Charity registration number SC022180 (Scotland)

Diocese of Aberdeen and Orkney

Annual report and financial statements

for the year ended 31 October 2025

Diocese of Aberdeen and Orkney

Legal and administrative information

Trustees	Right Rev'd Anne C Dyer (Ex-officio: Bishop)	
	Mrs Margaret Hodder (Elected by Synod: Honorary Diocesan Treasurer)	(Appointed 1 March 2025)
	Dr Lizzie Finlayson (Ex-officio: Honorary Diocesan Secretary)	
	Very Revd Dr Jennifer Holden (Ex-officio: Dean)	(Appointed 21 July 2025)
	Dr Julia House (Elected by Synod)	
	Mr David R Crosley (Elected by Synod)	(Appointed 1 March 2025)
	Mr Brian Harris (Elected by Synod)	(Appointed 30 March 2026)
	Mr Iain Fraser (Elected by Synod)	(Appointed 6 March 2026)

Charity number (Scotland) SC022180

Registered office
Diocese of Aberdeen and Orkney Diocesan Centre
66 Carden Place
Aberdeen
AB10 1UL

Auditor
Henderson Loggie LLP
The Stamp Office
Level 5
10 - 14 Waterloo Place
Edinburgh
EH1 3EG

Bankers
Virgin Money
62 Union Street
Aberdeen
AB10 1WD

Solicitors
Ledingham Chalmers
Johnstone House
52-54 Rose Street
Aberdeen
AB10 1HA

Investment advisors
Brewin Dolphin
23 Rubislaw Terrace
Aberdeen
AB10 1XE

Contents

The Trustees present their annual report and financial statements for the year ended 31 October 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Diocesan Constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The aim of the Diocese is to provide leadership, encouragement, guidance, training and counsel to clergy and congregations to enable them to maximise the effectiveness of their mission to their local communities through participation in Christian worship and provision of pastoral support. The Diocese's formal objective, as approved by the Office of the Scottish Charity Regulator (OSCR), is "the advancement of religion".

The main financial activities of the Diocese throughout the year were the support of Charges (churches and congregations) by stipend support and other grants from the Province and the Diocese, the provision of financial assistance to clergy and lay persons for their training and development, and the pursuance of mission projects in areas of growth potential.

Achievements and performance

The Rt Revd Anne Dyer returned to office on 8 October 2024, and continues in post. The Rt Revd Ian Paton, Bishop of St Andrews, Dunkeld and Dunblane acted as Commissary for the bishop from 8 October 2024 through to 31 January 2025.

The year included the appointment of a Dean, the Very Revd Dr Jennifer Holden, in July 2025. Dr Holden continued as Advisor for Christian Life, leading a programme through 2025 on the Nicene Creed (CREDO). The Bishop and Dean supported a number of Charges in vacancy as they prepared mission statements and person specifications for the recruitment of priests.

The Net Zero project continued through provincial support to all Charges, with dedicated resource for projects designated pioneers or pilots in the scheme supported by the Benefact Trust.

At a joint meeting of the Diocesan Standing Committee and the Finance and Property Board held on 9th May 2025, it was suggested that the Diocese consider purchasing a property instead of continuing to lease offices through the University of Aberdeen, as the present situation was hampering the work of the Diocesan Officials. This was passed to F&P for further consideration on the 15 May, when it was agreed in principle to acquire offices subject to cost and other considerations.

A suitable property, 66 Carden Place, Aberdeen, was found, and the requisite negotiations were concluded on 3rd October, when the property purchase was concluded. The office moved into the property at the beginning of December 2025 and the diocesan Centre was formally opened on 30 January 2026.

Going forward the lower ground floor of the property will be used for meetings and social events, with a small worship space incorporated. The Diocesan Offices are situated on the ground floor, and the first floor will be let to a suitable tenant in order to offset the day to day running costs of the building.

Financial review

The results for the Diocese before gains and losses on the Diocesan investment portfolio is a deficit of £243,638 (2024 surplus of £78,147), which comprises a deficit of £239,993 (2024 deficit of £169,447) on unrestricted funds and a deficit of £3,645 (2024 surplus of £247,594) on restricted funds. The Diocese closing cash position has fallen in 2025 to £85,298 (2024 - £152,007) following the current year deficit. Quota income constitutes a significant inflow of cash and the Diocese has experienced a reduction in the amounts received in recent years as certain Charges have not met their payments and are now in arrears. Payment of Quota is regulated in accordance with the Digest of Resolutions, Resolution 7.5.2. However to manage cash prior to recovery of these amounts, the decision was made to liquidate elements of the investments held. The prior year's significant surplus arose in the largest part from a grant from Mr William Laurie, and the Diocese is grateful for his generosity. This grant was to support the the purchase of a rectory in Central Buchan.

The Diocese is also fortunate in having the support of the Dr John Anderson Trust, to which application can be made for assistance with a specific project or objective, and without whose help such activities might have to be curtailed, delayed or abandoned. The fund is administered by a firm of Solicitors in Aberdeen and whose income is derived from agricultural land in the Cruden Bay area. In the year to 31 October 2025, the Diocese received a grant of £37,750 (2024 - £37,750) for a variety of initiatives including stipend support and training.

