



The Church of Scotland

ANNUAL REPORT AND ACCOUNTS

For the year ended 31 December 2025

The Church of Scotland Unincorporated Entities

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Foreword

Letter from Rev David S Cameron: Convener

This Annual Report and Accounts is presented to the General Assembly as both a statutory record and a statement of intent. It sets out how the Assembly Trustees have discharged their constitutional responsibilities as charity trustees during a year of continuing financial pressure, significant decision-making, and purposeful investment in the Church's future.

The Trustees have reviewed the Church's finances with care, realism, and transparency. The context remains challenging. Costs continue to rise, income remains under pressure, and the financial impact of wider economic conditions is being felt across congregations and communities. These accounts therefore reflect a Church living with constraint, while remaining determined to direct its resources towards the work to which it is called.

Ministry remains the central priority of the national budget and the largest single area of expenditure. This reflects a clear and deliberate judgment by the Trustees: that ordained and local ministries are fundamental to the Church's worship, pastoral care, mission, and public witness. Alongside sustaining current ministry, investment in training and recruitment remains essential if the Church is to be responsibly staffed and equipped for the years ahead.

The Trustees have also taken necessary steps to improve financial sustainability and manage risk. Difficult decisions have been made to address deficits, control costs, and ensure that expenditure is aligned with purpose. These actions are not ends in themselves. They are intended to provide stability and time, enabling the Church to move beyond short-term crisis management and towards long-term reform and renewal with focus on growth.

In that context, the Assembly Trustees have continued to prioritise mission and evangelism, through initiatives and resources to support local mission, new worshipping communities, and pioneering models of church. This represents a clear shift in emphasis: from maintaining existing patterns towards enabling a missionary movement responsive to contemporary Scotland. It is an investment made in faith, reflecting the strategic judgment that the Church's future will be shaped locally through empowered congregations and presbyteries, underpinned by national support.

The Church of Scotland's responsibilities extend well beyond its membership. As one of Scotland's largest charities, it has a clear obligation to demonstrate public benefit. This is seen in its social care provision through CrossReach, its engagement with those who are vulnerable or marginalised, and its contribution to public life. The Trustees continue to oversee the Church's assets—financial, physical, and human—to ensure they are stewarded in ways that support this wider calling and meet regulatory expectations.

This is my final year convening the Assembly Trustees. I wish to record my gratitude to fellow Trustees, staff, and office-holders for their professionalism, wisdom, and commitment during a demanding period. What has become clear is that there is a future for the Church of Scotland, one marked by hope and purpose. What lies ahead will not, however, simply replicate the structures or assumptions of the past.

We are, in many respects, a Church under reconstruction—reshaping priorities, reforming structures, and reimagining how we serve Christ in a changing society. These accounts do not tell the whole story, but they point clearly to the direction of travel.

As you read this Annual Report, I encourage you not to see only figures on a page, but signs of a Church choosing courage over fear, purpose over preservation, and generosity over retreat. God has entrusted us with resources sufficient for the work to which we are called. Our responsibility is not to cling to them, but to use them faithfully with shared resolve to build, reform, and serve—together.

Rev David S Cameron
Convener of the Assembly Trustees

Overview of the work of the Charity

The Church of Scotland is a national church providing ministry, care, witness and service across the whole of Scotland, engaging in other parts of the UK and across the world.

The General Assembly of the Church of Scotland (the "General Assembly") is the supreme court of the Church and meets annually to make laws and set the national agenda for the Church. The unincorporated councils and committees of the Church of Scotland (the "Unincorporated Entities" and the "UE") implement policy decisions of the General Assembly.

The work of the UE has charitable status under the name of The Church of Scotland, the Unincorporated Entities, Scottish Charity No. SC011353 (the "Charity"). The Assembly Trustees (the "Trustees") are the Trustees of the Charity.

The objectives of the Charity are:

- 1) to offer Christian worship, fellowship, instruction, mission and service;
- 2) to bring the ordinances of religion to the people in every parish of Scotland through a territorial ministry;
- 3) to labour for the advancement of the Kingdom of God throughout the world.

In accordance with the Constitution and Remit from the General Assembly of 2019 (as revised by the General Assembly from time to time), the principal work of the Charity Trustees, in using the Charity's assets for its charitable objects, is to:

- seek to build and strengthen local congregations as centres of worship, care, nurture, service, witness and mission;
- promote, in partnership with other churches, the ministry and mission of the Church throughout all of Scotland, with particular reference to its poorest and most remote areas;
- support the work of ecumenical bodies and other agencies in Scotland and elsewhere in the world.

The Charity is one of Scotland's largest and, in 2025, the Trustees were responsible for reporting expenditure of £124.8 million.

The Church works in partnership with others, including churches from around the world, ecumenical partners, interfaith networks, charities and individuals. It engages with governments and civic society, believing that the good news of Jesus is relevant within the spheres of politics and decision-making, as well as in local communities and congregations.

The UE support, resource and serve the Church in its work including the promotion and resourcing of worship, prayer and discipleship; the recruitment, support, training and development of ministers and staff; engagement with society, the world church and ecumenical partners; theological reflection and creative thinking; delivery of social care; provision of financial and legal services; church law advice and related judicial procedures; and regulatory compliance, audit and safeguarding services.

The Trustees monitor the activities of the UE to ensure that their work provides public benefit and consider that, in particular, this is achieved through the facilitation of the contributions made by thousands of volunteers, the operation of grant-making activities which benefit communities and the outward engagement of staff. Volunteers are part of every area of the charity. They include the trustees of the other funds and their office bearers, members of other committees and working groups within the charity; and volunteers within CrossReach (the Church's direct social care service). There are no activities where our ability to undertake them would not be impacted by volunteers.

Structure, Governance and Management

Constitution

The Church of Scotland, part of the One Holy, Catholic and Apostolic Church, is a national church in Scotland, recognised by the State but independent in spiritual matters. In one sense, its constitution cannot be written down in precise terms, as the Church has developed over time. In another sense, the Church's constitution may be said to be set out in certain important instruments. These include the Articles Declaratory of the Constitution of the Church of Scotland in Matters Spiritual (1921), the Act anent Spiritual Independence of the Church (1906) and the Act of Union (1929).

Structure

The UE comprise groups of Church members (the "Agencies"), appointed through an objective church-wide system, and headed by conveners and vice-conveners, overseen by the Trustees. The Agencies support ministers and local congregations in carrying out the tasks of ministry, in exercising pastoral care, in engaging in mission and evangelism, in Christian education work, and in managing the Church's direct social care service ("CrossReach") throughout Scotland. They also act as a channel for expressing practical and vocal support at a national, international and ecumenical level, and ensure that legal requirements are being met by the whole organisation. The Agencies have permanent staff to carry out their work. The Faith Action Programme Leadership Team ("FAPLT") leads and oversees detailed work carried out by four programme groups - Mission Support, People and Training, Public Life and Social Justice, and Resource and Presence.

The Trustees, through the Central Services Committee (the "CSC"), are responsible overall for staff in the national offices.

The Ministries Council remains as a sub-committee of Faith Action Programme Leadership Team, with members appointed from the membership of FAPLT. It has specific responsibility as an employing agency and as the statutory employer of individuals who are members of the Church of Scotland Pension Scheme for Ministers and Overseas Missionaries or the Church of Scotland Pension Scheme for Ministries Development Staff.

The World Mission Council remains as a sub-committee of FAPLT, with members appointed from the membership of FAPLT and with specific responsibility as an employing agency and for acting

as the statutory employer of certain individuals who are members of the Church of Scotland Pension Scheme for Ministers and Overseas Missionaries.

The Chief Officer oversees management within the UE and provides executive leadership to the work of the Trustees. With overall executive responsibility for CSC employees and budgets, the Chief Officer is accountable to the Trustees for the effective and efficient organisational implementation of vision, strategy and policy as determined by the Trustees and the General Assembly. Dave Kendall, Chief Officer in post since 2019 intimated his intention to retire at the end of May 2025. Jenny Simpson, General Treasurer & Head of Finance, acted as an interim appointment, until an open recruitment process was run. Rev Norman Smith took up post of Chief Officer on 15 December 2025.

The principal elements of the UE structure are:

The Faith Action Programme Leadership Team (FAPLT)

- with a focus upon supporting local churches to grow in faith, develop national and international partnerships, and be missional; providing training for local church members; improving recruitment for ministries; delivering presbytery mission planning; supporting worship development; contributing to public life and social justice; and reducing expenditure/generating income.

The Social Care Council ("CrossReach")

- embracing the offering of services in Christ's name to further the caring work of the Church to people in need.

The Central Services Committee

- responsible for the managing of the Church offices and its service departments along with the employment of the operational staff based at 121 George Street, Edinburgh and elsewhere.

Other agencies within the UE which report directly to the General Assembly are:

- The Ecumenical Relations Committee
- The Theological Forum
- The Chaplains to HM Forces
- The Safeguarding Committee
- Assembly Business Committee
- Legal Questions Committee

There are also certain associated elements that are operationally autonomous but use assets which, ultimately, are to some extent under the supervision of the Trustees. Their financial results are incorporated in the consolidated financial statements of the Unincorporated Entities.

Subsidiary Companies:

- St Andrew's Galilee Limited is a limited liability company, incorporated in Israel, which manages the Scots Hotel in Tiberias, Israel. There is a board of directors and the Church of Scotland Trust is the sole shareholder on behalf of the UE.
- St Andrew's Scottish Centre Limited is a limited liability company, incorporated in Israel, which manages St Andrew's Scottish Guesthouse in Jerusalem. There is a board of directors and the Church of Scotland Trust is the sole shareholder on behalf of the UE.
- Tabeetha School in Jaffa, Israel, is an Amuta (Not for Profit Association) in Israel with a board of governors, who are responsible for the strategic direction of Tabeetha and the oversight of the day to day operations.

All major strategic decisions require the approval of the Assembly Trustees as ultimately the charity trustees. Title to the school property is held by the Church of Scotland Trust on behalf of the UE.

Other subsidiary companies which are not consolidated in the financial statements, on the basis of being immaterial:

- CrossReach Trading Limited is a private company limited by shares incorporated in Scotland to sell CrossReach branded calendars and cards.
- CrossReach Community Connections SCIO (Scottish Charitable Incorporated Organisation) passes grants on to CrossReach under the same terms and conditions that apply to the initial award to the SCIO.

Significant Funds

The UE holds a substantial number of individual funds. In many cases the purpose for which they may be used is restricted and such restrictions are observed. Two funds within the UE, the assets of which are part of the charitable estate, are held by separate trustees.

- The Housing and Loan Fund is held by trustees, separate from the Assembly Trustees, for the purpose of providing housing support to retired Church of Scotland ministers, and widows, widowers, separated or divorced spouses and separated or former civil partners of Church of Scotland ministers. While those trustees report directly to the General Assembly, the assets held for the Fund are assets of the Charity and the Trustees have a supervisory role. The value of the Fund as at 31 December 2025 was £53.2 million. During 2024, the Housing and Loan Fund Trustees completed their strategic review, and a change to the Fund's constitution was approved at the General Assembly. This change permitted the Fund to use surplus funds for other purposes. As their assets outstripped the Fund's anticipated obligations, the review led to the Housing and Loan Fund Trustees instructing a transfer of £9 million to the General Funds of the charity to be used for the wider benefit of the Church.
- The F G Salvesen Trust was a bequest, the purposes of which, are "to provide support to the Church of Scotland in its work as it labours, itself or through its partner Churches, organisations or communities, for the advancement of the Kingdom of God throughout the world (but outwith the UK and Channel Islands) through Christian worship, fellowship, instruction, mission and service". Whilst these trust purposes are separate from those in the Constitution and Remit for the Trustees, the funds are treated as part of the overall assets of the Charity and accordingly the Trustees have a supervisory role. The members of the Assembly Trustees are the ex officio trustees of the Fund. The value of the Fund as at 31 December 2025 was £19.0 million.

Related Parties

The Church of Scotland Investors Trust was incorporated by Act of Parliament in 1994 to manage the investments of the Church and connected bodies. All of the investments of the UE are made through the investment funds provided by the Trust.

The Church of Scotland General Trustees was incorporated by Act of Parliament in 1921 to manage the properties of the Church. The General Trustees hold the titles to the properties in Scotland of the UE.

The Church of Scotland Trust was incorporated by Act of Parliament in 1932 to hold the titles to the properties outwith Scotland.

The Church of Scotland Pension Trustees, an unincorporated body constituted by the General Assembly, administers the closed defined benefit pension schemes for the UE.

St Andrew's Galilee Limited was incorporated in Israel in 1992. The issued share capital is held in total by The Church of Scotland Trust on behalf of the UE.

St Andrew's Scottish Centre Limited was incorporated in Israel in 1993. The issued share capital is held in total by The Church of Scotland Trust on behalf of the UE.

The Tabeetha School in Jaffa was registered as an Amuta, an Israeli not for profit association, in 2008 and commenced operations under the new arrangement in 2009. The supervision of the school is with the Assembly Trustees with delegated authority to the Israel Palestine Committee. It is considered that the Church of Scotland continues to have control of the entity.

CrossReach Trading Limited is a private company limited by shares incorporated in Scotland to sell CrossReach branded calendars and cards.

CrossReach Community Connections SCIO (Scottish Charitable Incorporated Organisation) passes grants on to CrossReach under the same terms and conditions that apply to the initial award to the SCIO.

Governance

The General Assembly of 2019 appointed a new trustee body (the "Trustees") to be the Charity Trustees of the Church's charitable funds and assets. During the year, the Trustees comprised a total of sixteen appointed Trustees with a maximum of twelve at any point in time. These included three office-bearers from within their number - a Convener, two Vice-conveners and an Administrative Trustee. In 2024, the General Assembly agreed to a change in arrangements in respect of the Business Committee of the General Assembly and the Church of Scotland General Trustees to each appoint one of their members to be representatives on the Assembly Trustees rather than stipulating it had to be the Convener/Chair. As previously, they are entitled to attend all meetings as a corresponding member but without a right to vote or make a motion.

A list of the Trustees during 2025 can be found under Reference and Administrative Details on page 66.

The Trustees are accountable to the General Assembly for the proper use of the Church's funds and assets (other than those held by the Church of Scotland General Trustees, by the Church of Scotland Investors Trust and by the Church of Scotland Trust) in accordance with the policies and deliverances of the General Assembly. They are also accountable to the Office of the Scottish Charity Regulator (OSCR).

Under the Trustees' Constitution and Remit, Trustees must be members of the Church. Appointments are made by the Trustees subject to approval by the General Assembly. They should have an understanding of the life of the Church and of Scotland's contemporary culture and should be committed to developing the vision and mission of the General Assembly. The expertise of the Trustees must include finance, human resources, management, communications, civil law, strategic planning and theology. In making appointments the Trustees are to have regard in seeking diversity among the Trustees.

There is a formal induction process, agreed with the Solicitor of the Church and the Head of HR, and access to a learning pathway for ongoing induction and refresher training. Each member is provided with, or given direct access to, copies of the Constitution and Remit, the minutes of recent Trustee meetings, a plan for the anticipated work over the ensuing twelve months with proposed meeting dates, the Code of Conduct for the Trustees, and a link to OSCR guidance on being a charity trustee. A separate induction meeting is held at which presentations are made by members of the Senior Management Team and the Principal Clerk on matters including (a) the charitable purpose of the Church of Scotland and related Charity trustee duties, roles and responsibilities, (b) the Church's Designated Religious Charity status, (c) avoiding and dealing with conflicts of interest, (d) the organisational structure of the Church and the UE, (e) important aspects of the Constitution and (f) the Church's finances. These materials are then available on the Learning Pathway and all trustees are expected to attend and/or engage with the learning materials on an ongoing basis.

The Trustees' Governance Group is now chaired by someone other than an office bearer and it comprises a minimum of four and a maximum of five members of the Trustees, with the Convener able

to attend ex officio. It is charged with advising and assisting the full body of Trustees in the exercise of the supervisory function of the component elements of the Church as required by the Church's Designated Religious Charity Status. The remit includes a focus around the Church's risk management arrangements.

The Trustees have adopted, implemented, and keep under review a Trustee appraisal system.

Each year, all Trustees who have been in office for more than 12 months engage in an appraisal of their individual trusteeship, with one of the office-bearers. Separately, every two years, the Trustees set aside time for a corporate appraisal of their joint trusteeship.

The Trustees exercise the supervisory function required by the Church's Designated Religious Charity status, oversee Codes of Conduct, ensure the operation of internal audits and maintain risk management strategies.

The Trustees seek to ensure that the work of the UE is in accordance with the policies, priorities and strategic objectives of the General Assembly and the financial strategy of the Trustees, including assisting the General Assembly to determine strategy for the Church. They are also tasked with encouraging vision among the members and the Agencies of the Church so as to enable the emergence of ministries to meet the needs of the people of Scotland.

As required by the Constitution, the Trustees maintain a system of liaison trustees with the Agencies in order to better understand the development of their elements of the UE's work.

The Trustees approve the reports to the General Assembly for the UE prior to submission to the General Assembly. They discuss with individual Agencies any apparent inconsistencies with the policies, priorities and strategic objectives of the General Assembly, with the financial strategy of the Trustees and as between or among reports of various Agencies. The Trustees attend the sittings of the General Assembly as corresponding members.

