# Diocese of Edinburgh
# Scottish Episcopal Church

**Scottish Charity Number SC001214**

# Report and Accounts for the Year ended 31 December 2025

## Contents


| | *page* |
|---|---|
| Reference and administrative details | 2 |
| Report of the Standing Committee (Trustees' report) | 3-6 |
| Statement of responsibilities of the Members of the Standing Committee | 7 |
| Independent auditor's report | 7-9 |
| Statement of financial activities | 10 |
| Balance sheet | 11 |
| Statement of cash flows | 12 |
| Notes to the accounts | 13-23 |

# Reference and administrative details

| | |
|---|---|
| **NAME OF CHARITY** | Diocese of Edinburgh Scottish Episcopal Church<br>(Edinburgh Diocesan Synod) |
| **SCOTTISH CHARITY NUMBER** | SC001214 |
| **PRINCIPAL ADDRESS** | Edinburgh Diocesan Office<br>21A Grosvenor Crescent<br>Edinburgh EH12 5EL |
| *Email:* | office@edinburgh.anglican.org |
| *Internet:* | www.edinburgh.anglican.org |
| **STANDING COMMITTEE (TRUSTEES)** | For the purposes of charity law, the members of the Standing Committee are the Charity Trustees of the Diocese. As at the date of this report, the Trustees and members of the Standing Committee were: |
| *Ex officio:* | Professor Wilson Poon (Secretary and Acting Convenor during the Vacancy in the Diocese)<br>The Very Rev. Frances Burberry (Dean)<br>Mr Ian Lawson (Treasurer)<br>Ms Philippa Snell (Registrar)<br>The Rev. Dr. Sophia Marriage (Convenor, Mission and Ministry Committee)<br>Mr Robert O'Riordan (Convenor, Finance and Management Committee) |
| *Appointed by Synod:* | The Rev. Rosie Addis<br>The Rev. David Dixon<br>Dr Michael Wood |
| *Appointed by Standing Committee* | Mr Philip Sawyer (Appointed 22 May 2025) |

The Right Rev. Dr John Armes served as a trustee and as convenor of Standing Committee up to his retirement as Bishop of Edinburgh on 31 August 2025. Mrs Victoria Elliott served as a Trustee during the year, until the end of her term of appointment at the Synod on 15 February 2025.

| | |
|---|---|
| **CUSTODIAN TRUSTEES** | The following were Custodian Trustees for the Diocese in respect of heritable and moveable property:<br>The Right Rev. Dr John Armes (Bishop) – to 31 August 2025<br>The Very Rev. Frances Burberry (Dean)<br>Mr Gavin McEwan (Chancellor)<br>Ms Pippa Snell (Registrar) |
| **SECRETARY** | Professor Wilson Poon |
| **TREASURER** | Mr Ian Lawson |
| **ADMINISTRATOR** | Mr Simon Filsell |
| **BANKERS** | Reliance Bank Ltd<br>Faith House, 23-24 Lovat Lane, London EC3R 8EB |
| **SOLICITORS** | Morton Fraser MacRoberts LLP<br>9 Haymarket Square, Edinburgh EH3 8RY |
| **AUDITORS** | CT Audit Limited<br>Chartered Accountants and Statutory Auditor<br>61 Dublin Street, Edinburgh EH3 6NL |

# Report of the Standing Committee (Trustees' Report)
# Year ended 31 December 2025

As Trustees of the Diocese of Edinburgh, the Standing Committee presents its report and the audited accounts of the Diocese for the year ended 31 December 2025. These have been prepared in accordance with applicable charities law and the requirements of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

## Objectives and activities

The primary charitable purpose of the Diocese is the advancement of religion and to provide public benefit. The main activities of the Diocese are the provision of

- Spiritual leadership and pastoral care through the office of the Bishop and the Dean;
- Support for clergy and congregations in mission and ministry, coordinated by the Diocese's Advisor for Christian Life;
- Administrative and financial support to local congregations ("Charges") and their members in carrying out the ongoing mission of the Christian Church; and
- Funding for the Scottish Episcopal Church ("SEC") and active participation in its boards and committees.