The Diocese is also grateful for support from the Benefact Trust, the umbrella charitable organisation which derives its income from the Ecclesiastical Insurance Group, which gave a grant in the current year of £4,419 (2024 - £5,261) to support the Christian Life project for the Diocese in 2026: While creation waits… A Christian exploration of Environmental issues.

As at 31 October 2025 the total funds of the Diocese amounted to £5,266,445 (2024 - £5,183,675), which comprises unrestricted funds of £3,701,646 (2024 - £3,737,633) and restricted funds of £1,564,799 (2024 - £1,446,042).

Reserves policy

It is the policy of the Diocese to maintain unrestricted reserves at a level sufficient to meet planned expenditure requirements for the next year. Based on the core budget including Provincial quota, this amounts to £620,000. The Diocese has traditionally monitored the portion of unrestricted fund balance arising from accumulated surpluses and unrealised gains or losses on investments. The Trustees will keep its reserves policy under review going forward but are comfortable at this time, sufficient unrestricted reserves are held.

Funds

The Diocesan Fund (incorporating the Cruickshank and Gordon Funds)

The Cruickshank Fund was inaugurated in 1983 on the death of Mr JSR Cruickshank, Advocate in Aberdeen, and a former Chancellor of the Diocese. He bequeathed the bulk of his Estate to the Diocese without any conditions attached. The Gordon Fund came to the Diocese in 1990 as a bequest from the late Colonel FW Gordon with no stipulations as to its use or purpose. Following approval by Synod, the Gordon Fund was amalgamated with the Diocesan Fund on 1 November 2002 and the Cruickshank Fund amalgamated with the joint fund following the Diocesan Synod on 12 March 2011.

Restricted Funds

The Diocese benefits from funding left to the Diocese for specific purposes as prescribed by the donor. The main ongoing restricted fund is the William Laurie Fund which consists of three elements being the Building & Maintenance Fund, the Missionary Fund, and the House Gift.

Investment policy

Following a review of its investment portfolio which concluded in 2022, the Diocese agreed to gradually reinvest funds into the Scottish Episcopal Church Unit Trust (SECUT) pool, in order to move towards consistency with the ethical investment policy adopted by General Synod in June 2022.

Major risks
The Trustees keep the major strategic, business and operational risks which the Diocese faces under review and can confirm that systems are established to enable regular reports to be produces so that the necessary steps can be taken to lessen these risks. The trustees intend to strengthen and formalise these systems. The Diocesan Risk Register has been developed, in draft, to reflect recommendations made by the Province as to the format and content of Diocesan Risk Registers.

Plans for future periods
The Diocese will continue with its current activities at present. Strategic aims include supporting Charges as they fill clerical vacancies, developing and deepening Christian Life through annual programmes (2025 Nicene Creed, 2026 Celebrating creation) and extending involvement in the Provincial Net Zero programme.

Structure, governance and management
The Diocese of Aberdeen and the Diocese of Orkney were incorporated by long usage into the Scottish Episcopal Church in 1690 and became united in 1865 under the name, style and title of the United Diocese of Aberdeen and Orkney.

The "parent" organisation of the Diocese of Aberdeen and Orkney is The General Synod of the Scottish Episcopal Church. There are seven Dioceses of the Scottish Episcopal Church. The General Synod and the seven Dioceses are separate registered charities.

The Diocese of Aberdeen and Orkney (“the Diocese”) is constituted under, and governed by, the Canons of the Scottish Episcopal Church. The day-to-day operation of the Diocese has been conducted under the current Governing Regulations (of the Synod of the United Diocese of Aberdeen and Orkney) since 16 October 2016, when the Constitution of the Synod of the Diocese of 2012 was repealed and the new document proposed, seconded and passed. The Governing Regulations were approved, confirmed and ratified by the Bishop on 18 October 2016. For convenience, they are referred to as "The Diocesan Constitution 2016".

The Trustees who served during the year and up to the date of signature of the financial statements were:

Right Rev'd Anne C Dyer (Ex-officio: Bishop)	
Mrs Margaret Hodder (Elected by Synod: Honorary Diocesan Treasurer)	(Appointed 1 March 2025)
Dr Lizzie Finlayson (Ex-officio: Honorary Diocesan Secretary)	
Very Revd Dr Jennifer Holden (Ex-officio: Dean)	(Appointed 21 July 2025)
Dr Julia House (Elected by Synod)	
Rev'd Brenda Dowie (Elected by Synod)	(Resigned 20 February 2025)
Rev'd Canon Vittoria Hancock (Elected by Synod)	(Resigned 8 December 2024)
Dr Martin Auld (Elected by Synod)	(Resigned 16 August 2025)
Prof Ferdinand Von Prondzynski (Elected by Synod)	(Appointed 1 March 2025 and resigned 31 October 2025)
Mr David R Crosley (Elected by Synod)	(Appointed 1 March 2025)
Dr Lorraine Paisey	(Resigned 1 March 2025)
Rev'd Canon Lynsay Braybrooke (Ex-officio)	(Appointed 1 March 2025 and resigned 5 June 2026)
Mr Brian Harris (Elected by Synod)	(Appointed 30 March 2026)
Mr Iain Fraser (Elected by Synod)	(Appointed 6 March 2026)

Recruitment and appointment of trustees

The Diocese Constitution, last updated in 2016, confirms the Standing Committee are the Diocese's Charity Trustees. The Constitution sets out that the Standing Committee is comprised of the Bishop, the Dean, the Registrar, the Honorary Treasurer and the Honorary Diocesan Secretary all ex-officios; the convenors of the pendant boards of the Standing Committee; and five members elected by Synod. The Standing Committee may also co-opt additional members to fill vacancies.

