



The Church of Scotland General Trustees
SC014574

Annual Report and Financial Statements
For year ended 31 December 2025

THE CHURCH OF SCOTLAND GENERAL TRUSTEES
Annual Report and Financial statements for the year ended 31 December 2025

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Objectives and Activities

"The General Trustees support congregations and Presbyteries in maintaining and developing appropriate flexible, robust and sustainable facilities capable of supporting local mission and worship."

Mission Statement

Article III of the Articles Declaratory of the Constitution of the Church of Scotland in Matters Spiritual says:

"As a national Church representative of the Christian faith of the Scottish people it acknowledges its distinctive call and duty to bring the ordinances of religion to the people in every Parish of Scotland through a territorial ministry".

The Church of Scotland General Trustees is a registered Scottish charity (SC014574).

Objectives

Interpreting this declaration in modern terms as a duty and a desire for a Christian presence in every community, the General Trustees, as a part of the national administration of the Church, aim to give practical effect to this by:

- supporting parish ministry in its various forms; and
- assisting congregations in the provision of suitable buildings for each parish.

Their trust purpose is to administer stipend endowments and any heritable assets such as land, churches, halls and manses and any moveable assets such as investments derived therefrom for such ends, uses and purposes as the General Assembly (or any body to which its powers are delegated) may direct.

The five key Strategic Objectives defined by the Board are:

- Support the effective care and maintenance, refurbishment and, where appropriate, redevelopment of churches, halls and manses etc.
- Disposal of surplus, redundant buildings
- Management and disposal of Glebe land
- Administration of Investment of Funds Held by the General Trustees
- Support congregations with their duty to comply with statutory requirements

More detail on how these objectives will be achieved in the short and medium term can be found in the section entitled "Future Plans".

Objectives and Activities (continued)

Principal Activities

The General Trustees' principal activities are the support of parish ministry and support of congregations in the provision of buildings which are fit-for-purpose and in the right location. In doing so, the Trustees administer a significant level of funds which are applied towards the achievement of their trust purpose and charitable objectives.

Funds Supporting Parish Ministry

Glebeland Funds

In this Fund, the Trustees hold glebeland for the benefit of individual congregations. Rental income net of maintenance and support costs is transferred to the Faith Action Programme Leadership Team (FAPLT) (part of the Unincorporated Entities of the Church of Scotland, supporting the recruitment, education, training and ongoing development of ministers, deacons, readers and anyone else who is confident and eager to share their faith) to be applied as a contribution to each congregation's ministry costs.

Funds arising from the sale of glebeland are transferred to the Consolidated Stipend Fund with the capital being held for the benefit of that congregation.

Consolidated Stipend Fund

The Trustees administer the Fund for the benefit of congregations. The investments comprising the Fund are largely derived from the sale of glebeland since 1925.

An agreed amount is distributed through the Faith Action Programme Leadership Team each year, to help the individual congregations meet their parish ministry costs. The Trustees are empowered to augment what would otherwise be distributed from capital sales.

Changes to the Investment Policy and the level of distributions from the Fund were agreed by the Trustees following consultation with the Faith Action Programme Leadership Team. These changes were implemented in 2025 and are described in the sections entitled "Investment Policy".

On the recommendation of the Presbytery and with the concurrence of the Faith Action Programme Leadership Team, General Assembly Regulations provide for the possibility of surplus capital in the Consolidated Stipend Fund being transferred to the Consolidated Fabric Fund.

Objectives and Activities (continued)

Funds Assisting Congregations in the Provision of Suitable Buildings

Consolidated Fabric Fund

In this Fund, the Trustees hold the heritable properties occupied by congregations which are vested in the Trustees as legal owners. These properties principally comprise churches, halls and manses. Local congregations are responsible for the repair, maintenance and insurance of the buildings they occupy and for the health and safety of all those who use them.

The Fund also comprises investments derived from the past sale of properties that are held for the benefit of individual congregations. Subject to various safeguards and approvals, both capital and accrued revenue may be withdrawn to meet a wide range of buildings-related expenditure incurred by the congregations on churches, halls and manses to enable them to maintain, repair and improve these buildings.

On the recommendation of the Presbytery and with the concurrence of the Faith Action Programme Leadership Team, General Assembly Regulations provide for the possibility of surplus capital in the Consolidated Fabric Fund being transferred to the Consolidated Stipend Fund.

The General Assembly of 2024 approved the following changes to the regulations governing withdrawals from capital and revenue funds..

- Whilst the primary use of funds held is for fabric and fabric-related purposes, the General Trustees, at their sole discretion, may also consider the release of capital for non-fabric projects with due consideration given to (1) the level of capital balances held, (2) what capital may be required to be set against future works to retained buildings, (3) whether there are up to date five-yearly reports available pertaining to retained buildings and (4) the purposes of the non-fabric project. Release of capital for non-fabric projects will require the prior approval of Presbytery.
- Release of revenue funds can be requested directly to the General Trustees (subject to a limit imposed at the discretion of the General Trustees) and revenue funds can also be applied against utility costs (Church and Hall buildings only) and insurance premiums pertaining to the buildings in a congregation's charge. In addition, revenue funds can be utilised for non-fabric purposes where such purposes meet the criteria for the Five Marks of Mission, and this applies to any balance held in the Revenue Account.

Temporary Capital Funds within the Consolidated Fabric Fund are derived from the sales of redundant properties. These funds are normally transferred to investments within the Consolidated Fabric Fund once the transactions are complete.

Objectives and Activities (continued)

Funds Assisting Congregations in the Provision of Suitable Buildings (continued)

Individual Funds

Individual Funds are derived from historical donations, bequests and legacies, as well as the sale of redundant properties and where the main purpose of the proceeds was for Christian mission rather than for the repair or improvement of buildings. Release of accrued revenue and capital is subject to various approvals from congregations and Presbyteries, and the conditions attached to each fund.

Central Fabric Fund

This Fund is the main resource which enables the Trustees to provide financial assistance in the form of grants and loans to congregations for repairing and improving the buildings which they use as local resources for Christian mission.

Before grants are awarded from the Central Fabric Fund, the Trustees will consider the level of funds held locally by the congregation and by the General Trustees in the Consolidated Fabric Fund, which may be put towards these purposes ahead of a grant.

Before loans are offered, the Trustees will scrutinise relevant financial information to ensure that a congregation has the financial ability to repay the capital and interest of any loan which might be offered to it.

In accordance with a deliverance approved at the General Assembly of 2023, Presbytery-based sub-funds of the Central Fabric Fund have been created to ring-fence 50% of the net funds received from dissolved congregations to provide grants to other congregations in that same Presbytery.

In addition to making grants and loans to congregations, a deliverance approved at the General Assembly of 2024 stated that the Central Fabric Fund shall be used by the General Trustees "in other appropriate circumstances as determined by the General Trustees, including meeting the cost, wholly or partially, of employing Presbytery Buildings Officers".

Funds Supporting the Work of the Trustees

General Fund

The General Fund, which is unrestricted, is used to meet expenses incurred by the Trustees in the administration of their business, the main items being staff salaries and administration costs recharged from the Assembly Trustees who provide those services for the Trustees. These services are delivered by departments within the Unincorporated Entities.

The Fund received payments under Gift Aid from the Church of Scotland Insurance Services Ltd, the subsidiary company; following the transfer of the client base to Howden in 2025, the final Gift Aid payment will be receivable in 2026.

Objectives and Activities (continued)

Funds Supporting the Work of the Trustees (continued)

General Fund (continued)

The fund covers general expenditure incurred in the running of the charity, as well as subsidising certain costs and shortfalls within restricted funds.

Church of Scotland Insurance Services Limited (COSIS)

The Church of Scotland Insurance Services Limited ("the Company") is a limited company incorporated and domiciled in Scotland with registered company number SC001777. The Company is a wholly owned subsidiary of the General Trustees and, as such, its assets, liabilities and results for the year are consolidated with those of the General Trustees.

In 2024, the Board of COSIS concluded that its brokerage activities should be transferred to a national broker; this transfer took place in late 2025. A by-product of this transaction will be that Gift Aided profits will no longer flow to the Trustees after 2026. A portfolio of investments valued at around £5.2m was transferred to the General Trustees during the year, and it is intended that the company will be wound up over the course of 2026.

Historic Property Portfolio Fund

The Trustees have agreed to assume administrative responsibility for certain substantial historic listed buildings that are not capable of being disposed of when congregations are formally dissolved. These will be held in this designated Fund. Only one building is now held in the Fund and no others are foreseen at this time. The Fund benefits from the heritable and moveable assets of congregations that are dissolved where the buildings involved present the challenges outlined above. The Fund monies are applied towards the costs of keeping such buildings in good order until such time as a satisfactory outcome is achieved either by outright disposal or the liabilities of ownership are no longer the sole responsibility of the General Trustees.

Achievements and Performance

Legislative Change

A major piece of work approved by the 2024 General Assembly has now become Church law in the guise of the General Trustees (Properties, Funds & Endowments) Act 2024 (as amended) and this major piece of legislation provides a "one-stop shop" for all Assembly legislation as it pertains to the work of the Trustees. Amendments to the Act were approved by the 2025 General Assembly and work is either underway or completed to update online resources and guidance so that those resources dovetail with Assembly legislation. This work includes an updating of the General Trustees section of the Church website.

Achievements and Performance (continued)

Legislative Change (continued)

It is likely that, within the next two years, the Scottish Parliament will be petitioned to amend the Trustees' founding Act, the Church of Scotland (General Trustees) Order Confirmation Act 1921, so as to allow ordinary Church members to become Trustees (currently only Ministers and Elders can become Trustees) and to widen the base of senior Church staff officers who are permitted to sign deeds on behalf of the General Trustees (currently only the Chief Executive & Clerk and the General Treasurer can do so, along with a Trustee).

Presbytery Mission Plans, Annual Reviews and the Disposal of Buildings

The Trustees and their staff have continued to work alongside members of the Faith Action Programme Leadership Team and other committees involved in the Presbytery Planning process in the consideration of Presbytery Mission Plans. All Plans are now approved and in the implementation stage and, indeed, a number of Presbyteries have submitted draft annually updated Plans for consultation with both the General Trustees and Faith Action.

The staff of the Trustees and of the Law Department continue to deal with an increasing number of disposals of buildings arising from the planning process including the sale of surplus manses.

Manse Condition Reports and Manse Provision

In May 2023, the General Assembly approved proposals from the Trustees aimed at ensuring manses meet the same minimum standards as other privately rented properties in Scotland. The responsibility of congregations and presbyteries was restated as was the requirement for them to provide condition reports including energy performance certificates. The Manse Working Group continues to tackle these matters and, as a result of Presbytery Mission Plans, the Trustees have noted that the number, location and suitability of manses are being reviewed by congregations. This is resulting in houses that are no longer required as manses being sold, upgrade works being undertaken to manses that are to be retained or replacement manses being purchased. The Trustees envisage that this will continue for the duration of the current Presbytery Mission Plans.

Signature Churches

The Trustees have set up the Signature Churches working group to consider how best to assist congregations with large iconic churches that do not have the financial resources or range of skills to deal with their upkeep. Contact has also been made with other bodies to exchange good practice with one another and to provide guidance on grant funding.

Achievements and Performance (continued)

Pathway to Net Zero

Staff of the Trustees are directly involved in the Church's Net Zero working group that is developing a "Pathway to Net Zero" and an "Environmental Footprint Tool". Further work on this has taken place and close collaboration has been established with colleagues in the Faith Action Programme Leadership Team. It is expected that this work will continue to evolve and the Head of Buildings & Projects has contributed to a policy paper on the subject.