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

Grants are awarded utilising funds, often historic, restricted for that purpose, together with more recent "project funds" designated by the Trustees for supporting congregations, typically derived from the sale of church properties or by earmarking exceptional investment gains in capital reserves. Grant-giving contributes to the aims and objectives of the Diocese by providing congregations with funding to sustain their continuing ministry and presence through grants for church growth, mission programmes, building works (including those aimed at energy efficiency), or simply in cases of need. See note 13.

## Achievements and performance

It has been a year of significant change at the Diocese. While the Diocese's regular activities have continued largely uninterrupted, staff and trustees have been actively involved in managing changes, both expected and unexpected.

At the end of August, Bishop John Armes retired after 13 years as Bishop of Edinburgh, triggering the procedures required under Canon Law for the election of a new Bishop, as well as a programme of upgrades and repairs at the Bishop's residence. The trustees are delighted that an episcopal appointment was made at the Electoral Synod on 14 February 2026 and that Rt Rev Dr Dagmar Winter will be installed as Bishop of Edinburgh on 30 May 2026.

Also over the summer, the Diocese learned that our landlord, the General Synod of the Scottish Episcopal Church, was to move out of Forbes House, which would require the Diocesan Office to relocate to new premises early in 2026. After looking at commercial rental space, the opportunity arose to redevelop the former stonemason's workshop within the Cathedral grounds, and the Diocese is moving ahead to complete arrangements to lease this property and make the necessary alterations.

Despite these major upheavals, the work of the Diocese has continued, supporting congregations within the Diocese at various levels. Seven areas of new ministry (in five Projects each for five years) were supported under the Investing in the Future programme, with guidance and review by Diocesan Companions as well as financial assistance. With their growth and self-sufficiency, grants have begun to be tapered in some areas and have ceased in one case. Other projects to utilise remaining funds allocated to the programme are being actively investigated. Support, both financial and in personnel, is also given to Charges in particular need.

Clergy support and training continued through study days, resource sharing and another successful three-day conference in November. Support and training for our lay leaders and for whole church discipleship has also continued and expanded. However, some longer term projects, including a review of Diocesan staffing needs, have been put on hold pending the appointment of a new bishop.

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

## Report of the Standing Committee (continued)

### Financial review

*Sources of funding*

The Diocese's main source of funding remains quota paid by Charges within the Diocese, accounting for around 58% of total expenditure requirements. Investment income provides a further 22%, with grants from the Scottish Episcopal Church around 11%. The remainder comes from donations and charges for events and administration services (6%) and the Diocese's own reserves (3%). These percentages exclude SEC grants that are paid directly on to third parties, such as grants to assist congregations with the cost of employing a curate.

*Review of the financial position*

The result for the year is shown, analysed between fund types, in the Statement of Financial Activities ("SOFA"), with comparative figures for 2024 given in detail in note 15. Overall there was an operating deficit of £32k (2024 deficit of £168k). The deficits arose because the annual cost of Investing in the Future ("IIF") grants is being met from historic reserves rather than current income. Synod agreed to an 8% increase in quota for 2025, aiming for a break-even position for the year. In the event, a further unbudgeted increase in UTP distributions coupled with savings notably in Mission & Ministries contributed to a General Fund surplus of £40k.

Most IIF grants (£103k) were met by the designated fund set up last year, with one (£27k) being funded by a historic restricted reserve held for the benefit of the Charge concerned. The Diocese's first Rectory Green Grant (£5k – matching an equal amount from the Province) was met from a designated project fund; and the Diocese's contribution towards Contextual Student grants (£5.6k) came from the Walker Bursary Fund for clergy education.

In order to raise liquid and off-risk funds for known future IIF grant requirements, the Diocese sold £400k of UTP units and invested the proceeds in a series of fixed term deposits (see note 10(b)), adding to the increase in investment income. The value of remaining UTP units rose by 3.25% in the year, and the UTP distribution rate was 15.8% higher than in 2024

The resulting financial position of the Diocese is shown in the Balance Sheet on page 11. Total funds at 31 December 2025 amounted to £7.3m (2024 £7.2m).

*Policy on investments*

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

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

*Principal risks and uncertainties*

The Standing Committee continues to review risks, uncertainties and mitigating measures. The principal risks are:

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

## Report of the Standing Committee (continued)

### Financial review (continued)

*Policy on reserves*

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

Designated reserves consist of three types:

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

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

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

At 31 December 2025 the minimum requirement of 3 months (=13 weeks) budgeted general fund expenditure amounted to £202k (2024: £198k). Freely available reserves at the same date (general fund excluding tangible assets) amounted to £306k (2024: £264k). This represents 20 weeks' expenditure (2024: 17 weeks).