Organisational structure

The Finance and Property Board (F&P) has responsibility for the general administration of the Diocesan finances. A representative of the Diocesan Mission Board should sit on F&P, to ensure that the two main Boards of the Diocese are involved in financial decisions. The day-to-day financial records are usually maintained by the Assistant Treasurer. During a period of illness in 2025 external support has been utilised.

Induction and training of trustees

The Charity Trustees have confidence in the experience and ability of the Trustees to administer the activities of the Diocese. Induction and training will be considered on an ongoing basis, particularly in the event of a new Trustee being elected or appointed.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

Margaret Hodder
Margaret Hodder - 2026-06-09, 00:46:07 UTC

Mrs Margaret Hodder (Elected by Synod; Honorary Diocesan Treasurer)
Trustee

Lizzie Finlayson
Lizzie Finlayson - 2026-06-08, 20:07:16 UTC

Dr Lizzie Finlayson (Ex-officio; Honorary Diocesan Secretary)
Trustee

Date: ....

Statement of Trustees' responsibilities

for the year ended 31 October 2025

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

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of Diocese of Aberdeen and Orkney (the 'Charity') for the year ended 31 October 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 October 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.

Basis for opinion

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

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.

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 in relation to which the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' 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 Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

As part of our planning process:

- We enquired of management the systems and controls the Charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the Charity. We determined that the following were most relevant: compliance with the Code of Canons; Healthy and safety, OSCR requirements, Data Protection Act 2018, employment law (including payroll and pension regulations), and compliance with the Diocesan Constitution, the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006;
- We considered the incentives and opportunities that exist in the Charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the Charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Inquiry of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of those charged with governance;
- Reviewing the Charity's policies and procedures in relation to health and safety, employment law and data protection;
- Reviewing legal and professional expenditure incurred in the year;
- Reviewing news articles and press releases;
- Challenging assumptions and judgements made by Trustees in their application of the Charity's accounting estimates, in particular in relation to the carrying value of tangible fixed assets and investments, provisions in relation to bad debts, and the application of accruals; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud rests with the Trustees.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Henderson Loggie LLP
Keith Macpherson - 2026-06-09, 08:53:34 UTC

Henderson Loggie LLP (Senior Statutory Auditor)
For and on behalf of Henderson Loggie LLP, Statutory Auditor
Chartered Accountants
The Stamp Office
Level 5
10 - 14 Waterloo Place
Edinburgh
EH1 3EG
Date: ....

Henderson Loggie LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Diocese of Aberdeen and Orkney

Statement of financial activties including income and expenditure

for the year ended 31 October 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:							
Donations and legacies	3	**79,967**	**83,354**	**163,321**	130,267	348,250	478,517
Charitable activities	4	**100,789**	**-**	**100,789**	162,445	-	162,445
Investments	5	**73,711**	**35,939**	**109,650**	84,197	31,064	115,261
Total income		**254,467**	**119,293**	**373,760**	376,909	379,314	756,223
Expenditure on:							
Raising funds	6	**14,057**	**-**	**14,057**	13,890	-	13,890
Charitable activities	7	**480,403**	**122,938**	**603,341**	532,466	131,720	664,186
Total expenditure		**494,460**	**122,938**	**617,398**	546,356	131,720	678,076
Net gains/(losses) on investments	12	**231,173**	**95,235**	**326,408**	376,389	161,702	538,091
Net income/(expenditure)		**(8,820)**	**91,590**	**82,770**	206,942	409,296	616,238
Transfers between funds		**(27,167)**	**27,167**	**-**	(53,523)	53,523	-
Net movement in funds	9	**(35,987)**	**118,757**	**82,770**	153,419	462,819	616,238
Reconciliation of funds:							
Fund balances at 1 November 2024		**3,737,633**	**1,446,042**	**5,183,675**	3,584,214	983,223	4,567,437
Fund balances at 31 October 2025		**3,701,646**	**1,564,799**	**5,266,445**	3,737,633	1,446,042	5,183,675

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Diocese of Aberdeen and Orkney

Balance Sheet

as at 31 October 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	**14**		**1,531,956**		1,177,587
Investments	**15**		**3,589,912**		3,778,788
			5,121,868		4,956,375
Current assets					
Debtors falling due after one year	**16**	**29,159**		91,337	
Debtors falling due within one year	**16**	**75,517**		11,172	
Cash at bank and in hand		**85,298**		152,007	
		189,974		254,516	
Creditors: amounts falling due within one year	**17**	**(45,397)**		(27,216)	
Net current assets			**144,577**		227,300
Total assets less current liabilities			**5,266,445**		5,183,675
The funds of the Charity					
Restricted income funds	**19**		**1,564,799**		1,446,042
Unrestricted funds	**20**		**3,701,646**		3,737,633
			5,266,445		5,183,675

The financial statements were approved by the Trustees on ....

