The Church of Scotland Investors Trust

Constituted by Act of Parliament 1994

Trustees Report for the year ended 31 December 2025

1. Reference and Administrative Details

Name: - The Church of Scotland Investors Trust

Reg No: - Scottish Charity No. SC022884

Address: - The Church of Scotland Offices
121 George Street
Edinburgh EH2 4YN

Trustees: - The Trustees who served during the year and to the date of signing the financial statements were:-
John Millar (Chair)
Andrew Richmond (Vice Chair)
Scott Anderson
Ivan Blair
Robin Black
Robert D Burgon
Elaine Crichton (Until 31st May 2025)
Robert Kinloch (From 1st June 2025)
Jean McKeown
Rodger H Nisbet
J Grant Wilson
Gordon A Young
Michael G S Yuille (Until 31st May 2025)

Investment Managers: -	Growth Fund	Newton Investment Management Limited (Until 10th November 2025) 160 Queen Victoria Street, London EC4V 4LA Wellington Management International Ltd (From 11th September 2025) Cardinal Place, 80 Victoria Street, London, SW1E 5JL M&G Investments (From 11th September 2025) 10 Fenchurch Avenue, London EC3M 5AG
	Income Fund	Royal London Asset Management Limited 80 Fenchurch Street, London, EC3M 4BY
	Deposit Fund	Thomas Miller Investment (Isle of Man) Limited 90 Fenchurch Street, London EC3M 4ST
Investment Consultant: -		Barnett Waddingham LLP 2 London Wall Place, London, EC2Y 5AU
Bankers and Safe Custody Agent: -		Growth Fund The Bank of New York Mellon Corporation 1 Piccadilly Gardens, Manchester M1 1RN Income Fund HSBC Securities Services, 8 Canada Square, Canary Wharf, London, E14 5HQ
Staff: -	Treasurer	Leanne Thompson
	Executive Officer	June Lee
Independent Auditors: -		RSM UK Audit LLP Third Floor, 2 Semple Street, Edinburgh, EH3 8BL

2. Structure, Governance and Management

The Church of Scotland Investors Trust is a statutory corporation, established by the Church of Scotland (Properties and Investments) Order Confirmation Act 1994.

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

The Act permits the appointment of a maximum of twenty Trustees. Individuals who are suitably qualified and experienced in investment are identified by the existing Trustees or may apply to the Executive Officer or the Chair. They are provided with copies of the Act, the Statement of Investment Policy, the most recent Annual Report and Financial Statements, the General Assembly Report and Minutes of meetings. Trustee appointments are approved by the General Assembly, and all Trustees are regularly offered opportunities to keep themselves up to date on investment and charity matters.

The Trustees meet four times per year to receive performance reports from the Managers of the three funds who also submit regular written reports. The Trustees engaged a consultant to report and advise on the performances of the Growth and Income Fund Managers.

There is a Chair's Sub-Committee which deals with issues of policy for presentation to full Trustees' meetings and acts as an Interviewing and Nominating Sub-Committee for potential Trustees. Additionally, there is an Audit Sub-Committee which considers the Annual Report and Financial Statements prior to submission to the Trustees for approval.

The Church of Scotland Investors Trust has no employees and day to day administration is delegated to the Secretary and, in respect of financial matters, to the Treasurer, both of whom are employees of the Central Services Committee of the Church of Scotland. During the year, the Unincorporated Entities charged £124,464 (2024 - £120,000) to the Investors Trust for management services, including staff costs. These costs are charged proportionally to the three investment funds.

The Chair reports annually to the General Assembly in May. The Annual Report and Financial Statements are made available to Commissioners to the General Assembly and are available to download from the Church of Scotland website. Quarterly reports, monthly dealing dates, unit prices and historic unit prices are also available on the website.

A formal risk management process is in place, and a regular review of the risk matrix is undertaken by the Audit Sub-Committee.