Consolidated Stipend Fund

Following consideration of an external review of the Trustees' investment policy, the Trustees decided to change their approach to the investment of this Fund. They held discussions with the Church of Scotland Investors Trust (COSIT), the Faith Action Programme Leadership Team and other parties. As COSIT was unable to accommodate the new approach within its range of funds, the Fund's holding in the COSIT Growth Fund was transferred in 2025 to be invested in an arrangement managed by Mercer as described in the section entitled "Investment Policy".

Church of Scotland Insurance Services Limited (COSIS)

As referred to earlier, the Board of COSIS concluded that its brokerage activities should be transferred to a national broker. The transfer was successfully completed in November 2025.

Executive Team and Recruitment

The workload of the staff of the General Trustees has continued to increase due to the volume of buildings being evaluated, the level of assistance and advice given to congregations and in dealing with disposals.

Two Presbytery Buildings Officers were appointed for the Presbyteries of the Clyde and Cleir Eilean I, bringing the number of Presbytery Buildings Officers in place to nine. These appointments have contributed to the ability of the staff to deal with the increased workload described above. There is also a much stronger emphasis on financial assistance, with the Fabric Committee overseeing the dispersal of significant grant funding, following a period of relative stagnation in this area so as to allow Presbytery Plans to be finalised.

Investment Policy and Performance

Investment Policy

The General Trustees currently invest with three Investment Managers. A portion of the General Fund investments are held with Cazenove; the Consolidated Stipend Fund investments are held with Mercer; and all other investments are held in the Deposit, Growth and Income Funds of the Church of Scotland Investors Trust (COSIT). Although they obtain the benefits of professional management, continuous portfolio supervision, spread of investment risk and economies of scale, decisions as to the appropriate investment mix as between the three Investment Managers, and the three COSIT Funds, are the responsibility of the General Trustees.

Asset allocation strategies for the Central Fabric Fund and the General Fund are monitored quarterly to ensure that they remain consistent with their objectives. The Trustees regularly seek external investment advice regarding the asset allocation of the Funds for which they are responsible. During 2025, the General Trustees asked for the advice to be updated to reflect the changes in income and capital positions of the Central Fabric Fund and General Fund since the previous review in 2022 as well as the forecast outcomes for each Fund over the coming years. As a result, there will be some further adjustments in asset mix which are to be implemented in 2026.

Consolidated Fabric Fund investment strategy

The scope of the latest review exercise also included a review of the asset mix of the Consolidated Fabric Fund. This followed clarification received by the General Trustees that it is they, and not individual Kirk Sessions, who are responsible for the management of the Consolidated Fabric Fund, including the investment strategy. Following this review, a number of changes were recommended and these are described in more detail under the section "Future Plans".

Consolidated Stipend Fund investment strategy

As agreed with the Faith Action Programme Leadership Team (FAPLT) and adopted and re-affirmed by the General Assembly on a number of occasions, the most recent being in 2016, the Consolidated Stipend Fund is regarded internally as a permanent endowment for investment strategy purposes and invested for the very long term but it is not treated as an endowment fund within these financial statements.

As reported last year, the Trustees decided to take a different approach to the investment of the Fund based on the recommendations of the external Investment Policy Review. The transfer of the fund to an investment vehicle provided by Mercer's Implemented Consulting Services would provide enhanced diversification of assets, select managers suited to each investment segment and monitor ethical investment practices relating to environmental, social, and governance issues. The transfer of funds to Mercer was completed in three tranches in September, October and November 2025.

Investment Policy and Performance (continued)

Consolidated Stipend Fund investment strategy (continued)

The investment objective of the Fund is to maximise the long-term capital value of the Fund while providing regular distributions to FAPLT for the benefit of congregations' ministry costs from income received or from the sale proceeds of capital. Under the new arrangements with Mercer, the Trustees have set a more specific investment return objective for the Fund of CPI+4% pa. As a result, the Trustees decided to increase the yearly distributions to FAPLT from a level amount of £3.2m in recent years to £4m in 2025 thereafter increasing in line with inflation until at least 2029.

In 2023 the Trustees approved the investment of up to £3.2m of the fund in a loan facility for CrossReach, the direct social care service of the Church of Scotland Unincorporated Entities. The Assembly Trustees have provided the Trustees with an indemnity in the event of default by CrossReach. At 31 December 2025, £3.1m of the loan facility had been drawn down.

Investment performance - Church of Scotland Investors Trust

As at 31 December 2025, £156m funds were invested with Church of Scotland Investors Trust (COSIT).

The Investors Trust has an ethical investment policy; investment is avoided in shares in any company substantially involved (generating more than 10% (previously 15%) of turnover) in gambling, tobacco products (including vaping), recreational cannabis, alcohol, armaments, thermal coal and tar sands and other activities which are felt to harm society more than they benefit it. 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 Growth Fund is intended to provide capital growth over the longer term, with a portfolio split 70:30 between equities and credit. The Income Fund continues to be invested in a pooled fund, and is intended to provide consistent high income and to protect the nominal value of capital in the medium-long term. The Deposit Fund is intended for short-term investment, ideally no longer than 18 months, and seeks to provide a competitive rate of interest whilst spreading risk and preserving nominal capital value.

The COSIT Trustees set internal benchmarks for the Growth Fund that take account of ethical constraints, and these are used to assess the investment performance of the Fund Manager. A change of investment managers during the year makes comparisons against benchmark difficult. However, it is felt by COSIT that the moderate underperformance by the former investment managers will recover under the new investment managers. Over the year to 31 December 2025 the unit price value increased from £6.38 to £6.88.

The Income Fund's total investment return was +8.97% (2024: +6.81%) compared with 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 Deposit Fund's average rate of interest paid for 2025 was +4.23% (2024: +5.09%).

Investment Policy and Performance (continued)

Investment performance - Mercer

As at 31 December 2025, £125m funds were invested with Mercer.

For the assets of the Consolidated Stipend Fund that are invested in Mercer Funds, the General Trustees have delegated management of each of the Mercer Fund's to a Mercer affiliate, namely Mercer Global Investments Europe Limited (MGIE). The Mercer affiliate is responsible for the appointment and monitoring of a suitably diversified portfolio of specialist third party investment managers for the assets of each Mercer Fund.

Mercer and MGIE prioritize integration and stewardship, under belief that an engagement and escalation approach drives positive change as opposed to losing influence via divestment, but may exclude certain investments based on Mercer's Exclusions Frameworks, where sectors/activities are irresponsible. Controversial weapons and civilian firearms are excluded from all multi-client funds, while tobacco and nuclear weapons are excluded from active equity and fixed income funds. Additional bespoke exclusions also apply on some of Mercer's Fund range (in which the Consolidated Stipend Fund invest in where possible) and also encompass additional exclusions on alcohol, gambling and adult entertainment. Additional exclusions are detailed in fund disclosures on Mercer's website. In addition, Mercer and MGIE monitor funds for high-severity incidences relating to the UN Global Compact (UNGC) Principles that relate to human rights, labour, environmental and corruption issues.

Since inception with Mercer to 31 December 2025, the Consolidated Stipend Fund achieved a significant excess return above its target of CPI + 4%p.a. The overall gross return for the Fund was 5.8%, versus the target of 1.8% over the period.

Investment performance - Cazenove

As at 31 December 2025, £5.7m funds were invested with Cazenove.

The Cazenove portfolio is subject to exclusions on equities and bonds generating more than 10% of revenue in alcohol, armaments, fossil fuels, gambling, predatory lending and tobacco. It excludes equities and bonds generating more than 3% of revenue in adult entertainment, and all equities and bonds included on Schroders' breach list of companies without good governance, companies creating principle adverse impacts beyond certain thresholds, and companies flagged for violating the UN Global Compact Principles.

The Cazenove portfolio was transferred from COSIS in August 2025, and is largely equity-based, with some holdings in bonds, alternatives and cash. Net return on the portfolio for the year to 31 December 2025 was +7.9%.

Financial Review

Total Funds

The financial statements as of 31 December 2025 show that the General Trustees have total funds of £861m (2024: £858m). Of this total for the charity, £547m (2024: £564m) is represented by the value of land and property assets as shown in note 12 and £289m (2024: £258m) is represented by the value of investment assets to date.

Unrestricted Funds

Of the total funds of £861m only £18.6m (2024: £12.2m) are unrestricted and undesignated, the majority of the funds being held in restricted funds for the benefit of individual congregations.

Within unrestricted, undesignated funds, £0.1m represents tangible fixed assets. These are not readily available to spend and so this leaves £18.5m as the free reserves as at 31 December 2025.

There are risks relating both to income and expenditure within the funds:

- there is annual expenditure on the General Fund of around £2.6m (2024: £2.2m) with annual ordinary recurring income, excluding income from the Insurance Company which will cease in 2026, of £0.6m (2024: £0.8m);
- major essential maintenance costs or underinsured damage to buildings which cannot be met by the congregation concerned could become a liability of the General Trustees to be met from this reserve and while such instances are not common when they do arise the sums can be very significant; and
- the General Trustees have contingent liabilities as disclosed in note 27 to the financial statements which, if they arose, would significantly reduce unrestricted reserves.

During 2025 the unrestricted General Funds of the General Trustees subsidised the work of the designated and restricted funds, covering costs of £89k (2024: £1.5m).

Given the potential scale of the call on reserves arising from these risk categories, it is the policy of the General Trustees to hold approximately four years of annual expenditure in these reserves that amounts to around £10.4m. The General Trustees currently retain £18.5m within these free reserves, representing just over five and half years of annual expenditure. In light of the reduction in income from the insurance company, the Trustees consider this appropriate and they will be reviewing the reserves policy during the course of 2026.

Financial Review (continued)

Designated Funds

In addition to the General Trustees' own reserves, the consolidated financial statements show reserves in a Designated Fund of £3.1m (2024: £7.8m) at the Balance Sheet date of which £3.04m (2024: £7.7m) represents the net assets of the Insurance Company. The Insurance Company transferred its activities to national Broker, Howden, in November 2025 and it is intended that the company will be wound up over the course of 2026. An investment portfolio valued at around £5.2m was transferred from the Insurance Company to the General Trustees during the year, contributing the decrease in fund value as at 31 December 2025.

Also included within Designated Funds is £41k (2024: £75k) in respect of the Historic Property Fund. This Fund was established as a designated fund to receive the heritable and moveable assets of congregations which have been dissolved and where the buildings involved present challenges in being disposed of. The Fund monies are applied towards the costs of keeping the buildings in good order until such time as a satisfactory outcome is achieved either by outright disposal or the liabilities of ownership are no longer the sole responsibility of the General Trustees.

Restricted Funds

There are restricted reserves of £835m (2024: £834m) as at 31 December 2025, comprising £158m (2024: £149m) of funds to support parish ministry and £676m (2024: £685m) of Fabric and other Funds which includes £29m and £518m respectively of capitalised land and properties.

As explained on page 3, the Consolidated Stipend Fund is held for the benefit of congregations, and the distributions from the Fund are applied against the congregation's ministry costs.

Fabric Funds are made up of:

- 1) heritable properties capitalised in the accounts which total £514m;
- 2) monies held for the benefit of specific congregations totalling £135m; and
- 3) the Central Fabric Fund of £23.6m.

In the case of (2) the monies are held for the benefit of approximately 718 congregations and, subject to the relevant approvals by Presbyteries and the General Trustees, both capital and revenue balances may be withdrawn as permitted under the General Trustees (Properties, Funds and Endowments) Act 2024 (as amended) as described earlier. The timing of these withdrawals is outwith the control of the General Trustees. Since July 2003 new capital holdings have been initially individually invested in the Deposit Fund of the Investors Trust until the congregation advises the Trustees as to their requested investment strategy; changes to this investment strategy for the Consolidated Fabric Fund are detailed under "Future Plans".