Margaret Hodder
Margaret Hodder - 2026-06-09, 00:46:07 UTC
....
Mrs Margaret Hodder (Elected by Synod: Honorary Diocesan Treasurer)
Trustee

Lizzie Finlayson
Lizzie Finlayson - 2026-06-08, 20:07:16 UTC
....
Dr Lizzie Finlayson (Ex-officio: Honorary Diocesan Secretary)
Trustee

Diocese of Aberdeen and Orkney

Statement of cash flows

for the year ended 25 October 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**27**		**(336,969)**		150,398
Investing activities					
Purchase of tangible fixed assets		**(354,674)**		(351,509)	
Purchase of investments		**(525,027)**		(731,035)	
Proceeds from disposal of investments		**1,039,280**		734,786	
Investment income received		**109,650**		115,261	
Net cash generated from/(used in) investing activities			**269,229**		(232,497)
Net cash used in financing activities			**-**		-
Net decrease in cash and cash equivalents			**(67,740)**		(82,099)
Cash and cash equivalents at beginning of year			**165,615**		247,714
Cash and cash equivalents at end of year			**97,875**		165,615
Relating to:					
Cash at bank and in hand			**85,298**		152,007
Cash held in investments			**12,577**		13,608

1 Accounting policies

Charity information

Diocese of Aberdeen and Orkney is a is a Charity registered in Scotland. The registered office is Diocese of Aberdeen and Orkney Diocesan Centre, 66 Carden Place, Aberdeen, AB10 1UL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. The Trustees have also taken into consideration the current economic climate in the UK, including the impact of inflation and higher interest rates. Forecast future cash flows have been prepared taking into account the future funding in place and the returns on assets held.

Based on these assessments and having regard to the resources available to the Charity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the Charity is entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is it is more likely than not that the economic benefits associated with the income will flow to the Charity.

Cash donations are recognised on receipt. Other donations and grants are recognised once the Charity has been notified of the donation or grant, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1 Accounting policies (continued)

Quota income from Charges is recognised in line with the opening Income paragraph and is consistent with section 5.8 of the Charities SORP (FRS 102), taking into account the entitlement established under the Code of Canons.

Income from interest and dividends is recognised when its receipt is probable and the amount receivable can be measured reliably. Dividends are accrued when the Diocese's right to receive payment is established.

1.5 Expenditure

Expenditure is accounted for on an accruals basis and includes irrecoverable VAT where applicable. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

Raising funds include amounts paid to the Investment Fund Managers for the management of the investment portfolio.

Charitable expenditure comprises those costs incurred by the Diocese in the delivery of its activities and services for its beneficiaries. Grants payable are grants awarded from the various funds to churches and individuals as appropriate. Grants offered subject to conditions which have not been met at the year-end date are noted as a commitment but not accrued as expenditure.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Diocese, including independent examiner fees.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	No depreciation is applied as detailed below
Fixtures and fittings	20% straight line

No depreciation has been provided against the book value of properties as in the opinion of the Trustees, due to the long useful economic lives of the properties and their high residual values, any depreciation charge and resultant accumulated depreciation would be immaterial. In the opinion of the Trustees, no impairment of the carrying values has occurred during the year.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transition price excluding transaction costs and are subsequently measured at fair value at each reporting date. Fair value is the market value at the reporting date. Gains and losses on disposal of investments and movement in market value of investments are charged or credited to the Statement of Financial Activities (SOFA). Investments not listed on the Stock Exchange, SEC Units, are included at the year-end value provided by SEC.

1 Accounting policies (continued)

1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, cash held in investment portfolios, and bank overdrafts.

1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1 Accounting policies (continued)

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The Diocese contributes to a defined benefit pensions scheme, the SEC Pension Fund, which is independently managed by the Pension Fund Trustees. The scheme is subject to formal actuarial valuation on a triennial basis using the projected unit method. This scheme covers all seven Dioceses of the Scottish Episcopal Church and The General Synod Office. The assets and liabilities of any one participant in the scheme cannot be identified separately. The provisions of FRS 102 allow employers participating in such schemes to treat their pension disclosures as if the scheme were a defined contribution scheme. This is the treatment which has been adopted by the Diocesan Trustees in these statements, with contributions charged to the Statement of Financial Activities of the Diocesan General Fund but no asset or liability appearing on the Balance Sheet.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Useful life of tangible fixed assets

Tangible fixed assets are depreciated over a period to reflect their estimated useful lives, incorporating an estimate of their residual value. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence. Fixed assets are also assessed as to whether there are indicators of impairment and any changes to the residual value.

Investments

Fixed asset investments are initially measured at transition price excluding transaction costs and are subsequently measured at fair value at each reporting date. Fair value is the market value at the reporting date and is obtained from the Charity's experienced investment managers for listed investments based on quoted prices on the respective Stock Exchange. Investments not listed on the Stock Exchange, SEC Units, are included at the year-end value provided by SEC.