The Church of Scotland Investors Trust is a member of the Church Investors Group (CIG), an organisation which represents institutional investors from many mainstream Church denominations and church related charities. One of the Trustees is a Director of the Church Investors Group. The Church Investors Group encourages the formulation of investment policies based on Christian ethical principles. The Church of Scotland has no specific resource dedicated to research in Ethical, Social and Corporate Governance (ESG) matters and consequently membership of CIG is an important connection to current thinking on ESG topics by like-minded Christian organisations. Another key source of information on ESG matters is research, engagement activity and campaigns undertaken by our Investment Managers. During the year, COSIT representatives have continued to play an active part in the work of the Ethical Oversight Committee which was established at the 2023 General Assembly.

None of The Church of Scotland Investors Trust Trustees declared any personal connection to the Fund Managers of the Church of Scotland Investors Trust or indeed any other service providers. It should be noted however that some of the component elements and also some of the congregations of which Trustees are members have deposits/investments with the Investors Trust and receive interest/dividends. These were all on an arm's length basis in line with agreements with all other investors.

3. Objectives and Principal Activities

The Investors Trust exists to provide to Congregations, the Unincorporated Entities and to bodies within or connected to the Church, a range of economical facilities for investment of their funds. Investors enjoy the benefits of professional investment management, with continuous portfolio supervision, spread of investment risk and economies of scale. The Investors Trust has wide powers of investment and is exempt from UK income and capital gains tax. All income distributions to investors are paid gross of tax, thus relieving investors from the requirement to reclaim tax.

Three professionally managed investment funds, with the following objectives, are available to meet the varying needs of Church investors;

The **Growth Fund** is intended to provide capital growth over the longer term.

The **Income Fund** 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 of no longer than eighteen months, and seeks to provide a competitive rate of interest whilst spreading risk and preserving nominal capital value.

The achievement of the objectives of the three investment funds assists individual Congregations, Forums, Trusts and Committees of the Church of Scotland, which are investors, in undertaking activities to further their own charitable purposes. Investing parties, such as congregations, remit monies to the Investors Trust along with written instructions to invest in one or more of the three funds offered by the Investors Trust. The Trustees of the Investors Trust are responsible for appointing and monitoring the performance and activities of the Fund Managers.

The risk of fluctuations in capital values and income distributions rests solely with individual investors. The Trustees engage with the Managers of the Growth and Income Funds to monitor and forecast income distribution levels. This allows the Trustees to communicate such forecasts to investors to assist with their budgeting, but in volatile financial conditions such forecasts may not be achieved.

Ethical considerations form an integral part of the investment management process, and the Income and Growth Fund managers employ the screens from the Ethical Investment Research and Information Service (EIRIS) but rely principally on their own research. The managers will vote at company meetings on our behalf where securities are directly held in the name of the Trust. Additionally, the Trust looks to the Church Investors Group for guidance. Investment is avoided in any company shares whose management practices are judged by the Trustees to be unacceptable. In particular, investment is avoided in any company substantially involved in gambling, tobacco products, recreational cannabis, alcohol, armaments, thermal coal and tar sands and other activities which are felt to harm society more than they benefit it. "Substantially" is interpreted as resulting in 10% (previously 15%) or more of total turnover being derived from these sectors.

In general, investment is sought in companies that demonstrate responsible employment and good corporate governance practices, have regard to environmental performance and human rights and act with sensitivity to the communities in which they operate. Whilst the Trustees have not agreed a specific social investment policy, principally as the Managers have full discretion on day-to-day investment decisions, it should be noted that assets held include social enterprise bonds within pooled funds.

4. Achievement and Performance and Financial Review

As noted in last year's report, in 2024 the Trustees completed a full review of the investment management arrangements for each of the three COSIT funds. No changes were made to the managers for the Income and Deposit Funds, but the decision was taken to replace Newton as managers of the Growth Fund with a combination of Wellington and M&G in an initial 70:30 split.

The process of transitioning to the new managers started in September and was completed in November. Under the new arrangements, Wellington are managing an equity fund with an investment approach which combines an emphasis on businesses with high and sustainable returns on capital with an active approach to stewardship and engagement. The assets managed by M&G are invested in their Sustainable Total Return Credit Investment Fund, a fund which

aims to achieve an average return of SONIA +3-5% per annum across a five-year period by investing in a range of fixed-income securities.