The Special Commission of 2019 placed considerable emphasis on budget planning and budgetary control, and the General Assembly has approved further developments in this sphere, as set out in the Trustees' Constitution and Remit. A continued restriction on new expenditure or on the

reallocation of authorised expenditure continues to be imposed unless with the authorisation of Heads of Department, the Chief Officer and the General Treasurer & Head of Finance as necessary.

Giving to Grow, introduced in 2023, is based on congregational income and, unlike the previous system, is directly linked to the cost of a Minister of Word and Sacrament. However, the amount collected through Giving to Grow does not cover the full cost of delivering ministry, because ministry-related overheads are funded from the shared activities element of Giving to Grow. As a result, substantial work is now underway to design a sustainable long-term model for Financing Ministry. This includes addressing the known weaknesses of the current system and, crucially, creating an approach that returns greater choice and control to individual congregations - see Plans for Future Periods for further information.

Management

The Senior Leadership Team ("SLT") exists to ensure work towards the strategic and operational goals of the Church are aligned. It comprises of:

- The Chief Officer
- The General Treasurer & Head of Finance
- Head of Ministries and Mission
- The Head of Human Resources
- The Solicitor of the Church
- Chief Executive, General Trustees - associate member
- Chief Executive, CrossReach - associate member
- Principal Clerk - associate member

The SLT comprises our most senior staff, who meet regularly to (a) consider matters of strategic importance, with a focus on early-stage discussion; (b) have oversight of any emerging issues; (c) co-ordinate the work of the Standing Committees of the General Assembly; and (d) provide collective leadership of the staff body. The SLT also consider operationally-focused items where a shared agreement among the senior leadership is beneficial. All members of the SLT are Key Management Personnel - defined as those members of staff who are the senior management personnel who have significant delegated authority or responsibility in the day to day running of the charity.

Staff pay, including key management personnel, is based on a comprehensive job evaluation system with staff placed on one of 11 bands.

The bands and evaluation are undertaken with reference to relevant salary benchmarking. Each band is based on an evaluation system which grades each role and its responsibilities.

CrossReach have their own separate Chief Executive Officer who has interface arrangements with the Chief Officer and General Treasurer & Head of Finance of the Church on the finances of CrossReach. Where any operational matters might impact on the Church either financially or in terms of potential risk, the Chief Executive Officer is included within Key Management Personnel meetings.

General

Further information about the activities of the Church of Scotland and its constituent elements can be found on the Church of Scotland website (churchofscotland.org.uk). More detailed reports and information can be found in each year's reports to the General Assembly which are issued to all General Assembly Commissioners and are available publicly.

The Church also publishes a Yearbook with contact details for its presbyteries, congregations, ministers and senior officials. It also contains useful general information about the Church. The Yearbook is available for purchase on-line from Saint Andrew Press.

Audit and Compliance

The Church of Scotland has an Audit Committee to advise and assist the Trustees in the oversight of financial reporting, systems of internal control and risk management, and processes related to these systems. The principal requirements of the remit are to oversee the financial and other relevant reporting processes implemented by management, to consider the integrity of the annual accounts, and accounting policies, to keep under review the adequacy and effectiveness of internal financial controls and procedures, to oversee the relationship with the external and internal auditors, and to review procedures established by management for detecting fraud and whistle blowing.

The Internal Audit function was delivered in 2025 by Azets. The internal auditors produce an annual programme of work based on an assessment of audit risk which seeks to ensure that all of the main areas of activity are periodically reviewed. Audit reports

are submitted at the end of each assignment and an annual audit report is made to the Audit Committee expressing an opinion on the systems of internal control in place in the UE based upon the work undertaken in the year to which the audit opinion relates.

Achievements and Performance

Objectives and Activities

The activities carried out by the Church in furtherance of the overall charitable purpose - the advancement of religion - have always been diverse.

The Charity's main activities are providing ministers and leadership in mission, the provision of social care through CrossReach, and other programmes which support the Church's vision statement and advancement of religion. The activities of the subsidiaries in Israel are part of the Group.

Short term

In 2024, the General Assembly instructed the Assembly Trustees to reach a balanced budget by 2027. During 2025 significant focus has been to reduce the Church's deficit position. The financial situation has improved through hard work, diligence and difficult decisions effected over the year at all levels of the Church. Reductions in personnel in the National Office, changes to congregational vacancy funding and reductions in other budget areas are key areas which have contributed to an improvement in the Church's financial position during the year.

Long term

The Trustees' long-term aim is to secure the Church's financial sustainability and create the conditions for growth. Several key initiatives support this. Work is underway to develop a revised financial model which will replace the current Giving to Grow scheme. 'Financing Ministry' is a new operating model which rebalances the way in which ministries are provided and supported and will develop a sustainable model of ministry funding - work will continue on this and be presented to the General Assembly 2027. The Apprenticeship Scheme, launched during 2025, supports individuals exploring a call to ministry through structured training and mentoring.

Presbytery Mission Planning aims to create sustainable local ministries, reducing the building footprint, and establishing a 'vivid vision' to foster vibrant, community-focused congregations. The strategy prioritises mission over maintaining assets, working towards net zero emissions and devolving resources to better support local outreach and church planting.

During the year CrossReach also continued to work towards cost reduction, whilst providing social care services and specialist resources in Christ's name to further the caring work of the Church to people

in challenging circumstances. The longer term strategy aims to ensure CrossReach provides strong and sustainable services by putting plans in place to manage resources efficiently and effectively. Investing in IT, buildings, environmental practices and business support processes, ensuring they are fit for purpose. The financial strategy will support timely decision making allowing diversification of income and driving innovation and growth.

The subsidiaries in Israel continue to operate in very challenging circumstances. The situation is reviewed regularly, and the establishments operate as best they can subject to government restrictions and to ensure the safety of local staff. Proposals regarding the future of the Scots Hotel are currently being drafted for presentation to the 2026 General Assembly.

Other Achievements and Performance

The work of the Church of Scotland continued throughout 2025, in parishes, across presbyteries and through the activities of CrossReach, our social care arm. Much of this is unseen and at times receives little thanks, but is the bedrock of support to so many, be they fellow congregational members or those who use the services provided by churches in the form of food banks, warm spaces, cafes or toddler groups to name but a few. Grateful thanks is given to the work and dedication of so many who continue the work and witness of so many previous generations.

Given the breadth of the Church's activities, success is assessed using proportionate measures, including church statistics compiled across various areas of work and qualitative evidence from congregations and partners. This approach allows Trustees to monitor effectiveness while recognising local variation. By responding to local need through ministry, outreach and partnership working, the Church has positively impacted the circumstances of its beneficiaries.

The foundations laid across previous years, saw a number of projects reach fruition in 2025. Following a detailed seven-year review, a new Book of Confessions was published. This document has been updated and alongside the Westminster Confession (originally approved by the Church in 1647) includes the Apostles' Creed, the Nicene Creed, the Scots Confession, and the 1992 Statement of Christian Faith. The Book provides a more holistic account

of the Church's faith and is intended to guide the beliefs of officeholders. In February, the first Ministers Conference for a number of years was held in Edinburgh, with over 250 Ministers gathering in fellowship and faith. In March, the much-anticipated Apprenticeship Scheme was launched, inviting people to consider their call into ministry through a two-year funded programme working and learning in a hub supported by experienced mentors. Eleven people have followed this call and began their apprenticeship route in October.

Lady Elish Angiolini was the first practicing Roman Catholic to be Lord High Commissioner at this year's General Assembly. The Assembly was addressed by The Most Reverend Hosam Elias Naoum, Archbishop of the Episcopal Diocese of Jerusalem, who gave thanks for the partnerships between the Protestant Churches in Jerusalem whilst calling for the devastating war in Gaza to be brought to an end. In October, The Moderator, Rt Rev Rosie Frew along with the Archbishop of York, accompanied Their Majesties King Charles III and Queen Camilla on a trip to the Vatican to meet with Pope Leo XIV. During the visit, Rt Rev Frew took part in an audience with the Pontiff and attended ecumenical worship at the Sistine Chapel.

The Digital Transformation Programme has progressed significantly throughout 2025 with the replacement of our legacy databases within the George Street offices and presbyteries. A comprehensive discovery exercise was completed to better understand our core activities and key engagements. The new member management platform, which will initially be used by presbyteries, went live at the start of 2026. The offices in George Street have now reached capacity in terms of rental areas to external parties, bringing a continued income stream into the Church.

The Seeds for Growth programme entered its second full year of operation, granting awards across all presbyteries in the form of Level 1, 2 and 3 awards equating to over £1 million of spend since its inception. A significant number of projects are funding initiatives for young people, designed to act as a pipeline for the next generations. Whilst the Trustees needed to take the difficult decision to reduce the available monies for the programme at the start of the year, the variety and breadth of projects presented for assessment and award continue to demonstrate creativity and enthusiasm within local congregations.

Two significant parts of the Church of Scotland reached their natural end points in 2025. The final issue of Life and Work, the magazine of the Church of Scotland, was published in August 2025. News regarding ministries and eldership has been integrated into the main Church of Scotland website. The Life and Work website closed in the spring of 2026. The Church of Scotland Insurance Services Limited (COSIS), founded in 1888, and which has acted as the brokerage service for the Church, transferred to Howden Scotland Limited in November. This was following a recommendation from the Board of COSIS in light of the changing landscape of insurance.

CROSSREACH

Heart for Art, a creative and therapeutic art programme, which is based in both care homes and church halls and supported by 82 carers, welcomed 150 participants over the past year. The highlight of a busy year came as a number of service participants were invited to exhibit at the National Dementia Arts Festival. Under the title 'Mindful Journey' the Heart for Art exhibition was commended by attendees at the three day event at the Macrobert Art Centre in Stirling.

Over the course of the year the CrossReach senior team met with service managers and representatives from presbyteries and congregations at a series of events in Inverness, Glasgow Edinburgh and Aberdeen. Focusing on sharing the five year strategy 'Love from CrossReach' and providing an opportunity for questions and conversation, the events were well received by staff members. They also allowed time to renew acquaintances and to build on new relationships within the Church.

For the first year ever over £1 million has been raised through fundraising initiatives. We are grateful for the financial support from 1,500 private donors, 35 trusts, our ongoing partnership with The Guild, and 135 Churches for helping us reach this milestone. We were pleased to have 45 churches sign up to specific activities in celebration of CrossReach Sunday and we continue to build relationships in this area for both the benefit of CrossReach and for the supporting congregation. This financial support is welcome and allows CrossReach to continue to provide services to those who are most in need of support.

Principal Risks and Uncertainties

Risk management remains the focus of the Assembly Trustees Governance Group. The Trustees, through the Chief Officer and Senior Leadership Team, continue to review the approaches to risk and resilience and are of the opinion that the principal risks highlighted in the Annual Report for 2024, whilst being effectively managed, remain.

The ability of the Church to successfully address its challenges is the key risk. The challenges are evident and understood, to varying degrees, at national level, at presbytery level and within congregations. Work continues through all levels of the Church in respect of highlighting areas of concern and in identifying suitable mitigations.

Church Finances: A significant focus for the Assembly Trustees has over the last 12 months been to make significant inroads into reducing the Church's deficit position. The Priorities Project, which commenced in 2023 is a programme of voluntary exits and redundancies from the National Administration alongside the paring back of budgets, the most significant being the Seeds for Growth Fund which saw a two-third reduction in available monies. Work is continuing to ensure that the improved budget position in which the Church now finds itself within remains.

Congregational Numbers: A material risk remains in relation to the continuing fall in membership numbers, a trend that began in the late 1950s. As stated in previous years, the fall in numbers has significant impacts for governance, both in terms of income and in terms of people available for leadership roles at all levels. The Trustees remain focused upon growth within the Church and are currently developing a vision for growth.

Continuing challenge of providing, supporting and funding ministries: The continued demographic of the retirement of ministers is such that the combination of current numbers of candidates together with ordained individuals coming from other denominations will not keep pace with the decrease in numbers in the next few years. An apprenticeship training programme has now been launched by the Faith Action Leadership Team as a means of encouraging people into ministry. Work is beginning with Trinity College Glasgow, the Church's preferred academic partner (subject to General Assembly approval), in developing the proposed course content for a new three-year ministerial training programme, set to begin in September 2027.

The Church of Scotland's work in Israel : Due to the heightened levels of conflict experienced within the region in 2025, the Church's operational position in terms of finances within the establishments has not improved from that reported in prior years. A sub-group of the Trustees has been tasked with investigating options for the Scot's Hotel in Tiberias whilst continuing to honour the Church's long established presence in the Holy Land.

Social Care: The number of staff vacancies at CrossReach dropped by 6% over the last year. This is welcome and has meant that vacancies there are now tracking at pre-pandemic levels. However, the number of residual vacancies still remains high and sustained effort continues to be needed to make headway. Staff vacancies and staff sickness levels are the two main drivers for high agency costs, which were around £5 million in 2025. Longer term, the proposed changes to immigration regulations, if agreed, will pose a risk to recruitment in the social care sector generally and will affect CrossReach given the make-up of staff within some of our services.

The rebuild of Gaberston House, Alloa, as a supported living facility to 16 people living with long-term mental health challenges, was completed towards the end of 2025. Unfortunately, due to late concerns raised by Clackmannanshire Council, who approved the building warrant, a final completion certificate has not yet been issued. This delay has both a human and financial cost. CrossReach management continue to work with Clackmannanshire Council to resolve the outstanding issues as quickly as possible.

The underfunding of social care services across Scotland remains a key challenge for CrossReach. A number of satisfactory funding agreements have been reached over the past year, but there remain services where a full funding solution has not yet been achieved. CrossReach management continue to assess the risk to these services and are working through a number of actions agreed with their Board so that achieving 2026 budget, as a step towards ongoing sustainability, remains realistic.

Given the level of sensitive information held, cyber security remains a key risk for CrossReach as it does across Health and Social Care. There are clear cyber security procedures in place but work in this area continues. The planned investment in IT resourcing was taken forward over the past year and has helped CrossReach to meet this challenge as well as take a step toward in upgrading and enhancing their IT systems and processes overall.

CrossReach gave evidence to the Child Abuse Inquiry for the fourth time since 2017 and was formally thanked and discharged from the Inquiry. The Inquiry examined the Lord and Lady Polwarth Home, which closed its doors in 1982.

Net Zero Targets: The General Assembly in 2025 noted that the ambitious target to reach Net Zero by 2030 would not be met. Work will be commencing in 2026 through the appointment of a Net Zero Implementation Director within the Central Services Committee. Work continues within CrossReach and through the Housing and Loan Fund to ensure the Church estate manages its carbon footprint.

Financial Review

The Church's Vision Statement gives scope for the life of the Church to be expressed in a variety of ways:

The Church of Scotland seeks to inspire the people of Scotland and beyond with the Good News of Jesus Christ through enthusiastic worshipping, witnessing, nurturing and serving communities.

The activities carried out by the Church in furtherance of the overall charitable purpose - the advancement of religion - have always been diverse. In furthering mission throughout Scotland in the years immediately ahead the Church must ally financial soundness and proactivity to its missional purpose.

Review of Financial Activities

The Consolidated Statement of Financial Activities discloses the incoming and expended resources for the year to 31 December 2025. The supporting notes analyse these over the Group's main activities of providing ministers and leadership in mission, the provision of social care through CrossReach, the activities of the subsidiaries in Israel, and other programmes which support the Church's vision statement and advancement of religion.

The Financial Review refers to the consolidated financial results which also include the trading operations in Israel.

Overview

The overall total income is £125.5 million which is £6.1 million more than 2024. Total expenditure is £124.8 million, an increase of £3.4 million on the previous year. The net movement in funds for the year was an increase of £11.3 million (2024: £10.5 million). In 2024, as detailed below for CrossReach, there was recognition of £4.6 million of grant income which had been awarded in the year, but with expenditure being incurred in future years. In 2025, there was spend of £1.6m relating to grants received in the previous year.

The positive net movement in funds of £11.3 million in the year can largely be attributed to strong market conditions at the year end which resulted in an unrealised gain of £9.0 million (2024: £11.0 million) on investment assets.

The Church's most valuable earthly resource are people. Much of their input is freely volunteered. Many are employed or in ministry positions and 74% of our expenditure is on salary and stipend costs. Full time equivalent staff numbers are shown in Note 3.

Providing ministers and leadership in mission

Under Giving to Grow £39.4 million (net of transition funding) will be collected from congregations in 2026, with budgeted parish ministries costs in 2026 of £32.5 million. Congregational contributions in 2025 were £43.6 million (2024: £37.9 million) and parish ministries costs were £32.5 million (2024: £35.0 million). There was an increase to congregational contributions received in 2025 due to a reduction in those provided for together with an increase in payments made in the year. The budgeted levels for 2026 are based on the Giving to Grow calculations as provided to congregations at the end of 2025.

Provision of social care through CrossReach

CrossReach's total income was £58.5 million (2024: £58.7 million), representing 46.6% of the Church's total income. The majority of this income is generated through charitable activities and the provision of social services. Included within this is £0.3 million of grants which were awarded and recognised in 2025, but expenditure will be incurred in future years (2024: £4.6 million). Total expenditure in the year was £61.9 million (2024: £58.9 million) representing 49.6% of the Church's charitable and support costs. The underlying net assets for CrossReach at the balance sheet date were £26.9 million (2024: £26.7 million).