Trade debtor recovery

Credit control is an important function which requires assessment, on an ongoing basis, of the recoverability of amounts due from debtors. Where recovery is in doubt, the Trustees will adequately provide against this specific debt and will arrive at such conclusions based on the knowledge of the debtor and their "ability to pay". The Trustees adopt a prudent approach to credit control.

2 Critical accounting estimates and judgements (continued)

Accruals

Trustees estimate the requirements for accruals using post year end information and information available from detailed budgets. This identifies costs that are expected to be incurred for services provided by other parties. Accruals are only released when there is a reasonable expectation that these costs will not be invoiced in the future.

3 Income from donations and legacies

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total 2025 £**	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	**443**	**-**	**443**	1,889	5,570	7,459
Grants	**79,524**	**83,354**	**162,878**	128,378	342,680	471,058
	79,967	**83,354**	**163,321**	130,267	348,250	478,517
Grants						
General Synod	**79,524**	**43,185**	**122,709**	128,378	41,357	169,735
Dr Anderson's Trust	**-**	**35,750**	**35,750**	-	35,750	35,750
William Laurie	**-**	**-**	**-**	-	259,452	259,452
Benefact Trust	**-**	**4,419**	**4,419**	-	5,261	5,261
Other grants	**-**	**-**	**-**	-	860	860
	79,524	**83,354**	**162,878**	128,378	342,680	471,058

4 Income from charitable activities

	Unrestricted 2025 £	Unrestricted 2024 £
Income from Charges - Quota	**100,789**	162,445
Analysis by fund		
Unrestricted funds	**100,789**	162,445

5 Income from investments

	Unrestricted funds 2025 £	**Restricted funds 2025 £**	**Total 2025 £**	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Rental income	**1,858**	**1,448**	**3,306**	3,162	-	3,162
Income from listed investments	**70,602**	**33,751**	**104,353**	74,419	27,412	101,831
Interest receivable	**1,251**	**740**	**1,991**	6,616	3,652	10,268
	73,711	**35,939**	**109,650**	84,197	31,064	115,261

6 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Investment management	**14,057**	13,890

7 Expenditure on charitable activities

	Charitable activities 2025 £	Charitable activities 2024 £
Direct costs		
Staff costs	**188,370**	246,300
Depreciation and impairment	**305**	480
Quota	**73,124**	73,574
Travel and subsistence	**16,732**	17,132
Accomodation	**6,096**	4,612
Postage, telephone and stationery	**2,401**	3,332
Rent, rates council tax and insurance	**22,710**	26,651
Repairs and renewals	**19,929**	15,203
Cathedral, Dean, Primus and Synod expenses	**2,119**	2,436
Training and education expenses	**720**	1,676
Miscellaneous	**10,875**	16,858
Advertising	**11,362**	904
Conferences	**273**	-
ICT	**10,999**	13,277
Legal and professional expenses	**121,199**	116,075
	487,214	538,510
Grant funding of activities (see note 8)	**100,767**	111,924
Governance costs		
Audit fees	**15,360**	13,752
	603,341	664,186
Analysis by fund		
Unrestricted funds	**480,403**	532,466
Restricted funds	**122,938**	131,720
	603,341	664,186

8 Grants payable

	Charitable activities 2025 £	Charitable activities 2024 £
Grants to institutions:		
All Saint's Buckie	**3,000**	5,420
St Andrew's Alford	**4,000**	7,282
St Clement's Mastrick	**15,000**	9,500
St John's Aberdeen	**53,697**	54,902
St John's Portsoy	**9,462**	9,462
St Magnus Lerwick	**3,332**	4,533
St Mary's Aberdeen	**20**	4,359
Other	**10,011**	14,018
	98,522	109,476
Grants to individuals	**2,245**	2,448
	100,767	111,924

Grants are made to charges, 3rd parties and individuals within the Scottish Episcopal Church for a variety of purposes and to non-church bodies. Where grants are made from restricted funds, these are made in compliance with the restrictions placed upon the use of such funds. The main grants awarded by the Finance and Property Committee relate to maintenance of church buildings.

Of the total amount of grants paid £24,483 (2024 - £22,866) related to the maintenance of church buildings, £25,587 (2024 - £28,888) related to general mission purposes, £48,697 (2024 - £54,357) related to curacy, £2,000 (2024 - £2,143) related to training and education, and £Nil (2024 - £3,670) related to travel.

9 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the Charity's financial statements	**15,360**	13,752
Depreciation of owned tangible fixed assets	**305**	480

10 Trustees

Trustees' remuneration and benefits
During the current year, The Bishop Right Rev'd Anne C Dyer, received remuneration during the period in which she was a Trustee of £51,132 (2024 - £4,124) and pension contributions of £8,060 (2024 - £885) for their services as Bishop, as permitted under the Diocesan Constitution.

During the current year, The Dean Very Revd Dr Jennifer Holden, received remuneration during the period in which she was a Trustee of £8,577 and pension contributions of £1,887 for their services as Dean, as permitted under the Diocesan Constitution.

Trustees' expenses
During the year six Trustees, the Bishop Right Rev'd Anne C Dyer, Lynsay Braybrooke, Lizzie Finlayson, Ferdinand Von Prondzynski, Very Revd Dr Jennifer Holden, and Brenda Dowie received reimbursement of expenses amounting to £15,456 (2024 – five Trustees - £14,871).