Financial Review (continued)

Restricted Funds (continued)

The Central Fabric Fund is used to award loans and grants to congregations (see notes 15, 17 and 25 to the Financial Statements). Grants and loans from the Central Fabric Fund may be applied for by all congregations but all such applications fall to be decided by the General Trustees. Levies on property sales are credited to Revenue and ring-fenced for grant assistance. The Fund is long term in nature as it is the Trustees' main funding support for congregations now, and in the future. It is therefore the policy of the General Trustees to hold around 10 years of annual expenditure (or grants) in reserves.

Restricted Revaluation Reserve

This represents the unrealised gain on the revaluation of land and properties subsequent to their initial recognition.

Review of Financial Activities

The Consolidated Statement of Financial Activities discloses the incoming and expended resources for the year to 31 December 2025, and the supporting notes analyse these over the General Trustees' main activities of supporting parish ministry, assisting the provision of suitable buildings and the unrestricted activities of general administration and the Insurance Company. The assets, liabilities and results of the Insurance Company are consolidated with those of the General Trustees, and the format of the financial statements complies with the requirements of the Statement of Recommended Practice "Charities SORP (FRS 102)" effective 1 January 2019.

The underlying net assets of the Insurance Company at the Balance Sheet date were £3.04m (2024: £7.7m). A summary of the Insurance Company's results for the year is shown in Note 14.

The overall total income is £26.7m (including 'donated' assets of £6.2m (2024: £9.2m) – see notes 1 and 4) which is £2.6m less than 2024 with total expenditure of £54.7m, an increase of £22.5m on the previous year. The increased expenditure in 2025 is driven by the recognition of grant commitments from the Consolidated Fabric Fund at the point of award; previously this expenditure was not recognised until paid out.

The objective of supporting parish ministry was met by expenditure of £4.4m (2024: £3.6m) providing Faith Action Programme Leadership Team with around 13.6% (2024: 10%) of its total ministry costs for the year from Stipend Fund income and glebe rents.

Including gross capital expenditure, £60.4m has been spent on fabric purposes to assist the provision of suitable buildings for congregational purposes. This expenditure represents a significant investment in the Church's property assets. Of this sum £12.2m (note 17) is committed by way of fabric grants and funds to congregations. Awarding grants in excess of £2m per annum is only possible if the Central Fabric Fund receives support from other income streams of the General Trustees. The General Fund surplus for the year was due in great measure to the Insurance Company's contribution to the work of the General Trustees amounting to £6.1m for the year; being £0.9m Gift Aid and £5.2m transfer of investments (2024: Gift Aid £1.1m).

Future Plans

Presbytery Mission Plans, Annual Reviews and the Disposal of Buildings

The Trustees and their staff will continue to be involved in the approval process for the outstanding mission plans alongside FAPLT and will then participate in the annual reviews. The Chief Executive will liaise with the Law Department to ensure that the rapidly increasing number of disposals of churches, manse and glebes can be processed timeously and without an adverse impact on congregational finances or insurance cover.

Manse Condition Reports and Manse Provision

The Trustees will aim to ensure increased compliance with the minimum standards agreed by the General Assembly in May 2023 and report back annually to the General Assembly.

Signature Churches

Having set up the Signature Churches working group to consider how best to assist congregations with the financial burden of having large iconic churches, collaboration will continue to be taken forward between the Trustees, the congregations and other bodies that may be able to assist with fabric advice or grant funding.

Investment of the Consolidated Fabric Fund

As referred to in the section entitled "Investment Policy and Performance", changes are being made to the investment strategy of the Consolidated Fabric Fund. The main changes that are planned are to reduce the Consolidated Fabric Fund allocation to the Deposit Fund managed by COSIT from c60% currently to 10%. The balance is to be invested in a customised income and growth strategy designed by the General Trustees' external advisers. A similar "multi-manager" approach to that introduced in 2025 for the Consolidated Stipend Fund will apply to the reinvested monies from the Deposit Fund. In making these changes, the General Trustees are of the view that local congregations should benefit from improved investment income and capital gains over the short and medium term.

These changes are to be introduced on a phased basis from 1 April 2026.

Trustee Recruitment

The Trustees are continuing seeking to improve the diversity of their membership and are looking to reach a wider audience for recruitment.

Church of Scotland Insurance Services Limited (COSIS)

As noted under the Objectives and Activities section of this report, it is intended that the company will be wound up over the course of 2026.

Risk Management

The Board is undertaking a review of the Risk Register through the Audit & Assurance Committee in order to have a more user-friendly and transparent means of complying with the Risk Management Policy. It will still involve the recording and assessment of the likelihood and impact of risks broken down by department, Committee and working group with a view to the more significant risks being escalated to the Board for regular review.

The Trustees Risk Assessment Register currently identifies the key risks in respect of:

- Congregations failing to implement effective maintenance and repair programmes.
- Congregations failing to adhere to statutory requirements for safe buildings.
- Significant financial support required from General Trustees to maintain large "signature" cathedral type buildings.
- Difficulty in the timely disposal of unoccupied congregational properties.
- Liabilities for General Trustees resulting from the decisions of others.
- Depletion of funds as expenditure continues to exceed income

Mitigation of the key risks is as follows:

Congregations failing to implement effective maintenance and repair programmes

In accordance with The Church of Scotland General Trustees (Properties, Funds and Endowments) Act 2024 (as amended by Act XV 2025), it is the responsibility of the congregation to ensure that the recommended works highlighted in the 5-yearly survey reports are undertaken in order to ensure that buildings are maintained. The primary risk is that congregations fail to implement the necessary urgent, essential and desirable work.

The implementation of the Presbytery Mission Planning Act 2021 and the introduction of the Asset Management Building Audit has enabled the Trustees to collect data on all Churches and Halls, and a similar exercise will be required to obtain information on all other properties. The appointment of Building Officers within Presbyteries is fundamental to mitigating this risk. All Presbyteries now have a Building Officer. The Building Officer is tasked with undertaking the 5-yearly building inspections which provides consistency of recommendations across Presbyteries. The Building Officer is then responsible for following up on recommendations and works to support individual Kirk Sessions to ensure that recommendations are implemented to an agreed timetable.

It is intended that the Trustees, working with the Presbyteries and Buildings Officers, will take a more proactive approach to the provision and maintenance of manses (through the medium of the Manse Working Group and Presbytery Support and Buildings Committee). It is expected that those manses which cannot be refurbished at reasonable cost so as to meet statutory Tolerable Standards as a de-minimis will be disposed of and replaced.

Risk Management (continued)

Congregations failing to adhere to statutory requirement for safe buildings

The Safe Buildings Working Group has been established, reporting to the Fabric Committee. The Working Group oversees the work of the Health, Safety, Risk & Compliance Manager and Fire, Risk & Compliance Manager. The Working Group meets monthly to review health and safety concerns and initiatives.

Working alongside the Building Officers, the Health and Safety managers make visits to buildings to address specific concerns and deal with telephone and email enquiries on a daily basis.

The Attestation process set out in The Church of Scotland General Trustees (Properties, Funds and Endowments) Act 2024 (as amended by Act XV 2025) is the principal means of checking statutory compliance. It is the responsibility of Presbyteries to check that congregations have property registers and manse condition schedules in place for each building. These documents contain the necessary statutory requirements. Presbyteries are currently failing to demonstrate to the Trustees that the attestation process is being followed. The Trustees have highlighted the importance of the attestations to Presbyteries and further work will be undertaken to address these issues.

Significant financial support required from General Trustees to maintain large "signature" cathedral type buildings

The Trustees still have administrative responsibility for one substantial historic listed building that was not capable of being disposed of in the short-term following dissolution of a congregation. It is held in the Historic Property Fund. While the costs associated with the upkeep over an extended period are substantial, the disposal of the remaining property is now under detailed consideration with disposal anticipated in the short term.

The Signature Churches Network has been created to endeavour to reduce the risk of further dissolutions of congregations at this type of church. By facilitating the congregations to work together, the aim is to try to deliver a financially sustainable future. The Trustees have also applied to Historic Environment Scotland to have three churches with limited finances and large anticipated maintenance costs to be handed over as Properties In Care to the Scottish Government.

Difficulty in the timely disposal of unoccupied congregational properties

Delays in the disposal of buildings and the difficulty of ensuring their condition is maintained prior to sale have implications both for the congregation and the Trustees should an event occur that is not covered by the terms of the insurance policy e.g. due to non-compliance with its terms. The staff of the Trustees are working with the Law Department and the Insurance Company to minimise this risk by monitoring the progress of the sale process for such cases. This will provide information to determine whether additional resources may be needed due to the upcoming increase in the number of disposals.

Risk Management (continued)

Liabilities for General Trustees resulting from the decisions of others

The Trustees deal with this matter by keeping their concerns before the General Assembly, the Assembly Trustees and FAPLT. Although the Trustees' Chair no longer serves as a full voting member of the Assembly Trustees, communication with that body has improved through regular meetings at senior level and the Vice-Chair now attends their Board meetings. The Trustees have established more effective ways of working with outside agencies including Historic Environment Scotland, Built Environment Forum Scotland and The Scottish Futures Trust. The Trustees greatly appreciate the concerted voice which they have with other denominations in Scotland through the Scottish Churches Committee on which the Chief Executive is an active member.

Depletion of funds as expenditure continues to exceed income

The Trustees are addressing this risk in a number of ways. The recommendations from the 2022 Investment Policy review have continued to be implemented, with updated professional advice being sought on how to optimise investment income across the different funds held.

Charitable activities undertaken in furtherance of the charitable purposes of supporting parish ministry and the provision of suitable buildings are delivered by restricted funds. Support costs directly linked to these activities, and the administration and oversight of these funds, are being allocated against the relevant restricted funds.

These two actions aim to ensure that funds are used appropriately and efficiently, and that existing income streams are improved. Identification of new income streams will be the next step in continuing to address this risk.

Structure, Governance & Management

Constitution

The Church of Scotland General Trustees is a statutory corporation incorporated by act of parliament under the Church of Scotland (General Trustees) Order Confirmation Act 1921. After being established in 1921 their powers and responsibilities were greatly extended by the Church of Scotland (Property and Endowments) Act 1925 and subsequent legislation which provided, among other things, for the transfer to them of the majority of the properties of the pre-1929 Church of Scotland. The Trustees are the property-holding arm of the Church of Scotland and the bulk of the functional buildings of the Church are vested in them as legal owners.

The General Trustees act, subject to directions from the General Assembly, in respect of the heritable properties and funds which have been transferred to them and they are also charged with the administration of the Central Fabric Fund, the Consolidated Stipend Fund, the Consolidated Fabric Fund and various miscellaneous funds, mainly fabric-oriented. The two Consolidated Funds and the miscellaneous funds are held principally for the future benefit of individual congregations at the discretion of the General Trustees.

The General Trustees (Properties, Funds and Endowments) Act 2024 was approved by the 2024 General Assembly. It brought together the vast majority of the church law relating to the operation of the General Trustees and the Funds for which they are responsible. It will simplify the way the Trustees operate and provide greater flexibility in areas where that will be of benefit.

Directions and instructions from the General Assembly cannot conflict with the General Trustees' statutory powers, trusteeship responsibilities or charity legislation.

Organisation and Structure

Volunteers now comprise General Trustees (voting members), Advisory Members (non-voting members who attend Board meetings), Committee Members who attend committee or working group meetings but not Board meetings and Co-Opted Members who attend a working group for a specific purpose and for a limited period.

Advisory Members who are eligible to become General Trustees (Elders or Ministers) may be nominated and elected by the Board to have their names put forward for appointment at a forthcoming General Assembly as it is only that body that formally appoints new General Trustees.

As at the reporting date, the Board comprises 17 General Trustees including the Procurator of the Church who is a Trustee *ex officio*. There are eight Advisory Members who also attend Board meetings but have no voting rights. There are also ten Committee Members and two Co-Opted Members. A "List of General Trustees and Advisory Members" is provided on page 23.

