they operate.

The Investment Committee has also adopted strict "negative" criteria as a significant element of the ethical investment policy. No direct investment will be made in companies whose main business is in any of the following restricted categories: armaments, gambling, tobacco and pornography. The Committee is committed to seeking to identify companies whose operational activities give rise to ethical concerns, and will positively engage with, and if deemed appropriate, disinvest from such companies whose securities are held within the investment portfolio.

#### *Principal risks and uncertainties*

The Standing Committee continues to review risks, uncertainties and mitigating measures, including at this time the challenges of rebuilding congregations as they emerge from Covid restrictions. The principal risks are:

- dependency on income from Charges, especially when rising costs are placing an extra burden upon them – this is managed through monitoring of receipts; review of Charges' annual accounts; and regular pastoral contact with Charges.
- reliance on investment performance – all funds are with the Scottish Episcopal Church UTP, a balanced product with a focus on maintaining distributions. Its performance and risk profile are kept under review.
- the potential loss of key personnel – the Diocese continues in its aim of ensuring that critical tasks are capable of being performed by more than one Diocesan official, or through the use of external agencies.

## **Report of the Standing Committee (continued)**

### **Financial review (continued)**

#### *Policy on reserves*

Restricted reserves, arising from endowments or from gifts for specific purposes, are invested as appropriate and utilised only in accordance with the wishes of the donor or the purposes for which they were raised.

Designated reserves consist of three types:

- Past sums granted to or earmarked by the Diocese with the intention that they be invested to generate income to further the general activities of the Diocese. Because the income may be used for general purposes these reserves are not treated as 'restricted'.
- Funds used to purchase or improve the Episcopal residence. This fund is equal to the carrying value in tangible fixed assets of land and buildings.
- Sums arising from exceptional income such as the sale of church properties, and earmarked by the Standing Committee for special purposes within the Diocese.

Remaining reserves – in the General Fund – are available to meet the day-to-day operations of the Diocese. These reserves are required to meet a number of important obligations, which include payment of stipends and salaries to central and diocesan personnel, maintenance of the diocesan office and its facilities, and support of diocesan Charges in their mission.

Accordingly, Standing Committee considers it necessary to retain a sum in the General Fund sufficient to provide working capital to cover day-to-day expenditure and to enable its responsibilities to be discharged in the event of any significant interruption or reduction in its income, so as to enable the Diocese to maintain its current level of activities for a reasonable period until replacement funding can be obtained. In line with other charitable bodies of similar size and level of financial commitment, the Standing Committee seeks to maintain a minimum of 3 months' average annual expenditure in freely available reserves.

At 31 December 2021 the minimum requirement of 3 months budgeted general fund expenditure amounted to £149k (2020: £138k). Freely available reserves at the same date (general fund excluding tangible assets) amounted to £254k (2020: £174k). This represents 22 weeks' expenditure (2020: 16 weeks). The improved position is the result of both the operating surplus and the unrealised gain in investments, coupled with a reduced budget for 2021.

### **Plans for future periods**

With arrangements for clergy support and development now in place, the Diocese will look in 2022 to improving support networks for vestries. An online forum, where ideas can be shared and questions answered, has been tested and is now being rolled out, and proposals are being developed to help vestries deal with building issues, particularly the commissioning and follow-up to quinquennial reviews.

With the Scottish Episcopal Church aspiring to net zero carbon emissions by 2030, a new subcommittee has been formed to provide professional advice to the Standing Committee on climate change issues, particularly with regard to the 2030 target for carbon zero.

Further thought is being given to possible new initiatives to assist the Diocese in its emergence from Covid, and to underpin future development and growth.

### **Structure, governance and management**

The Diocese is an unincorporated association, governed by a Constitution (the 'Administrative Scheme'), and subject to Canon Law of the Scottish Episcopal Church and Resolutions of its General Synod.

Founded in 1633, the Diocese is one of seven dioceses of the Scottish Episcopal Church, part of the Anglican Communion. The Diocese covers an area comprising Edinburgh, the Lothians, Scottish Borders and Falkirk. The Bishop of Edinburgh is chief pastor to over 50 Charges, or local congregations, within this area. Congregational Charges within the Diocese are separate registered charities, and their transactions do not form part of these accounts. Charges in the Diocese are grouped into seven areas. Each has an Area Council, comprised of the lay representative and clergy representative and one other lay person for each Charge in the area. The councils further the work of the Church in their area and act as a channel of communication between the congregations and Synod in both directions. Area Councils are required by the Constitution to meet at least three times each year.

## **Report of the Standing Committee (continued)**

### **Structure, governance and management (continued)**

The principal governing body of the Diocese is Diocesan Synod, which meets at least once each year to receive reports, appoint committees and officials, and transact any other business referred to it. Its membership comprises: the Bishop; all instituted, licensed or commissioned clergy in the Diocese; a Lay Representative elected by each Charge; diocesan officials; and members of the laity licensed to a specific duty within the Diocese.

Between meetings of Synod, the Standing Committee acts as Executive Committee of the Diocese. It is responsible for managing and safeguarding the assets of the Diocese. It implements Synod decisions, supervises diocesan committees and communications between them, and considers business raised by Charges within the Diocese. It is required by the Constitution to meet at least three times each year.