### Plans for future periods

The installation of the Rt Rev Dagmar Winter as Bishop of Edinburgh will take place on 30 May 2026. The future path of the Diocese will be mapped out under her guidance. However, a move of office to the former stonemason's workshop in the Cathedral grounds will go ahead, hopefully by the time of the installation.

Moreover, the Trustees fully expect that support will continue for existing Charges in the Investing in the Future programme, and that one or two new projects will be added. Similarly, the Diocese will continue to work with the Provincial Net Zero team and external funders to develop energy saving pilot projects and from them identify realistic strategies for congregations to reduce their carbon emissions.

### Structure, governance and management

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

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

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

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

## Report of the Standing Committee (continued)

### Structure, governance and management (continued)

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

The names of the current Trustees at the date of this report are shown on page 2, together with their dates of appointment if after 1 January 2025. In addition, the Rt Rev. Dr John Armes served as a trustee and as convenor of Standing Committee up to his retirement as Bishop of Edinburgh on 31 August 2025, and Mrs Victoria Elliot served as a trustee until the Synod on 15 February 2025 when her term of appointment came to an end. New members of the Standing Committee are provided with an induction pack and receive relevant support for their role on appointment.

The remuneration of the Diocesan Office staff is determined on the basis of a simple three-grade scale compiled by the Diocese's Personnel Committee and approved by the Standing Committee.

The Standing Committee has two pendant committees. The Mission and Ministry Committee exists to encourage, accompany and resource local congregations and individuals on their journey of faith. Its remit also includes ministerial development. The Finance and Management Committee is concerned with the administration and day-to-day finances of the Diocese. It is responsible for the preparation of budgets and cash flows, the setting of quota levels from Charges, and the preparation of the annual accounts. Each committee has a number of subsidiary committees reporting to it.

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

### Appreciation

The members of the Standing Committee would like to thank Dr John Armes, recently retired as Bishop of Edinburgh, for his huge contribution to the wellbeing of the Diocese and the congregations within it. He led the Diocese as he chaired Standing Committee – with grace and purpose.

The Committee also wishes to thank all who have worked to support Dr Armes in his role as Bishop, and who have contributed their time, energy and money so generously to ensure that the Diocese can continue to provide a central support and common link point to all the Charges within it.

**ON BEHALF OF THE TRUSTEES**



**Professor Wilson Poon**
*Diocesan Secretary and Acting Convenor, Standing Committee*
26 February 2026

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

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

The law applicable to charities in Scotland requires the members of the Standing Committee to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Diocese and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these accounts members of the Standing Committee are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Diocese will continue in operation.

The members of the Standing Committee are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Diocese and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Administrative Scheme for Edinburgh Diocesan Synod.

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

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

## Independent auditor's report to the Standing Committee

**Opinion**

We have audited the accounts of the Diocese of Edinburgh Scottish Episcopal Church for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the Diocese of Edinburgh's affairs as at 31 December 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Diocese of Edinburgh's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

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

**Other information**

The other information comprises the information included in the annual report of the Standing Committee, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the information given in the Report of the Standing Committee is inconsistent in any material aspect with the accounts.

**Responsibilities of Standing Committee**

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

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

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

**Auditor's responsibilities for the audit of the accounts**

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

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

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

- Enquires with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading any available correspondence with regulators, including OSCR and reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates in particular in relation to property valuation impairments;
- auditing the risk of management override of controls including through testing journal entries and other adjustments for appropriateness.

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

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

**Use of our report**

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

**CT Audit Limited**
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh EH3 6NL

CT Audit Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# Statement of Financial Activities