The terms of reference of the Board, the Committees and the working groups have been updated and approved by the Board. The working groups report to the Committee in question. Only the Board has formal decision-making powers apart from areas where Committees have been granted delegated authority by the Board.

Structure, Governance & Management (continued)

Organisation and Structure

The Trustees currently operate six Committees which are responsible for particular aspects of the Trustees' work. They are shown below with their associated working groups.

Committees	Working Groups
<ul style="list-style-type: none"> • Audit & Assurance 	
<ul style="list-style-type: none"> • Fabric 	<ul style="list-style-type: none"> ○ Health and Safety WG ○ Manse WG
<ul style="list-style-type: none"> • Finance & Resources 	<ul style="list-style-type: none"> ○ Energy Procurement WG ○ Insurance Forum WG
<ul style="list-style-type: none"> • Glebes 	
<ul style="list-style-type: none"> • Presbytery Support and Buildings 	<ul style="list-style-type: none"> ○ Signature Churches WG ○ Presbytery Planning WG
<ul style="list-style-type: none"> • Nomination Committee 	<ul style="list-style-type: none"> ○ Communications WG

Membership of the Nomination Committee comprises the Chair, Vice-Chair, Committee Conveners and Committee Vice-Conveners who are Trustees. It is attended by the Chief Executive.

The Committees take decisions on behalf of the General Trustees on matters falling within their Terms of Reference which do not involve a change of policy. The Committees report their decisions to the next meeting of the Board. The Board and the Committees have a schedule of regular meetings throughout the year while the working groups meet as required.

The Trustees' Chief Executive is accountable to the Board and is responsible for the efficient and effective delivery of the Trustees' Corporate Objectives. The Chief Executive has full operational responsibility and is responsible for the management of staff and other resources.

The Chief Executive, the Solicitor and General Treasurer or their deputies attend all Board meetings and all relevant Committee meetings as do the staff that serve the Committees.

The Trustees have entered into a Service Level Agreement with the Assembly Trustees in relation to the financial, accounting and audit functions provided to the General Trustees by the Stewardship & Finance Department. The Department is part of the Support Service of The Church of Scotland Unincorporated Entities. The General Treasurer is ultimately accountable for the Annual Report and Accounts in their capacity as the Trustees' Treasurer under the 1921 Act.

On their own initiative, the Trustees seek instructions and directions from the General Assembly and have an opportunity to promote General Assembly legislation to further their objectives when they present their Report to the General Assembly each May. The Trustees ensure that such instructions and directions are implemented timeously. Frequently, this will involve close liaison and co-operation with parts of the national administration (Unincorporated Entities) and with external bodies such as the Scottish Churches Committee.

Structure, Governance & Management (continued)

Appointment and Induction of Trustees

General Trustees must either be Elders or Ministers of the Church of Scotland. The Trustees will continue to seek persons with relevant skills, knowledge, experience and training and to fill skills gaps arising through retirement or resignation or in response to changes in the scope of the Trustees' work.

Details of potential Trustees are scrutinised by the Board and those identified as suitable are personally interviewed by the Chair and Vice-Chair and one other Trustee after being given an opportunity of perusing an information pack including extracts from relevant legislation, the last financial report and audited financial statements, committee remits, staff organisation and directory and calendar of meetings.

Following successful interview, new members are co-opted as Advisory Members before being nominated for formal appointment as a Trustee by the General Assembly. This enables the members to gain experience of attending Committee and Board meetings, understanding the business and objectives of the General Trustees before deciding if they wish to be nominated as full Trustees.

Trustees and Advisory Members are usually allocated to at least one of the Committees according to their skills and expertise. Every effort is made to fulfil training needs as these come to be identified and new members are encouraged to attend external trustee training courses. Members of the Church of Scotland who are neither Ministers nor Elders but whose skills and experience have been identified as relevant to the work of the General Trustees may serve as Advisory Members or Committee Members.

All members of the General Trustees are volunteers and may also be involved at Congregational and Presbytery level, and may also be active within the National Offices or Forums. Apart from the Chairman and Vice-Chairman who are entitled to receive a modest honorarium as provided for in the 1925 Act, no members receive remuneration except reimbursement for expenses incurred whilst undertaking duties for the General Trustees.

Related Parties

The General Trustees are an integral part of the Church of Scotland, and along with the Unincorporated Entities of the General Assembly of the Church of Scotland are component elements of the Church of Scotland, reporting annually to the General Assembly and subject to its direction and are thus related parties as stated in Note 28 to the Financial Statements. In carrying out their functions, the Trustees work closely with the Unincorporated Entities in the shape of the Faith Action Programme Leadership Team at both trustee and executive staff levels.

The General Trustees have provided CrossReach, the direct social care service of the Church of Scotland Unincorporated Entities, with a loan facility of up to £3.2m for the redevelopment of Gaberston House, with the loan guarantee being provided by the Unincorporated Entities, of which £3.1m is outstanding at 31 December 2025.

Structure, Governance & Management (continued)

Related Parties (continued)

The General Trustees currently hold 54% of the invested funds, and 77% of the cash funds under their administration with the Church of Scotland Investors Trust.

The Trustees and their executive staff rely heavily on the high level of skill and professional expertise of the Solicitor of the Church and the Law Department.

The Church of Scotland Insurance Services Limited (COSIS) is a wholly owned subsidiary of the General Trustees. Further information regarding the relationship between the company and the General Trustees is contained later in the report. The accounts of COSIS have been consolidated with those of the General Trustees.

The Trustees acknowledge that the work of the General Trustees would be virtually impossible without the significant contribution from members of Congregational Boards, Kirk Sessions and of Presbytery officials. It is therefore important to note that while this voluntary effort is one of the strengths of the Church of Scotland, it also represents a limitation on the ability of the General Trustees to impose solutions on congregations and Presbyteries. This reflects the Presbyterian structure of the Church of Scotland which is evidenced in the lack of powers in General Assembly legislation to enforce compliance. The General Trustees' risk register refers to this situation.

THE CHURCH OF SCOTLAND GENERAL TRUSTEES
Trustees' Annual Report for the year ended 31 December 2025

List of General Trustees

Current

Robert Bell
Fraser Bews
Jonathan Brodie (*ex officio*)
David Coulter
Michael Craig
Alan Gibson
Isobel W Gray
William A Hall
Nigel W Hicks
Alan F K Kennedy (*Chair until 09/09/25*)
Neil I M MacGregor
Kenneth I Mackenzie
Michael Pearson (*from 21/05/25; Vice Chair from 09/09/25*)
Tim Podger
Scott Rennie (*Chair from 09/09/25; Vice-Chair until 09/09/25*)
Nigel Robb
D Stewart Toy

Retired/resigned

Walter H Barbour (*resigned 03/11/25*)
Manliffe Goodbody (*retired 21/05/25*)
William M Lawrie (*retired 21/05/25*)

List of Advisory Members

Current

Logan Brown
Hugh Campbell-Adamson (*from 18/11/25*)
D Chris Dunn (*from 05/08/25*)
David Inglis (*from 18/11/25*)
Bryan Kerr (*from 05/08/25*)
Lisa-Jane Rankin (*from 05/08/25*)
Ian W T Lochhead
Rosalind J Taylor

Retired/resigned

Bahar Raeisi Dehkordi (*retired 21/05/25*)
Chris Johnstone (*resigned 27/11/25*)

Appointed as General Trustees on 21/05/25

Michael Pearson

Reference and Administrative Details

Offices

121 George Street
Edinburgh EH2 4YN

Bankers

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

Independent Auditors

RSM UK Audit LLP
Third Floor
2 Semple Street
Edinburgh EH3 8BL

Investment Managers: The Church of Scotland

Investors Trust

June Lee
Secretary
121 George Street
Edinburgh
EH2 4YN

Mercer Limited

1 Tower Place West
Tower Place
London
EC3R 5BU

Cazenove Capital

Schroder & Co Limited
1 London Wall Place
London
EC2Y 5AU

Chief Executive and Clerk

Brian D Waller LLB (Hons) Dip LP

Treasurer

Leanne Thompson BSc(Hons) CA (from 15 December 2025)
Jenny Simpson BSc(Hons) FCA DChA (until 11 December 2025)

Solicitor

Mary E MacLeod LLB NP
121 George Street
Edinburgh EH2 4YN

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Ireland".

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 group and parent charity, and of the income and expenditure of the group and parent charity for that period.

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

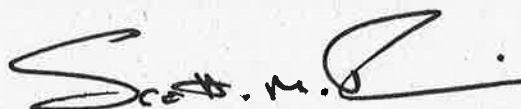
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and parent charity, and enable it to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of 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.

Edinburgh

Date: 7 April 2026



**Rev Dr Scott Rennie MA BD STM
Trustee**



**Brian D Waller, LLB (Hons), Dip LP
Chief Executive and Clerk**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH OF SCOTLAND
GENERAL TRUSTEES**

Opinion

We have audited the financial statements of The Church of Scotland General Trustees (the 'parent charity') 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 Statement of Cash Flows and the Notes to the Financial Statements, including 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 charity's affairs as at 31 December 2025 and of its 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 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH OF SCOTLAND
GENERAL TRUSTEES (continued)**

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the 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 25 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH OF SCOTLAND
GENERAL TRUSTEES (continued)**

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 audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks, that the charity operates in and how the 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), 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, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH OF SCOTLAND
GENERAL TRUSTEES (continued)**

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 significant, unusual transactions and transactions entered into outside the normal course of business, 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

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

16/04/26

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

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

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:									
Donations and legacies	3	5	5,346	-	5,351	232	6,941	-	7,173
Charitable Activities	4	15	6,180	-	6,195	99	9,249	-	9,348
Investments	5	540	8,086	-	8,626	608	8,044	-	8,652
Other	6	2,056	4,430	-	6,486	1,487	2,591	-	4,078
Total income		2,616	24,042	-	26,658	2,426	26,825	-	29,251
Expenditure on:									
Raising Funds	35	35	-	-	35	36	-	-	36
Charitable Activities	7	2,720	51,339	-	54,059	2,995	28,576	-	31,571
Other	11	646	-	-	646	633	-	-	633
Total expenditure		3,401	51,339	-	54,740	3,664	28,576	-	32,240
Net gains on investments	13	156	5,969	-	6,125	41	114	-	155
Realised - Investments		885	7,483	341	8,709	920	13,791	388	15,099
Unrealised - Investments		1,041	13,452	341	14,834	961	13,905	388	15,254
Net income / (expenditure)		256	(13,845)	341	(13,248)	(277)	12,154	388	12,265
Transfers between funds	20	1,523	(1,523)	-	-	572	(963)	391	-
Gains on revaluation of tangible fixed assets	12	-	16,411	-	16,411	-	25,281	-	25,281
Net movement in funds		1,779	1,043	341	3,163	295	36,472	779	37,546
Total funds brought forward		19,919	833,549	4,478	857,946	19,624	797,077	3,699	820,400
Total funds carried forward		21,698	834,592	4,819	861,109	19,919	833,549	4,478	857,946