For the purposes of charities law, the members of the Standing Committee are the Trustees of the Diocese; all are appointed or elected from within the Diocese and its Charges. The Convenor of the Standing Committee is the Bishop, who is elected by representatives of Charges in the Diocese. The Vice convenor is a lay person appointed by the Standing Committee from within its membership. Two clerical and two lay members are elected by the Diocesan Synod. The elected members have a four-year term of office. The Dean, Registrar, Secretary, Treasurer, and Convenors of the Mission and Ministry Committee and the Finance and Management Committee are members *ex officio*. The Standing Committee has power to fill *ad interim* vacancies occurring between meetings of Synod.

The names of the current Trustees at the date of this report are shown on page 2, together with their dates of appointment if after 1 January 2021. Also serving during the year were Rev'd Malcolm Round and Mr Neil Stewart, who both retired as trustees on 9 March 2021. New members of the Standing Committee are provided with an induction pack and receive relevant support for their role on appointment.

The remuneration of personnel is determined on the basis of a simple three-grade scale compiled during the year by the Diocese's Personnel Committee and approved by the Standing Committee. The scale is consistent with scales established by the General Synod of the Scottish Episcopal Church.

The Standing Committee has three pendant committees. The Mission and Ministry Committee exists to encourage, accompany and resource local congregations and individuals on their journey of faith. Its remit also includes ministerial development. The Finance and Management Committee is concerned with the administration and day-to-day finances of the Diocese. It is responsible for the preparation of budgets and cash flows, the setting of quota levels from Charges, and the preparation of the annual accounts. Each committee has a number of subsidiary committees reporting to it. In 2022 a new subcommittee was formed to liaise with congregations and the Province on climate change issues, and to advise Standing Committee on how to achieve net zero carbon emissions across the Diocese by 2030.

**Reference and administrative details** - see page 2.

### **Appreciation**

The members of the Standing Committee would like to thank all those who contribute their time, energy and money so generously to ensure that the Diocese can continue to provide a central support and common link point to all the Charges within the Diocese.

**ON BEHALF OF THE TRUSTEES**



✠ John Edenburgen  
The Right Rev. Dr John Armes  
Convenor, Standing Committee  
17 May 2022

## Statement of responsibilities of the Members of the Standing Committee

The Members of the Standing Committee, as charity trustees, are responsible for preparing the Annual Report and the Accounts in accordance with applicable law and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

The law applicable to charities in Scotland requires the members of the Standing Committee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Diocese and of its income and expenditure for that period. In preparing these accounts members of the Standing Committee 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 Diocese will continue in operation.

The members of the Standing Committee are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Diocese 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 Administrative Scheme for Edinburgh Diocesan Synod.

The members of the Standing Committee are also responsible for safeguarding the assets of the Diocese and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members of the Standing Committee are responsible for the maintenance and integrity of the charity and financial information included on the diocesan website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

## Independent auditor's report to the Standing Committee

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### Opinion

We have audited the accounts of the Diocese of Edinburgh Scottish Episcopal Church for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 Diocese of Edinburgh's affairs as at 31 December 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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/

## **Independent auditor's report to the Standing Committee (continued)**

### **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 Diocese of Edinburgh 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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts 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 Diocese of Edinburgh's ability to continue as a going concern for a period of at least twelve months from when the accounts 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 other information comprises the information included in the annual report of the Standing Committee, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. 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 in relation to which the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the 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; or
- the information given in the Report of the Standing Committee is inconsistent in any material aspect with the accounts.

### **Responsibilities of Standing Committee**

As explained more fully in the Statement of Responsibilities of the Members of the Standing Committee (as charity trustees), the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing/



## Independent auditor's report to the Standing Committee (continued)

### Responsibilities of Standing Committee (continued)

In preparing the accounts, the trustees are responsible for assessing the Diocese of Edinburgh'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 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

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:

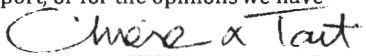
- A review of manual adjustments made in coming to the accounts would identify any unusual adjustments.
- Through gaining a detailed understanding of the business and operations this allowed for identification of irregularities.
- Analytical review of figures against expectation in order to assess movements which may be caused by irregularities or fraud.
- Specific consideration was given to transactions with related parties.
- Fixed assets were suitably tested for potential impairment.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the accounts or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the accounts, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