Activities of subsidiaries in Israel

During the ongoing time of conflict in Israel, the Israeli entities received some support from the Israeli Government during the year. The impact upon trade during the year resulted in financial input being provided from the National Church budget to the Scots Hotel and St Andrew's Guesthouse. To maintain required cash balances during the current period of uncertainty, neither the Guesthouse nor the Hotel made any rental

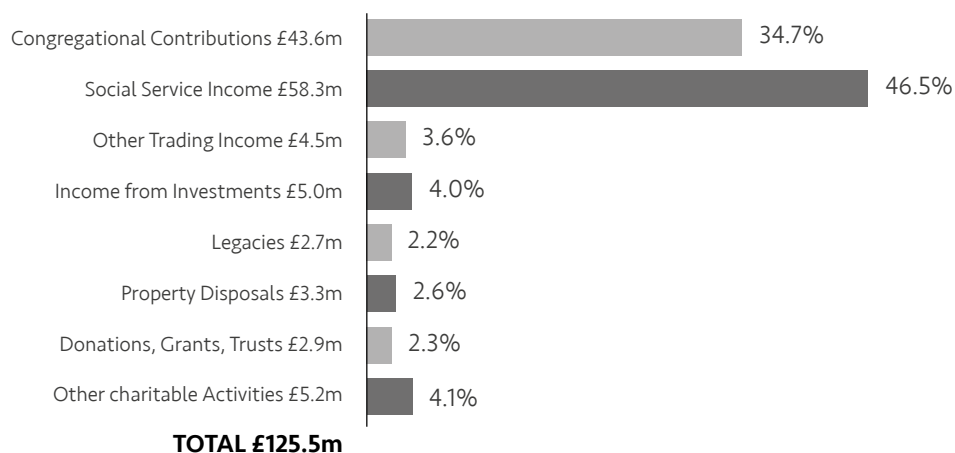
payments to the Church of Scotland Trust in 2025. Similarly, no loan repayments were made in 2025 to the Church of Scotland Trust, and therefore the Church of Scotland Trust did not make any loan repayments or pass on the rent to the Church. The repayments have been postponed until the situation in the area improves.

The 2025 rent due, together with prior years which remain due to the Church of Scotland Trust by the Israeli subsidiaries (2023 and 2024 for the Hotel and 2022, 2023 and 2024 for the Guesthouse); and the interest due on the unpaid loan repayments are included within balances due to Church of Scotland Trust of £1.9 million (2024: £1.1 million) in Note 20.

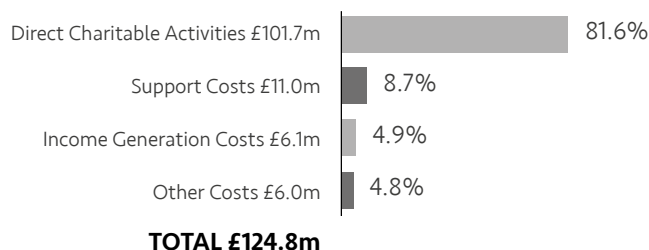
The donated rent due from the Church of Scotland Trust to the Church has been provided for in full in the year.

The assets, liabilities and results of the three entities in Israel are consolidated with those of the charity. The underlying net liabilities of the three subsidiaries at the balance sheet date were £4.7 million (2024 - £3.6 million). A summary of the entities' results are shown in Note 30.

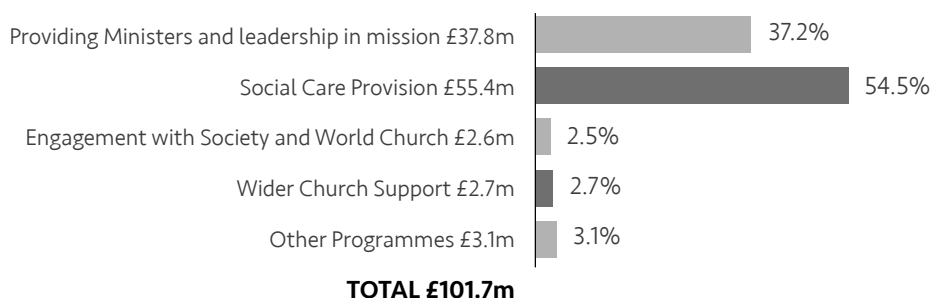
How our activities were funded



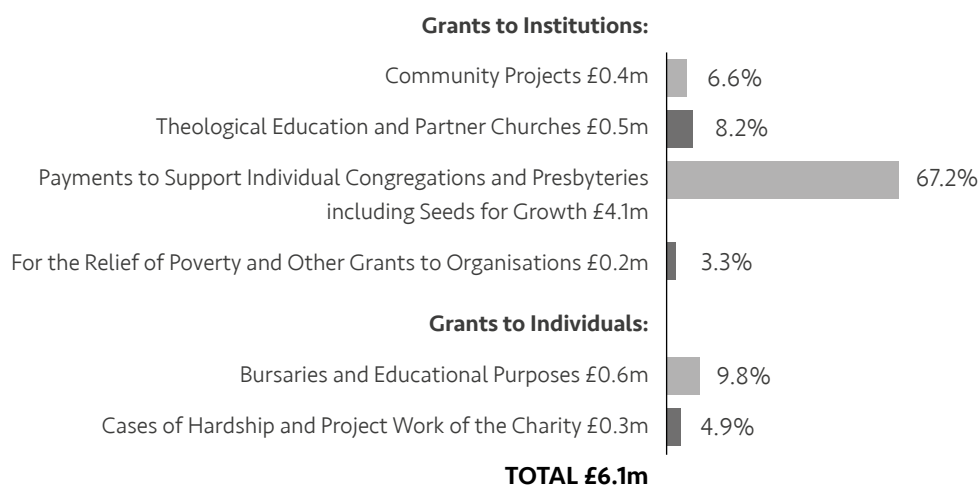
How this was used



Direct Charitable Activities



Charitable Grant Making Activities



Plans for Future Periods

Whilst the actions that the Trustees have taken have seen a significant reduction in the financial deficit, work needs to continue to sustain this position. The Assembly Trustees have acknowledged that until there is a growth in membership numbers and income, the Church will continue to be in a position where they need to make further cuts. The Assembly Trustees are therefore undertaking a strategic planning exercise which includes the development of a revised financial model which will replace the current Giving to Grow scheme.

Work will also continue with presbyteries under the 'New Directions' banner through which the Church is working in partnership to consult on the incoming Financing Ministry Model. This model, which encompasses congregational contributions, will replace the current Giving to Grow scheme. Financing ministry will be grounded in theology, an act of covenant faithfulness, ensuring that the Church of Scotland continues to proclaim the gospel and serve communities in every part of the land. At the same time, it needs to be a more responsive model – strengthening the tie between provision of ministry and local income, so that the National Church has certainty income will cover costs, in times of growth, as well as decline.

Work will continue through 2026 in respect of the Church's establishments in Israel, principally the future direction of the Scots Hotel in Tiberias. Proposals are currently being drafted for presentation to the 2026 General Assembly regarding options for the Hotel moving forward.

Following a significant period of consideration and consultation, the Church announced that Trinity College was the recommendation for its Lead Academic Partner in training of national Ministers of Word and Sacrament and Deacons. The recommendation is contingent on agreement from the General Assembly. Considerable work will commence in terms of the development of new and dynamic ministry training which is scheduled to begin in September 2027.

Across the year work has been underway to refresh the creative suite for each of the CrossReach care homes so that people interested in moving in can access more information to help them make better informed choices. Each home will have a new brochure, a 90 second video advert, a 360-degree tour of the interior and refreshed stationery. Some 10 out of the 15 homes now have a refreshed creative sales package, with the remainder planned for completion within the next six months.

Within the next year CrossReach will procure a new IT based system allowing it to streamline its HR and finance functions and access management information more quickly than is currently possible. Work has been undertaken to identify a partner who can work on the technical aspects of the system and a scope for wider consultation is currently being prepared. The Church continues with its digital transformation programme and has started work to implement a new finance system which is hoped will integrate into the new CRM system.

The CrossReach Board and senior team have been working on identifying the areas for growth and development of services over the next five years. This will remain a key focus over 2026 and will tie in with a capital investment strategy, currently under consideration.

Discussions are underway about the future purchase of Cale House, Inverness from the current landlord. A funding bid has been submitted to Scottish Government. Other funding options also being considered.

Reserves

Funds are recognised/classified as restricted by their purpose. All funds are directly controlled by the Trustees. The General Funds are the main unrestricted funds within the UE and had a balance of £83.4 million at the end of 2025 (2024: £78.6 million). Other unrestricted funds of £2.0 million (2024: £2.2 million) are classified separately for internal reporting purposes as they are used by different areas within the Church as set out in Note 26.

Designated funds amounting to £6k (2024: £0.2 million) are disclosed separately in Note 26.

Research into the restricted funds began in 2018. Since then actions have included removing what had been thought to be permanent endowment status and reclassifying from formally restricted by the settlor to merely designated by the Church, allowing them to be used more generally.

During 2024 a number of applications were made to the Scottish Charities Regulator ("OSCR") to permit the endowment capital of funds to be used. These have now all been approved and the reorganisation actioned in 2025.

The Trustees have set a target to maintain free reserves representing approximately three months expenditure of the UE, which equates to £31.2 million (2024: £30.4 million). This level of reserves would allow immediate commitments to be met and necessary mitigating actions to be taken.

At 31 December 2025 the total funds of the UE were £237.6 million (2024: £226.3 million) of which £115.8 million (2024: £109.4 million) was held in restricted funds. A further £36.5 million (2024: £36.0 million) was held in endowment funds.

Total unrestricted funds were £85.4 million (2024: £80.9 million) of which £8.5 million (2024: £8.8 million) were tied up in functional fixed assets and therefore not readily available to spend and a further £10.1 million (2024: £10.1 million) were being utilised in mixed motive and programme related investments. £6k (2024: £0.2 million) had been designated for future spending and was committed at the year end and so is excluded from free reserves.

This leaves free reserves of £66.8million (2024: £61.9 million) which equates to over six months expenditure of the UE. The increase in free reserves is mainly due to the £0.6 million transfer from the Housing and Loan Fund and realised and unrealised gains on investments and fixed assets of £3.1 million, offset by the operating losses of the establishments in Israel. Grants of £0.3 million awarded and recognised in the year will have related expenditure in future years.

The Trustees consider this is an acceptable level of reserves given the current challenges faced by the wider Church and taking the following factors into account:

- the level of congregational income upon which half of the income is based can, under normal circumstances, be reasonably estimated;
- a relatively high level of reserves is required to meet the stipends of ordained ministers due to the nature of ministerial tenure and the broad range of the Church's operations;
- the ongoing structural changes relating to Presbytery Funding and Presbytery Mission Planning;
- the Assembly Trustees monitor the reserves and have strategies in place to balance budgets and use reserves appropriately; and
- ongoing research into the restrictions on reserves.

Investment Policy – Unlisted Investments

Under powers given by the Church of Scotland (Properties and Investments) Order Confirmation Act 1994, the Unincorporated Entities are permitted to invest, to an unlimited extent, in the funds provided by The Church of Scotland Investors Trust. Any investment outwith the Investors Trust is subject to the provisions of the Charities and Trustee Investment (Scotland) Act 2005.

The UE investments are managed to maximise the overall return on funds. The Trustees' predecessors had a policy of using only the Investors Trust and protocols were put in place to ensure proper governance and accountability. This policy continues with the Assembly Trustees.

The Investors Trust has an ethical investment policy; investment is avoided in shares in any company substantially involved (generating more than 10% of turnover) in gambling, tobacco products (including vaping), alcohol, armaments, thermal coal and tar sands and recreational cannabis. In general, investment is sought in companies that demonstrate responsible employment and good corporate governance practices, have regard to environmental performance (particularly climate change), acknowledge the importance of human rights and act with sensitivity to the communities in which they operate.

The Ethical Oversight Committee (EOC) is an advisory group which was set up in 2023 to help the Investors Trust to focus on the theological and ethical background of what the Church should be investing in.

The Investors Trust offers three funds – the Growth, Income and Deposit Funds. The Growth Fund is a largely equity-based fund with some holdings in corporate bonds and alternative assets and is intended for long-term investment. It seeks to provide growing annual income and a long-term increase in the value of the capital. The Income Fund is largely invested in UK bonds and gilts and is intended to provide nominal capital protection. The Deposit Fund is intended for short-term investment and seeks to provide a competitive rate of interest whilst preserving nominal capital value.

Investment Performance – Unlisted Investments

In order to allow objective assessment to be made of investment performance, an internal benchmark reflecting ethical constraints has been agreed with the Managers of the Growth Fund. Over the year to 31 December 2025, the unit price value of the Growth Fund increased by 7.84% from 638p to 688p. The income payable to investors in respect of the year was 13p per unit (2024: 13.5p). The Income Fund's total return for the year was 8.97% (2024: 6.81%) against the composite benchmark return of 6.90% (2024: 1.71%). The Fund has consistently outperformed its benchmark over every period since the appointment of the managers in February 2012. The total income distribution to investors for 2025 was 60p per unit (2024: 60p per unit). The year end unit price was 1139p (2024: 1106p). The Deposit Fund's average annual rate of interest paid for 2025 was 4.23% (2024: 5.09%).

Programme Related Investments

Investments include funding provided to The Church of Scotland Trust. There are three unsecured loans: one is repayable over 39 years and the other two over 10 years each. No interest is charged on the loans. These assets contribute to the Church's stated purposes.

Funds Held as Custodian

Funds held as custodian are not included within the group's results and balances. They represent funds held on behalf of third party charities and are detailed in Note 33.

Pension Schemes

As described in Note 32 to the Financial Statements, the Church closed its defined benefit pension schemes to future accrual from 31 December 2013 (1 August 2013 for CrossReach) and in its place, ministers and staff are now able to join a defined contribution group personal pension plan with Legal and General. CrossReach had already operated a defined contribution plan for new staff since 2003.

In addition to a triennial valuation, the Scheme Actuary carries out a separate annual valuation in line with the requirements of Financial Reporting Standard (FRS102), which, through the application of differing assumptions, may result in a different funding position for financial reporting purposes. In 2025 there was a net decrease of £4.3 million in the irrecoverable surpluses in the defined benefit schemes over the previous year, from £41.4 million in 2024 to £37.1 million in 2025.

During 2024 the Scheme for Staff and the Scheme for Ministry Development Staff were subject to an insurance buy in to cover 100% of their liabilities.

Note 32 to the Financial Statements gives full disclosures as required by FRS102.

Gains and Losses

FRS102 requires the disclosure of actuarial gains or losses during the year and the combined gain of £1.8 million (2024: £1.6 million) on all defined benefit schemes is disclosed under Other Recognised Gains and Losses.

Each year the Church's investments are revalued at the unit price published by the Church of Scotland Investors Trust. The resulting unrealised gain for 2025 was £9.7 million (2024: gain of £10.5 million).

Going Concern

The Trustees do not consider that there are any factors which will cause any material uncertainty as to the ability of the Charity and Group to operate as a going concern for the foreseeable future. Cashflow forecasts have been prepared for the twelve months following the date of signing of the accounts, which show that activities budgeted for 2026 can be maintained. Mitigating actions have been taken to control expenditure and maintain income and this will continue during 2026 and beyond. As noted above, the Church holds free reserves to cover over six months of operations, with substantial amounts held as investments and other assets which may be readily liquidated.

The Trustees consider that their revised budgeting methodology and strict accountability measures will enable them to contain costs.

Apart from the external funding of much of the work of CrossReach, congregational contributions are by far the major income to the national budget. The congregational contribution regulations incorporate an annual review mechanism which allows for adjustments, if necessary, to mitigate any material changes, subject to General Assembly approval.

Responsibilities of Trustees

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and Group and of the incoming resources and application of resources for that period.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Constitution and Remit of the Trustees. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf by:

Rev David S Cameron
Convener of the Assembly Trustees

Rev Norman A Smith
Chief Officer

Edinburgh,
4 May 2026

Auditor's Report

Independent auditor's report to the Trustees of The Church of Scotland (also referred to as The Church of Scotland Unincorporated Entities)

Opinion

We have audited the financial statements of The Church of Scotland Unincorporated Entities (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Balance Sheets, the Statements of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2025 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 (as amended).