11 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Bishop	**1**	1
Administration	**3**	3
Total	**4**	4

Employment costs	**2025**	2024
	£	£
Wages and salaries	**149,160**	190,226
Social security costs	**7,177**	14,368
Other pension costs	**32,033**	41,706
	188,370	246,300

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel
The remuneration of key management personnel was as follows:

	2025	2024
	£	£
Aggregate compensation	**121,497**	98,306

12 Gains and losses on investments

	Unrestricted funds 2025	**Restricted funds 2025**	**Total 2025**	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	**£**	**£**	£	£	£
Revaluation of investments	**195,576**	**95,235**	**290,811**	316,661	161,702	478,363
Sale of investments	**35,597**	**-**	**35,597**	59,728	-	59,728
	231,173	**95,235**	**326,408**	376,389	161,702	538,091

13 Taxation

The Charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

14 Tangible fixed assets

	Freehold land and buildings	**Fixtures and fittings**	**Total**
	£	**£**	**£**
Cost			
At 1 November 2024	**1,177,023**	**20,793**	**1,197,816**
Additions	**354,674**	**-**	**354,674**
At 31 October 2025	**1,531,697**	**20,793**	**1,552,490**
Depreciation and impairment			
At 1 November 2024	**-**	**20,229**	**20,229**
Depreciation charged in the year	**-**	**305**	**305**
At 31 October 2025	**-**	**20,534**	**20,534**
Carrying amount			
At 31 October 2025	**1,531,697**	**259**	**1,531,956**
At 31 October 2024	1,177,023	564	1,177,587

15 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£	£	£
Cost or valuation			
At 1 November 2024	**3,765,180**	**13,608**	**3,778,788**
Additions	**525,027**	**-**	**525,027**
Valuation changes	**290,811**	**-**	**290,811**
Cash movements	**-**	**(1,031)**	**(1,031)**
Disposals	**(1,003,683)**	**-**	**(1,003,683)**
At 31 October 2025	**3,577,335**	**12,577**	**3,589,912**
Carrying amount			
At 31 October 2025	**3,577,335**	**12,577**	**3,589,912**
At 31 October 2024	3,765,180	13,608	3,778,788

Investment Risks
FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Charity has exposure to these risks because of the investments it makes to implement its investment strategy. The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Charity's strategic investment objectives. These investment objectives and risk limits are implemented through the investment manager agreements in place with the Charity's investment managers and monitored by the Trustees by regular reviews of the investment portfolios, or in the case of SECUTs through the investment committee of the General Synod.

Further information on the Charity's approach to risk management and the exposure to credit and market risks are set out below.

Credit Risk
The Charity invests directly in listed investments, as well as in pooled investment vehicles and is therefore directly exposed to credit risk in relation to these listed instruments and is indirectly exposed to credit risks arising on pooled investment vehicles.

Pooled investment arrangements used by the Charity comprise authorised unit trusts.

15 Fixed asset investments (continued)

Currency risk
The Charity is subject to currency risk because some of the Charity's investments are held in overseas markets.

Interest rate risk
The Charity is subject to interest rate risk through investments comprising bonds.

Other price risk
Other price risk arises principally in relation to equities held. The Charity manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

16 Debtors

	2025	2024
Amounts falling due within one year:	**£**	£
Trade debtors	**63,499**	7,801
Other debtors	**3,775**	1,403
Prepayments and accrued income	**8,243**	1,968
	75,517	11,172

	2025	2024
Amounts falling due after more than one year:	**£**	£
Trade debtors	**29,159**	91,337
Total debtors	**104,676**	102,509

Trade debtors falling due after more than one year in the prior year represented amounts where the Diocese anticipated that it was more probable that receipt of the outstanding balances would be greater than one year.

17 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other taxation and social security	**2,019**	-
Trade creditors	**12,173**	-
Accruals and deferred income	**31,205**	27,216
	45,397	27,216

18 Retirement benefit schemes

Defined benefit schemes	**2025**	2024
	£	£
Charge to profit or loss in respect of defined benefit schemes	**31,404**	41,706

The Diocese contributes to a defined benefit pensions scheme, the SEC Pension Fund, which is independently managed by the Pension Fund Trustees. The scheme is subject to formal actuarial valuation on a triennial basis using the projected unit method. This scheme covers all seven Dioceses of the Scottish Episcopal Church and The General Synod Office. The assets and liabilities of any one participant in the scheme cannot be identified separately. The provisions of FRS 102 allow employers participating in such schemes to treat their pension disclosures as if the scheme were a defined contribution scheme. This is the treatment which has been adopted by the Diocesan Trustees in these statements, with contributions charged to the Statement of Financial Activities of the Diocesan General Fund but no asset or liability appearing on the Balance Sheet.

The most recent actuarial valuation was at 31 December 2023. The results of the valuation indicated that the position had deteriorated since 2020: the previous surplus of £5.6 million decreased to a surplus of £4.6 million. This Trustees of the SEC Pension Fund and the Provincial Standing Committee recommend the contribution rate be reduced to 22%.