### Use of our report

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

  
**CHIENE + TAIT LLP**

Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh EH3 6NL

19.5.2022

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

**Statement of Financial Activities**

Year ended 31 December 2021

	Note	<i>Unrestricted Funds</i>			<i>Total Funds</i>	
		<i>General Fund</i>	<i>Designated Funds</i>	<i>Restricted Funds</i>	<i>2021</i>	<i>2020</i>
		£	£	£	£	£
<b>Income from</b>						
<b>Donations and legacies</b>	3	16,249	558	16,583	33,390	23,324
<b>Charitable activities</b>						
Quota receiveable from Charges		474,849	-	-	474,849	528,128
General Synod grant funding		-	-	157,364	157,364	76,691
Other grants and funding		-	-	13,617	13,617	17,600
Other charitable activities	3	14,987	-	-	14,987	118
		489,836	-	170,981	660,817	622,537
<b>Trading activities</b>	3	11,840	-	-	11,840	10,095
<b>Investment income</b>	3	69,194	48,264	6,624	124,082	111,671
<b>Total income</b>		<b>587,119</b>	<b>48,822</b>	<b>194,188</b>	<b>830,129</b>	<b>767,627</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>		-	-	-	-	-
<b>Charitable activities</b>						
Quota payable to General Synod		237,360	-	-	237,360	280,278
Office of Bishop and Dean		101,898	-	11,440	113,338	104,603
Mission and ministry activities		30,997	-	44,559	75,556	81,449
Grants and bursaries	4	4,300	36,390	130,584	171,274	89,318
Information and communications		8,969	-	-	8,969	15,826
Support costs		113,388	-	-	113,388	125,128
Governance		17,247	-	-	17,247	26,986
		514,159	36,390	186,583	737,132	723,588
<b>Total expenditure</b>		<b>514,159</b>	<b>36,390</b>	<b>186,583</b>	<b>737,132</b>	<b>723,588</b>
<b>Net operating income/(expenditure)</b>		<b>72,960</b>	<b>12,432</b>	<b>7,605</b>	<b>92,997</b>	<b>44,039</b>
Gains/(losses) on investment assets		7,315	491,745	28,166	527,226	1,457,599
<b>Net income/expenditure</b>		<b>80,275</b>	<b>504,177</b>	<b>35,771</b>	<b>620,223</b>	<b>1,501,638</b>
Transfers between funds		(3,000)	3,000	-	-	-
<b>Net movement in funds</b>		<b>77,275</b>	<b>507,177</b>	<b>35,771</b>	<b>620,223</b>	<b>1,501,638</b>
<b>Reconciliation of funds</b>						
<b>Total funds at 1 January 2021</b>		<b>180,705</b>	<b>6,162,793</b>	<b>380,882</b>	<b>6,724,380</b>	<b>5,222,742</b>
<b>Total funds at 31 December 2021</b>		<b>257,980</b>	<b>6,669,970</b>	<b>416,653</b>	<b>7,344,603</b>	<b>6,724,380</b>

All income and expenditure derive from continuing activities.

All income, gains, expenditure and losses recognised in the period are included above.

Comparative information for all fund values presented above is given in note 14.

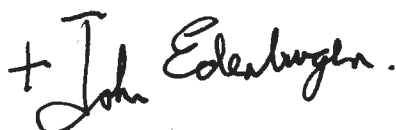
The notes on pages 13 to 22 form part of these accounts

## Balance Sheet

As at 31 December 2021

	Note	2021 £	2021 £	2020 £
<b>Fixed assets</b>				
Tangible assets	8		931,997	934,096
Investments	9		6,007,488	5,480,263
			<u>6,939,485</u>	<u>6,414,359</u>
<b>Current assets</b>				
Debtors	10	97,153		149,954
Cash at bank and in hand		<u>346,967</u>		<u>222,371</u>
		444,120		372,325
<b>Liabilities</b>				
Creditors: amounts falling due within one year	11	<u>39,002</u>		<u>62,304</u>
<b>Net current assets</b>			<u>405,118</u>	<u>310,021</u>
<b>Total net assets</b>			<u><u>7,344,603</u></u>	<u><u>6,724,380</u></u>
<b>Diocesan funds</b>				
	12			
Restricted funds			416,653	380,882
Unrestricted funds				
Designated funds			6,669,970	6,162,793
General fund			<u>257,980</u>	<u>180,705</u>
<b>Total funds</b>			<u><u>7,344,603</u></u>	<u><u>6,724,380</u></u>

APPROVED FOR ISSUE BY THE STANDING COMMITTEE (TRUSTEES) ON 17 MAY 2022  
AND SIGNED ON THEIR BEHALF BY



✘ John Edenburgen  
The Right Rev. Dr John Armes  
Convenor, Standing Committee

## Statement of cash flows

Year ended 31 December 2021

	Note	2021		2020	
		£	£	£	£
<b><i>Cash flows from operating activities</i></b>					
Net cash generated/(used) in operating activities	13		7,189		(122,909)
<b><i>Cash flows from investing activities</i></b>					
Dividends, interest and rents from investments		117,405		107,833	
Proceeds on disposal of investments		-		72,164	
Net cash provided by investing activities		<u>117,405</u>		<u>179,997</u>	
<b><i>Change in cash and cash equivalents in the year</i></b>			124,596		57,089
<b><i>Cash and cash equivalents</i></b>					
At 1 January 2021			<u>222,371</u>		<u>165,282</u>
At 31 December 2021			<u><u>346,967</u></u>		<u><u>222,371</u></u>
<b><i>Analysis of cash and cash equivalents</i></b>					
Cash at bank and in hand			<u><u>346,967</u></u>		<u><u>222,371</u></u>

Accounting Standards require the Cash Flow Statement to be accompanied by an 'Analysis of Changes in Net Debt'. 'Net Debt' means debt finance less cash. The Diocese had no debt finance during 2021 and therefore its net debt is simply the negative of its cash balances. Accordingly, the change in net debt is apparent from the Statement of Cash Flows above.