Basis for opinion

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.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our 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 group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report and Accounts. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

Independent auditor's report to the Trustees of The Church of Scotland (also referred to as The Church of Scotland Unincorporated Entities) (continued)

- > the information given in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- > proper accounting records have not been kept by the parent charity; or
- > the parent charity's financial statements are not in agreement with the accounting records; or
- > we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 20 the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group 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 parent charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and

regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- > obtained an understanding of the nature of the sector, including the legal and regulatory frameworks, that the group and parent charity operates in and how the group and parent charity is complying with the legal and regulatory frameworks;
- > inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- > discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Charities SORP (FRS 102) effective 01 January 2019, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The most significant laws and regulations that have an indirect impact on the financial statements are Data Protection Act 2018, employment legislation, Disclosure (Scotland) Act 2020, Social Work (Scotland) Act 1968, Regulation of Care (Scotland) Act 2001, and The Social Care and Social Work Improvement Scotland (Requirements for Care Services) Regulations 2011. We performed audit procedures to inquire of management and those charged with governance whether the charity and group are in compliance with these laws and regulations.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located 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 charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Third Floor
2 Sempie Street
Edinburgh
EH3 8BL

Date: 6 May 2026

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities for the year ended 31 December 2025

Note		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2025 £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2024 £000
	Income from:								
4	Donations and Legacies	46,886	2,669	-	49,555	41,116	4,685	-	45,801
5	Other Trading Activities	4,524	9	-	4,533	4,078	7	-	4,085
6	Investments	2,530	2,503	-	5,033	2,363	2,622	-	4,985
7	Charitable Activities	5,925	57,221	-	63,146	5,117	57,714	-	62,831
8	Other	2	3,258	-	3,260	880	852	-	1,732
	Total Income	59,867	65,660	-	125,527	53,554	65,880	-	119,434
	Expenditure on:								
9	Raising Funds	5,648	468	-	6,116	5,683	317	-	6,000
10	Charitable Activities	51,730	66,933	40	118,703	51,584	62,054	1,774	115,412
	Total Expenditure	57,378	67,401	40	124,819	57,267	62,371	1,774	121,412
	Net Income/(Expenditure) before Investment Gains	2,489	(1,741)	(40)	708	(3,713)	3,509	(1,774)	(1,978)
14, 16	Net Gains on Investment Assets	3,079	3,759	2,283	9,121	4,329	4,167	2,483	10,979
	Net Income before Transfers	5,568	2,018	2,243	9,829	616	7,676	709	9,001
29	Transfers	(2,367)	4,117	(1,750)	-	7,557	(23,887)	16,330	-
	Net Income/(Expenditure) after Transfers	3,201	6,135	493	9,829	8,173	(16,211)	17,039	9,001
	Other Recognised Gains and Losses								
15	Foreign currency loss on consolidation of overseas subsidiaries	(326)	-	-	(326)	(47)	-	-	(47)
32	Actuarial Gains on Defined Benefit Pension Schemes	1,622	185	-	1,807	1,238	327	-	1,565
	Total Other Recognised Gains and Losses	1,296	185	-	1,481	1,191	327	-	1,518
	Net Movement in Funds	4,497	6,320	493	11,310	9,364	(15,884)	17,039	10,519
	Fund Balances brought forward at 1 January	80,907	109,442	35,988	226,337	71,543	125,326	18,949	215,818
26, 27 & 28	Fund Balances carried forward at 31 December	85,404	115,762	36,481	237,647	80,907	109,442	35,988	226,337

The Statement of Financial Activities includes all gains and losses recognised in the year. All income, expenditure and resulting net movements are derived from continuing activities.

Charity Statement of Financial Activities for the year ended 31 December 2025

Note	Income from:							Total 2025 £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2024 £000
4	Donations and Legacies	46,168	2,669	-	-	40,321	48,837	-	40,321	4,685	-	45,006
5	Other Trading Activities	256	9	-	-	162	265	-	162	7	-	169
6	Investments	2,530	2,503	-	-	2,363	5,033	-	2,363	2,622	-	4,985
7	Charitable Activities	4,000	57,221	-	-	3,537	61,221	-	3,537	57,714	-	61,251
8	Other	2	3,258	-	-	880	3,260	-	880	852	-	1,732
	Total Income	52,956	65,660	-	-	47,263	118,616	-	47,263	65,880	-	113,143
	Expenditure on:											
9	Raising Funds	641	468	-	-	675	1,109	-	675	317	-	992
10	Charitable Activities	49,116	66,933	40	116,089	49,035	116,089	40	49,035	62,054	1,774	112,863
	Total Expenditure	49,757	67,401	40	117,198	49,710	117,198	40	49,710	62,371	1,774	113,855
14, 16	Net Income/(Expenditure) before Investment Gains	3,199	(1,741)	(40)	1,418	(2,447)	1,418	(40)	(2,447)	3,509	(1,774)	(712)
	Net Gains on Investment Assets	3,079	3,759	2,283	9,121	4,329	9,121	2,283	4,329	4,167	2,483	10,979
14, 16	Net Income before transfers	6,278	2,018	2,243	10,539	1,882	10,539	2,243	1,882	7,676	709	10,267
29	Transfers	(2,367)	4,117	(1,750)	-	7,557	-	(1,750)	7,557	(23,887)	16,330	-
	Net Income/(Expenditure) after transfers	3,911	6,135	493	10,539	9,439	10,539	493	9,439	(16,211)	17,039	10,267
	Other Recognised Gains and Losses											
	Losses on Revaluation of Foreign Assets	-	-	-	-	-	-	-	-	-	-	-
32	Actuarial Gains on Defined Benefit Pension Schemes	1,622	185	-	1,807	1,238	1,807	-	1,238	327	-	1,565
	Total Other Recognised Gains and Losses	1,622	185	-	1,807	1,238	1,807	-	1,238	327	-	1,565
	Net Movement in Funds	5,533	6,320	493	12,346	10,677	12,346	493	10,677	(15,884)	17,039	11,832
	Fund Balances brought forward at 1 January	84,488	109,442	35,988	229,918	73,811	229,918	35,988	73,811	125,326	18,949	218,086
26, 27 & 28	Fund Balances carried forward at 31 December	90,021	115,762	36,481	242,264	84,488	242,264	36,481	84,488	109,442	35,988	229,918

The Statement of Financial Activities includes all gains and losses recognised in the year. All income, expenditure and resulting net movements are derived from continuing activities.

Balance Sheets as at 31 December 2025

Note		Group		Charity	
		2025 £000	2024 £000	2025 £000	2024 £000
	Fixed Assets				
12	Intangible Assets	31	44	31	44
13	Tangible Assets	51,831	49,216	43,910	41,217
14	Investments	156,581	151,426	156,581	151,426
16a	Mixed Motive Investments	6,451	6,358	6,451	6,358
16b	Programme Related Investments	10,045	10,045	10,045	10,045
	Total Fixed Assets	224,939	217,089	217,018	209,090
	Current Assets				
17	Mixed Motive Investments	156	165	156	165
	Stocks and Work in Progress	63	62	20	19
18	Debtors: Amounts receivable within one year	14,644	13,516	12,977	12,083
19	Short Term Deposits	20,843	12,466	20,843	12,466
	Cash at Bank and in Hand	7,981	12,634	7,518	11,896
	Total Current Assets	43,687	38,843	41,514	36,629
20	Creditors: Amounts falling due within one year	(15,702)	(16,052)	(11,036)	(12,522)
	Net Current Assets	27,985	22,791	30,478	24,107
	Total Assets less Current Liabilities	252,924	239,880	247,496	233,197
21	Creditors: Amounts falling due after one year	(13,854)	(12,128)	(4,417)	(2,464)
22	Provision for Liabilities and Charges	(1,423)	(1,415)	(815)	(815)
		(15,277)	(13,543)	(5,232)	(3,279)
24 & 25	Net Assets	237,647	226,337	242,264	229,918
	The Funds of the Group and Charity:				
26	Unrestricted Income Funds	85,404	80,907	90,021	84,488
27	Restricted Income Funds	115,762	109,442	115,762	109,442
28	Endowment Funds	36,481	35,988	36,481	35,988
	Total Restricted Funds	152,243	145,430	152,243	145,430
	Total Funds of the Group and Charity	237,647	226,337	242,264	229,918

The Financial Statements were approved and authorised by the Assembly Trustees on 30 April 2026 and signed on its behalf by:

REV DAVID S CAMERON Convener of the Assembly Trustees

REV NORMAN A SMITH Chief Officer

The Notes on pages 29 to 65 form part of these Financial Statements

Statements of Cash Flows for the year ended 31 December 2025

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Cash Flows from operating activities:				
Net cash used in operating activities	(5,925)	(8,024)	(6,134)	(8,003)
Cash flows from investing activities				
Dividends, and rents from investments	4,406	4,538	4,406	4,538
Interest received	626	447	626	447
Proceeds from sale of property, plant and equipment	5,551	4,423	5,529	4,423
Purchase of property, plant and equipment	(5,997)	(5,613)	(5,970)	(5,388)
Purchase of intangibles	-	(31)	-	(31)
Loans granted	(642)	(475)	(642)	(475)
Loans repaid	558	341	558	341
Proceeds from sale of investments	4,203	8,929	4,203	8,929
Purchase of investments	(300)	(10)	(300)	(10)
Net cash provided by investing activities	8,405	12,549	8,410	12,774
Cash flows from financing activities				
New loans raised	1,723	1,379	1,723	1,379
Net cash provided by financing activities	1,723	1,379	1,723	1,379
Change in cash and cash equivalents in the reporting year	4,203	5,904	3,999	6,150
Cash and cash equivalents at the beginning of the reporting year	25,100	19,188	24,362	18,212
Change in cash equivalents due to exchange rate movements	(479)	8	-	-
Cash and cash equivalents at the end of the reporting year	28,824	25,100	28,361	24,362
Reconciliation of net income to net cash flow for the reporting year				
Net movement in funds for the year per the Statement of Financial Activities	11,310	10,519	12,346	11,832
Adjustments for:				
Depreciation charges (net of foreign currency adjustments) and impairment	1,581	1,431	1,018	954
Dividends interest and rents from investments (including pension schemes)	(4,406)	(4,538)	(4,406)	(4,538)
Profit on sale of fixed assets	(3,258)	(1,732)	(3,257)	(1,732)
Deposit and bank account interest	(626)	(447)	(626)	(447)
Actuarial gains on defined benefit pension schemes net of costs	-	-	-	-
Net gains on investment assets	(9,058)	(10,979)	(9,058)	(10,979)
Decrease in stock	(1)	7	(1)	9
(Increase) in debtors receivable within one year	(1,128)	(3,201)	(894)	(3,374)
(Decrease)/increase in creditors	(350)	965	(1,486)	252
Increase in provisions	8	222	-	282
Increase/(decrease) in long term liabilities	3	(271)	230	(262)
Net cash used in operating activities	(5,925)	(8,024)	(6,134)	(8,003)

Statements of Cash Flows for the year ended 31 December 2025 (continued)

Analysis of changes in net cash and cash equivalents	Balance 31 Dec 2024 £000	Movements £000	Balance 31 Dec 2025 £000
Group			
Short term deposits	12,466	8,377	20,843
Cash at Bank and in Hand	12,634	(4,653)	7,981
	25,100	3,724	28,824
Charity			
Short term deposits	12,466	8,377	20,843
Cash at Bank and in Hand	11,896	(4,378)	7,518
	24,362	3,999	28,361

Analysis of changes in net debt	Balance 1 Jan 2024 £000	Cash flows £000	Other non-cash changes £000	Balance 31 Dec 2025 £000
Group				
Cash and cash equivalents				
Short term deposits	12,466	8,377	-	20,843
Cash at Bank and in Hand	12,634	(4,653)	-	7,981
	25,100	3,724	-	28,824
Borrowings				
Debt due within one year	(397)	-	(274)	(671)
Debt due after one year	(11,028)	(1,723)	274	(12,477)
	(11,425)	(1,723)	-	(13,148)
Total	13,675	2,001	-	15,676
Charity				
Cash and cash equivalents				
Short term deposits	12,466	8,377	-	20,843
Cash at Bank and in Hand	11,896	(4,378)	-	7,518
	24,362	3,999	-	28,361
Borrowings				
Debt due within one year	-	-	(62)	(62)
Debt due after one year	(1,379)	(1,723)	62	(3,040)
	(1,379)	(1,723)	-	(3,102)
Total	22,983	2,276	-	25,259

Notes to the Financial Statements for the year ended 31 December 2025

1. Accounting Policies

Legal Status

The Church of Scotland is the National Church in Scotland and is recognised by the State as such. The Church's legal status is set out in certain important instruments, including the Articles Declaratory of the Constitution of the Church of Scotland in Matters Spiritual 1921, the Act anent Spiritual Independence of the Church 1906 and the Act of Union 1929.

The Principal Office of the charity is 121 George Street, Edinburgh EH2 4YN. The principal activities of the charity are as described in the Trustees' Report.

Basis of Preparation

The financial statements have been prepared on the historical cost basis as modified by the revaluation of investments and on the accruals basis, 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) ('the SORP') and Financial Reporting Standard 102: 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). These financial statements are presented in £000 Sterling.

The charity meets the definition of a public benefit entity ('PBE') as set out in FRS 102 and therefore applies the PBE prefixed paragraphs in FRS 102.

These financial statements have been prepared on a going concern basis. Based on the levels of cash and unrestricted investments held and budgets and cashflow forecasts, which cover a period of more than 12 months, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Judgements and Estimates

The preparation of the financial statements requires the Trustees to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

Pensions

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuations, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. The irrecoverable surpluses in the defined benefit pension schemes have not been recognised, in line with the requirements of FRS102 and the SORP. Further details are given in Note 32.

Impairment of non-financial assets

Assets are reviewed for indicators of impairment, and where there are indicators of impairment of individual assets, the Charity performs impairment reviews and will reduce the carrying value

of the asset to its recoverable amount which will be the higher of the future expected cash flows (value in use) or fair value. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets less incremental costs of disposing of the asset.

The Trustees continue to monitor key performance indicators in residential units operated by the Social Care Council including occupancy rates, unit financial results and measures which management have put in place to improve performance and have concluded that there are no such indicators which would require impairment provisions to be applied.

Useful lives and residual values

Management reviews its estimates of the useful life and residual values of depreciable assets at each reporting date, using both internal and external information. If factors such as a change in how an asset is used, significant unexpected wear and tear and changes in market prices indicate that the residual value or useful life of an asset has changed since the most recent annual reporting date, management review its previous estimates and, if current expectations differ, amend the residual value, depreciation method or useful life. Useful lives are summarised later in this note. Residual values are the scrap or net realisable value at the end of the assets' expected economic useful life.

Congregational Contribution Provisioning

Management review the outstanding congregational contributions and assess any which require specific provisioning against them. For those remaining, any debts which are greater than 1 year are fully provided against and any debts within the 1 year are provided by 50%. Efforts continue to collect all outstanding debts.

Valuation of Investment Properties

Properties which are identified as investment properties and made available for commercial lease are removed from Tangible Fixed Assets and included as Investment Properties. The valuation of the Investment Property is at fair value and is based on a formal valuation undertaken by a third party expert.

Basis of Consolidation and Subsidiary Undertakings

The consolidated statement of financial activities (SOFA) and balance sheet include the activities of the charity's two trading subsidiaries and its school in Israel, the activities of which have been consolidated on a line by line basis for each year in accordance with FRS 102. Intra-Group transactions are eliminated on consolidation. There may be local reasons in Israel for departing from these policies and where these are identified they are adjusted for the purposes of the consolidated results. The consolidated financial statements exclude the trading activities of the trading subsidiaries CrossReach Trading Limited and CrossReach Community Connections which are considered immaterial to the overall results. For a full description and listing of the Charity's material subsidiary companies, please refer to Note 30 to the Financial Statements.

Funds

Funds are recognised/classified as restricted by their purpose. All funds are directly controlled by the Trustees.

Funds held by the Unincorporated Entities of the Church of Scotland are categorised as follows:

i Unrestricted Funds

These are funds which are spent or applied at the discretion of

the Trustees in furtherance of any of the purposes of the Church of Scotland. Unrestricted funds may be used to supplement expenditure made from restricted funds.

> Designated Funds

These are unrestricted funds which are expendable on the work of specific projects as decided by the Trustees.

ii Restricted Funds

These are funds which are subject to donor restrictions or may result from the terms of an appeal for funds or may only be used for a specific purpose or project.

> Permanent Endowment Funds

These are restricted 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 fund income can be expended. Income from these funds is treated as restricted.

> Expendable Endowment Funds

These are restricted Capital funds where there is discretion to convert all or part of the capital into income. When the Trustees exercise their power to spend or apply the capital of the expendable endowment, the relevant funds become unrestricted funds or restricted income funds depending on whether the terms of the gift permit expenditure for any of the charity's purposes, or only for specific purposes.

Income

All incoming resources including voluntary income, income from activities for generating funds and investment income, is recognised in the SOFA when there is legal entitlement to the income, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

Income received from the provision of Social Care services is recognised when the relevant service has been delivered, it is probable that the income will be received, and the amount can be quantified with reasonable accuracy.

For legacy income, entitlement is taken as the earlier of the date on which either: the charity is aware that confirmation (or equivalent) has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the grant of confirmation (or equivalent) and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received from fundraising activities organised by volunteers and fund raising managers, excluding merchandised sales which are separately accounted for through CrossReach Trading Ltd, is included at the value remitted when received.

No amount has been included for services donated by volunteers in accordance with the SORP.

All grants (whether revenue or capital grants) and contractual payments under funding arrangements from central and local government and their agencies are recognised in the SOFA on a receivable basis. Incoming resources from grants, where there are service or performance deliverables required as conditions of the terms of the grant, are accounted for as the charity earns the right to payment through its performance, when the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably and it is not deferred.

Income received for expenditure in future accounting periods is deferred and included in creditors.

Entitlement to recognise Congregational Contributions as income is considered to be at the point which contributions statements for the current financial year have been issued to congregations. Adjustments to such income are subsequently made throughout the year. Contributions are disclosed net of Presbytery Allowances and any provision for bad debts.

Rental income is generated from leases on properties and is recognised when there is entitlement to the income.