The net total value of funds due to investors at 31 December 2025 was £498.7 million. This figure is down from the total of £569.2 million at 31 December 2024 due to the withdrawal by the General Trustees of funds related to the Consolidated Stipend Fund from the Growth Fund.

Growth Fund (£237.1 million (2024 - £342.4 million))
As described above, since September 2025 the Growth Fund has been managed by Wellington and M&G, with the portfolio split 70:30 between equities (managed by Wellington) and credit (managed by M&G). The change in managers during the year makes comparisons against the benchmark difficult, but the period during which Newton managed the Fund was characterised by moderate underperformance of the benchmark. Having put new managers in place, we believe that the relative performance of the fund will recover.

Over the period 31 December 2024 to 31 December 2025 the unit price value increased by 7.84%, from 638p to 688p.

The income payable to investors in respect of Financial Year 2025 was 13p per unit (2024: 13.5p).

Income Fund (£88.4 million (2024 - £85.5 million))
The Income Fund continues to be invested in pooled funds investing in underlying bonds offered by the managers, Royal London Asset Management and in a small direct holding in the Savills Charity Property Fund. The Income Fund's total return for the year was 8.97% (2024: 6.81%) against the composite benchmark return of 6.90% (2024: 1.71%). The Fund has consistently outperformed its benchmark over every period since the appointment of the managers in February 2012.

The total income distribution to investors for 2025 was 60p per unit (2024: 60p per unit). The year-end unit price was 1139p (2024: 1106p).

Deposit Fund (£173.2 million (2024 - £141.3million))
The Fund is invested in short-term deposits with Banks and Building Societies. The average annual rate of interest paid for 2025 was 4.23% (2024 – 5.09%). This figure has come down since the Bank of England starting to cut rates in July 2024, since then the base rate has fallen from 5.25% to 3.75%. The year-end rate was 3.97% (2024: 4.76%).

5. Plans for Future Periods

The Investors Trust will continue to provide an investment service in accordance with the Objectives and Principal Activities stated in Section 3.

6. Risk Management

The Trustees maintain a Risk Register which is reviewed regularly, and at least annually, by the Audit Sub-Committee to ensure that the main risks to which the Trust is exposed are being managed effectively. The principal risk relates to the ability of the Fund Managers to meet or exceed the performance of the benchmarks set for them. This is mitigated by the investment expertise of the Trustees and their regular monitoring of the performance of the investment managers. In addition, an external investment consultant was retained to provide independent advice on the structure of the Growth Fund and the relative performance of the Growth and Income Fund Managers. The same consultants assisted with the transition of the Growth Fund assets to its new managers; this process was completed in November 2025.

Within the Funds themselves, the Trustees have confirmed with the Fund Managers that none of the Trust's funds are exposed to complex instruments such as derivatives or interest rate swaps for speculative reasons.

Credit Risk

Credit risk arising on bonds held by the Growth and Income Funds is mitigated by investing via pooled investment vehicles. Investment by the Growth Fund in corporate and overseas bonds, index linked and high yield bonds which are not investment grade (excluding pooled investments) represents less than 1% of the total portfolio. The exposure of the Income Fund to non-investment grade bonds is monitored by the Trustees. Cash held by

the funds are within financial institutions which are at least investment grade credit rated. This risk also applies to the Deposit Fund although it should be noted all deposits held are with highly rated financial institutions to which maximum investment limits are set by the Trustees and applied by the Manager.

The Trustees carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the operating environment of the pooled investment managers.

Market Risk

Currency - The Growth Fund is subject to currency risk because some of the funds' investments are held in overseas markets, either as segregated investments or via pooled investment vehicles. This risk does not apply to the Income or Deposit Funds.
Interest Rate - The Funds are subject to interest rate risk because some of the Funds' investments are held in bonds through pooled investment vehicles, segregated investments and cash. The Trustees monitor these investments quarterly. A rise in long term interest rates reduces the price of bonds although it will increase the yields expected from new investment.
Other - Other price risk arises principally in relation to the Growth Fund's return seeking portfolio which mainly comprises equities or similar securities. The Growth Fund Manager's mandate allows them to vary the proportions invested in each category of assets within agreed limits and the Growth Fund holdings are monitored by the Trustees on a quarterly basis.