## Year ended 31 December 2025

| | Note | *Unrestricted Funds* | | | *Total Funds* | |
|---|---|---|---|---|---|---|
| | | *General Fund* | *Designated Funds* | *Restricted Funds* | *2025* | *2024* |
| | | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Income** | | | | | | |
| ***Donations and legacies*** | 3 | 16 | 1 | 8 | 25 | 20 |
| ***Charitable activities*** | | - | - | - | | |
| Quota receivable from Charges | | 552 | - | - | 552 | 511 |
| General Synod grant funding | | 75 | - | 90 | 165 | 226 |
| Other charitable activities | 3 | 23 | - | - | 23 | 21 |
| | | 650 | - | 90 | 740 | 758 |
| ***Trading activities*** | 3 | 5 | - | - | 5 | 7 |
| ***Investment income*** | 3 | 120 | 82 | 11 | 213 | 189 |
| **Total income** | | 791 | 83 | 109 | 983 | 974 |
| **Expenditure on charitable activities** | 4 | 751 | 151 | 113 | 1,015 | 1,142 |
| **Net operating income/(expenditure)** | | **40** | **(68)** | **(4)** | **(32)** | **(168)** |
| Gains/(losses) on investment assets | | 3 | 179 | 10 | 192 | 495 |
| **Net income/(expenditure)** | | 43 | 111 | 6 | 160 | 327 |
| Transfers between funds | 13 | (1) | 1 | - | - | - |
| **Net movement in funds** | | 42 | 112 | 6 | 160 | 327 |
| ***Reconciliation of funds*** | | | | | | |
| **Total funds at 1 January 2025** | | 264 | 6,470 | 439 | 7,173 | 6,846 |
| **Total funds at 31 December 2025** | | **306** | **6,582** | **445** | **7,333** | **7,173** |

All income and expenditure derive from continuing activities.
All income, gains, expenditure and losses recognised in the period are included above.

Comparative information for all fund values presented above is given in note 15.

The notes on pages 13 to 23 form part of these accounts

# Balance Sheet
## As at 31 December 2025

| | Note | 2025 £'000 | 2025 £'000 | 2024 £'000 |
|---|---|---|---|---|
| **Fixed assets** | | | | |
| Tangible assets | 9 | | 928 | 928 |
| Investments | 10 | | 5,710 | 5,918 |
| | | | 6,638 | 6,846 |
| **Current assets** | | | | |
| Investments | 10 | 400 | | - |
| Debtors | 11 | 175 | | 128 |
| Cash at bank and in hand | | 213 | | 248 |
| | | 788 | | 376 |
| **Liabilities** | | | | |
| Creditors: amounts falling due within one year | 12 | 93 | | 49 |
| **Net current assets** | | | 695 | 327 |
| **Total net assets** | | | 7,333 | 7,173 |
| **Diocesan funds** | 13 | | | |
| Restricted funds | | | 445 | 439 |
| Unrestricted funds | | | | |
| Designated funds | | | 6,582 | 6,470 |
| General fund | | | 306 | 264 |
| **Total funds** | | | 7,333 | 7,173 |

**APPROVED BY THE STANDING COMMITTEE (TRUSTEES) ON 26 FEBRUARY 2026 AND SIGNED ON THEIR BEHALF BY**



**Professor Wilson Poon**
*Diocesan Secretary and Acting Convenor, Standing Committee*

# Statement of cash flows

## Year ended 31 December 2025

| | Note | 2025 £ | 2025 £ | 2024 £ | 2024 £ |
|---|---|---|---|---|---|
| ***Cash flows from operating activities*** | | | | | |
| Net cash used in operating activities | 14 | | (227) | | (408) |
| ***Cash flows from investing activities*** | | | | | |
| Dividends, interest and rents from investments | | 192 | | 174 | |
| Proceeds on disposal of investments | | 400 | | - | |
| Investment in fixed term deposits over 3 months | | (240) | | - | |
| Bridging loans to congregations | | (160) | | - | |
| Net cash provided by investing activities | | | 192 | | 174 |
| ***Change in cash and cash equivalents in the year*** | | | (35) | | (234) |
| ***Cash and cash equivalents*** | | | | | |
| At 1 January 2025 | | | 248 | | 482 |
| At 31 December 2025 | | | 213 | | 248 |
| ***Analysis of cash and cash equivalents*** | | | | | |
| Cash at bank and in hand | | | 213 | | 248 |

Accounting Standards require the Cash Flow Statement to be accompanied by an 'Analysis of Changes in Net Debt'. 'Net Debt' means debt finance less cash. The Diocese had no debt finance during 2025 and therefore its net debt is simply the negative of its cash balances. Accordingly, the change in net debt is apparent from the Statement of Cash Flows above.

# Notes to the accounts
# Year ended 31 December 2025

## 1. Accounting policies

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

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

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

The functional currency is Pounds Sterling, and figures have been rounded to the nearest thousand pounds.