Expenditure

Expenditure is accounted for in the SOFA on an accruals basis and is presented on an activity basis against the appropriate heading in the Financial Statements. Expenditure and liabilities are recognised when a legal or constructive obligation exists.

The costs of generating funds include the costs incurred in generating voluntary income and fundraising trading costs. These costs are regarded as necessary to generate funds that are needed to finance our charitable activities.

Expenditure on charitable activities enables the Church of Scotland to meet its charitable aims and objectives.

Under these headings are costs of employing staff to carry out the charitable activities, grants paid and other programme costs, as well as associated support costs. Salary costs are recognised as expenditure on an accruals basis. Grants payable in furtherance of our charitable objectives are recognised as expenditure when the criteria for a constructive obligation are met, payment is probable, it can be measured reliably, and there are no conditions attaching to its payment that limit its recognition. Agreements are typically for one year but may span several years.

Where a grant is payable over more than one year, a liability is recognised for the full amount of the constructive obligation unless conditions apply to payments falling after the Balance Sheet date. Where conditions remain within the control of UE, a liability is not recognised. Where a condition falls outside the control of UE, this would be recognised as a contingent liability.

For capital contracts in place at the year end which include payments to be made in future years, such payments are disclosed in Note 31 to the Financial Statements as a Capital Commitment.

Support costs include finance, payroll administration, legal advice, human resources, information technology, communication and property management costs. These support costs are all allocated to charitable activities and to the relevant Forum based on direct expenditure, which is considered to be in a similar proportion to salary costs.

Recognition of Liabilities

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

Contingent Liabilities

A contingent liability is identified and disclosed where it results from a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control.

Operating Leases

Costs in respect of operating leases where substantially all of the benefits and risks of ownership remain with the lessor, are charged on a straight line basis over the term of the lease.

Value Added Tax

Incoming resources and resources expended are shown in the financial statements inclusive of VAT where appropriate. All Forums, Committees and Departments receive a partial recovery of input tax; in most cases this is immaterial. VAT recovered is adjusted against resources expended as appropriate.

Investments

Unlisted investments are initially recognised at cost and are subsequently stated at fair value at the Balance Sheet date. The changes in fair value are recognised in the SOFA. In the case of unitised investments, the valuation basis is the unit price as advised by The Church of Scotland Investors Trust. The underlying assets held in these unitised funds are publicly quoted securities and collective investment schemes. These investments are valued at their mid-market price at each month end to arrive at the fund unit price. Realised gains and losses on disposal are recorded in the SOFA at the difference between the sales price and carrying value of the investments. Unrealised gains and losses are recorded in the SOFA at the difference between fair value at the start and end of the financial year.

Investments in subsidiary companies are held at cost less any impairment. Impairment costs are included within Expenditure on Charitable Activities.

Investment properties are properties which are owned and available for lease - and are held at fair value and not depreciated. The gain or loss on revaluation is included in the SOFA and shown in Note 14. Where a property is identified as mixed use, the portion held for investment is split from the property previously held within Tangible Fixed Assets and is recorded as an investment property.

Intangible Fixed Assets

Computer Software

Bought-in Computer Software is initially recorded at cost and is amortised over three years on a straight line basis from the date it is available for use.

Website

The cost of the website relating to the Social Care Council is recorded at cost and written off over ten years on a straight line basis from the date at which it is available for use.

Amortisation for intangible assets for the year is within Other Expenditure on Charitable Activities in the SOFA.

Tangible Fixed Assets

Heritable and Other Properties

The titles to properties in Scotland belonging to the Unincorporated Entities are held by The Church of Scotland General Trustees with beneficiary nominees being the Unincorporated Entities. The titles to properties outwith Scotland are held by The Church of Scotland Trust with beneficiary nominees being the Faith Action Programme Leadership Team.

All costs incurred on acquiring, improving or adding to properties (including residential properties) are capitalised. Other overseas properties are included at cost or a reasonable approximation of cost. Certain overseas properties were donated or constructed in the 19th century and costs have been estimated by comparing these to similar overseas properties whose costs were reliably documented. The values are not considered to be material relative to either cost or depreciated cost.

Repair and maintenance costs on all properties are charged to the SOFA in the period in which they are incurred.

Operational properties include care homes and other properties operated by the Social Care Council, office premises and other specialist properties such as the Scottish Storytelling Centre.

Where there are indicators of impairment of individual assets, the Group performs reviews based on a fair value less costs to sell

calculation. The Group considers whether such indicators are present on an annual basis. Where the recoverable amount is materially less than historic cost, the asset is impaired to the lower amount. Where the recoverable amount is materially higher than the impaired value, the previous impairment is reversed to record the asset at the net book value it should have been without the impairment. Impairment costs and reversals of previous impairments are included within Expenditure on Charitable Activities.

Where borrowing costs are incurred on a loan directly attributable to the construction of a property, the borrowing costs are capitalised.

Other Tangible Fixed Assets

Other Tangible Fixed Assets are Motor Vehicles and Equipment & Furniture. These assets are recorded at cost.

Donated fixed assets are included at fair market value having regard to the age and condition of the assets concerned.

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:

Heritable and Other Properties	
Residential Properties, Churches and Manses	50 years
Operational Constructed Properties – traditional	50 years
Operational Constructed Properties – prefabricated	20 years
Property Improvements	25 years
Operational Refurbished Properties	25 years
Limited Lifespan Properties	15 years
Leasehold Property Improvements	10 years
Equipment and Furniture:	
Motor Vehicles	4 years
Computer Equipment	3-5 years
Office Equipment and Plant and Machinery	4-5 years
Furniture and Fittings	5-10 years

Assets under construction are not depreciated.

One property is held as a social investment and is stated at valuation. This property is not depreciated. Realised gains and losses on disposal are recorded in the SOFA in Other Income, at the difference between the sales price and the net book value of the asset.

Programme Related Investments

Programme Related Investments include funding provided to The Church of Scotland Trust. It is three unsecured loans which are repayable over 39 years for one loan and 10 years for two loans. No interest is charged on the loans. These assets contribute to the Church’s stated purposes. The value is measured at the amount of the loan provided to the Church of Scotland Trust net of any repayments made to date.

Mixed Motive Investments

Mixed Motive Investments include Housing Loans, property and certain other loans. These assets generate a financial return to the Charity and also contribute to the Church’s stated purposes. Neither the investment nor the contribution to the Church’s purposes is sufficient on its own to justify the investment decision.

The Charity considers that the investment is, however, justified by the combination of these two factors.

Loans which are secured against housing for retired ministers, their dependents and former dependents are either;

- a) Standard loans are subject to a minimum and a maximum loan amount which at 31 December 2025 was £5,000 and £50,000 respectively. The interest rate on such loans is currently two percent

for ministers and one per cent for widows, widowers or bereaved civil partners of ministers. The amount which the borrower is due to repay does not change, regardless of whether the property appreciates or falls in value over the term of the loan.

Standard loans are accounted for as basic financial instruments and are measured initially at fair value and subsequently at amortised cost.

or

b) Shared Appreciation loans, which may be granted for up to seventy per cent of a house purchase price, subject to a minimum loan amount (currently £50,000) and a maximum loan amount which at 31 December 2025 was £196,000. The interest rate on such loans is currently one and a half per cent for ministers and three quarters per cent for widows, widowers or bereaved civil partners of ministers.

The total sum required to be repaid at the end of the term of a Shared Appreciation loan is the amount of the original loan plus a proportionate share of any rise in value of the house over the period of that loan. If there is a drop in value of the property over the period, or no growth in value, the amount of the original loan must be repaid in full.

As the rates provided are below market value, shared Appreciation loans are accounted for as concessionary loans and are recognised at cost with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and are adjusted as necessary for any impairment.

Car loans are provided to ministers and overseas missionaries and are stated at amortised cost. Other loans are provided to ministers to assist with various costs.

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 after any trade discount offered and after any provisioning or impairment of the debt. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash and Cash Equivalents

Cash comprises cash in hand and deposits repayable on demand. Cash equivalents comprise term deposits of less than one year. Cash and cash equivalents are measured at fair value.

Overseas Operations/Foreign Currencies

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Monetary assets of the Charity which are denominated in foreign currencies are translated at the year end rate of exchange. The consolidation of the assets and liabilities of the subsidiaries in Israel has been incorporated at the year end rate of exchange. The income and expenditure has been translated at an average rate for the year. Exchange gains and losses are treated as unrestricted except where restricted by contract and are taken to the SOFA.

Creditors

Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Provisions

Provisions are recognised where the charity has a present obligation resulting from a past event which 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.

Pensions

The Church of Scotland operates both defined benefit and defined contribution pension schemes. The assets of all the schemes are held separately from those of the Unincorporated Entities of The Church of Scotland.

Defined benefit pension assets are measured at fair value.

An insurance buy-in of the Staff and MDS schemes took place in 2024. The insurance asset value is set equal to the value of the liability that the insurance covers.

The scheme assets are measured using bid price values at the balance sheet date. Pension scheme liabilities are measured using a projected unit credit method and discounted using reference to market yields at the reporting date on high quality corporate bonds.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus or deficit is included in the SOFA.

The Scheme for Ministers and Overseas Missionaries (for employees of the Ministries Council and World Mission Council, through the Faith Action Programme Leadership Team and office holders) has three separate funds, the Main Pension Fund, The Contributors' Pension Fund and the Widows' and Orphans' Fund. Both the Contributors' and the Widows' and Orphans' Funds are in surplus and are not included in these financial statements.

The Scheme Rules of these schemes also permit a right to reduced contributions as set out in FRS 102 Section 28. However, the schemes are closed to future accrual and no contributions are currently being made, nor is any service cost accruing, the value of the scheme on this basis is £nil, and there is no unconditional right to a refund and as such no value is recognised for the pension asset.

Defined benefit pension costs cannot be accurately allocated to individual Councils and department expense categories, as it is not possible to identify with which employee the pension cost lies. In order to recognise the costs per Forum of providing a pension, a charge has been included based on the contributions made for that Forum's employees and an overall credit shown for the total contributions paid.

For the defined contribution schemes, the amount charged to the SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

Taxation

The Church of Scotland Unincorporated Entities is exempt from taxation on the income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 insofar as such income or gains are applied exclusively to charitable purposes.

The UK subsidiary undertaking is a non-charitable subsidiary and is subject to taxation, but it does not usually pay UK Corporation Tax as its policy is to pay taxable profits as Gift Aid to the Trustees. Foreign tax incurred by subsidiaries operating overseas is charged as it is incurred.

2. Related Parties

Each of the related parties reports annually to the General Assembly and, because of their independent legal status, produce separate financial statements and appoint their own Auditors where required.

The three subsidiary undertakings in Israel are consolidated in full in the group accounts. In the charity results there are transactions and balances at the year end between the Unincorporated Entities and the subsidiary undertakings, all related balances are eliminated on consolidation.

Related party	Group entity	Nature of transactions	Value of transactions during year		Nature of balance	Amounts owed from/(to) at year	
			2025 £000	2024 £000		2025 £000	2024 £000
The Church of Scotland Investors Trust	The Church of Scotland	Management charges received	124	120	Creditor (note 20)	(1,164)	(2,067)
The Church of Scotland Trust	The Church of Scotland	Donation received	-	-	Programme related investment (note 16b)	10,045	10,045
		Grant paid	(65)	(48)		-	-
		Finance and legal service charges received	72	59	Creditor (note 20)	(4)	(7)
		Loan recovered	-	-	Accrued income - loan repayments and interest (note 18)	761	384
		Donation due	1,819	701			
		Donation provided against	(1,058)	(701)			
The Church of Scotland Trust	St Andrew's Galilee Limited	Loan payment	-	-	Loan balance (notes 20 and 21)	(9,440)	(9,440)
		Loan interest paid	-	-	Rent due (note 20)	837	546
The Church of Scotland Trust	St Andrew's Scottish Centre Limited	Loan payment	-	-	Loan balance (notes 20 and 21)	(606)	(606)
		Loan interest paid	-	-	Rent due (note 20)	220	155
The Church of Scotland General Trustees	The Church of Scotland	Stipend endowment income and glebe rents	4,382	3,623	Debtor (note 18)	2,622	740
		Grant received	35	-	Creditor (note 20)	-	-
		Finance, legal and other support service charges received	2,704	2,439	Loan (note 20)	(3,102)	(1,379)
		Interest paid	(127)	(16)			
The Church of Scotland Pension Trustees	The Church of Scotland	Pensions paid	18,173	18,271	Creditor (note 20)	(62)	(118)
		Management fees received	742	520			
St Andrew's Galilee Limited	The Church of Scotland	Regional Director's costs	12	11	Creditor (note 20)	-	(34)
					Debtor (note 18)	24	11
St Andrew's Scottish Centre Limited	The Church of Scotland	Regional Director's costs	12	11	Debtor (note 18)	23	25
Tabeetha School in Jaffa	The Church of Scotland	Regional Director's costs	12	11	Debtor (note 18)	-	25
CrossReach Trading Limited	The Church of Scotland	Donations received	2	2	Debtor (note 18)	28	45
CrossReach Community Connections	The Church of Scotland	Grants received	188	100			

The Church of Scotland Investors Trust

The Church of Scotland Investors Trust was incorporated by the Church of Scotland (Properties and Investments) Order Confirmation Act 1994. All investments of the Unincorporated Entities are made through the investment funds provided by The Church of Scotland Investors Trust. As the Church of Scotland Investors Trust does not hold a bank account in their own name, the creditor balance represents the bank account operated by the UE on behalf of the Church of Scotland Investors Trust. All transactions through the internal banking system are transactions undertaken in the usual course of business for the Church of Scotland Investors Trust and not transactions undertaken directly with the Unincorporated Entities. The remaining movement on the creditor balance (£0.3 million) represents the net position of all other day to day transactions undertaken by the Church of Scotland Investors Trust throughout the year within its internal account.

The Church of Scotland Trust

The Church of Scotland Trust was incorporated by the Church of Scotland Trust Order Confirmation Act 1932. The Church of Scotland Trust holds the titles to the properties outwith Scotland of the Unincorporated Entities. It also holds, for behoof of the Faith Action Programme Leadership Team, all the shares in St. Andrew's Galilee Company Limited in Tiberias and St. Andrew's Scottish Centre Limited in Jerusalem, both of which are incorporated in Israel as "foreign institutions". The Faith Action Programme Leadership Team has given an indemnity to the Trust in respect of all liabilities arising from its Shareholding.

The Church of Scotland General Trustees

The Church of Scotland General Trustees was incorporated by the Church of Scotland (General Trustees) Order Confirmation Act 1921. The General Trustees holds the titles to the properties in Scotland of the Unincorporated Entities. As at 31 December 2024, the Unincorporated Entities had a debtor balance in respect of monies held in the church's internal banking system.

The Church of Scotland Pension Trustees

The Church of Scotland Pension Trustees, an unincorporated body constituted by the General Assembly, administers the following Pension Schemes:

The Church of Scotland Pension Scheme for Ministers and Overseas Missionaries

The Church of Scotland Pension Scheme for Ministries Development Staff (formerly Presbytery & Parish Workers)

The Church of Scotland Pension Scheme for Staff

The members of the bodies shown above are appointed by the General Assembly. In the case of the Church of Scotland Pension Trustees, additional trustees for the individual Pension Schemes are appointed by the Scheme members.

St. Andrew's Galilee Limited

St. Andrew's Galilee Limited was incorporated in Israel in 1993. The share capital is held in total by The Church of Scotland Trust on behalf of the Faith Action Programme Leadership Team.

St. Andrew's Scottish Centre Limited

St. Andrew's Scottish Centre Limited was incorporated in Israel in 1993. The share capital is held in total by The Church of Scotland Trust on behalf of the Faith Action Programme Leadership Team.

Tabeetha School in Jaffa

The Tabeetha School in Jaffa was registered as an Amuta, an Israeli not for profit association, in 2008 and commenced operations under the new arrangement in 2009. The school has operated under the supervision of the Faith Action Programme Leadership Team. Accordingly it is considered that the Church of Scotland has control of the entity.

CrossReach Trading Limited

CrossReach Trading Limited is a private company limited by shares incorporated in Scotland to sell CrossReach branded calendars and cards. CrossReach Trading Limited has a policy of paying a gift aid amount up to the taxable profits each year to CrossReach.

CrossReach Community Connections

CrossReach Community Connections was formed under the Charities and Trustees Investment (Scotland) Act 2005. The SCIO passes grants on to CrossReach under the same terms and conditions as apply to the initial award to the SCIO.

3. Staff Costs and Numbers

Staff are paid and/or employed by the Ministries Council, Social Care Council, Central Services Committee (CSC) and World Mission Council and such costs are included in expenditure disclosed in Notes 10 and 11.

The figures include parish ministers, although they are office holders and not employees. Ministers are not employees of Church of Scotland and they do not hold a contract, but they are recruited, trained, supported and paid by the Faith Action Programme Leadership Team.

The Social Care Council's staff costs include £5.1 million for agency staff (2024: £5.8 million). These staff are not included in the average staff numbers noted below. Agency staff are employed due to the difficulty in recruiting permanent staff to work in care homes and units. Agency staff are used by other Forums but the cost is immaterial.