7. Reserves Policy

The Trustees maintain a small capital reserve with a market value of £92,000 as at 31 December 2025 (2024: £85,000), which is invested in the Growth Fund. The income from the capital reserve is used to offset administration costs.

Within the investment funds themselves, the Trustees maintain reserves by accruing undistributed income. The balances of these reserves as at 31 December 2025 were:

Deposit Fund £11,174 (£1,725 - 2024)
Growth Fund 4.65 p per unit (3.74p per unit 2024)
Income Fund 14.03 p per unit (12.02p per unit 2024)

The level of reserves is considered to be appropriate for the purposes of the Investors Trust and is reviewed annually.

8. Independent Auditors

A resolution dated 25th March 2025 to re-appoint RSM UK Audit LLP, as auditors, for the year ended 31 December 2025 was approved.

9. Statement of Trustees' Responsibilities in Respect of the Trustee's Report and the Financial Statements

The Trustees are responsible for preparing the Trustee's Annual 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 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, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the 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 charity 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.

John Millar

John Millar
Chair

June Lee

June Lee
Executive Officer

Edinburgh
Date: 06/05/26

The Church of Scotland Investors Trust

Constituted by Act of Parliament 1994

Independent Auditor's Report to the Trustees of The Church of Scotland Investors Trust for the year ended 31 December 2025

Opinion

We have audited the financial statements of The Church of Scotland Investors Trust (the 'charity') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement 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 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.

Other information

The other information comprises the information included in the annual report[1] 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' annual 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 5 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 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 framework, that the charity operates in and how the charity is complying with the legal and regulatory framework;
- 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, Charities SORP (FRS 102) effective 01 January 2019, Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The 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 and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

Date 08/05/26

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 Investors Trust

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Statement of Financial Activities
as at 31 December 2025

Note		Unrestricted Funds 2025 £'000	Restricted Funds 2025 £'000	Total Funds 2025 £'000	Unrestricted Funds 2024 £'000	Restricted Funds 2024 £'000	Total Funds 2024 £'000
	Income from:						
3	Investments	2	18,684	**18,686**	2	18,196	18,198
	Total Income	**2**	**18,684**	**18,686**	**2**	**18,196**	**18,198**
	Expenditure on:						
4	Managing Funds	-	1,362	**1,362**	-	1,448	1,448
5	Charitable Activities	-	19,074	**19,074**	-	18,381	18,381
	Total Expenditure	**-**	**20,436**	**20,436**	-	**19,829**	**19,829**
	Gains on Investment Assets						
	Realised Gains on Investment Assets	-	89,241	**89,241**	-	15,221	15,221
	Unrealised Gains on Investment Assets	7	(62,841)	**(62,834)**	7	17,938	17,945
7	**Total Gains on Investment Assets**	**7**	**26,400**	**26,407**	**7**	**33,159**	**33,166**
	Net Income	**9**	**24,648**	**24,657**	**9**	**31,526**	**31,535**
	Transfers	(2)	2	**-**	(2)	2	**-**
		7	**24,650**	**24,657**	**7**	**31,528**	**31,535**
	Increase in Liability to Investors	-	**(24,650)**	**(24,650)**	-	**(31,528)**	**(31,528)**
	Net Movement in Funds	**7**	**-**	**7**	**7**	**-**	**7**
	Reconciliation of Funds						
	Total Funds Brought Forward at 1 January	85	-	**85**	78	-	**78**
	Total Funds Carried Forward at 31 December	**92**	**-**	**92**	**85**	**-**	**85**

All results derive from continuing operations.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The Church of Scotland Investors Trust

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Balance Sheet
as at 31 December 2025

Note		2025 £'000	2024 £'000
	Fixed Assets		
7	Investments	**321,589**	423,650
	Total Fixed Assets	**321,589**	**423,650**
	Current Assets		
8	Debtors	**6,303**	6,403
7	Investments	**170,000**	133,000
9	Cash at bank and in hand	**7,482**	14,193
	Total Current Assets	**183,785**	**153,596**
10	Creditors: Amounts falling due within one year	**(505,282)**	(577,161)
	Net Current Liabilities	**(321,497)**	**(423,565)**
	Net Charity Assets	**92**	**85**
	The Funds of the Charity:		
	Unrestricted Income Funds	**92**	85
	Total Funds of the Charity	**92**	**85**