## Notes to the accounts Year ended 31 December 2021

### 1. Accounting policies

#### a) General information and basis of preparation of accounts

The Diocese of Edinburgh, whose registered office is at 21A Grosvenor Crescent, Edinburgh, EH12 5EL, is an unincorporated charity registered in Scotland and constitutes a public benefit entity as defined by FRS 102. These accounts have been prepared under the historical cost convention, as modified by the revaluation of investment assets, and in accordance with:

- the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS 102, and
- the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### b) Going concern

The accounts have been prepared on a going concern basis. The members of the Standing Committee have assessed the ability of the Diocese to continue as a going concern and, notwithstanding the adverse effect that the coronavirus pandemic may have on its income, have reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for at least 12 months from the date of approving the accounts. They thus continue to adopt the going concern basis of accounting in preparing these accounts.

#### c) Fund accounting

Unrestricted funds may be used at the discretion of Standing Committee to further any of the purposes of the Diocese, including to supplement expenditure from restricted funds. Standing Committee may choose to set aside part of the unrestricted funds as a designated fund for a particular future project or commitment.

Restricted funds can lawfully only be used for the purpose specified by the donor or resulting from the terms of an appeal. Some restricted funds may be capital funds in that only the income of the fund may be expended to further the objectives of the Diocese.

Details concerning the main funds of the Diocese are given in note 12.

#### d) Recognition of income

Income is recognised in the statement of financial activities when the Diocese becomes entitled to the income, where there is probability of receipt, and where its monetary value, including any associated costs, can be measured reliably. Income is deferred where it relates to activities or services in a later accounting period.

#### e) Recognition of expenditure

Expenditure is accounted for on an accruals basis, being recognised when there is a legal or constructive obligation to pay, where it is probable that settlement will be required, and where the amount can be measured or estimated reliably.

Costs of investment management and costs incurred on commercially let property, if any, are separately shown as *Expenditure on raising funds*. All other costs are shown as *Expenditure on charitable activities*, comprising costs directly incurred in undertaking the charitable objectives of the Diocese together with stipend support costs and grants awarded to congregations and individuals. Expenditure relating to the social investment property has been reclassified as expenditure on charitable activities because the primary purpose of the property is not to raise funds (see notes 1(k) and 9).

Liability for grants payable is recognised at the time of the grant being awarded.

Governance costs represent the costs associated with general running of the Diocese as opposed to costs associated with charitable activities. These include external scrutiny, legal advice, Synod and committee meetings, amounts paid to diocesan officials, and other costs associated with constitutional and statutory requirements. They include costs associated with strategic as opposed to day to day management of activities.

#### f) Allocation of support and governance costs

The Diocese has one sole activity, namely the mission and ministry of the Christian Church. Therefore, support costs (including governance) are presented as an additional component of expenditure on charitable activities without apportionment to specific projects.

## Notes to the accounts Year ended 31 December 2021

### 1. Accounting policies (continued)

#### g) Leases

Rentals paid under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged as an expense on a straight line basis over the period of the lease, even if the payments are not made on such a basis.

#### h) Taxation

The Diocese is a registered Scottish charity and therefore exempt from tax on income and gains applied to charitable purposes. Basic rate UK income tax is recoverable in respect of gift-aided donations. The Diocese is not registered for Value Added Tax and is therefore unable to reclaim VAT incurred on costs. Expenditure is shown in the Accounts gross, including irrecoverable VAT.

#### i) Tangible fixed assets

*Heritable property* is valued at cost to the Diocese. The Standing Committee considers that the cost of carrying out a professional valuation to include properties in the accounts at valuation would be disproportionate to any additional benefit derived by users of these accounts. The properties are not depreciated in the accounts as residual value is deemed sufficiently high that any depreciation would be immaterial.

*Fittings* are written off to revenue in the year of acquisition.

*Equipment* with a purchase price greater than £2,000 is capitalised and depreciated over its assessed useful economic life on a straight-line basis. Other equipment is written off to revenue in the year of acquisition.

#### j) Financial instruments

The Diocese carries only basic financial assets and liabilities. These may comprise investments in securities, amounts receivable and payable, and cash deposited with banks. Financial assets and liabilities are initially valued at cost; subsequently, investment assets are valued at market valuation (excluding any costs of realisation or disposal) and other assets and liabilities are valued at the best estimate of settlement amount.

#### k) Investment assets

The Diocese owns one social investment property: a former church building, St Andrew's, Niddrie, which is leased to a community arts group. The Diocese intends to continue to use this asset to support community and social projects in the area. This asset is recorded in the accounts with a notional value of £100.

Investments in securities and unit trusts are recorded at market valuation.

#### l) Gains and losses

Realised gains and losses on security investments are calculated as the difference between the net sales proceeds and their valuation at the start of the year (or subsequent cost) and are recognised in the statement of financial activities in the year of disposal.