### b) Going concern

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

### c) Fund accounting

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

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

Details concerning the main funds of the Diocese are given in note 13.

### d) Recognition of income

Income is recognised in the statement of financial activities when the Diocese becomes entitled to the income, where there is probability of receipt, and where its monetary value, can be measured reliably. Income is deferred where the performance criteria of the activities or services have not been met during the period.

### e) Recognition of expenditure

Expenditure is accounted for on an accruals basis, being recognised when there is a legal or constructive obligation to pay, where it is probable that settlement will be required, and where the amount can be measured or estimated reliably. It is analysed on the face of the Statement of Financial Activities between *Expenditure on raising funds* if any - including costs of investment management and the commercial letting of property – and *Expenditure on charitable activities.* This latter category is further analysed in the notes between the main classes of charitable activity identified by the Trustees

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

### f) Support and governance costs

Support costs – mainly Diocesan Office overheads – and governance costs are allocated between the main categories of Diocesan charitable activities, using reasonable and consistent estimates of time spent and space occupied.

Governance costs represent the costs associated with general running of the Diocese as opposed to costs associated with charitable activities. These include the costs of external audit, Synod and committee meetings, and other costs associated with constitutional and statutory requirements.

# Notes to the accounts
# Year ended 31 December 2025

## 1. Accounting policies (continued)

### g) Leases

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

### h) Taxation

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

### i) Tangible fixed assets

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

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

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

### j) Financial instruments

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

### k) Investment assets

The Diocese owns one social investment property: a former church building, St Andrew's, Niddrie, which is leased to a community arts group. The Diocese intends to continue to use this asset to support community and social projects in the area. This asset is recorded in the accounts with a notional cost of £1,000.

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

### l) Gains and losses

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

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

### m) Retirement benefits

The Scottish Episcopal Church operates a defined benefit non-contributory pension scheme. The Diocese pays contributions to this multi-employer scheme in respect of its stipendiary clergy and administrative staff. Contributions to the scheme are set at rates designed to spread the cost of pensions over the working lives of its members and are charged in the accounts on a due and payable basis. The rate of contributions is determined with advice from an actuary. The amount of the charge for the year is disclosed in note 6.

### n) Critical accounting judgements, estimates and assumptions ("JEAs")

In the application of the Diocese's accounting policies, the trustees make JEAs about the carrying amount of assets and liabilities when this is not readily apparent from other sources, basing their JEAs on historical experience and any other factors they considered to be relevant. Actual results may differ from these estimates. The trustees review their JEAs on an ongoing basis. In these accounts, the trustees have made JEAs on the carrying value of property, based on their assessment of the property market and the building's condition, and on financial risks associated with loans to congregations, based on financial reviews and updates. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future period affected.

# Notes to the accounts
# Year ended 31 December 2025

## 2. Related party transactions

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

The Diocese pays quota to and receives grants from General Synod, as shown in the accounts, and it rents office space from General Synod at a cost of £21,704 per annum (2024: £21,704). The Diocese also receives quota from and pays grants to individual congregations. Amounts due by and to congregations are shown in aggregate in notes 11 and 12 to the Accounts.

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

Six independent Trust Funds also qualify as related parties in that the majority of their trustees are also trustees of the Diocese, and their purposes overlap with those of the Diocese. However, in the opinion of the Standing Committee, the degree of control is not sufficient to require the accounts of the Trusts to be consolidated within the accounts of the Diocese. There were three transactions during the year with these trust funds – grants of £6,000, £700 and £70 (2024: £5,500, £650 and £180) were received from The Walker Trust, Miss Frances J Langland's Trust and the Dean Ramsay Trust respectively. (See notes 3 and 12)

Apart from these Trust Funds, the total amount of unconditional donations received from trustees or other related parties was £880 (2024: £1,320).

## 3. Additional information on income

***Donations and legacies*** in the General Fund include generous grants of £6,032 (2024: £7,181) from The Benefact Trust to assist with the costs of mission development work; and of £6,000 (2024: £5,500) from The Walker Trust, together with donations from individuals and trusts aggregating to £4,000 (2024: £4,000) with gift aid.