The Financial Statements on pages 10 to 19 were approved by the Trustees on

John Millar

John Millar
Chair

L Thompson

Leanne Thompson BSc(Hons) CA
Treasurer

Edinburgh
Date: 07/05/26

The Church of Scotland Investors Trust

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Cashflow Statement
as at 31 December 2025

	2025 £'000	2024 £'000
Cash Flows from operating activities		
Net cash used in operating activities	**(3,027)**	(1,769)
Cash flows from investing activities		
Purchase of investments	**(294,375)**	(64,167)
Proceeds from sale of investments	**422,843**	72,412
Amounts received on creation of units/deposits	**60,817**	62,517
Amounts paid on cancellation of units/deposits	**(155,969)**	(33,713)
Net cash provided by investing activities	**33,316**	37,049
Change in cash and cash equivalents in the reporting year	**30,289**	**35,280**
Cash and cash equivalents at the beginning of the reporting year	**147,193**	111,913
Cash and cash equivalents at the end of the reporting year (See note (i) below)	**177,482**	**147,193**

Reconciliation of net income for the reporting year (as per the statement of financial activities)		
Net income for the reporting year (as per the statement of financial activities)	**24,657**	31,535
Gains on investments	**(26,407)**	(33,166)
Decrease in debtors	**100**	309
Decrease in creditors (excluding amounts due to investors)	**(1,377)**	(447)
Net cash used in operating activities	**(3,027)**	**(1,769)**

(i) **Analysis of changes in net debt**	**At 1st Jan 2024**	**Cash flows**	**At 31st Dec 2025**
Cash and cash equivalents	**14,193**	**(6,711)**	**7,482**
Short term Investments	**133,000**	**37,000**	**170,000**
Total	**147,193**	**30,289**	**177,482**

1 Basis of Preparation

The financial statements are prepared on the historical cost basis, as modified by the revaluation of investments, and in accordance with the accounting policies set out below.

The financial statements are prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities; standard applicable to charities preparing their financial statements in accordance with the Financial Reporting standard applicable in the UK and UK and Republic of Ireland (FRS 102), (effective 1 January 2019), ('the Charities SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The Church of Scotland Investors Trust is a statutory corporation, established by the Church of Scotland (Properties and Investments) Order Confirmation Act 1994. It is recognised as a charity for tax purposes by HMRC, registered with the Office of the Scottish Charity Regulator (OSCR) under charity number: SC022884 and meets the defintion of a public benefit entity under FRS 102. Details of the Trust's registered office can be found on page 1 and details of the Trust's principal activities on page 3.

These Financial Statements are presented in pounds sterling (GBP) as that is the currency in which the Trust's transactions are denominated and rounded to the nearest £'000.

2 Accounting Policies

a) Funds

Unrestricted Funds *:*

The Investors Trust beneficially owned investments in the Growth Fund at 31 December 2025 with a market value of £92,000 (2024 - £85,000).

The income was transferred to offset administration costs.

Amounts Due to Investors:

The Investors Trust operates three funds which are available to the Unincorporated Entities and other Church bodies. As these units/deposits can be realised by the holders as required the total value which these represent is shown in the Balance Sheet as a short-term liability of the Investors Trust.

This figure represents the total value of units and deposits held by the the Unincorporated Entities and other bodies of the Church at 31st December 2025 - £498,731,000 (2024 - £569,233,000).

b) Recognition of Income

Dividend income is recognised in the Statement of Financial Activities when the right to receive payment is established. All dividends on shares quoted ex dividend up to the end of the accounting year are included as income in the Statement of Financial Activities. Distributions from collective investment schemes held in the Income Fund are recognised as income in full, including any equalisation amounts.

Bank, bond and deposit interest and other income and expenses are accounted for on an accruals basis.

c) Treatment of Expenses

Expenses are recognised on an accruals basis and charged against capital for Growth and Income Funds and revenue for Deposit Fund.

2 Accounting Policies (continued)

d) Valuation of Investments

Listed investments are valued at their middle market value at the close of business at the year end.