Unrealised gains and losses represent the movement in market valuation during the year and are recognised in the statement of financial activities based on market valuation at the year end.

#### m) Retirement benefits

The Scottish Episcopal Church operates a defined benefit non-contributory pension scheme. The Diocese pays contributions to this multi-employer scheme in respect of its stipendiary clergy and administrative staff. Contributions to the scheme are set at rates designed to spread the cost of pensions over the working lives of its members, and are charged in the accounts on a due and payable basis. The rate of contributions is determined by a qualified actuary. The amount of the charge for the year is disclosed in note 5.

## Notes to the accounts Year ended 31 December 2021

### 2. Related party transactions

The nature of the Diocese requires that it has many financial transactions with the General Synod of the Scottish Episcopal Church and with Charges in the Diocese. Members of the Diocesan Standing Committee are connected with their respective local church congregations and certain members are also members of Boards and Committees of the General Synod, therefore these bodies are related parties under FRS 102, and transactions with them are "related party transactions". The governance procedures of the Diocese and of General Synod require that members of all Boards and Committees declare their interest in any grant or loan application prior to its discussion by the Board or Committee.

The Diocese pays quota to and receives grants from General Synod, as shown in the accounts, and it rents office space from General Synod at a cost of £20,189 per annum (2020: £20,189). The Diocese also receives quota from and pays grants to individual congregations. A central payroll bureau service and use of central office facilities are offered to congregations, for which nominal charges are made. Amounts due by and to congregations are shown in aggregate in notes 10 and 11 to the Accounts.

FRS 102 requires disclosure of material related party transactions and year end balances with related parties. In the case of the accounts of the Diocese, these are for the most part separately disclosed in the statement of financial activities, the balance sheet or in the notes to the accounts. To reduce the volume of information given, FRS 102 permits aggregation of transactions of a similar nature. This practice has been followed in relation to quota from local congregations, and transactions with Charges in respect of the payroll bureau service.

Six independent Trust Funds also qualify as related parties in that the majority of their trustees are also trustees of the Diocese, and their purposes overlap with those of the Diocese. However, in the opinion of the Standing Committee, the degree of control is not sufficient to require the accounts of the Trusts to be consolidated within the accounts of the Diocese. Details of these Trust Funds and of transactions with them are given in Note 15 to the Accounts. Apart from these Trust Funds, the total amount of unconditional donations received from trustees or other related parties was £1,320 (2020: £1,320).

### 3. Additional information on income

**Donations and legacies** in the General Fund includes a generous grant of £12,689 (2020: £15,835) from Allchurches Trust, the owner of Ecclesiastical Insurance, our insurers.

The donation in Designated Funds was part of a gift from St Cuthbert's Colinton which they wished to be added to the St Hilda's Fund for Mission.

Restricted Funds income comprises £12,532 of voluntary additional quota paid by certain congregations in support of the Diocese's Covid Relief Fund (2020: £nil), together with grants and an individual donation totalling £4,051 (2020: £2,860) received for the support of clergy in need.

**Other charitable activities** income comprises charges for attendance at conferences and courses.

**Trading activities** consist of the provision of printing and payroll administration services to congregations within the Diocese and others.

**Investments** - income in the General Fund includes rental from an investment property of £nil (2020: £666), and interest on cash deposits of £86 (2020: £364). All other investment income totalling £123,995 (2020: £110,642) derives from holdings in the Scottish Episcopal Church Unit Trust Pool and is allocated to funds as follows:

	2021	2020
	£	£
General Fund	69,107	61,644
Designated funds	48,264	43,067
Restricted funds	6,624	5,911
	<u>123,995</u>	<u>110,642</u>

**Notes to the accounts (continued)**  
**Year ended 31 December 2021**

**4. Grant making activities**

	General Fund £	Designated funds £	Restricted funds £	2021 £	2020 £
Grants to congregations					
Provincial curate grants	-	-	36,685	36,685	17,954
Covid, recovery and renewal	-	-	77,117	77,117	-
Stipend support	-	32,534	-	32,534	33,171
Walker Trust cathedral grant	-	-	9,538	9,538	12,500
Other	800	1,000	3,350	5,150	22,857
Grants or bursaries to individuals	3,500	2,856	3,894	10,250	2,836
	<u>4,300</u>	<u>36,390</u>	<u>130,584</u>	<u>171,274</u>	<u>89,318</u>

**5. Staff costs and key management personnel**

	2021 £	2020 £
<i>Staff costs</i>		
Gross stipends and salaries	122,779	134,561
Social security costs	6,550	7,185
Employer's contributions to defined benefit pension scheme	34,716	37,891
	<u>164,045</u>	<u>179,637</u>

	Average headcount		Full time equivalent	
	2021 No	2020 No	2021 No	2020 No
<i>Average number of employees in year</i>				
Clergy (Bishop)	1.0	1.0	1.0	1.0
Mission and ministry	1.1	1.3	0.8	1.0
Administration and communications	3.2	3.7	2.4	2.6
	<u>5.3</u>	<u>6.0</u>	<u>4.2</u>	<u>4.6</u>

No employee received emoluments greater than £60,000 in either year.