A donation of £700 (2024: £650) from Miss Frances J Langland's Trust (see note 2) was designated to the St Hilda's Fund for mission. Restricted Funds donation income comprises a one-off donation of £6,250 for the benefit of a specific Charge and a generous donation of £1,500 (2024: £1,500) towards youth and children's ministry, including gift aid.

***General Synod grant funding*** contributes towards the Bishop's stipend and Mission and Ministry costs in the general fund, and provides restricted grants for Charges with curates and for 'needy' congregations.

***Other charitable activities*** income comprises charges for attendance at the clergy conference, other courses and events, and rental income.

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

***Investments*** - income in the General Fund includes interest on loans, fixed term deposits and bank balances. All other investment income derives from holdings in the Scottish Episcopal Church Unit Trust Pool (UTP), allocated between funds as follows:

| | General Fund £'000 | Designated Funds £'000 | Restricted Funds £'000 | Total 2025 £'000 | 2024 £'000 |
|---|---|---|---|---|---|
| UTP income | 103 | 82 | 11 | 196 | 181 |
| Fixed term deposits | 11 | - | - | 11 | - |
| Loan interest | 3 | - | - | 3 | - |
| Bank interest | 3 | - | - | 3 | 8 |
| | 120 | 82 | 11 | 213 | 189 |
| *2024* | *109* | *70* | *10* | *189* | |

## Notes to the accounts (continued)
## Year ended 31 December 2025

### 4 Expenditure by broad class of charitable activity

| | Direct costs | Grant-making | Support & governance | Total | 2024 |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Involvement in the wider church | 340 | - | 17 | 357 | 339 |
| Episcopal leadership | 81 | - | 43 | 124 | 140 |
| Support for congregations: | - | - | - | - | - |
| Mission and ministry | 128 | - | 78 | 206 | 228 |
| Grants | - | 265 | 9 | 274 | 352 |
| Administration | 28 | - | 26 | 54 | 83 |
| | 577 | 265 | 173 | 1,015 | 1,142 |
| Analysed by fund: | | | | | |
| General fund | 576 | 2 | 173 | 751 | 766 |
| Designated funds | - | 151 | - | 151 | 199 |
| Restricted funds | 1 | 112 | - | 113 | 177 |
| | 577 | 265 | 173 | 1,015 | 1,142 |

A comparative table is included at note 15(b).

***Direct costs***

Direct costs comprise external costs associated with charitable activities together with a share of the costs of the Bishop, diocesan officers and staff in undertaking those activities.

Involvement in the wider church includes the cost of the Diocese's contribution to the General Synod of the Scottish Episcopal Church (SEC), both in funding and in participation on boards, committees and the College of Bishops. The amount of funding - "quota" - paid to General Synod in the year was £320,000 (2024: £297,000). This category also includes the cost of international relations with other Dioceses overseas and with the Anglican communion.

Episcopal leadership encompasses the role of the Bishop and Dean in providing spiritual and pastoral support and oversight to clergy and congregations within the Diocese.

Support for congregations ranges from mission and ministry work headed up by the Adviser for Christian Life to regular or ad hoc assistance for vestries from the Diocesan Administrator and staff.

***Grant-making***

Grants awarded by the Diocese are analysed in Note 5.

***Support and governance costs***

The main elements of support and governance costs are analysed below. They have been allocated to charitable activities in the table above on a basis which takes account of staff numbers and floor space occupied.

| | Support | Governance | Total | 2024 |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| Costs of Bishop, staff and diocesan officers | 72 | 20 | 92 | 100 |
| Office costs | 74 | - | 74 | 69 |
| Professional fees (see note 8) | - | 6 | 6 | 6 |
| Synod and meeting costs | - | 1 | 1 | 1 |
| | 146 | 27 | 173 | 176 |

A comparative table is included at note 15(b).