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

CHARITY 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:									
Donations and legacies	3	5	5,346	-	5,351	232	6,941	-	7,173
Charitable Activities	4	15	6,180	-	6,195	99	9,249	-	9,348
Investments	5	6,652	8,086	-	14,738	1,603	8,044	-	9,647
Other	6	35	4,430	-	4,465	7	2,591	-	2,598
Total income		6,707	24,042	-	30,749	1,941	26,825	-	28,766
Expenditure on:									
Raising Funds	7	7	-	-	7	-	-	-	-
Charitable Activities		2,720	51,339	-	54,059	2,995	28,576	-	31,571
Total expenditure		2,727	51,339	-	54,066	2,995	28,576	-	31,571
Net gains / (losses) on investments	13	22	5,969	-	5,991	(18)	114	-	96
Realised - Investments		885	7,483	341	8,709	427	13,791	388	14,606
Unrealised - Investments		907	13,452	341	14,700	409	13,905	388	14,702
Net income / (expenditure)		4,887	(13,845)	341	(8,617)	(645)	12,154	388	11,897
Transfers between funds	20	1,523	(1,523)	-	-	572	(963)	391	-
Gains on revaluation of tangible fixed assets	12	-	16,411	-	16,411	-	25,281	-	25,281
Other (losses) / gains	14	(4,631)	-	-	(4,631)	368	-	-	368
Net movement in funds		1,779	1,043	341	3,163	295	35,472	779	37,546
Total funds brought forward		19,919	833,549	4,478	857,946	19,624	797,077	3,699	820,400
Total funds carried forward		21,698	834,592	4,819	861,109	19,919	833,549	4,478	857,946

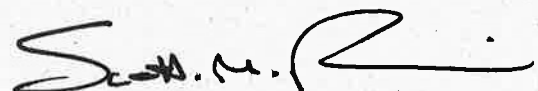
THE CHURCH OF SCOTLAND GENERAL TRUSTEES

BALANCE SHEETS As at 31 December 2025

Note	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Fixed Assets				
12 Tangible Assets	546,851	563,915	546,851	563,914
13 Investments	286,223	255,613	286,223	250,441
14 Investment in Subsidiary Company	-	-	3,044	7,675
Total fixed assets	833,074	819,528	836,118	822,030
15 Long Term Loans	3,247	1,584	3,247	1,584
Current Assets				
15 Short Term Concessionary Loans	289	253	289	253
16 Debtors	2,123	1,950	101	132
24 Short Term Deposits	28,651	31,236	28,651	31,236
24 Cash at Bank and in hand	10,082	8,147	8,630	6,067
Total current assets	41,145	41,586	37,671	37,688
17 Creditors: Amounts falling due within one year	(15,973)	(4,518)	(15,927)	(3,356)
Net Current Assets	25,172	37,068	21,744	34,332
Total Assets less Current Liabilities	861,493	858,180	861,109	857,946
18 Provisions for Liabilities and Charges	(384)	(234)	-	-
Net Assets	861,109	857,946	861,109	857,946
The funds of the charity:				
20 Endowment Funds	4,819	4,478	4,819	4,478
20 Restricted Funds	639,229	639,752	639,229	639,752
19, 20 Revaluation Reserve	195,363	193,797	195,363	193,797
20 Unrestricted Funds	18,613	12,169	18,613	12,169
20 Designated Funds	3,085	7,750	3,085	7,750
Total charity funds	861,109	857,946	861,109	857,946

The notes on pages 34 to 52 form an integral part of these financial statements.

The financial statements on pages 30 to 52 were authorised for issue by The Church of Scotland General Trustees on 7 April 2026 and were signed on its behalf by:



Rev Dr Scott Rennie MA BD STM, Chair



Leanne Thompson BSc(Hons) CA, Treasurer

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

STATEMENT OF CASH FLOWS for the year ended 31 December 2025

Note	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
	Cash flows from operating activities:			
23	(14,674)	(4,520)	(14,852)	(5,281)
	Cash flows from investing activities:			
	8,626	8,652	14,738	9,647
	(7,270)	(3,601)	(7,270)	(3,601)
	30,008	25,693	30,008	25,693
	(154,287)	(18,579)	(154,287)	(17,281)
	139,671	6,830	134,365	5,221
	(1,160)	233	(1,160)	233
	(1,888)	(2,078)	(1,888)	(2,078)
	324	308	324	308
	<u>14,024</u>	<u>17,458</u>	<u>14,830</u>	<u>18,142</u>
	Cash flow from financing activities:			
	-	-	-	-
	(650)	12,938	(22)	12,861
	<u>39,383</u>	<u>26,445</u>	<u>37,303</u>	<u>24,442</u>
24	<u>38,733</u>	<u>39,383</u>	<u>37,281</u>	<u>37,303</u>
NET DEBT RECONCILIATION				
24	Analysis of changes in net debt			
		Group		
		At		At
		1 Jan	Cash	31 Dec
		2025	flows	2025
		£000	£000	£000
	Cash and cash equivalents			
	Cash	8,147	1,935	10,082
	Cash equivalents	31,236	(2,585)	28,651
		<u>39,383</u>	<u>(650)</u>	<u>38,733</u>
	Analysis of changes in net debt	Charity		
		At		At
		1 Jan	Cash	31 Dec
		2025	flows	2025
		£000	£000	£000
	Cash and cash equivalents			
	Cash	6,067	2,563	8,630
	Cash equivalents	31,236	(2,585)	28,651
		<u>37,303</u>	<u>(22)</u>	<u>37,281</u>

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1 Accounting Policies

The principal accounting policies adopted, judgement and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) General information

The Church of Scotland General Trustees is a statutory corporation, established by the Church of Scotland (Properties and Endowments) Order Confirmation Act 1921. It is recognised as a charity for tax purposes by HMRC, registered with the Office of the Scottish Charity Regulator (OSCR) under the charity number: SC014574 and meets the definition of a public benefit entity under FRS 102.

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 (page 3).

Subsidiary Company

The principal activity of the Church of Scotland Insurance Services Limited is arranging insurance and providing risk management support to the congregations of the Church of Scotland.

b) Basis of preparation

The group and charity financial statements are prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('the Charities SORP'), FRS 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).

The financial statements consolidate the results of the charity and its wholly owned subsidiary, Church of Scotland Insurance Services Limited.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are rounded to the nearest whole £1,000 except where otherwise indicated and are presented in £ sterling.

c) Preparation of accounts on a going concern basis

The Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months from the signing of the financial statements. The Trustees have undertaken extensive planning and forecasting and confirm that there are no material uncertainties in respect to the going concern of the charity. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

d) Group financial statements

The results of the Church of Scotland Insurance Services Limited have been consolidated on a line by line basis in the Consolidated Statement of Financial Activities and the Balance Sheet. The accounting policies of the subsidiary company do not materially differ from those of the General Trustees and inter-group transactions and balances have been eliminated from the consolidated financial statements.

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2025

1 Accounting Policies (Continued)

e) Recognition of income

Generally incoming resources are accounted for in the Statement of Financial Activities when there is legal entitlement to the income and it is probable the income will be received and the amount can be quantified with reasonable accuracy.

Dividends from the Church of Scotland Investors Trust Growth and Income Funds are accounted for when approved with interest earned on the Deposit Fund accounted for when receivable up to the Balance Sheet date.

Property sales income is recognised according to the transaction's settlement date (almost always the date of receipt).

Gift Aid Donations are reflected as distributions by the subsidiary trading company and are recognised when received from the subsidiary.

Legacy, donation and grant income is recognised when the charity has entitlement to the income, it is probable that it will be received and amounts can be measured reliably, except as follows:

- when donors specify that donations / grants must be used in future periods, the income is deferred.
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to the income, the income is deferred and recognised when the conditions have been met.

Donated assets comprises:

- capital expenditure incurred by individual congregations on the property they occupy, and treated as donated assets in these financial statements as title to the properties vests in the General Trustees.
- a valuation of property for which the title has transferred to the General Trustee during the year.

Rental income is recognised when due.

f) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis and allocated to the appropriate headings in the financial statements. Grants and loans are recognised as a liability on the date of approval by the Trustees.

The costs of raising funds include the costs incurred in generating voluntary income, together with investment management costs.

Charitable activities expenditure enables the Church of Scotland General Trustees to meet their charitable aims and objectives.

Governance costs are the costs associated with the governance arrangements of the Church of Scotland General Trustees, and relate to the general running of the Charity. These costs include internal and external audit, and the costs associated with meeting constitutional and statutory requirements such as the costs of Trustee Meetings and the costs of preparation of the Trustees' financial statements. This category also includes costs associated with the strategic as opposed to the day-to-day management of the Charity.

Support costs are those costs that enable fund generating and charitable activities to be undertaken. These costs include legal, finance and payroll administration, direct staff costs, human resources, central premises and information technology as set out in note 8.

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1 Accounting Policies (Continued)

g) Employee benefits

The Church of Scotland Insurance Services Limited provides a range of benefits to employees, including defined contribution pension plans.

h) Taxation

The Church of Scotland General Trustees, as a statutory corporation, have charitable status for UK tax purposes and are exempt from tax on income and gains to the extent that they are applied to its charitable activities. The Church of Scotland Insurance Services Limited presently distributes part of its taxable income by way of Gift Aid but the remainder of its profits are chargeable to Corporation Tax. Provision is also made for deferred taxation, using the liability method, on all material timing differences, including revaluation gains and losses on investments, recognised in the Subsidiary Company's profit and loss account. Deferred taxation is calculated at the rates at which it is expected that the tax will arise.

i) Tangible assets

The Church of Scotland General Trustees holds heritable properties on behalf of the UE, FAPLT, Committees, Congregations and other agencies of the Church of Scotland. These properties are not recorded in the financial statements of the General Trustees but are recorded in the financial statements of the bodies on whose behalf the titles are held as beneficiary nominees.

Tangible assets are stated at periodic valuation less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Glebeland and Heritable Properties

Both glebeland and heritable properties whose titles are vested in the General Trustees have been capitalised at valuation as deemed cost, and revalued on an annual basis, using the methodology approved by the Trustees as set out in Note 2. Expenditure incurred by congregations on major projects costing over £50,000 during the year is capitalised at cost, prior to the annual revaluation. Depreciation is charged on a straight line basis over 50 years for all heritable properties based on the year-end valuation.

Tangible Fixed Assets excluding Heritable Properties

Tangible Fixed Assets costing more than £50,000 are capitalised at cost, and are stated at cost less accumulated depreciation and accumulated impairment losses.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Manses, Churches and Halls	50 years
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The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2025

1 Accounting Policies (Continued)

i) Tangible assets (continued)

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the disposal proceeds and the carrying amount is recognised in the statement of financial activities and included in 'Other Expenditure' if a loss is realised or 'Other Income' if a gain is realised.

j) Investments

Listed investments are valued at their middle market value at the close of business at the year end. This closing valuation is then used to attribute a value to units held by investors. Investments are held at fair value through the Income & Expenditure Account.

Deposits held by the Deposit Fund are stated at cost.

Realised and unrealised gains and losses are included within the Statement of Financial Activities.

The investment in the Subsidiary Company is stated at fair value which the Trustees consider to be the underlying value of its net assets.

Gains and losses on disposal and revaluation of investments are recorded in the Statements of Financial Activities.

k) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with the Investors Trust.

l) Provisions and contingencies

Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Contingencies

Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the charity's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1 Accounting Policies (Continued)

m) Long Term and Short Term Concessionary Loans

Fabric loans to congregations meet the definition of social investments and concessionary loans as defined within the Charities SORP as they are loans made primarily to further the charitable aims of the General Trustees and interest rates charged are below the prevailing market rate of interest. Fabric loans represent loans made to congregations from the Central Fabric Fund for the purposes of maintaining and / or enhancing their building condition.

The term of a long term loan is normally a period between 5 to 8 years with interest rates of 0%, 3% and 5% depending on the circumstances of the congregation.

Short term loans may be awarded mainly for property works with the loan repaid in full or in part from the third party grant funding or VAT reclaims.

Fabric loans are measured at cost less impairment. Recoverability of loans is considered on an annual basis and is provided for as required.

n) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction price and subsequently measured at their settlement value, unless the arrangement constitutes a financing transaction. Financing transactions are initially measured at the present value of the future receipts discounted at a market rate of interest, and are subsequently carried at amortised cost, using the effective interest rate method. Investments in Growth and Income Fund Units held with the Investors Trust are shown at fair value.

o) Fund Accounting

The General Fund is an unrestricted fund which is available for use at the discretion of the Trustees in furtherance of the general objectives of the General Trustees and which has not been designated for other purposes.