Deposits held by the Deposit Fund are stated at cost.

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

e) Distributions

Distribution levels for the Growth and Income Funds are determined by the Trustees based on income received. The Trustees aim to provide a growing income from the Growth Fund, an income based on current yields in fixed interest markets from the Income fund and a rate comparable with short-term money market rates from the Deposit Fund. Levels of distributions are detailed in Note 5.

f) Related Party Transactions

The Church of Scotland Investors Trust manages its working capital through the Church of Scotland's central banking system. The Investors Trust accounts for this as a debtor or creditor based on whether the Trust is due money from or to the central banking system at the year end.

g) Foreign Currency Transactions

All foreign currency transactions are recorded in Pounds Sterling using the market exchange rate in use on the date of the transaction. Any balances held in a foreign currency at the year end are translated at the market exchange rate at the balance sheet date. Any gain/loss arising on foreign investments held at the year end is included within the gains/losses on investments.

h) Cash and Bank Balances

This figure comprises the balances held by the Investors Trust's bankers together with amounts held on call within the Deposit Fund.

i) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

j) Fixed Asset and Current Asset Investments

Fixed interest stocks and equities are managed within long-term portfolios and so are treated as Fixed Asset Investments. All the deposits held by the Deposit Fund mature during 2026 so are treated as Current Asset Investments.

k) Tax Status

The Church of Scotland Investors Trust has charitable status for tax purposes and as such is exempt from UK income and capital gains taxes. In certain circumstances fiscal law does not allow the recovery of all tax deducted from income. Distributions are paid gross to unit holders and depositors.

2 Accounting Policies (continued)

l) Financial Instruments

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

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument and are offset only when the Trust currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debtors - Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income and expenditure for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income and expenditure.

Creditors - Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

m) Going Concern

These financial statements have been prepared on a going concern basis. The Charity is a pooling scheme facilitating investment activity on its own account. Consequently, it has no material investment risks and returns of its own. The market risks are set out in Section 6 of the Trustees' Report.

The Trustees have assessed the Charity's ability to continue as a going concern and have reasonable expectation that the Charity has adequate resources to continue in operational existence for at least twelve months from signing and that there are no material uncertainties. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

3 Income from Investments	2025 Total £'000	2024 Total £'000
UK dividends	**5,906**	7,133
Overseas dividends	**5,147**	3,946
Interest on fixed interest securities	**590**	841
Bank/deposit interest	**7,043**	6,278
	18,686	18,198

4 Expenditure on Managing Funds	2025 Total £'000	2024 Total £'000
Managers' fees	**1,362**	1,448

5 Expenditure on Charitable Activities	2025 Total £'000	2024 Total £'000
Distributions	**18,733**	18,160
Administration	**159**	144
Audit fee paid to RSM	**17**	19
Taxation fees paid to RSM	**1**	1
Other taxation fees	**-**	4
Professional fees	**61**	51
Bank Interest	**103**	2
	19,074	18,381

The distributions take account of income received on the creation of units and income deducted on the cancellation of units and comprise:

	Pence Per unit	2025 £'000	Pence Per unit	2024 £'000
Growth Fund Income - Dividend Distribution	**13.00**	**7,272**	**13.50**	7,507
Income Fund Income - Dividend Distribution	**30.00**	**4,737**	**60.00**	4,677
	% Rate		**% Rate**	
Deposit Fund - Interest Distribution	**4.23**	**6,724**	**5.1**	5,976
		18,733		18,160

Costs include management services, investment consultancy, printing, insurance and IT charges.

During the year the Unincorporated Entities charged £124,464 to the Investors Trust for management services (2025 - £120,000).

No staff are directly employed by the Trust.

6 Trustees' Remuneration and Expenses

No Trustee received remuneration during the year (2024 - nil). No travelling and accommodation expenses were paid to the Trustees during the year (2024 - nil). The Trustees have a Directors' and Officers' Liability Insurance policy for £5,000,000. The premium was £20,190 (2024 - £20,190).