Staff employed by three institutions in Israel are paid in New Israeli Shekels, translated to Sterling for the purposes of the consolidated financial statements. Social security costs in Israel are not comparable to those in the United Kingdom and costs and benefits disclosed below include benefits which are required legally or by industry custom and practice. These include provisions for severance pay, educational and pensions plans and disability provision. Senior hotel managers receive performance related bonuses and use of a vehicle, all of which are taxable benefits.

Employees in the Israeli institutions received emoluments including local benefits in kind as described above, which when converted to Sterling are included in the figures for the group below.

Group		
	2025 Total £000	2024 Total £000

Staff Costs

Salaries and Stipends	77,820	76,560
Social Security Costs	8,005	6,481
Pension Costs – Defined Contribution	6,467	6,477
Total	92,292	89,518

Charity						
	Ministries £000	Social Care £000	CSC £000	World Mission £000	2025 Total £000	2024 Total £000

Staff Costs

Salaries and Stipends	24,469	41,710	7,330	323	73,832	72,708
Social Security Costs	2,726	4,078	840	11	7,655	6,165
Pension Costs – Defined Contribution	3,290	1,745	945	40	6,020	6,056
Total	30,485	47,533	9,115	374	87,507	84,929

Severance costs paid in the year included in the above for the group were £894,000 (2024: £201,000). These related to closed services in the Social Care Council, standard severance payments in the Israeli entities and other termination costs associated with the voluntary exit and redundancy schemes in the Church. Termination costs are included at the time they are communicated to staff members..

There were no ex-gratia payments made in the year.

3. Staff Costs and Numbers (continued)

Group		
	2025 Total No.	2024 Total No.

Average Staff Numbers

Monthly Average		
Full Time	1,263	1,284
Part Time	1,329	1,295
Total	2,592	2,579
Full Time Equivalents	1,939	1,952

Charity						
	Ministries No.	Social Care No.	CSC No.	World Mission No.	2025 Total No.	2024 Total No.

Average Staff Numbers

Monthly Average						
Full Time	586	466	113	9	1,174	1,202
Part Time	70	1,177	47	-	1,294	1,247
Total	656	1,643	160	9	2,468	2,449
Full Time Equivalents	622	1,059	146	9	1,836	1,854

Within the Group there were 67 employees whose total employee benefits (excluding employer pension contributions) exceeded £60,000 in 2024 (2024: 56 employees).

Within the Charity there were 50 employees whose total employee benefits (excluding employer pension contributions) exceeded £60,000 in 2024 (2024: 45 employees).

Group	2025 No.	2024 No.
£60,000 - £70,000	41	34
£70,001 - £80,000	8	7
£80,001 - £90,000	4	5
£90,001 - £100,000	9	7
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
£120,001 - £130,000	1	1
£130,001 - £140,000	1	1
£140,001 - £150,000	1	-
£200,001 - £210,000	-	1

Charity				
	Social Care No.	CSC No.	2025 Total No.	2024 Total No.

Total Employee Benefits

£60,001 - £70,000	16	16	32	29
£70,001 - £80,000	2	4	6	6
£80,001 - £90,000	-	3	3	3
£90,001 - £100,000	5	2	7	6
£100,001 - £110,000	-	1	1	-
£110,001 - £120,000	-	-	-	-
£120,001 - £130,000	1	-	1	1

During 2025, there were 10 (2024: 8) individuals who served as members of the Key Management Personnel. The total remuneration (salary, benefits, employer pension contributions and employer national insurance contributions) for the Key Management Personnel for 2025 was £750,000 (2024: £785,000).

4. Donations and Legacies

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Assessed Congregational Contributions	39,198	34,308	39,198	34,308
Stipend Endowment Income	4,382	3,623	4,382	3,623
Total Congregational Contributions	43,580	37,931	43,580	37,931
Donations, Grants, Trusts	2,870	2,735	2,152	1,940
Legacies	2,728	5,116	2,728	5,116
Donations from The Church of Scotland Trust	377	19	377	19
	49,555	45,801	48,837	45,006

Grants recognised in the year were £0.2 million (2024: £0.2 million). All conditions have been fulfilled and none are subject to repayment.

5. Other trading activities

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Fundraising	265	169	265	169
Israeli Trading Subsidiaries	4,268	3,916	-	-
	4,533	4,085	265	169

6. Income from Investments

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Dividends from Unlisted Investments	4,040	4,244	4,040	4,244
Income from Investment properties	367	294	367	294
Deposit and Bank Account Interest	626	447	626	447
	5,033	4,985	5,033	4,985

7. Income from Charitable Activities

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Social Service Provision	58,264	58,433	56,303	56,820
Rental of Accommodation and Premises	658	959	658	959
Publications and Royalties	235	401	235	401
Income from Events	335	94	335	94
Guild Memberships and Other Fees	166	165	166	165
Reimbursement of Legal, Accounting and Other Support by Wider Network of Church Organisations	2,793	2,177	2,829	2,210
Other	695	602	695	602
	63,146	62,831	61,221	61,251

Grants recognised in the year in Social Service Provision were £2.6 million (2024: £7.8 million).

8. Other Income

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Gain on Disposal of Fixed Assets	3,258	1,732	3,258	1,732
Realised Gain on Foreign Currency	2	-	2	-
	3,260	1,732	3,260	1,732

9. Expenditure on Raising Funds

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Fundraising Activities (including Trading Subsidiaries in Israel)	5,007	5,008	-	-
Investment Management Costs	412	456	412	456
Costs of Generating Voluntary Income	697	536	697	536
	6,116	6,000	1,109	992

10. Expenditure on Charitable Activities

Group and Charity 2025				
	Direct Costs £000	Grants £000	Support Costs £000	Total 2025 £000
Social Care Council	55,405	29	5,779	61,213
Faith Action Programme Leadership Team	37,800	2,497	4,200	44,497
Support and Services Departments	2,734	885	377	3,996
Other Funds	3,132	2,650	601	6,383
Charity Total	99,071	6,061	10,957	116,089
Faith Action Programme Leadership Team - Israeli Subsidiaries	2,614	-	-	2,614
Group Total	101,685	6,061	10,957	118,703

Group and Charity 2024				
	Direct Costs £000	Grants £000	Support Costs £000	Total 2024 £000
Social Care Council	53,194	153	5,511	58,858
Faith Action Programme Leadership Team	38,110	1,041	4,043	43,194
Support and Services Departments	2,093	572	276	2,941
Other Funds	5,335	1,800	735	7,870
Charity Total	98,732	3,566	10,565	112,863
Faith Action Programme Leadership Team - Israeli Subsidiaries	2,549	-	-	2,549
Group Total	101,281	3,566	10,565	115,412

10. Expenditure on Charitable Activities (continued)

	Group and Charity	
	2025 £000	2024 £000
Grants		
Grants to Individuals:		
Bursaries and Educational Purposes	649	539
Cases of Hardship	157	24
Project Work of the Charity	152	40
	958	603
Grants to Organisations for the Advancement of Religion:		
Through Theological Education and Partner Churches	503	178
Through Community Projects	431	171
By Payments to Support Individual Congregations and Presbyteries (including Seeds for Growth)	4,111	2,453
For the Relief of Poverty	58	157
For Heritage and the Environment	-	4
	5,103	2,963
Total Grants	6,061	3,566

	Group and Charity	
	2025 £000	2024 £000
Support Costs		
Finance, Payroll, Information Technology and Estates	3,743	3,727
Human Resources and Training	1,588	1,471
Central Premises	422	555
Regional Offices and Senior Operational Management	3,251	2,901
Legal	375	496
Safeguarding of Children and Vulnerable Adults	432	382
Communications and Website	977	886
FRS102 Defined Benefit Pension Scheme Costs	169	147
	10,957	10,565

10. Expenditure on Charitable Activities (continued)

	Group and Charity	
	2025 £000	2024 £000
Governance costs included in Expenditure on Charitable Activities	1,712	1,477

Support costs are apportioned to charitable activities and individual departments on the basis of direct expenditure.

Leasing costs charged to the SOFA		
Property	1,199	1,409
Other	326	281
Total Leasing Charges	1,525	1,690
Fees paid to the external auditors are as follows;		
Audit of UE - RSM UK	123	127
Audit of subsidiary undertakings - PWC	30	29
Total audit fees	153	156
Tax advice- RSM UK	28	28
Total non-audit fees	28	28
Total Fees	181	184

11. Trustees' Remuneration and Expenses

Trustees are not remunerated for their services as Assembly Trustees. During 2025 there were sixteen Assembly Trustees. Seven of the sixteen voting members who served during 2025 (2024: three of thirteen) are parish ministers appointed by individual congregations, inducted by presbyteries, and six out of sixteen (2024: two out of thirteen) trustees are remunerated for their work as parish ministers with congregations in accordance with the National Stipend Scale. The amount paid to these six Trustees as parish ministers during their time as Assembly Trustees was

£153,000 (2024: £78,000). Expenses of £3,000 (2024: £2,000) were reimbursed to nine Trustees in respect of travel to Assembly Trustee meetings and overnight accommodation where required. Expenses of £800 (2024: £200) were reimbursed to four Trustees in respect of travel to meetings and overnight accommodation, on behalf of other Agencies. In total, nine Trustees received expenses during 2025 (2024: four Trustees). The list of all Trustees who served during 2025 is given at the end of the Annual Report.

12. Intangible Assets

	Website Costs £000	Computer Software £000	Total £000
Group and Charity			
Cost			
At 1 January 2025	33	262	295
Additions	-	-	-
Disposals	-	-	-
At 31 December 2025	33	262	295
Accumulated Amortisation			
At 1 January 2025	22	229	251
Charge for year	3	10	13
At 31 December 2025	25	239	264
Net Book Value			
At 31 December 2025	8	23	31
At 31 December 2024	11	33	44

13. Tangible Assets

	Heritable & Other Properties £000	Motor Vehicles £000	Equipment & Furniture £000	Capital Work in Progress £000	Total £000
Group					
Cost					
At 1 January 2025	77,245	698	8,794	3,154	89,891
Additions	5,044	154	647	152	5,997
Transfers	(22)	-	22	-	-
Disposals	(2,851)	(173)	(6)	-	(3,030)
Foreign Currency Exchange Adjustments	1,292	2	246	-	1,540
At 31 December 2025	80,708	681	9,703	3,306	94,398
Accumulated Depreciation					
At 1 January 2025	34,629	414	5,632	-	40,675
Disposals	(585)	(145)	(7)	-	(737)
Charge for Year	823	136	609	-	1,568
Foreign Currency Exchange Adjustments	847	1	213	-	1,061
At 31 December 2025	35,714	406	6,447	-	42,567
Net Book Value					
At 31 December 2025	44,994	275	3,256	3,306	51,831
At 31 December 2024	42,616	284	3,162	3,154	49,216
Charity					
Cost					
At 1 January 2025	57,277	655	4,999	3,154	66,085
Additions	5,046	155	617	152	5,970
Transfers	(22)	-	22	-	-
Disposals	(2,851)	(141)	(6)	-	(2,998)
At 31 December 2025	59,472	669	5,610	3,306	69,057
Accumulated Depreciation					
At 1 January 2025	21,972	401	2,495	-	24,868
Disposals	(584)	(136)	(6)	-	(726)
Charge for Year	400	133	472	-	1,005
At 31 December 2025	21,788	398	2,961	-	25,147
Net Book Value					
At 31 December 2025	37,662	271	2,671	3,306	43,910
At 31 December 2024	35,305	254	2,504	3,154	41,217

Borrowing costs of £127,000 (2024: £16,000) have been capitalised in the year within Capital Work in Progress. Further information is included in Note 21.

14. Investments

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Unlisted Investments - Growth Fund	121,128	116,448	121,128	116,448
Unlisted Investments - Income Fund	27,127	26,330	27,127	26,330
Unlisted Investments - Other Investments	2,285	2,951	2,285	2,951
	150,540	145,729	150,540	145,729
Investment in Subsidiary Entities	-	-	-	-
Investment Properties	6,041	5,697	6,041	5,697
Fair Value/Cost	156,581	151,426	156,581	151,426
Historic Cost	77,484	79,830	81,862	81,375

The Growth Fund and Income Fund are unitised funds and these holdings of the Unincorporated Entities cannot therefore be analysed across asset classes. A description of the three investment funds operated by the Investors Trust is given in the Financial Review.

The investment properties relate to buildings which are made available to lease commercially. One property held by the Church was valued in December 2023 by a third party expert. The fair value was based on outright ownership interest in the buildings and determines the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. An updated valuation survey was undertaken in 2025 and is considered to remain appropriate. The second property, which is operated by CrossReach, was subject to a fair value assessment in December 2025 and that value was recognised as an investment property in the year.

The Investment in Subsidiary Entities represented specific historic investments made in the Israeli entities and was fully impaired in the prior year. The specific investments were reviewed for indicators of impairment and the relevant operational results and market conditions led to an impairment of the investments. This has been revisited at 2025 and remains appropriate with no reversals recognised.

Movements in Investments

	Group	Charity
	2025 £000	2025 £000
Fair Value at 1 January	151,426	151,426
Disposals at Opening Fair Value	(4,081)	(4,081)
Transfer to Funds Held as Custodian	(63)	(63)
Acquisitions at Cost	300	300
Net Gains on Revaluation at 31 December	8,999	8,999
Market Value at 31 December	156,581	156,581
Net Gains on Disposal of Investments		
Sale Proceeds	4,203	4,203
Fair Value at 1 January	(4,081)	(4,081)
Net Realised Gains on disposal in Year	122	122
Amount charged to the Statement of Financial Activities		
Net Gains on Revaluation of Investments	8,999	8,999
Net Realised Gains on Disposal of Investments	122	122
Net Gains on Investment Assets	9,121	9,121

15. Foreign Currency

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Realised Gains and Losses recognised in:				
Income				
On Bank Deposits not denominated in sterling	-	-	-	-
Other Recognised Gains and Losses				
Losses on Net Assets of Subsidiary Companies on Consolidation	(326)	(47)	-	-

Net assets of the Israel-based subsidiaries are translated into sterling using the rate of exchange at the balance sheet date. Exchange differences arise as a result of the exchange rate differing from that at the previous balance sheet date.

16a. Mixed Motive Investments - Fixed Assets

	Group and Charity	
	2025 £000	2024 £000
Housing Loans (heritably secured) at amortised cost	6,451	6,358
	6,451	6,358

The Housing Loans are repayable when the properties relating to the loans are sold, and attract interest at rates between 0.75% and 2%. The carrying value of concessionary loans was £6,436,000 (2024: £6,333,000), all payable in more than one year. At 31 December 2025, future Housing Loans which were committed but not taken up were £940,000 (2024: £738,000).

16b. Programme Related Investments

	Group and Charity	
	2025 £000	2024 £000
The Church of Scotland Trust		
At 1 January	10,045	10,045
Loan advanced	-	-
Loan repaid	-	-
At 31 December	10,045	10,045

The funding provided to The Church of Scotland Trust comprises three unsecured loans. One which is repayable over thirty nine years to 2058 and two over ten years to 2032. No interest is charged on the loans.

17. Mixed Motive Investments - Current Assets

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Car Loans	61	84	61	84
Other Loans	95	81	95	81
	156	165	156	165

Car Loans are provided to ministers and overseas missionaries at a rate of 6%. Other loans are provided to assist ministers.

18. Debtors

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Amounts receivable within one year				
Trade Debtors	4,731	4,722	3,302	3,512
Amounts Owed by: Congregations	1,515	1,803	1,515	1,803
Church of Scotland General Trustees	2,622	740	2,622	740
Amounts due from subsidiary entities	-	-	47	61
Sundry Debtors	131	218	107	83
Prepayments	2,082	1,885	2,039	1,860
Accrued Income	3,563	4,148	3,345	4,024
	14,644	13,516	12,977	12,083

Amounts owed by congregations were in respect of congregational contributions, ministers' travel, locums and associate ministers.

19. Short Term Deposits

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Deposit Fund with Church of Scotland Investors Trust	20,843	12,466	20,843	12,466
	20,843	12,466	20,843	12,466

20. Creditors: Amounts Falling Due within One Year

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Trade Creditors	2,121	1,957	1,870	1,786
Amounts Owed to: Church of Scotland Investors Trust	1,164	2,067	1,164	2,067
Church of Scotland Pension Trustees	62	118	62	118
Church of Scotland General Trustees	62	-	62	-
Church of Scotland Trust	1,871	1,094	4	7
Congregations	58	68	58	68
Loan from Church of Scotland Trust to St Andrew's Galilee Limited	470	307	-	-
Loan from Church of Scotland Trust to St Andrew's Scottish Centre Limited	139	90	-	-
Amounts Owed to subsidiary entities	-	-	-	34
Other Creditors	228	736	228	731
Other Tax and Social Security	2,497	2,667	2,456	2,667
Sundry Creditors	798	520	384	226
Accruals	2,706	3,117	2,573	2,785
Deferred Income	2,102	2,207	751	929
Grants	1,424	1,104	1,424	1,104
	15,702	16,052	11,036	12,522

Deferred Income includes payments received in advance of services being provided by the Social Care Council of £387,000 (2024: £632,000), grants received in advance by the Social Care Council of £194,000 (2024: £268,000), and advance payments from customers received by the Israeli trading subsidiaries £1,351,000 (2024: £1,278,000). The balances reported have all been deferred in the current year and will be released to income in the following year.