Designated Funds comprise the unrestricted funds of the 'Insurance Company' and those of the Historic Property Fund that have been set aside by the Trustees for particular purposes.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors.

Permanent Endowment Funds are funds which are to be retained as capital in accordance with the wishes of donors.

The Restricted Revaluation Reserve arises on the revaluation of land and properties subsequent to their initial recognition.

p) Related party transactions

The charity discloses all related party transactions, including those with wholly owned members of the group.

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2025

2 Critical accounting judgements and estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

No critical judgements are used in the application of the charity's accounting policies.

Key accounting estimates and assumptions

Valuation of Assets

Heritable assets fall into four classes, the valuations of which are calculated using Third Party indices based on variable market data. The assets have been valued as follows:

Glebeland

Revalued annually based on the prior year yield of glebe rental and seasonal grazing income generated throughout the year. The yield applied for pasture land in Scotland is 1.5% based on a formal assessment carried out by Bell Ingram in 2022, and will be reviewed annually. There is no depreciation charged on glebeland.

Other Land

Other land is held at cost and no depreciation is charged on this asset category.

Churches and Halls

Revalued annually at 31st December using the 2016 valuation as a baseline figure, adjusted for inflation using the Gardiner & Theobald Tender Price Index at Q4 in the respective year. There is an annual depreciation charge applied of 2% of the year end value of the property.

Manses

The values of manses are based on a formula involving the midpoint of the relative Council Tax Band as at 1991 to which indexing is applied to each Band based on the Nationwide Building Society House Price Index at Q4 in the respective year. There is an annual depreciation charge applied of 2% of the year end value of the property.

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2025

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
3 Income from Donations and legacies				
Legacies	54	16	54	16
Donations	11	3	11	3
Donated proceeds - property sales with Assembly Control Clause	5,270	6,483	5,270	6,483
Monies from Other Boards/Committees	-	641	-	641
New Capital from Congregations	16	30	16	30
	<u>5,351</u>	<u>7,173</u>	<u>5,351</u>	<u>7,173</u>
4 Income from Charitable activities				
Providing Suitable Buildings				
Donated Assets	6,178	9,240	6,178	9,240
Other income	2	9	2	9
Other - General Fund	15	99	15	99
	<u>6,195</u>	<u>9,348</u>	<u>6,195</u>	<u>9,348</u>
5 Income from Investments				
Dividends	8,428	8,510	8,428	8,510
Gift Aid (CoSIS)	-	-	938	1,108
Transfer from subsidiary (CoSIS)	-	-	5,237	-
Interest	198	142	135	29
	<u>8,626</u>	<u>8,652</u>	<u>14,738</u>	<u>9,647</u>
6 Other Income				
Rental Income	2,070	2,129	2,070	2,129
Subsidiary Company Trading Income (note 14)	2,021	1,480	-	-
Property Sales	1,656	365	1,656	365
Levies on Property Sales	501	65	501	65
Sundry Income	238	39	238	39
	<u>6,486</u>	<u>4,078</u>	<u>4,465</u>	<u>2,598</u>
Property sales are the proceeds on the sale of servitudes, plus net realised gains on disposal of properties vested with the General Trustees.				
7 Expenditure on Charitable Activities				
Supporting Parish Ministry				
Expenditure	2,871	3,238	2,871	3,238
Grants awarded (note 25)	2,899	574	2,899	574
Support costs (note 8)	14	1	14	1
	<u>5,784</u>	<u>3,813</u>	<u>5,784</u>	<u>3,813</u>
Providing Suitable Buildings				
Expenditure	12,562	14,396	12,562	14,396
Grants awarded (note 25)	25,177	9,477	25,177	9,477
Support costs (note 8)	383	329	383	329
Reversal of impairment losses	(1,258)	(1,153)	(1,258)	(1,153)
Realised loss on disposal of Tangible Fixed Assets	8,691	1,714	8,691	1,714
	<u>45,555</u>	<u>24,763</u>	<u>45,555</u>	<u>24,763</u>
Other (General & Designated Funds)				
Expenditure	69	741	69	741
Support costs (note 8)	2,429	2,127	2,429	2,127
Governance costs (note 9)	222	127	222	127
	<u>2,720</u>	<u>2,995</u>	<u>2,720</u>	<u>2,995</u>
	<u>54,059</u>	<u>31,571</u>	<u>54,059</u>	<u>31,571</u>

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2025

8 Support Costs within Expenditure on Charitable Activities (note 7)

Support costs

	Supporting Parish Ministry £000	Providing Suitable Buildings £000	Other (General & Designated) £000	Transfer to Governance £000	2025 £000	2024 £000
Legal	14	383	212	(61)	548	562
Finance and Payroll Administration	-	-	198	(58)	140	196
Direct Staff	-	-	1,676	(25)	1,651	1,422
Human Resources	-	-	75	(1)	74	68
Central Premises	-	-	81	(1)	80	61
Information Technology	-	-	187	(2)	185	148
	<u>14</u>	<u>383</u>	<u>2,429</u>	<u>(148)</u>	<u>2,678</u>	<u>2,457</u>

The Church of Scotland General Trustees do not employ any staff directly - see note 10. All General Trustees payroll costs are recharged as support costs.

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
9 Governance Costs				
External Audit	65	64	33	36
Internal Audit	31	-	31	-
Trustees' Remuneration and Expenses (note 10)	10	8	10	8
Expenses of Advisory Members etc.	-	-	-	-
Trustees' Indemnity Insurance	34	57	-	33
Professional Support for Trustees	148	50	148	50
	<u>288</u>	<u>179</u>	<u>222</u>	<u>127</u>

10 Employees and trustees

Employees

	Group	Group	Charity	Charity
	2025 £000	2024 £000	2025 £000	2024 £000
Salaries	1,338	1,328	1,194	1,089
Social Security Costs	170	168	158	150
Defined Contribution Pension Costs	242	226	159	135
Other Staff Costs	165	48	165	48
	<u>1,915</u>	<u>1,770</u>	<u>1,676</u>	<u>1,422</u>

The General Trustees do not employ any staff, except in their Subsidiary Company, but reimburse the Church of Scotland for the services of staff employed by the Church's Central Services Committee, but working primarily for the General Trustees. The average head count of such employees was 27 (2024 - 25) , and calculated as full time equivalents was 25 (2024 - 24).

In addition, the undernoted staff costs were incurred by the Subsidiary Company, The Church of Scotland Insurance Services Limited.

	2025 £000	2024 £000
Salaries	143	239
Social Security Costs	12	18
Defined Contribution Pension Costs	83	91
	<u>238</u>	<u>348</u>

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Employees, including key management, who received employee benefits over £60,000:				
£60,001 - £70,000	2	1	2	1
£70,001 - £80,000	-	-	-	-
£80,001 - £90,000	1	1	1	1
£90,001 - £100,000	-	-	-	-
£100,001 - £110,000	-	1	-	-
	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2025

10 Employees and trustees (Continued)

Trustees

Other than the Chairman and Vice-Chairman, who each received £2.1k (2024 - £2k each), the individual Trustees received no remuneration. Authority to pay this remuneration is contained in Section 38 of the Church of Scotland (Property and Endowment) Act 1925.

Expenses amounting £6k in total were incurred in respect of nine Trustees mainly for travel and subsistence (2024 - £15k - nine Trustees). A total of £214 was incurred in respect of Advisory Members (2024 - £553).

Key management compensation

Key management includes the Chief Executive of the General Trustees, Heads of Department, Board members and Chief Executive of the Church of Scotland Insurance Services Limited. The compensation paid or payable to key management for employee services is shown below:

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Salaries and other short-term benefits	404	440	355	333
Post-employment benefits	88	71	48	31
	492	511	403	364

11 Other Expenditure

As more fully explained in note 14, taxable profits arise in the Trustees' trading subsidiary, the Church of Scotland Insurance Services Limited. As a result provision is made for Corporation Tax.

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Subsidiary Company - Trading expenditure	496	633	-	-
Subsidiary Company Taxation	150	-	-	-
	646	633	-	-

12 Tangible Assets

	Land	Heritable	Charity	Subsid. Co	
	£000	Properties	£000	Office	
Cost or valuation	£000	£000	£000	Equipment	Group
At beginning of the year	29,349	534,565	563,914	18	563,932
Additions	-	13,448	13,448	-	13,448
Disposals	(259)	(37,581)	(37,840)	-	(37,840)
Revaluations	559	6,770	7,329	-	7,329
At end of the year	29,649	517,202	546,851	18	546,869
Accumulated depreciation					
At beginning of the year	-	-	-	17	17
Depreciation	-	10,345	10,345	1	10,346
Disposals	-	-	-	-	-
Revaluations	-	(10,345)	(10,345)	-	(10,345)
At end of the year	-	-	-	18	18
Net book value at beginning of the year	29,349	534,565	563,914	1	563,915
Net book value at end of the year	29,649	517,202	546,851	-	546,851
Net gains on disposal of tangible fixed assets					
Proceeds	1,233	28,775	30,008	-	30,008
Opening net book value	(259)	(37,581)	(37,840)	-	(37,840)
Net realised gains / (losses) in year	974	(8,806)	(7,832)	-	(7,832)

All heritable assets vested with the General Trustees are capitalised on a basis which recognises the estimated value of the assets. It was also agreed with the Office of the Scottish Charity Regulator that this basis of valuation would be applied by the Trustees in preparing their financial statements. The basis of valuation used is detailed within Note 2 on page 39.

Included within additions is £6.2m of donated assets that have been capitalised during the year.

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2025

12 Tangible Assets (continued)

During the year capital expenditure on properties as incurred by individual congregations is capitalised on the basis that these are donated assets, as the property titles are vested in the General Trustees.

Gains on revaluation of tangible fixed assets

The gain on revaluation of tangible fixed assets recognised in the Consolidated Statement of Financial Activities is reconciled as follows:

	2025	2024
	£000	£000
Revaluation gain	7,329	15,862
Depreciation reversal	10,345	10,691
	17,674	26,553
Reversal of impairment losses	(1,263)	(1,272)
Net gain on revaluation of tangible fixed assets	16,411	25,281

13 Investments

	Group		Charity	
	2025	2024	2025	2024
	£000	£000	£000	£000
Fair value at beginning of the year	255,613	228,843	250,441	223,912
Acquisitions at cost	154,287	18,579	154,287	17,281
Disposals at opening fair value / cost	(133,546)	(6,675)	(128,374)	(5,125)
Transfers from/(to) Short Term Deposits	1,160	(233)	1,160	(233)
Net gains on revaluation	8,709	15,099	8,709	14,606
Fair value at end of the year	286,223	255,613	286,223	250,441
Historic cost at end of the year	260,759	156,687	260,759	153,163
Net gains on disposal of investments				
Proceeds	139,671	6,830	134,365	5,221
Opening fair value	133,546	6,675	128,374	5,125
Net realised gains in year	6,125	155	5,991	96
Analysis of Investments at 31 December				
Church of Scotland Investors Trust - Growth Fund	52,493	167,670	52,493	167,670
Church of Scotland Investors Trust - Income Fund	27,954	27,576	27,954	27,576
Church of Scotland Investors Trust - Deposit Fund	75,446	55,195	75,446	55,195
Mercer	124,680	-	124,680	-
Cazenove	5,650	-	5,650	-
Ordinary Stocks and Shares and Unit Trusts	-	5,172	-	-
	286,223	255,613	286,223	250,441

14 Investment in Subsidiary Company

The share capital of the Church of Scotland Insurance Services Limited (company registration no. SC001777) is wholly owned by the Church of Scotland General Trustees and is authorised and regulated by the Financial Conduct Authority. The Company arranges cover for most classes of insurance and continues to insure Church of Scotland congregations as well as the congregations of other denominations. It does not have charitable status for tax purposes. The investment in the Subsidiary Company is stated at fair value which the Trustees consider to be the underlying value of its net assets.