7 Investments

	2025 Total	2024 Total
Fixed Assets	**£'000**	**£'000**
- Fixed Interest Stocks	**-**	32,101
- Non Fixed Interest - Collective Investment Schemes	**75,712**	16,051
- Fixed Interest - Collective Investment Schemes	**82,332**	79,577
- UK Equities	**6,919**	80,054
- Overseas Equities	**156,626**	215,867
	321,589	423,650
Current Assets		
- Short-term Deposits	**170,000**	133,000
	491,589	556,650

Movement in Investments	2025 Total £'000	2024 Total £'000
Market value at 1 January	**423,650**	398,729
Add : additions to investments at cost	**294,375**	64,167
Less : disposals at opening market value	**(422,843)**	(57,191)
Total gains on investments	**26,407**	17,945
Market value at 31 December	**321,589**	423,650

The only material investment, exceeding 5% of the total value of investments held, was the holding in the Royal London Asset Management Ethical Bond Fund, valued at £53,386,347 representing 10.9% of the total (2024 - Royal London Asset Management Ethical Bond Fund - £50,311,785 - 9.0%).

8 Debtors

	2025 Total £'000	2024 Total £'000
Dividends and interest receivable	**3,556**	3,811
Income tax recoverable	**25**	25
Overseas tax recoverable	**636**	500
Other Debtors	**922**	-
Due from Church of Scotland	**1,164**	2,067
	6,303	6,403

9 Cash at bank and in hand

	2025 Total £'000	2024 Total £'000
Cash in bank/on deposit	**7,482**	14,193

10 Creditors: Amounts falling due within one year

	2025 Total £'000	2024 Total £'000
Final distributions due for for the year	**6,200**	7,463
Other creditors and accrued expenses	**351**	465
Amounts due to Investors	**498,731**	569,233
	505,282	577,161

11 (Decrease) / Increase in Liability to Investors

	2025 Total £'000	2024 Total £'000
Total income	**18,686**	18,198
Total expenditure	**(20,436)**	(19,829)
Gains on investment assets	**26,407**	33,166
(Disposals from)/Additions to Investment Pool	**(95,152)**	28,804
Funds attributable to Church of Scotland Investors Trust	**(7)**	(7)
	(70,502)	60,332

12 Analysis of Fund Movements

	Growth Fund £'000	Income Fund £'000	Deposit Fund £'000	Total £'000
Amounts due to investors brought forward 1st January 2025	**342,402**	**85,518**	**141,313**	**569,233**
Net (disposals from)/additions to investment pool	**(127,376)**	**360**	**31,864**	**(95,152)**
Investment income	**6,968**	**4,850**	**6,868**	**18,686**
Investment management expenditure	**(1,005)**	**(263)**	**(94)**	**(1,362)**
Charitable expenditure	**(7,508)**	**(4,784)**	**(6,782)**	**(19,074)**
Realised investment gains/(losses)	**89,276**	**(35)**	**-**	**89,241**
Unrealised investment (losses)/gains	**(65,635)**	**2,794**	**-**	**(62,841)**
Amounts due to investors carried forward 31st December 2025	**237,122**	**88,440**	**173,169**	**498,731**

	Growth Fund £'000	Income Fund £'000	Deposit Fund £'000	Total £'000
Amounts due to investors brought forward 1st January 2024	318,564	82,871	107,466	508,901
Net (disposals from)/additions to investment pool	(7,018)	1,975	33,847	28,804
Investment income	7,464	4,618	6,116	18,198
Investment management expenditure	(1,115)	(256)	(77)	(1,448)
Charitable expenditure	(7,611)	(4,731)	(6,039)	(18,381)
Realised investment gains/(losses)	15,263	(42)	-	15,221
Unrealised investment gains	16,855	1,083	-	17,938
Amounts due to investors carried forward 31st December 2024	342,402	85,518	141,313	569,233

13 Related Party Transactions

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

During the year, the Unincorporated Entities charged £124,464 to the Investors Trust for management services (2024 - £120,000). At 31 December 2025, the Investors Trust had a debtor balance of £1,164,000 due from the Unincorporated Entities (2024 - £2,067,000). This represents monies held in the internal Church of Scotland banking system.

In addition, some of these component elements and also some of the congregations of which Trustees are members have deposits/ investments with the Investors Trust and received interest/dividends; these were all on an arms length basis in line with all other investors.