**Key management personnel**

The Diocese considers its key management personnel to comprise the members of the Standing Committee. No Trustee or member of the Standing Committee received remuneration or benefits in respect of service as trustee. The following members of the Standing Committee received remuneration in respect of other service to the Diocese:

The Right Rev. Dr John Armes	Stipend as Bishop £40,500; pension contributions £8,694
Mr Ian Lawson	Payment for services as Diocesan Treasurer £6,000
Ms Pippa Snell	Payment for services as Diocesan Registrar £6,000

Remuneration paid to the Bishop conforms to scales determined by the General Synod of the Scottish Episcopal Church. Remuneration for service as Bishop also includes the benefit of rent-free residential accommodation, in respect of which the Diocese pays Council Tax.

No expenses were paid to trustees during either year.

No other trustee received remuneration in any respect, nor reimbursement of expenses in respect of performance of duties as trustee.



**Notes to the Accounts (continued)**  
**Year ended 31 December 2021**

**5. Staff costs and key management personnel (continued)**

***Retirement benefits***

All employees of the Diocese are eligible to join the Scottish Episcopal Church Pension Fund which is a non contributory defined benefit scheme. The Diocese is unable to identify its share of the underlying assets and liabilities of the Fund on a consistent and reasonable basis and so accounts for its contributions as if the scheme were a defined contribution scheme.

The contribution rate in the year of 32.2%, paid by the Diocese, was first set in 2014. The triennial actuarial review of the Fund at 31 December 2017 estimated the Fund had a surplus of £3.7m and recommended no change in the contribution rate.

The latest actuarial valuation, as at 31 December 2020, estimated the Fund's surplus had grown to £5.7m and again recommended no change in the contribution rate from 1 January 2022.

At 31 December 2021 contributions totalling £nil (2020: £489) were payable by the Diocese.

**6. Operating lease rental expenditure and commitments**

Diocesan office expenditure includes the following payments of operating lease rentals:

	2021	2020
	£	£
Amounts payable in respect of:		
Hire of plant and machinery	321	2,232
Other operating leases	22,640	39,169
	<u>22,961</u>	<u>41,401</u>

At 31 December 2021 the total future minimum lease payments in respect of non-cancellable operating leases were as follows:

	£
Amounts payable:	
Not later than one year	23,166
Later than one year and not later than five years	6,696
Later than five years	-
	<u>29,862</u>

In addition, the Diocese has a contingent liability in respect of a lease entered into with City of Edinburgh Council in October 2008 for the rental of office property on behalf of St Mungo's Balerno. All rentals under the lease are paid by St Mungo's which also holds a property reserve comprised of cash and investments in security for the Diocese. The potential liability for future rentals at 31 December 2021 up to the next break-point in the lease was £47,250 (2020: £74,250). No provision has been made in the accounts for this contingency because the likelihood of any liability arising is remote.

**7. Auditors' remuneration**

Net operating income is stated after charging £4,290 (2020: £3,900) in respect of auditing services. No other fees were paid or payable to the auditors for any other services to the Diocese (2020: £nil).

**Notes to the accounts (continued)**  
**Year ended 31 December 2021**

**8. Tangible fixed assets**

	<b>Land &amp; Buildings</b>	<b>Office Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January and 31 December 2021	927,799	23,935	<b>951,734</b>
<b>Accumulated depreciation</b>			
At 1 January 2021	-	17,638	<b>17,638</b>
Charge for year	-	2,099	<b>2,099</b>
At 31 December 2021	-	19,737	<b>19,737</b>
<b>Net Book Value</b>			
At 31 December 2021	<b>927,799</b>	<b>4,198</b>	<b>931,997</b>
At 31 December 2020	927,799	6,297	934,096

The Diocese owns the Bishop's residence which is shown here at historic cost and is not depreciated. No impairment provision has been made in the accounts as the Standing Committee believes that the value of the property is in excess of the book value.

**9. Investment assets**

	<b>Social investment property</b>	<b>SEC Unit Trust Pool</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>			
Carrying value at 1 January 2021	100	5,480,162	5,480,262
Disposal proceeds	-	-	-
Unrealised gain on revaluation	-	527,226	527,226
Carrying value at 31 December 2021	<b>100</b>	<b>6,007,388</b>	<b>6,007,488</b>

The social investment property is the former St Andrew's Church, Craigmillar which is leased to Craigmillar Now, a community arts group. The Diocese has representation on the board of Craigmillar Now and has use of an office in the property for the purposes of furthering its mission in that part of Edinburgh. Because the primary purpose of holding the property is not the generation of rental income, costs of £3,164 (2020: £14,355) relating to landlord's insurance and expenditure incurred in bringing the property to a lettable condition have been classified in the Statement of Financial Activities as mission and ministry activities.

All other investments are held in the Scottish Episcopal Church Unit Trust Pool and are shown at market valuation. The diocese's investment policy is set out in the Trustees' Report. The analysis of the unrealised gain on revaluation between funds is shown in note 12.

Since the end of the year, markets have been affected by the war in Ukraine and rising world commodity prices. In the four months to 30 April 2022, the value of the Diocese's investment in the Unit Trust Pool fell by 14.4%, an unrealised loss of £867,276. The Standing Committee, noting the view expressed by the fund managers that the UTP holds out the prospect of further increases over time, does not consider that the value of investments are permanently impaired.