19 Restricted funds

The restricted funds of the Charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 November 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 October 2025
	£	£	£	£	£	£
Bishop's Stipend	73,763	24,698	(24,357)	-	7,251	81,355
Browning Bursary	134,577	3,600	(2,720)	-	10,990	146,447
Dr Anderson's Trust	19,780	35,750	(31,771)	-	-	23,759
William Laurie - Building & Maintenance Fund	1,969	-	-	-	-	1,969
William Laurie - Missionary Fund	720,440	22,351	(10,781)	-	65,980	797,990
William Laurie - House Gift	351,100	-	-	-	-	351,100
Rectory Green Fund	13,762	-	-	-	-	13,762
Curate Fund	-	21,203	(48,697)	27,494	-	-
Trusts & Other	112,141	7,273	(1,896)	-	11,014	128,532
Benefact Trust	18,510	4,418	(2,716)	(327)	-	19,885
	1,446,042	119,293	(122,938)	27,167	95,235	1,564,799

19 Restricted funds (continued)

Previous year:	At 1 November 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 October 2024 £
Bishop's Stipend	61,451	18,287	(18,287)	-	12,312	73,763
Browning Bursary	116,010	3,163	(3,256)	-	18,660	134,577
Dr Anderson's Trust	1,885	35,750	(17,855)	-	-	19,780
William Laurie - Building & Maintenance Fund	1,969	-	-	-	-	1,969
William Laurie - Missionary Fund	683,076	22,643	(5,660)	(91,648)	112,029	720,440
William Laurie - House Gift	-	259,452	-	91,648	-	351,100
Recovery & Renewal Fund	22,592	-	(6,642)	(15,950)	-	-
Rectory Green Fund	-	-	(2,188)	15,950	-	13,762
Curate Fund	-	21,786	(54,357)	32,571	-	-
Trusts & Other	96,240	7,402	(10,202)	-	18,701	112,141
Lent Appeal	-	5,570	(5,570)	-	-	-
Benefact Trust	-	5,261	(7,703)	20,952	-	18,510
	983,223	379,314	(131,720)	53,523	161,702	1,446,042

Bishop's Stipend
The fund exists to support the funding of the Bishop's stipend and expenses.

Browning Bursary
The fund generates income in order to fund training and education opportunities.

Dr Anderson's Trust
The fund is to support the churches that are engaged in mission in challenging areas, with a priest resident; churches going through a transition into a new phase of life and mission, usually through the arrival of a new curate or priest-in-charge, with attendant, one-off costs; or to invest in the development of new ordained and lay ministries in the Diocese, including senior and strategic leadership.

19 Restricted funds (continued)

William Laurie - Building & Maintenance Fund
The fund is to support the repair of St John's Episcopal Church building at New Pitsligo.

William Laurie - Missionary Fund
The fund is to support the mission and ministry in Buchan and its environs.

William Laurie - House Gift
Mr William Ross Laurie made a gift of $350,000 to the diocese for the purchase of a rectory in Central Buchan. The rectory will be named "William Laurie House" in recognition of the Reverand William Laurie, William Ross Laurie and the Donor's intervening ancestor's of that name. Reverand William Laurie was a former Priest of St John's New Pitsligo.

Recovery & Renewal Fund
The funding received from Province is to assist charges to recover from pandemic restrictions and renew community engagement.

Rectory Green Fund
Funding is available to assist in improving the energy efficiency and reduce the carbon footprint of rectories. The Rectory Green Fund requires the Diocese to match fund the Provincial funding up to £5,000 each.

Curate Fund
The fund is to support the Assistant Crate in their position at St John's, Aberdeen.

Trust & Other
The fund generated income which is used to relieve hardship and provide funds for specified charitable causes within the Diocese.

Lent Appeal
The Bishop's Lent Appeal in 2024 was for the benefit of Al Ahli hospital via The Jerusalem and the Middle East Church Association. The Al Ahli Hospital in Gaza, owned and sacrificially supported over many years by the Episcopal (Anglican) Diocese of Jerusalem, continues to serve the whole 'family' (Ahl) of human beings in Gaza. It provides a vital service in an increasingly desperate situation. The hospital is committed to providing 24/7 health services for all people in need of medical care.

Benefact Trust
The Benefact Trust provides the Diocese a recurrent grant each year to assist in a submitted project proposal. The funds received in 2025 have been provided to support the Christian Life project for the Diocese in 2026: While creation waits… A Christian exploration of Environmental issues.

20 Unrestricted funds

The unrestricted funds of the Charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used.

	At 1 November 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 October 2025
	£	£	£	£	£	£
General funds	**3,737,633**	**254,467**	**(494,460)**	**(27,167)**	**231,173**	**3,701,646**

Previous year:	At 1 November 2023	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 October 2024
	£	£	£	£	£	£
General funds	3,584,214	376,909	(546,356)	(53,523)	376,389	3,737,633

Transfers between funds
Transfers are made each year when projects come to an end and there is a closing net income/ (expenditure), or to align expenditure to the correct fund.