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2025

14 Subsidiary Company (continued)

A summary of the trading results is shown below. The information is taken from the latest available financial statements of the Church of Scotland Insurance Services Limited and includes transactions with the Church of Scotland General Trustees.

	2025 £000	2024 £000
Turnover	2,021	1,480
Administrative expenses	(390)	(606)
Operating Profit	1,631	874
Investment Income	22	63
Gain on Investment Assets	41	539
Profit on ordinary activities before taxation	1,694	1,476
Taxation Charge	(150)	-
Net Operating Profit before Gift Aid Distributions	1,544	1,476
Gift Aid Distributions to the General Trustees	(938)	(1,108)
Transfer to parent charity	(5,237)	-
Net Operating (Deficit)/Profit after Gift Aid Distributions	(4,631)	368
Reserves brought forward	7,145	6,777
Reserves carried forward	2,514	7,145
Subsidiary Company Funds:		
Assets	3,474	9,071
Liabilities	(430)	(1,396)
Total Funds (including 530,000 ordinary shares of £1 each)	3,044	7,675

15 Loans - Group and Charity

Loan movements were as follows:

	Concessionary		Other	2025 £000	2024 £000
	Interest Free £000	Interest Bearing £000	Interest Bearing £000		
Value at beginning of the year	209	249	1,379	1,837	2,488
New loans paid out	165	-	1,723	1,888	2,078
Loans reclassified as CFF advance	-	-	-	-	(2,540)
Loans repaid	(169)	(28)	(127)	(324)	(308)
Interest applied	-	10	127	137	10
Value of loans drawn at end of the year	205	231	3,102	3,538	1,728
Movement in provision	-	(2)	-	(2)	109
Total Value of loans at end of the year	205	229	3,102	3,536	1,837
Less : Amounts repayable within one year	(205)	(14)	(70)	(289)	(253)
Amounts repayable after one year	-	215	3,032	3,247	1,584

Standard term Concessionary Loans are normally advanced for periods of between five and eight years, and are repayable via half yearly instalments with interest rates ranging between 0% to 5% depending on the circumstances of the loan application.

Short term Concessionary Loans are normally advanced for a period no more than one year with interest rates ranging between 0% to 5% depending on the circumstances of the loan application.

At 31 December 2025, £308k interest bearing and £698k interest free concessionary loans had been committed but not taken up from the Central Fabric Fund (2024: £181k interest bearing, and £831k interest free). At 31 December 2025, £98k other interest bearing loans had been committed but not taken up from the Stipend Fund (2024: £1.8m).

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2025

16 Debtors	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Subsidiary Company Insurance Debtors	2,022	1,818	-	-
Debtors and Prepayments	101	132	101	132
	<u>2,123</u>	<u>1,950</u>	<u>101</u>	<u>132</u>

17 Creditors: Amounts falling due within one year	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Central Fabric Fund and Bequest grants payable	4,013	2,488	4,013	2,488
Consolidated Fabric Fund grants payable	8,196	-	8,196	-
Subsidiary Company Insurance Creditors	46	1,162	-	-
Sundry Creditors and Accruals	123	128	123	128
Due to the Church of Scotland Unincorporated Entities	3,595	740	3,595	740
	<u>15,973</u>	<u>4,518</u>	<u>15,927</u>	<u>3,356</u>

18 Provision for Liabilities and Charges	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Deferred Taxation on unrealised investment gains				
At beginning of the year	234	234	-	-
Provision for year	150	-	-	-
At end of the year	<u>384</u>	<u>234</u>	<u>-</u>	<u>-</u>

19 Revaluation Reserve - Group and Charity	2025		2024	
	£000	£000	£000	£000
Opening Revaluation Reserve		193,797		180,368
Revaluation gain for the year	6,666		15,194	
Depreciation reversal	9,745		10,087	
		<u>16,411</u>		<u>25,281</u>
Disposals		<u>(14,845)</u>		<u>(11,852)</u>
Movement in year		<u>1,566</u>		<u>13,429</u>
Closing Revaluation Reserve balance (note 20)		<u>195,363</u>		<u>193,797</u>

20 Funds

Restricted Funds

The glebe funds are restricted for the purpose of managing glebeland and supporting the ministry costs of individual congregations. The stipend funds are restricted for stipend purposes and the Trustees use the income to support the ministry costs of individual congregations.

The restricted fabric funds are held for the purpose of supporting fabric needs of congregations.

Endowment Funds

Permanent endowment funds are represented by a number of endowment funds held, the income from which is required to be used for the benefit of congregational fabric or ministry needs.

Transfers

Transfers between funds generally represent balances held for the benefit of individual congregations being transferred from one fund to another, the allocation of support costs to restricted funds, and reallocation of funds by way of the levy on property sale.

The transfer from the designated Subsidiary Company Fund to the unrestricted General Fund represents the transfer of the investment portfolio to the General Trustees, and the Gift Aid payment for the year.

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2025

20 Funds (continued)	Balance 1 Jan 2025 £000	Income £000	Expenditure £000	Transfers £000	Gains / (Losses) £000	Balance 31 Dec 2025 £000	Revaluation reserve 2025 £000	Other funds 2025 £000
Unrestricted Funds								
General Fund	12,169	532	(2,693)	7,698	907	18,613	-	18,613
Designated Funds								
Subsidiary Company	7,675	2,084	(674)	(6,175)	134	3,044	-	3,044
Historic Property Fund	75	-	(34)	-	-	41	-	41
	<u>7,750</u>	<u>2,084</u>	<u>(708)</u>	<u>(6,175)</u>	<u>134</u>	<u>3,085</u>	-	<u>3,085</u>
Restricted Funds								
Supporting Parish Ministry								
Glebe Funds	29,212	1,491	(444)	(785)	559	30,033	29,390	643
Glebe Improvement Fund	457	14	-	(1)	-	470	-	470
Consolidated Stipend Fund	<u>119,190</u>	<u>1,969</u>	<u>(3,935)</u>	<u>725</u>	<u>9,693</u>	<u>127,642</u>	-	<u>127,642</u>
	<u>148,859</u>	<u>3,474</u>	<u>(4,379)</u>	<u>(61)</u>	<u>10,252</u>	<u>158,145</u>	<u>29,390</u>	<u>128,755</u>
Providing Suitable Buildings								
Consolidated Fabric Fund	658,545	19,073	(41,840)	(4,836)	18,408	649,350	165,503	483,847
Individual	3,558	278	(460)	(51)	181	3,506	-	3,506
Central Fabric Fund	<u>22,587</u>	<u>1,217</u>	<u>(4,660)</u>	<u>3,425</u>	<u>1,022</u>	<u>23,591</u>	<u>470</u>	<u>23,121</u>
	<u>684,690</u>	<u>20,568</u>	<u>(46,960)</u>	<u>(1,462)</u>	<u>19,611</u>	<u>676,447</u>	<u>165,973</u>	<u>510,474</u>
Total restricted funds	<u>833,549</u>	<u>24,042</u>	<u>(51,339)</u>	<u>(1,523)</u>	<u>29,863</u>	<u>834,592</u>	<u>195,363</u>	<u>639,229</u>
Endowment Funds								
Supporting Parish Ministry								
Various funds	1,834	-	-	-	141	1,975	-	1,975
Providing Suitable Buildings								
Various funds	2,644	-	-	-	200	2,844	-	2,844
	<u>4,478</u>	-	-	-	<u>341</u>	<u>4,819</u>	-	<u>4,819</u>
Total funds	<u>857,946</u>	<u>26,658</u>	<u>(54,740)</u>	-	<u>31,245</u>	<u>861,109</u>	<u>195,363</u>	<u>665,746</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 December 2025

20 Funds (continued)	Balance 1 Jan 2024 £000	Income £000	Expenditure £000	Transfers £000	Gains / (Losses) £000	Balance 31 Dec 2024 £000	Revaluation reserve 2024 £000	Other funds 2024 £000
Unrestricted Funds								
General Fund	11,524	763	(2,240)	1,695	427	12,169	-	12,169
Designated Funds								
Subsidiary Company	7,307	1,593	(669)	(1,108)	552	7,675	-	7,675
Historic Property Fund	793	70	(755)	(15)	(18)	75	-	75
	<u>8,100</u>	<u>1,663</u>	<u>(1,424)</u>	<u>(1,123)</u>	<u>534</u>	<u>7,750</u>	<u>-</u>	<u>7,750</u>
Restricted Funds								
Supporting Parish Ministry								
Glebe Funds	29,588	507	(548)	(420)	85	29,212	29,136	76
Glebe Improvement Fund	441	16	-	-	-	457	-	457
Consolidated Stipend Fund	109,252	2,611	(3,265)	350	10,242	119,190	-	119,190
	<u>139,281</u>	<u>3,134</u>	<u>(3,813)</u>	<u>(70)</u>	<u>10,327</u>	<u>148,859</u>	<u>29,136</u>	<u>119,723</u>
Providing Suitable Buildings								
Consolidated Fabric Fund	631,702	22,724	(22,083)	(1,402)	27,604	658,545	163,784	494,761
Individual	4,349	254	(471)	(755)	181	3,558	-	3,558
Central Fabric Fund	21,745	713	(2,209)	1,264	1,074	22,587	877	21,710
	<u>657,796</u>	<u>23,691</u>	<u>(24,763)</u>	<u>(893)</u>	<u>28,859</u>	<u>684,690</u>	<u>164,661</u>	<u>520,029</u>
Total restricted funds	<u>797,077</u>	<u>26,825</u>	<u>(28,576)</u>	<u>(963)</u>	<u>39,186</u>	<u>833,549</u>	<u>193,797</u>	<u>639,752</u>
Permanent Endowment Funds								
Supporting Parish Ministry								
Various funds	1,629	-	-	12	193	1,834	-	1,834
Providing Suitable Buildings								
Various funds	2,070	-	-	379	195	2,644	-	2,644
	<u>3,699</u>	<u>-</u>	<u>-</u>	<u>391</u>	<u>388</u>	<u>4,478</u>	<u>-</u>	<u>4,478</u>
Total funds	<u>820,400</u>	<u>29,251</u>	<u>(32,240)</u>	<u>-</u>	<u>40,535</u>	<u>857,946</u>	<u>193,797</u>	<u>664,149</u>