**Notes to the Accounts (continued)**  
**Year ended 31 December 2021**

**10. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b><i>Due within one year</i></b>		
Accrued investment income	66,766	60,090
Unpaid quota due by Charges	225	20,598
Amounts due by Charges for stipends and salaries	1,072	2,464
Other debtors and prepayments	11,597	40,047
	<u>79,660</u>	<u>123,199</u>
<b><i>Due after more than one year</i></b>		
Congregational loan	17,493	-
Other debtors and prepayments	-	26,755
	<u>17,493</u>	<u>26,755</u>
	<u><u>97,153</u></u>	<u><u>149,954</u></u>

**11. Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Grants awarded but not yet paid	5,000	5,000
Amounts due to separate Trust Funds (see below)	19,180	2,819
Accruals and deferred income	12,129	27,054
Taxation and social security	416	11,612
Other creditors	2,277	15,819
	<u>39,002</u>	<u>62,304</u>

***Trust funds***

Included within creditors is the sum of £4,339 (2020: £2,819) relating to five trusts with purposes related to the Scottish Episcopal Church. The diocesan property trustees comprise the trustees of the trusts concerned, which are administered by the Diocese. The corresponding asset is a designated Trusts Bank Account included within cash at bank in the balance sheet.

In July 2021, the Diocese assumed the administrative responsibility for a sixth trust, The Walker Trust. The trustees of the Walker Trust are the Bishop, the Dean, the Diocesan Secretary and two independent trustees. The main purposes of the Walker Trust are the advancement of the Scottish Episcopal Church (with the Diocese of Edinburgh having a prior claim) and the further advancement of St Mary's Cathedral, Edinburgh. The Walker Trust awarded a grant to the Diocese in March 2021 amounting to £12,717. At 31 December 2021, the Diocese owed £14,841 to The Walker Trust, matched by cash held in the designated Trusts Bank Account.

**12. Funds and summary of fund movements**

<b><i>Analysis of net assets between funds</i></b>	<b>General Fund</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	4,198	927,799	-	931,997
Investments	83,446	5,603,110	320,932	6,007,488
Net current assets	170,336	139,061	95,721	405,118
	<u>257,980</u>	<u>6,669,970</u>	<u>416,653</u>	<u>7,344,603</u>

A comparative table for 2020 is at note 14 (c)

**Notes to the accounts (continued)**  
**Year ended 31 December 2021**

**12. Funds and summary of fund movements (continued)**

*Summary of movements in significant funds*

	Brought forward	Net operating income/ (expense)	Gains/ (losses)	Transfers	Carried forward
	£	£	£	£	£
<b>Restricted Funds</b>					
Bishop's discretionary fund	178,969	1,902	14,623	-	195,494
Pitcairn Library fund	29,938	519	2,208	-	32,665
Funds for specific Charges	92,777	1,844	7,836	-	102,457
Walker Bursary Fund	57,342	-	3,040	-	60,382
Other restricted funds	21,856	3,340	459	-	25,655
	<b>380,882</b>	<b>7,605</b>	<b>28,166</b>	<b>-</b>	<b>416,653</b>
<b>Unrestricted funds</b>					
<b>Designated capital funds</b>					
Home mission funds	2,957,478	-	284,527	-	3,242,005
Overseas mission funds	20,771	-	1,999	-	22,770
Episcopal residence fund	927,799	-	-	-	927,799
<b>Designated revenue funds</b>					
Diocesan projects funds	2,256,745	12,432	205,219	3,000	2,477,396
	6,162,793	12,432	491,745	3,000	6,669,970
<b>General Fund</b>	180,705	72,960	7,315	(3,000)	257,980
	6,343,498	85,392	499,060	-	6,927,950
<b>Total funds</b>	<b>6,724,380</b>	<b>92,997</b>	<b>527,226</b>	<b>-</b>	<b>7,344,603</b>

A comparative table for 2020 is included at Note 14(d).

**Restricted Funds**

The Bishop's discretionary fund provides grants for the benefit of individual diocesan clergy and also assists other beneficiaries and projects. The Pitcairn Library Fund is held for the improvement of the Cathedral library.

Funds for the benefit of specific Charges relate to the Charges at Livingston and Rosslyn.

The Walker bursary fund receives grants from the Walker Trust for the advancement of the Scottish Episcopal Church. Before 2019, grants were awarded specifically to fund educational bursaries.

Other restricted funds represent a number of small disparate funds.

**Unrestricted funds**

Home and overseas mission funds hold investments which provide income to support the mission and activities of the Diocese. The related investment income is therefore treated as unrestricted in the Statement of Financial Activities.

The Episcopal residence fund represents the net book value of the Episcopal residence.

Designated revenue funds can only be used to assist the Diocese, and Charges within it, with mission projects (the St Hilda's Fund), buildings maintenance (the St Andrew's Fund), and in cases of financial hardship. The transfer of £3,000 from General Fund to Project Funds is designed to build up a reserve to fund the cost of attendance at the next Lambeth Conference.