In 2024, £284,000 has been reclassified as grants from accruals.

Deferred Income

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Balance brought forward at 1 January	2,207	3,494	929	2,238
Income deferred in the year	2,322	3,040	557	929
Amounts released in the year	(2,532)	(4,349)	(735)	(2,238)
Exchange differences	105	22	-	-
Balance carried forward at 31 December	2,102	2,207	751	929

21. Creditors: Amounts Falling Due after One Year

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Grants	231	215	231	215
Loan from Church of Scotland Trust to St Andrew's Galilee Limited	8,970	9,133	-	-
Loan from Church of Scotland Trust to St Andrew's Scottish Centre Limited	467	516	-	-
Loan from Nan Stevenson Trust to Housing & Loan Fund	5	5	5	5
Loan from General Trustees to CrossReach	3,040	1,379	3,040	1,379
Other creditors	1,141	880	1,141	865
	13,854	12,128	4,417	2,464

A loan agreement exists between St Andrew's Galilee Limited and the Church of Scotland Trust for the loan detailed in notes 20 and 21. Payments are made from St Andrew's Galilee Limited to the Church of Scotland Trust in line with the loan agreement. Interest is charged at 3.9% and the full term of the loan is 39 years to 2058. £470,000 is due to be repaid within 1 year as shown in Note 20. Due to the ongoing conflict in Israel and the preservation of cash for operational costs no loan repayments have been made in the year. The loan remains fully due and the accrued interest is included within amounts due to Church of Scotland Trust in Note 20.

Two loan agreements exist between St Andrew's Scottish Centre Limited and the Church of Scotland Trust - the loans are detailed in notes 20 and 21. Payments are made from St Andrew's Scottish Centre Limited to the Church of Scotland Trust in line with the loan agreement. On one loan, interest is charged at 3.9% and the full term of the loan is 10 years to 2033. £120,000 is due to be repaid within 1 year as included in Note 20. On the second loan, there is no interest charged and the full term of the loan is 10 years to 2033. £19,000 is due to be repaid within 1 year as included in Note 20. Due to the ongoing conflict in Israel and the preservation of cash for operational costs no loan repayments have been made in the year. The loan remains fully due and the accrued interest is included within amounts due to Church of Scotland Trust in Note 20.

A loan agreement exists between CrossReach and the General Trustees to fund the rebuild of Gaberston House. There is a facility of up to £3,200,000 available and at the year end £3,102,000 has been drawn down. Interest is charged at 5% and during the year interest of £127,000 (2024: £16,000) was charged and repaid and is included in fixed asset additions in Note 13. The loan is repayable after 5 years.

22. Provision for Liabilities and Charges

	Group		
	Other £000	Statutory Severance £000	Total £000
Balance brought forward at 1 January 2025	815	600	1,415
Utilised in the year	-	(82)	(82)
Additional provision in the year	-	51	51
Exchange differences	-	39	39
Balance carried forward at 31 December 2025	815	608	1,423

	Charity	
	Other £000	Total £000
Balance brought forward at 1 January 2025	815	815
Utilised in the year	-	-
Additional provision in the year	-	-
Balance carried forward at 31 December 2025	815	815

Other provisions include an onerous lease provision for dilapidations which relates to a property formerly leased and then vacated in 2015 and the provision is for an ongoing dispute concerning dilapidation costs on the property. As there are arbitration proceedings currently ongoing it is not disclosed separately as it may be seriously prejudicial to the outcome of the case. The timing of the release of the severance pay provision is inherently uncertain as these are calculated by reference to the length of service of employees in Israel. Other provisions include a range of provisions covering dilapidations.

23. Financial Instruments

The carrying amount of the financial instruments at 31 December were:

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Financial assets at fair value through the Statement of Financial Activities				
Unlisted unithold investments	150,540	145,729	150,540	145,729

24. Analysis of Net Assets among Funds - Group

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2025 £000
Tangible and Intangible Fixed Assets	8,503	43,359	-	51,862
Investments	64,420	55,680	36,481	156,581
Mixed Motive Investments	15	6,436	-	6,451
Programme Related Investments	10,045	-	-	10,045
Total Fixed Assets	82,983	105,475	36,481	224,939
Net Current Assets	13,838	14,147	-	27,985
Creditors: Amounts falling due after more than one year and Provisions for Liabilities and Charges	(11,417)	(3,860)	-	(15,277)
Net Assets at 31 December 2025	85,404	115,762	36,481	237,647

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2024 £000
Tangible and Intangible Fixed Assets	8,757	40,503	-	49,260
Investments	65,979	49,459	35,988	151,426
Mixed Motive Investments	25	6,333	-	6,358
Programme Related Investments	10,045	-	-	10,045
Total Fixed Assets	84,806	96,295	35,988	217,089
Net Current Assets	7,445	15,346	-	22,791
Creditors: Amounts falling due after more than one year and Provisions for Liabilities and Charges	(11,344)	(2,199)	-	(13,543)
Net Assets at 31 December 2024	80,907	109,442	35,988	226,337

25. Analysis of Net Assets among Funds - Charity

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2025 £000
Tangible and Intangible Fixed Assets	582	43,359	-	43,941
Investments	64,420	55,680	36,481	156,581
Mixed Motive Investments	15	6,436	-	6,451
Programme Related Investments	10,045	-	-	10,045
Total Fixed Assets	75,062	105,475	36,481	217,018
Net Current Assets	16,331	14,147	-	30,478
Creditors: Amounts falling due after more than one year and Provisions for Liabilities and Charges	(1,372)	(3,860)	-	(5,232)
Net Assets at 31 December 2025	90,021	115,762	36,481	242,264

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2024 £000
Tangible and Intangible Fixed Assets	758	40,503	-	41,261
Investments	65,979	49,459	35,988	151,426
Mixed Motive Investments	25	6,333	-	6,358
Programme Related Investments	10,045	-	-	10,045
Total Fixed Assets	76,807	96,295	35,988	209,090
Net Current Assets	8,761	15,346	-	24,107
Creditors: Amounts falling due after more than one year and Provisions for Liabilities and Charges	(1,080)	(2,199)	-	(3,279)
Net Assets at 31 December 2024	84,488	109,442	35,988	229,918

26. Unrestricted Funds - Group and Charity

Group							
	At 1 Jan 2025 £000	Income £000	Expenditure £000	Net Gains on Investment Assets £000	Fund Transfers £000	Other Gains and Losses £000	At 31 Dec 2025 £000
General Funds	78,557	59,603	(55,310)	2,936	(2,375)	-	83,411
Pension Reserve	-	-	(1,622)	-	-	1,296	(326)
Other Unrestricted Funds	2,171	264	(273)	143	8		2,313
Total General Funds	80,728	59,867	(57,205)	3,079	(2,367)	1,296	85,398
Other Designated Funds	179	-	(173)	-	-	-	6
Total Designated Funds	179	-	(173)	-	-	-	6
Total Unrestricted Funds	80,907	59,867	(57,378)	3,079	(2,367)	1,296	85,404

	At 1 Jan 2024 £000	Income £000	Expenditure £000	Net Gains on Investment Assets £000	Fund Transfers £000	Other Gains and Losses £000	At 31 Dec 2024 £000
General Funds	69,367	53,298	(55,786)	4,176	7,549	(47)	78,557
Pension Reserve	-		(1,238)	-	-	1,238	-
Other Unrestricted Funds	1,994	256	(239)	153	7	-	2,171
Total General Funds	71,361	53,554	(57,263)	4,329	7,556	1,191	80,728
Other Designated Funds	182	-	(4)	-	1	-	179
Total Designated Funds	182	-	(4)	-	1	-	179
Total Unrestricted Funds	71,543	53,554	(57,267)	4,329	7,557	1,191	80,907

26. Unrestricted Funds - Group and Charity

Charity

	At 1 Jan 2025 £000	Income £000	Expenditure £000	Net Gains on Investment Assets £000	Fund Transfers £000	Other Gains and Losses £000	At 31 Dec 2025 £000
General Funds	82,138	52,692	(47,689)	2,936	(2,375)		87,702
Pension Reserve	-	-	(1,622)	-	-	1,622	-
Other Unrestricted Funds	2,171	264	(273)	143	8		2,313
Total General Funds	84,309	52,956	(49,584)	3,079	(2,367)	1,622	90,015
Other Designated Funds	179	-	(173)				6
Total Designated Funds	179	-	(173)	-	-	-	6
Total Unrestricted Funds	84,488	52,956	(49,757)	3,079	(2,367)	1,622	90,021

	At 1 Jan 2024 £000	Income £000	Expenditure £000	Net Gains on Investment Assets £000	Fund Transfers £000	Other Gains and Losses £000	At 31 Dec 2024 £000
General Funds	71,635	47,007	(48,229)	4,176	7,549	-	82,138
Pension Reserve	-	-	(1,238)	-	-	1,238	-
Other Unrestricted Funds	1,994	256	(239)	153	7	-	2,171
Total General Funds	73,629	47,263	(49,706)	4,329	7,556	1,238	84,309
Other Designated Funds	182	-	(4)	-	1	-	179
Total Designated Funds	182	-	(4)	-	1	-	179
Total Unrestricted Funds	73,811	47,263	(49,710)	4,329	7,557	1,238	84,488

In 2025 there was a foreign currency translation loss of £326,000 upon consolidation of the net assets of the Israeli Subsidiaries as disclosed in Note 30 (2024: loss £47,000).

Transfers in the year are detailed in note 29.

27. Restricted Funds - Group and Charity

Group and Charity

	Balance 1 Jan 2025 £000	Income £000	Expenditure £000	Net Gains on Investment Assets £000	Fund Transfers £000	Other recognised Gains and Losses £000	Balance 31 Dec 2025 £000
Social Care Council	26,559	58,524	(61,866)	844	2,503	-	26,564
Housing & Loan	48,952	4,727	(1,074)	1,203	(649)	-	53,159
F G Salvesen Trust	533	-	(48)	-	-	-	485
Ministries Benevolence Fund	1,964	578	(727)	-	-	-	1,815
Faith Impact Fund	1,600	107	-	-	-	-	1,707
Faith Nurture Fund	1,324	41	(78)	147	-	-	1,434
Augusta Lamont Bequest	6,518	-	(28)	-	-	-	6,490
A H Kellock	2,366	137	(191)	506	-	-	2,818
Other Funds	19,626	1,546	(3,204)	1,059	2,263	-	21,290
	109,442	65,660	(67,216)	3,759	4,117	-	115,762
Pensions Reserve	-	-	(185)	-	-	185	-
	109,442	65,660	(67,401)	3,759	4,117	185	115,762

Group and Charity

	Balance 1 Jan 2024 £000	Income £000	Expenditure £000	Net Gains on Investment Assets £000	Fund Transfers £000	Other recognised Gains and Losses £000	Balance 31 Dec 2024 £000
Social Care Council	24,383	58,697	(58,911)	820	1,570	-	26,559
Housing & Loan	54,740	2,598	(885)	1,498	(8,999)	-	48,952
F G Salvesen Trust	17,065	616	(557)	-	(16,591)	-	533
Ministries Benevolence Fund	1,805	42	(49)	166	-	-	1,964
Faith Impact Fund	1,628	16	(81)	-	37	-	1,600
Faith Nurture Fund	1,337	2	(54)	-	39	-	1,324
Augusta Lamont Bequest	5,967	137	(143)	557	-	-	6,518
A H Kellock	6	2,346	-	(1)	15	-	2,366
Other Funds	18,395	1,426	(1,364)	1,127	42	-	19,626
	125,326	65,880	(62,044)	4,167	(23,887)	-	109,442
Pensions Reserve	-	-	(327)	-	-	327	-
	125,326	65,880	(62,371)	4,167	(23,887)	327	109,442

Material funds have been shown separately in this note.

The restrictions on the use of the funds disclosed above are:

Social Care Council – funds received by CrossReach specifically for the provision of care.

Faith Nurture Fund – various donations and grants received from donors specifically for use by the Faith Nurture Forum (now Faith Action Programme Leadership Team).

Faith Impact Fund – various donations and grants received from donors specifically for use by the Faith Impact Forum (now Faith Action Programme Leadership Team).

Housing and Loan – for providing support to retired Church of Scotland ministers, and widows, widowers, separated or divorced spouses and separated or former civil partners of Church of Scotland ministers, in need of help with housing.

FG Salvesen Trust – to provide support to the Church of Scotland in its work as it labours, itself or through its partner Churches, organisations or communities, for the advancement of the Kingdom of God throughout the world (but outwith the UK and Channel Islands) through Christian worship, fellowship, instruction, mission and service. During 2024 the capital of this fund was reclassified as an expendable endowment as there is no requirement to spend the capital, until such time that the trustees decide to spend it.

Ministries Benevolence Fund – to provide grants for support to any retired person who has been ordained or commissioned for the Ministry of the Church of Scotland; widow, widower, spouse or former spouse and/or child of a person who has been ordained or commissioned for the Ministry of the Church of Scotland; anyone involved in active Ministry within the Church of Scotland; who is in need.

Augusta Lamont Bequest – to assist schemes in operation in Cowal.

AH Kellock - to benefit the work of overseas projects in the field of evangelism or technological training for service.

Fund transfers are detailed in Note 29.

28. Endowment Funds - Group and Charity

	Balance 1 Jan 2025 £000	Income £000	Expenditure £000	Investment Gains £000	Fund Transfers £000	Balance 31 Dec 2025 £000
Social Care Council	315	-	-	10	20	345
F G Salvesen Trust	17,530	-	-	1,014	-	18,544
Craigfoodie Endowment	1,778	-	-	139	-	1,917
Other Funds	16,365	-	(40)	1,120	(1,770)	15,675
	35,988	-	(40)	2,283	(1,750)	36,481

	Balance 1 Jan 2024 £000	Income £000	Expenditure £000	Investment Gains £000	Fund Transfers £000	Balance 31 Dec 2024 £000
Social Care Council	305	-	-	10	-	315
F G Salvesen Trust	-	-	-	939	16,591	17,530
Craigfoodie Endowment	1,625	-	-	153	-	1,778
Erskine Cunningham Hill Trust	1,774	-	(1,774)	-	-	-
Other Funds	15,245	-	-	1,381	(261)	16,365
	18,949	-	(1,774)	2,483	16,330	35,988

Total Endowment Funds at 31 December 2025 of £36,481,000 are made up of £17,263,000 Permanent Endowment and £19,218,000 Expendable Endowment (2024: Permanent Endowment £17,829,000 and Expendable Endowment £18,159,000). Fund transfers are detailed in note 29.

The restrictions on the use of the funds disclosed above are:

Craigfoodie Endowment – the income generated by the fund is paid to New College to assist with the salary costs of the holder of the Meldrum Lectureship.

Erskine Cunningham Hill Trust – the income generated by the fund is for the purpose of making donations, subscriptions or grants to charitable schemes of the Church of Scotland and other recognised charities. During 2024 this fund was transferred to Funds held as Custodian (Note 33).

FG Salvesen Trust - to provide support to the Church of Scotland in its work as it labours, itself or through its partner Churches, organisations or communities, for the advancement of the Kingdom of God throughout the world (but outwith the UK and Channel Islands) through Christian worship, fellowship, instruction, mission and service. During 2024 the capital of this fund was reclassified as an expendable endowment as there is no requirement to spend the capital, until such time that the trustees decide to spend it.

29. Analysis of Fund Transfers - Group and Charity

	Reclassification of Funds £000	Contribution To Costs £000	Other Transfers £000	Group and Charity Total Transfers £000
Unrestricted Funds				
General Funds	-	(1,711)	(664)	(2,375)
Other Funds	-	-	8	8
	-	(1,711)	(656)	(2,367)
Restricted Funds				
Social Care Council	-	1,730	770	2,500
Housing & Loan	-	-	(649)	(649)
Other Funds	1,142	(19)	1,143	2,266
	1,142	1,711	1,264	4,117
Endowment Funds				
Other Funds	(1,142)	-	(608)	(1,750)
	(1,142)	-	(608)	(1,750)

Reclassification of Funds relates mainly to funds which were reorganised with OSCR in the year and the endowment status was removed resulting in the fund being reclassified as restricted.

Contribution to Costs includes the transfer of funds from the General Funds to CrossReach during the year.

Other Transfers relate to the distribution of income between funds in line with any restrictions and the transfer of funds from Housing and Loan, as permitted by the constitution of the Housing and Loan Fund, to other restricted funds of the Charity.

30. Subsidiary Undertakings

The Church of Scotland has the following subsidiary undertakings that are consolidated into the Group financial statements:

St. Andrew's Galilee Limited - Israel Company Registration Number 511727620

The company was incorporated in Israel in 1993 to manage the Tiberias Guesthouse, later redeveloped into a sixty-nine bedroom facility "The Scots Hotel, St. Andrew's Galilee". The share capital of 2,900,102 shares each of one New Israeli Shekel (approximately £0.22) is held in total by The Church of Scotland Trust on behalf of the Faith Action Programme Leadership Team.

St. Andrew's Scottish Centre Limited - Israel Company Registration Number 511832495

The company was incorporated in Israel in 1993 to manage the nineteen bedroom St. Andrew's Scottish Guesthouse in Jerusalem. The share capital of 22,900 shares each of one New Israeli Shekel (approximately £0.22) is held in total by the Church of Scotland Trust on behalf of the Faith Action Programme Leadership Team.