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2025

20 Funds (continued)	Balance 1 Jan 2025 £000	Income £000	Expenditure £000	Transfers £000	Gains / (Losses) £000	Balance 31 Dec 2025 £000	Revaluation reserve 2025 £000	Other funds 2025 £000
Charity								
Unrestricted Funds								
General Fund	12,169	6,707	(2,693)	1,523	907	18,613	-	18,613
Designated Funds								
Subsidiary Company	7,675	-	(34)	-	(4,631)	3,044	-	3,044
Historic Property Fund	75	-	(34)	-	-	41	-	41
	<u>7,750</u>	<u>-</u>	<u>(34)</u>	<u>-</u>	<u>(4,631)</u>	<u>3,085</u>	<u>-</u>	<u>3,085</u>
Restricted Funds								
Supporting Parish Ministry								
Glebe Funds	29,212	1,491	(444)	(785)	559	30,033	29,390	643
Glebe Improvement Fund	457	14	-	(1)	-	470	-	470
Consolidated Stipend Fund	119,190	1,969	(3,935)	725	9,693	127,642	-	127,642
	<u>148,859</u>	<u>3,474</u>	<u>(4,379)</u>	<u>(61)</u>	<u>10,252</u>	<u>158,145</u>	<u>29,390</u>	<u>128,755</u>
Providing Suitable Buildings								
Consolidated Fabric Fund	658,545	19,073	(41,840)	(4,836)	18,408	649,350	165,503	483,847
Individual	3,558	278	(460)	(51)	181	3,506	-	3,506
Central Fabric Fund	22,587	1,217	(4,660)	3,425	1,022	23,591	470	23,121
	<u>684,690</u>	<u>20,568</u>	<u>(46,960)</u>	<u>(1,462)</u>	<u>19,611</u>	<u>676,447</u>	<u>165,973</u>	<u>510,474</u>
Total restricted funds	<u>833,549</u>	<u>24,042</u>	<u>(51,339)</u>	<u>(1,523)</u>	<u>29,863</u>	<u>834,592</u>	<u>195,363</u>	<u>639,229</u>
Endowment Funds								
Supporting Parish Ministry								
Various funds	1,834	-	-	-	141	1,975	-	1,975
Providing Suitable Buildings								
Various funds	2,644	-	-	-	200	2,844	-	2,844
	<u>4,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>341</u>	<u>4,819</u>	<u>-</u>	<u>4,819</u>
Total funds	<u>857,946</u>	<u>30,749</u>	<u>(54,066)</u>	<u>-</u>	<u>26,480</u>	<u>861,109</u>	<u>195,363</u>	<u>665,746</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the year ended 31 December 2025

20 Funds (continued)	Balance 1 Jan 2024 £000	Income £000	Expenditure £000	Transfers £000	Gains / (Losses) £000	Balance 31 Dec 2024 £000	Revaluation reserve 2024 £000	Other restricted funds 2024 £000
Charity								
Unrestricted Funds								
General Fund	11,524	1,871	(2,240)	587	427	12,169	-	12,169
Designated Funds								
Subsidiary Company	7,307	-	-	-	368	7,675	-	7,675
Historic Property Fund	793	70	(755)	(15)	(18)	75	-	75
	<u>8,100</u>	<u>70</u>	<u>(755)</u>	<u>(15)</u>	<u>350</u>	<u>7,750</u>	<u>-</u>	<u>7,750</u>
Restricted Funds								
Supporting Parish Ministry								
Glebe Funds	29,588	507	(548)	(420)	85	29,212	29,136	76
Glebe Improvement Fund	441	16	-	-	-	457	-	457
Consolidated Stipend Fund	109,252	2,611	(3,265)	350	10,242	119,190	-	119,190
	<u>139,281</u>	<u>3,134</u>	<u>(3,813)</u>	<u>(70)</u>	<u>10,327</u>	<u>148,859</u>	<u>29,136</u>	<u>119,723</u>
Providing Suitable Buildings								
Consolidated Fabric Fund	631,702	22,724	(22,083)	(1,402)	27,604	658,545	163,784	494,761
Individual	4,349	254	(471)	(755)	181	3,558	-	3,558
Central Fabric Fund	21,745	713	(2,209)	1,264	1,074	22,587	877	21,710
	<u>657,796</u>	<u>23,691</u>	<u>(24,763)</u>	<u>(893)</u>	<u>28,859</u>	<u>684,690</u>	<u>164,661</u>	<u>520,029</u>
Total restricted funds	<u>797,077</u>	<u>26,825</u>	<u>(28,576)</u>	<u>(963)</u>	<u>39,186</u>	<u>833,549</u>	<u>193,797</u>	<u>639,752</u>
Permanent Endowment Funds								
Supporting Parish Ministry								
Various funds	1,629	-	-	12	193	1,834	-	1,834
Providing Suitable Buildings								
Various funds	2,070	-	-	379	195	2,644	-	2,644
	<u>3,699</u>	<u>-</u>	<u>-</u>	<u>391</u>	<u>388</u>	<u>4,478</u>	<u>-</u>	<u>4,478</u>
Total funds	<u>820,400</u>	<u>28,766</u>	<u>(31,571)</u>	<u>-</u>	<u>40,351</u>	<u>857,946</u>	<u>193,797</u>	<u>664,149</u>

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

for the year ended 31 December 2025

21 Analysis of group net assets among funds

	2025					Total £000
	Endowment £000	Restricted £000	Unrestricted £000	Designated £000	Revaluation £000	
Tangible Assets	-	351,368	120	-	195,363	546,851
Investments	4,819	264,606	16,798	-	-	286,223
Long Term Loans	-	3,247	-	-	-	3,247
Current Assets	-	35,880	1,750	3,515	-	41,145
Current Liabilities	-	(15,872)	(55)	(46)	-	(15,973)
Provisions for Liabilities and Charges	-	-	-	(384)	-	(384)
	<u>4,819</u>	<u>639,229</u>	<u>18,613</u>	<u>3,085</u>	<u>195,363</u>	<u>861,109</u>

	2024					Total £000
	Endowment £000	Restricted £000	Unrestricted £000	Designated £000	Revaluation £000	
Tangible Assets	-	370,000	117	1	193,797	563,915
Investments	4,478	234,226	11,737	5,172	-	255,613
Long Term Loans	-	1,584	-	-	-	1,584
Current Assets	-	37,236	377	3,973	-	41,586
Current Liabilities	-	(3,294)	(62)	(1,162)	-	(4,518)
Provisions for Liabilities and Charges	-	-	-	(234)	-	(234)
	<u>4,478</u>	<u>639,752</u>	<u>12,169</u>	<u>7,750</u>	<u>193,797</u>	<u>857,946</u>

22 Financial instruments

The group and charity have the following financial instruments held at fair value:

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Investments at fair value	<u>286,223</u>	<u>255,613</u>	<u>289,267</u>	<u>258,116</u>

23 Reconciliation of net income to net cash flow from operating activities

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Net income for the financial year (as per the statement of financial activities)	3,163	37,546	3,163	37,546
Adjustments for:				
Depreciation	10,346	10,693	10,345	10,691
Donated Assets	(6,178)	(9,240)	(6,178)	(9,240)
Gains on investments	(14,834)	(15,254)	(10,069)	(15,070)
Gains on property	(9,842)	(24,268)	(9,842)	(24,268)
Investment income	(8,626)	(8,652)	(14,738)	(9,647)
(Increase) / decrease in Debtors	(173)	(40)	31	(17)
Increase in Loans due	(137)	(10)	(137)	(10)
Loans reclassified or written off	-	2,540	-	2,540
Increase / (decrease) in Provision for Loans	2	(109)	2	(109)
Increase in Creditors	11,605	2,274	12,571	2,303
Net cash used in operating activities	<u>(14,674)</u>	<u>(4,520)</u>	<u>(14,852)</u>	<u>(5,281)</u>

24 Analysis of cash and cash equivalents

	Group		Charity	
	2025 £000	2024 £000	2025 £000	2024 £000
Short term deposits	28,651	31,236	28,651	31,236
Cash at bank	<u>10,082</u>	<u>8,147</u>	<u>8,630</u>	<u>6,067</u>
Total cash and cash equivalents	<u>38,733</u>	<u>39,383</u>	<u>37,281</u>	<u>37,303</u>

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2025

	2025	2024
	£000	£000
25 Analysis of Grants Awarded		
Providing Suitable Buildings		
<i>Grants from Central Fabric Fund</i>		
36 grants awarded to 32 Congregations for churches/halls	3,808	2,146
11 grants awarded to 10 Congregations for manses	388	363
Less: Grants lapsed or cancelled	(59)	(215)
	4,137	2,294
<i>Grants from Bequests Funds</i>		
Six grants awarded to five Congregations	295	456
Less: Grants lapsed or cancelled	-	(11)
	295	445
<i>Grants from Consolidated Fabric Fund</i>		
Grants awarded to 410 congregations	20,685	6,726
<i>Grants from Individual Funds</i>		
Grants awarded to five Congregations and one Presbytery	60	12
	25,177	9,477
Supporting Parish Ministry		
<i>Grants from Bequests Funds</i>		
Five grants awarded to the Church of Scotland	77	-
Less: Grants lapsed or cancelled	(22)	-
	55	-
<i>Grants from Consolidated Fabric Fund</i>		
Grants awarded to 73 congregations	1,389	281
<i>Grants from Individual Funds</i>		
Grants awarded to one Congregations	11	12
	1,455	293

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31 December 2025

26 Capital Commitments

As at 31 December 2025, the General Trustees had approved a number of capital projects which will enable congregations to draw down on balances within the Consolidated Fabric Fund. Due to these projects comprising both capital and revenue expenditure and with some projects having a number of funding partners, the extent of the capital commitment cannot be estimated with any accuracy other than being limited to the amount held in name of the congregation concerned.

27 Contingent Liabilities

A contingent liability exists in relation to grants received from the Community Fund, the Heritage Lottery Fund and Historic Environment Scotland in respect of work at buildings vested in the General Trustees. Some or all of the individual grants could become repayable in certain circumstances, such as the sale of the properties within a specified period from the date of receipt of the grant. In cases where the proceeds of sale and other funds held by the Congregations concerned were less than the amounts of the grants repayable, there could be a liability falling on the General Trustees to repay the balance of grants amounting to £2.1m as at 31 December 2025.

A further contingent liability exists in that the General Trustees are the titular proprietors of the bulk of the Congregational property of the Church of Scotland. The individual Congregations are charged with the maintenance and adequate insurance of their property but in the event of their not having the resources to meet statutory obligations these would fall on the General Trustees. It is not possible to quantify this potential liability but at 31 December 2025 the Trustees are not aware of any specific liability against which a provision need be made.

The Trustees have taken a number of steps to mitigate any potential liability that could arise from congregations not adequately maintaining and / or insuring their properties such as; annual and quinquennial inspections by Presbyteries; introduction of simplified versions of the Property Register and Manse Condition Schedule; monitoring and follow up of Quinquennial Reports by the Trustees; holding regular property seminars throughout the country; deputation visits by Trustees; implementation of comprehensive compulsory insurance schemes for buildings, liabilities and contents for congregations; appointment of a full-time Safe Buildings Consultant. By the end of 2025, Presbytery Buildings Officers were appointed to nine Presbyteries.

28 Related party transactions and controlling party

The Church of Scotland General Trustees are a component element of the Church of Scotland which has Designated Religious Charity status. This also includes The Unincorporated Entities of the General Assembly of the Church of Scotland, The Church of Scotland Trust and The Church of Scotland Investors Trust, none of which is controlled by any other but all of which are related parties and report individually to the General Assembly.

The General Trustees paid over to Faith Action Programme Leadership Team, which is one of the Church of Scotland's Unincorporated Entities, the sum of £4.4m (2024 - £3.6m) representing net revenue income from its Stipend and Glebe Revenue Funds and a top up from Stipend capital as agreed by the 2021 General Assembly.

The Church of Scotland Unincorporated Entities receive monies and make payments on behalf of the Church of Scotland General Trustees via a current account. At the end of the financial year, the sum of £3.6m was due to the Church of Scotland Unincorporated Entities by the Church of Scotland General Trustees (2024 - £740k). Both bodies are answerable to the General Assembly of the Church of Scotland. The General Trustees paid internal support costs to the Unincorporated Entities of £2.7m in respect of accommodation, information technology, human resources, finance and payroll administration, legal services and direct staff costs (2024 - £2.4m).

In 2024 the General Trustees provided CrossReach with a loan facility of up to £3.2m for the redevelopment of Gaberston House, with a loan guarantee being provided by the Unincorporated Entities. As at 31 December 2025, £3.1m of the capital facility had been drawn down, and the balance outstanding at the end of the financial year, including accrued interest, was £3.1m.

In addition, the General Trustees award funding to, and hold charitable funds which are restricted for the benefit of, some of the congregations of which individual General Trustees are members or Trustees. These transactions are all on an arm's length basis in line with agreements with all other congregations, and declarations of interest are made by individual General Trustees who may have a conflict of interest.