21 Analysis of net assets between funds

	Unrestricted funds 2025	Restricted funds 2025	Total 2025
	£	£	£
At 31 October 2025:			
Tangible assets	**1,180,856**	**351,100**	**1,531,956**
Investments	**2,525,887**	**1,064,025**	**3,589,912**
Current assets/(liabilities)	**(5,097)**	**149,674**	**144,577**
	3,701,646	**1,564,799**	**5,266,445**

	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
At 31 October 2024:			
Tangible assets	826,487	351,100	1,177,587
Investments	2,809,998	968,790	3,778,788
Current assets/(liabilities)	101,148	126,152	227,300
	3,737,633	1,446,042	5,183,675

22 Contingent liabilities

The Diocese is the guarantor for any loans made by the Provincial Office of the Scottish Episcopal Church to charges within the Diocese. At 31 October 2025 there were no loans to charges from the province.

23 Contingent assets

The Diocese has entered into a grant undertaking, up to the value of £30,000, with St Mary's Episcopal Church, Auchindoir. Certain conditions exist whereupon this grant may be repayable to the Diocese: if St Mary's sells or otherwise transfers ownership of the Rectory it shall repay the grant to the Diocese with a premium calculated at a rate of 5% of the grant being made, compounded annually. If St Mary's rents out the Rectory as a private dwelling house after 1 January 2013, it shall pay 15% of such rent to the Diocese. These conditions are subject to future events out with the control of the Diocese and as such a debtor has not been recognised in the financial statements.

24 Operating lease commitments

Lessee

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025	2024
	£	£
Within one year	**1,175**	7,175
Between two and five years	**1,175**	20,350
	2,350	27,525

25 Ultimate controlling party

The Diocese of Aberdeen and Orkney is a constituent part of the Scottish Episcopal Church and, as such, operates within the framework or regulation (the Canons of the Scottish Episcopal Church) passed by the General Synod. Within this framework the Diocese has a completely independent decision-making process.

26 Related party transactions

Grants and support of £122,709 (2024 - £169,735) were received by the Diocese from The General Synod of the Scottish Episcopal Church during the year, and quota of £73,124 (2024 - £73,574) was paid to The General Synod of the Scottish Episcopal Church. A balance of £10,653 (2024 - £nil) was due to the Diocese at the year end.

The following Charges under the Diocese were deemed to be related through common Trustees and/or their close family members:

- St Andrews Church, Aberdeen were charged quota of £17,775 to the Diocese, and received grants from the Diocese of £nil. A balance of £40,761 was due to the Diocese at the year end.
- St Thomas Church, Aboyne were charged quota of £3,678 (2024 - £3,346) to the Diocese, and received grants from the Diocese of £nil (2024 - £2,020). There were no outstanding balances at the year end relating to these transactions.
- All Saints Episcopal Church Buckie were charged quota of £2,330 (2024 - £2,270) to the Diocese, and received grants from the Diocese of £3,000 (2024 - £5,420). There were no outstanding balances at the year end relating to these transactions.
- Church Of St John Baptist Portsoy were charged quota of £397 (2024 - £189) to the Diocese, and received grants from the Diocese of £9,462 (2024 - £9,462). There were no outstanding balances at the year end relating to these transactions.
- St Ternan, Banchory were charged quota of £7,965 (2024 - £6,391) to the Diocese, and received grants from the Diocese of £nil (2024 - £2,020). There were no outstanding balances at the year end relating to these transactions.
- St Mary's, Aberdeen were charged quota of £6,858 (2024 - £6,930) to the Diocese, and received grants from the Diocese of £nil (2024 - £4,359). There were no outstanding balances at the year end relating to these transactions.
- St Mary's, Stromness were charged quota of £2,431 (2024 - £2,599) to the Diocese, and received grants from the Diocese of £nil (2024 - £nil). There were no outstanding balances at the year end relating to these transactions.
- St Olaf's, Kirkwall were charged quota of £2,535 (2024 - £2,860) to the Diocese, and received grants from the Diocese of £306 (2024 - £492). There were no outstanding balances at the year end relating to these transactions.
- St Mary's, Inverurie were charged quota of £24,946 (2024 - £15,100) to the Diocese, and received grants from the Diocese of £nil (2024 - £nil).
- St Kentigern's, Ballater were charged quota of £3,572 (2024 - £2,970) to the Diocese, and received grants from the Diocese of £nil (2024 - £nil). There were no outstanding balances at the year end relating to these transactions.
- St Ninians, Aberdeen were charged quota of £4,167 to the Diocese, and received grants from the Diocese of £nil. There were no outstanding balances at the year end relating to these transactions.
- St Mary-On-The-Rock, Ellon were charged quota of £12,977 to the Diocese, and received grants from the Diocese of £1,000. There were no outstanding balances at the year end relating to these transactions.

27 Cash (absorbed by)/generated from operations

	2025	2024
	£	£
Surplus for the year	**82,770**	616,238
Adjustments for:		
Investment income recognised in statement of financial activities	**(109,650)**	(115,261)
Gain on disposal of investments	**(35,597)**	(59,728)
Fair value gains and losses on investments	**(290,811)**	(478,363)
Depreciation and impairment of tangible fixed assets	**305**	480
Movements in working capital:		
(Increase)/decrease in debtors	**(2,167)**	193,240
Increase/(decrease) in creditors	**18,181**	(6,208)
Cash (absorbed by)/generated from operations	**(336,969)**	150,398

28 Analysis of changes in net funds

The Charity had no material debt during the year.