**Notes to the Accounts (continued)**  
**Year ended 31 December 2021**

**13. Reconciliation of net income to net cash flow from operating activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net income for the reporting period (as shown in the Statement of Financial Activities)	620,223	1,501,638
Adjustments for non cash transactions and investing or financing activities		
Add back depreciation charges	2,099	3,535
Deduct gains on investment assets	(527,226)	(1,457,599)
Deduct dividends, interest and rents from investments	(124,082)	(111,671)
	<u>(649,209)</u>	<u>(1,565,735)</u>
Changes in non-cash balances		
Decrease in debtors (excluding accrued interest)	59,478	(58,623)
(Decrease)/increase in creditors	(23,302)	(189)
	<u>36,175</u>	<u>(58,812)</u>
<b>Net cash used in operating activities</b>	<u><u>7,189</u></u>	<u><u>(122,909)</u></u>

**14. Fund information in respect of comparative figures**

<b>(a) Income and expenditure - 2020</b>	<b>General</b>	<b>Designated</b>	<b>Restricted</b>	<b>2020</b>
	<b>Fund</b>	<b>Funds</b>	<b>Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income - 2020</b>				
Income from donations and legacies	19,464	1,000	2,860	23,324
Quota due by charges	528,128	-	-	528,128
General Synod grant funding	-	-	76,691	76,691
Other grants and funding	-	-	17,600	17,600
Other charitable activities	118	-	-	118
Charges for printing, payroll etc	10,095	-	-	10,095
Income from investments	62,693	43,067	5,911	111,671
	<u>620,498</u>	<u>44,067</u>	<u>103,062</u>	<u>767,627</u>
<b>Expenditure - 2020</b>				
Costs of raising funds	-	-	-	-
Quota paid to General Synod	280,278	-	-	280,278
Mission and ministry activities	40,552	-	40,897	81,449
Grants and bursaries	4,324	52,075	32,919	89,318
Information and communications	15,826	-	-	15,826
Diocesan clergy	65,987	-	11,440	77,427
Diocesan office costs	152,304	-	-	152,304
Governance	26,986	-	-	26,986
	<u>586,257</u>	<u>52,075</u>	<u>85,256</u>	<u>723,588</u>
<b>Net operating income/(expenditure) - 2020</b>	<u>34,241</u>	<u>(8,008)</u>	<u>17,806</u>	<u>44,039</u>
<b>Gains on investment assets - 2020</b>	24,609	1,355,356	77,634	1,457,599
<b>Transfer between funds</b>	<u>(3,000)</u>	<u>3,000</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds - 2020</b>	<u><u>55,850</u></u>	<u><u>1,350,348</u></u>	<u><u>95,440</u></u>	<u><u>1,501,638</u></u>

**Notes to the accounts (continued)**  
**Year ended 31 December 2021**

**14. Fund information in respect of comparative figures (cont'd)**

<i>(b) Movement in funds - 2020</i>	<i>General Fund</i>	<i>Designated Funds</i>	<i>Restricted Funds</i>	<i>2020 Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Net movement in funds - 2020	55,850	1,350,348	95,440	1,501,638
Funds brought forward at 1 January 2020	124,855	4,812,445	285,442	5,222,742
Total Funds at 31 December 2020	180,705	6,162,793	380,882	6,724,380

<i>(c) Analysis of net assets between funds - 2020</i>				
Tangible fixed assets	6,297	927,799	-	934,096
Investments	74,575	5,112,922	292,766	5,480,263
Net current assets	99,833	122,072	88,116	310,021
	180,705	6,162,793	380,882	6,724,380

*(d) Summary of movements in significant funds - 2020*

	<b>Brought forward</b>	<b>Net operating income/ (expense)</b>	<b>Gains/ (losses)</b>	<b>Transfers</b>	<b>Carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted Funds</b>					
Bishop's discretionary fund	136,028	2,635	40,306	-	178,969
Pitcairn Library fund	23,387	463	6,087	-	29,937
Funds for specific Charges	69,536	1,644	21,597	-	92,777
Walker Bursary Fund	44,225	4,737	8,380	-	57,342
Other restricted funds	12,266	8,326	1,265	-	21,856
	285,442	17,806	77,634	-	380,882
<b>Unrestricted funds</b>					
<b>Designated capital funds</b>					
Home mission funds	2,173,231	-	784,247	-	2,957,478
Overseas mission funds	15,263	-	5,508	-	20,771
Episcopal residence fund	927,799	-	-	-	927,799
<b>Designated revenue funds</b>					
Diocesan projects funds	1,696,152	(8,008)	565,601	3,000	2,256,745
	4,812,445	(8,008)	1,355,356	3,000	6,162,793
<b>General Fund</b>	124,855	34,241	24,609	(3,000)	180,705
	4,937,300	26,233	1,379,965	-	6,343,498
<b>Total funds - 2020</b>	<b>5,222,742</b>	<b>44,039</b>	<b>1,457,599</b>	<b>-</b>	<b>6,724,380</b>

An explanation of the purposes and restrictions relating to funds is given in Note 12.