The Tiberias Guesthouse and St. Andrew's Scottish Guesthouse provide accommodation to those wishing to visit Israel and Palestine and witness the work of the Church of Scotland and are also open to all guests. The Financial Year end of both Companies is 31 December and both subsidiaries are consolidated in the Group Financial Statements.

Tabeetha School in Jaffa - Israel Amuta (Not for Profit Organisation) Number 580500601

The school has operated under the supervision of the Faith Action Programme Leadership Team and its predecessors since 1912. Title to the school property is held by the Church of Scotland Trust on behalf of the Faith Action Programme Leadership Team. Accordingly, it is considered that the Church of Scotland has control of the entity and its results are consolidated in full. The school was registered as an Amuta, an Israeli not for profit association, in 2008 and commenced operations under the new arrangement in 2009. The Financial Year end of the company is 31 December and the results of the school are consolidated in the Group Financial Statements.

Other subsidiary companies which are not consolidated in the financial statements, on the basis of being immaterial:

CrossReach Trading Limited is a private company limited by shares incorporated in Scotland to sell CrossReach branded calendars and cards.

CrossReach Community Connections SCIO (Scottish Charitable Incorporated Organisation) passes grants on to CrossReach under the same terms and conditions that apply to the initial award to the SCIO.

Their financial results of material subsidiaries were as follows:

	St. Andrew's Galilee Limited		St Andrew's Scottish Centre Limited		Tabeetha School	
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
Income	3,582	3,450	686	483	2,679	2,408
Expenditure	(4,278)	(4,252)	(938)	(795)	(2,625)	(2,560)
Net (Loss)/ Profit	(696)	(802)	(252)	(312)	54	(152)
Unrealised Losses on Foreign Currency transactions	(222)	(29)	(15)	(11)	(19)	(7)
Net (Loss)/Profit after Unrealised Losses	(918)	(831)	(267)	(323)	35	(159)
Gross Assets	7,693	7,830	1,075	1,087	1,355	1,408
Gross Liabilities	(11,923)	(11,142)	(1,248)	(1,007)	(1,670)	(1,757)
Total Net (Liabilities)/Assets	(4,230)	(3,312)	(173)	80	(315)	(349)

31. Commitments

	Group and Charity	
	2025 £000	2024 £000

Capital Expenditure

Contracts placed for future capital expenditure not provided for in the financial statements:

Social Care Council	10	1,874
	10	1,874

Operating Leases where the Group is Lessee

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Group and Charity			
	Property £000	Other £000	2025 Total £000	2024 Total £000
Within one year	930	175	1,105	1,145
After one and before five years	339	299	638	1,021
	1,269	474	1,743	2,166

Operating Leases where the Group is Lessor

Future minimum lease rentals receivable under non-cancellable operating leases are as follows

	Group		Charity	
	2025 Total £000	2024 Total £000	2025 Total £000	2024 Total £000
Within one year	397	125	375	125
After one and before five years	545	330	536	330
	942	455	911	455

Certain commercial property leases are non-cancellable. These leases have remaining terms of between 1 and 2 years. Other leases have terms of less than one year.

32. Pension Schemes

Details of Schemes

The Church of Scotland has six pension schemes, three of which are defined contribution schemes and three defined benefit schemes.

Defined Contribution Schemes

Since August 2013 the Social Care council scheme has been provided by Legal and General with employer rates of 5%.

From 1 October 2013 two further defined contribution schemes were provided by Legal and General, one for employees of the Ministries and World Mission Councils with employer rates of 11.5% to 14%, and one for employees of the Central Services Committee with employer rates of 11.5% to 14%. A statutory minimum compliance employer rate of 3% is provided for certain categories of workers such as locum ministers.

The Group allocates the defined contribution schemes expenses and liability between funds according to the activity for which staff are employed.

At 31 December 2025, £0.5 million (2024: £0.5 million) was due in respect of the defined contribution pension schemes. This balance is recorded within creditors: amounts due within one year.

Defined Benefit Schemes

- > The Scheme for Ministers and Overseas Missionaries (for office holders or those employed through the Ministries Council or World Mission Council). The Scheme has three separate funds, the Main Pension Fund, The Contributors' Pension Fund and the Widows' and Orphans' Fund. The Contributors' and the Widows' and Orphans' Funds are excluded from the disclosures because both funds have immaterial irrecoverable surpluses which can only be recovered to the extent that there is a liability associated with the Fund. Given that the costs accruing to these Funds are considered to be negligible and no contributions are payable, it is not expected that any surplus can be recognised.
- > The Scheme for Staff (employees of the Social Care Council and the Central Services Committee). The Scheme has two separate funds, the Social Care Fund and the Central Services Committee Fund (CSC Fund).
- > The Scheme for Ministry Development Staff (MDS), formerly the Presbytery and Parish Workers' Scheme (PPWs) and formerly the Scheme for National Mission (for certain employees of the Faith Action Programme Leadership Team).

During 2024 the Scheme for Staff and the Scheme for Ministry Development Staff were subject to buy in to cover 100% of their liabilities.

The Social Care component of the Staff Scheme was closed to future accrual in August 2013 and the other three Schemes closed to future accrual after 31 December 2013.

All three defined benefit Pension Schemes provided facilities for additional voluntary contributions with either Scottish Widows or Standard Life until 31 December 2013. Certain voluntary contributions were allowed to continue after that date.

All assets are held independently of the Church of Scotland by the Church of Scotland Pension Trustees. The investments of the Pension Schemes are held directly by each Scheme, and managed by Baillie Gifford & Co, Insight Investment, Alliance Bertstein and Legal & General Investment Management Ltd.

The Schemes closed to future accrual on 31 December 2013 with the exception of the Widows' & Orphans' Fund, for which only employee contributions are paid, based on historic calculations. Consequently, with this exception, from 2014 the only contributions payable relate to past service.

The most recent actuarial valuations for the Ministers scheme was carried out at 31 December 2024, and for the MDS, and Social Care/CSC defined benefit schemes they were carried out as at 31 December 2021. The Actuary determines contribution rates for funding past service each year, and these will be funded from the General Funds.

	Ministers £000	MDS £000	Social Care £000	CSC £000	2025 £000
Defined Benefit Obligation					
Opening Defined Benefit Obligations	177,101	8,533	34,302	20,950	240,886
Administration Cost	1,158	226	179	197	1,760
Interest Cost	9,110	443	1,775	1,088	12,416
Actuarial Gains /(Losses)	238	(163)	(355)	(273)	(553)
Benefits and Expenses paid	(15,017)	(741)	(2,480)	(1,444)	(19,682)
Closing Defined Benefit Obligations	172,590	8,298	33,421	20,518	234,827

	Ministers £000	MDS £000	Social Care £000	CSC £000	2025 £000
Fair Value of Scheme Assets					
Opening Fair Value of Scheme Assets	214,994	9,284	35,359	22,608	282,245
Interest Income	11,107	477	1,826	1,172	14,582
Return on assets excluding amounts included in net interest	(4,464)	(153)	(360)	(281)	(5,258)
Benefits and Expenses paid	(15,017)	(741)	(2,480)	(1,444)	(19,682)
Closing Fair Value of Scheme Assets	206,620	8,867	34,345	22,055	271,887
Irrecoverable surplus brought forward	(37,893)	(751)	(1,057)	(1,658)	(41,359)
Impact of irrecoverable surplus on interest income	(2,027)	(40)	(57)	(89)	(2,213)
Decrease in irrecoverable surplus from experience	5,890	222	190	210	6,512
Irrecoverable surplus at end of year	(34,030)	(569)	(924)	(1,537)	(37,060)
Closing Fair Value of Scheme Assets net of irrecoverable surplus	172,590	8,298	33,421	20,518	234,827

	Ministers £000	MDS £000	Social Care £000	CSC £000	2025 £000	2024 £000
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Analysis of Amount (Charged)/Credited to Operating (Deficit)/Surplus

Current & Past Service Cost	-	-	-	-	-	-
Administration Costs	1,158	226	179	197	1,760	1,532
Total Operating Charge	1,158	226	179	197	1,760	1,532

	Ministers £000	MDS £000	Social Care £000	CSC £000	2025 £000	2024 £000
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Analysis of Amount (Charged)/Credited to Other Finance Income

Interest Income on Scheme Assets	11,107	477	1,826	1,172	14,582	13,897
Impact of Asset Ceiling on Net Interest	(2,027)	(40)	(57)	(89)	(2,213)	(2,112)
Interest on Scheme Liabilities	(9,110)	(443)	(1,775)	(1,088)	(12,416)	(11,818)
Net Interest on Net Defined Benefit Liability	(30)	(6)	(6)	(5)	(47)	(33)

	Ministers £000	MDS £000	Social Care £000	CSC £000	2025 £000	2024 £000
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Total Amount Charged to Statement of Financial Activities

Total Operating Charge less Net Interest	1,188	232	185	202	1,807	1,565
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	Ministers £000	MDS £000	Social Care £000	CSC £000	2025 £000	2024 £000
Analysis of Amount recognised in Other Recognised Gains and Losses						
Return on Assets excluding amounts included in net interest	(4,464)	(153)	(360)	(281)	(5,258)	(34,172)
Actuarial (losses)/gains on Scheme obligations	(238)	163	355	273	553	27,506
Decrease in irrecoverable surplus from membership fall and other factors	5,890	222	190	210	6,512	8,231
Remeasurement gain recognised in Other Recognised Gains and Losses	1,188	232	185	202	1,807	1,565

	Ministers £000	MDS £000	Social Care £000	CSC £000	2025 £000	2024 £000
Major Categories of Scheme Assets:						
Sustainable Multi Asset Fund	-	-	-	-	-	6,461
UK Managed Funds	-	-	-	-	-	7,197
Buy & Maintain Bond Fund	14,412	-	-	-	14,412	14,086
UK Government Index-linked Bonds	128,577	-	-	-	128,577	125,852
UK Government Fixed-interest Bonds	29,099	-	-	-	29,099	27,926
Cash/Net Current Assets	34,532	569	924	1,537	37,562	36,938
Insured Assets	-	8,298	33,421	20,518	62,237	63,785
Total Value of Assets	206,620	8,867	34,345	22,055	271,887	282,245
Actuarial Value of Liabilities	(172,590)	(8,298)	(33,421)	(20,518)	(234,827)	(240,886)
Surplus of Funded Scheme Liabilities	34,030	569	924	1,537	37,060	41,359
Irrecoverable Surplus	(34,030)	(569)	(924)	(1,537)	(37,060)	(41,359)
Net Pension Asset	-	-	-	-	-	-

The actual return on plan assets was a deficit of £9.3 million (2024: £20.3 million).

Although some of the defined benefit pension schemes show an accounting asset as disclosed above, the financial positions as measured by the latest actuarial valuations may require that the Charity makes total deficit repair payments. As of February 2021 the Pension Trustees agreed to cease the contributions, but if trigger points on the funding levels are met they would resume again.

The main financial assumptions used in preparing the defined benefit schemes figures above as at 31 December 2025 and 2024 are as follows:

	2025 %	2024 %
Financial Assumptions		
Retail Price inflation	3.00	3.35
Consumer Price inflation	2.50	2.80
Discount rate	5.35	5.35
Pension Increase Rate	1.91 - 2.50	2.05 - 2.75

The assumptions made for life expectancy are as follows:

	2025	2024
Life Expectancy Assumptions		
Age 65	23.3	21.9

33. Funds held as custodian

	Group and Charity	
	2025 £000	2024 £000
Balance brought forward at 1 January	2,618	712
Funds transferred in	63	1,800
Funds received in the year	339	396
Funds paid in the year	(434)	(290)
Funds transferred out	(411)	-
Balance carried forward at 31 December	2,175	2,618

Funds held as custodian relate to funds held on behalf of third party charities and are not included in the financial statements of the UE. Funds are held as investments with Church of Scotland Investors Trust or as cash in the bank. All assets are recorded in separate funds to ensure segregation from the group. The third party charities for which these arrangements are in place are noted below.

Erskine Cunningham Hill Trust (SC001853). For the purpose of making donations, subscriptions or grants to (a) Schemes of the Church of Scotland which are recognised at the time as charitable by the Commissioners of Inland Revenue (b) Charities which are recognised at the time as such by Commissioners of Inland Revenue

Novum Trust (SC021277). To collect the income and the capital of the funds or such parts of the income and capital thereof as the Trustees shall from time to time think fit in initiating and supporting such existing and new projects, schemes, funds and organisations of a religious, or educational nature as shall be recognised at the time as charitable by the Commissioner of Inland Revenue and as the Trustees shall in their absolute discretion think fit. In exercising this discretion as to the disposal of the funds the Trustees will have regard to but shall in no way be bound by any wishes which may be expressed in writing to the Trustees by the Founders. During the year all funds were transferred to new custodians.

Church Hymnary Trust (SC002769). Trust for the advancement of the Christian Faith through the promotion and development of hymnody in Scotland with particular reference to the Church of Scotland by assisting in the development, promotion, provision and understanding of hymns, psalms and paraphrases suitable for use in public worship and in the distribution and making available of the same in books, discs, electronically and in other media for use by the Church of Scotland to enable the church and in particular the Church of Scotland to worship in ways which are relevant to individual congregations or groups of congregations.

Ritchie Fund (SC037735). To relieve poverty, sickness and distress among children resident in the area of benefit who are deprived, handicapped or otherwise in need to advance education and religion among them and to provide facilities in the interests of social welfare for their recreation or other leisure-time occupation with the object of improving the conditions of life for such children.

Iona Cathedral Trust (SC017989). To advance the arts culture and heritage by the maintenance management use preservation protection and improvement of the buildings and land of Iona Cathedral and other land associated with Iona Cathedral; to advance religion by allowing for the use of Iona Cathedral, and other land associated with Iona Cathedral, for public worship by the Christian Churches; to advance the education of the public in relation to the history, culture and heritage of Iona Cathedral and the Island of Iona.

James Gray Nicol Trust (SC021360). The preservation, maintenance and improvement (including extension) of the fabric, fittings, furnishings and equipment of the Eventide Homes operated by the Church of Scotland Social Care Council under the authority of the General Assembly, preference being given to the Clashfarquhar House Eventide Home, Stonehaven.

Society in Scotland for Propogating Christian Knowledge (SC000270). The advancement of religion.

The Friends of St Andrew's Jerusalem & Tiberias. Supporting the Church of Scotland presence, ministry, service, hospitality and partners in Israel and Palestine.

34. Post Balance Sheet Events

In April 2026, the Pension Trustees confirmed a buy-in contract with an insurance provider for The Scheme for Ministers and Overseas Missionaries which includes the three separate funds, the Main Pension Fund, The Contributors' Pension Fund and the Widows' and Orphans' Fund. Under this arrangement, the insurer will assume responsibility for meeting the pension payments relating to the insured members.

Reference and Administrative Details

Assembly Trustees

- **Keith Blackwood**, (from June 2025)
- **David Cameron**, (from June 2021)
- **Jean Couper**, (from June 2020)
- **Adam Dillon**, (from June 2025)
- **Crawford Gillies**, (from June 2024)
- **Ian Forrester**, (from June 2022, end of term May 2025)
- **David Harrison**, (from June 2020)
- **Miranda Heggie**, (from June 2023, end of term May 2025)
- **Barry Hughes**, (from June 2021, end of term May 2025)
- **Jennifer MacDonald**, (from June 2022, end of term May 2025)
- **Geoff Miller**, (from June 2020)
- **Deon Oelofse**, (from June 2025)
- **Sarah Ross**, (from June 2025)
- **Norman Smith**, (from June 2022, resigned December 2025)
- **Michael Yuille**, (from June 2024)
- **Philip Ziegler**, (from December 2020)

Key Management Personnel

- **Kay Cathcart**, Head of Ministries and Mission
- **Viv Dickenson**, Chief Executive Officer CrossReach
- **Dave Kendall**, Chief Officer (until June 2025)
- **Mary Macleod**, Solicitor of the Church
- **Elaine McCloghry**, Head of Human Resources
- **John McPake**, Acting Principal Clerk (from November 2025)
- **Jenny Simpson**, General Treasurer & Head of Finance (until December 2025)
- **Fiona Smith**, Principal Clerk (until October 2025)
- **Norman Smith**, Chief Officer (from December 2025)
- **Leanne Thompson**, General Treasurer and Head of Finance (from December 2025)
- **Brian Waller**, Chief Executive General Trustees

Scottish Charity Number

SC011353

Principal Office

121 George Street
Edinburgh
EH2 4YN

Professional Advisors

Auditors

RSM UK Audit LLP
(Group Auditors)
Chartered Accountants
and Statutory Auditor
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

PricewaterhouseCoopers

(Auditors of Israeli
Subsidiaries)
Shufat Street 5
East Jerusalem
Palestinian Territories

Bankers

The Royal Bank of
Scotland plc
36 St Andrew Square
Edinburgh
EH2 2AD

The Bank of Scotland

The Mound
Edinburgh
EH1 1YZ

Bank Hapoalim

45 Hamelach Street
Netanya 42505
Israel

**Mercantile Discount Bank
Ltd**

PO Box 1292
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Tel Aviv 61012
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Investments

The Church of Scotland
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Internal Auditors

Azets
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