## Notes to the accounts (continued)
## Year ended 31 December 2025

### 5 Grant making activities

| | General Fund £'000 | Designated funds £'000 | Restricted funds £'000 | 2025 £'000 | 2024 £'000 |
|---|---|---|---|---|---|
| Grants to congregations | | | | | |
| Curate grants | - | 2 | 71 | 73 | 113 |
| Contextual student grants | - | - | 5 | 5 | - |
| Stipend support | - | - | - | - | 42 |
| Church growth and support | - | 128 | 27 | 155 | 167 |
| Mission and building projects | - | 16 | - | 16 | 17 |
| Other | - | 5 | 7 | 12 | 1 |
| Grants or bursaries to individuals | 2 | - | 2 | 4 | 4 |
| | 2 | 151 | 112 | 265 | 344 |

A list of recipients of grants of £10,000 and above can be found on the Diocese's website at:
https://edinburgh.anglican.org/wp-content/uploads/2026/03/Grants-disclosure-2025.pdf

### 6 Staff costs and key management personnel

| ***Staff costs*** | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Gross stipends and salaries | 140 | 177 |
| Social security costs | 6 | 11 |
| Employer's contributions to defined benefit pension scheme | 27 | 52 |
| Employer's contributions to defined contributions pension scheme | 1 | - |
| | 174 | 240 |

| | Average headcount | | Full time equivalent | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| ***Average number of employees in year*** | No | No | No | No |
| Clergy (Bishop) | 0.7 | 1.0 | 0.7 | 1.0 |
| Mission and ministry | 1.0 | 2.0 | 1.0 | 1.6 |
| Administration and communications | 2.5 | 3.6 | 2.1 | 2.4 |
| | 4.2 | 6.6 | 3.8 | 5.0 |

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

***Key management personnel***

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

| | |
|---|---|
| The Right Rev. Dr John Armes | Stipend as Bishop £34,308 (2024: £49,482); pension contributions £5,032 (2024: £10,622) |
| Prof. Wilson Poon (secretary) | Fee for services as Diocesan Secretary £6,000 (2024: £3,500) |
| Mr Ian Lawson (Treasurer) | Fee for financial and accounting services £8,000 (2024: £8,000) |
| Ms Pippa Snell (Registrar) | Fee for legal services £6,000 (2024: £6,000) |

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

No expenses were paid to trustees during the in respect of their duties as trustees. Expenses totalling £9 were paid to one trustee during the previous year.

## Notes to the Accounts (continued)
## Year ended 31 December 2025

### 6 Staff costs and key management personnel (continued)

***Retirement benefits***

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

The contribution rate in 2024 of 32.2%, paid by the Diocese, was first set in 2014. The triennial actuarial review of the Fund at 31 December 2023 estimated the Fund had a surplus of £4.6m and recommended a reduction in the contribution rate to 22% which took effect from 1 January 2025.

The Diocese acts as guarantor of last resort for the pension contributions of scheme members employed by congregations in the Diocese, comprising 47 stipendiary priests. The likelihood of any liability arising from this is seen as remote.

No outstanding pension contributions were payable by the Diocese to the SEC Pension Fund at either 31 December 2024 or 2025.

One recent Diocesan employee is entitled instead to a NEST pension, to which the Diocese will contribute 10% of gross salary. No contributions were paid in 2025 while the employee was on probation. The liability at 31 December 2025 for contributions backdated to starting date was £600.

### 7 Operating lease rental income, expenditure and commitments

Diocesan office expenditure includes £24,000 (2024: £27,000) in respect of operating lease rentals. These figures exclude £27,500 in each year in respect of a 20-year lease entered into with City of Edinburgh Council in October 2008 for the rent of property on behalf of St Mungo's Balerno. St Mungo's occupies the property as its office and pays rent directly to Edinburgh Council. The Diocese makes no use of the property and accordingly does not recognise the rental as either income or expenditure on the grounds that its role is effectively as a guarantor. By way of security for the Diocese's guarantee, St Mungo's maintains a property reserve comprised of cash and investments, covering all future rentals up to the end of the lease in October 2028.

At 31 December 2025 the total amount of future minimum lease payments in respect of non-cancellable operating leases, including the lease of property on behalf of St Mungo's Balerno, was £39,000 due within one year and £49,000 due after one year but within five years.

Diocesan income includes £5,228 (2024: £5,000) being the annual rent of a surplus church property, now a social investment. See note 10 for details.

### 8 Auditors' remuneration

Net operating income is stated after charging £6,360 (2024: £6,000) in respect of auditing services. No other fees were paid or payable to the auditors for any other services to the Diocese (2024: £nil).

### 9 Tangible fixed assets

| | Land & Buildings | Office Equipment | Total |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| At 1 January and 31 December 2025 | | | |
| Cost | 928 | 24 | **952** |
| Accumulated depreciation | - | 24 | 24 |
| Net Book Value | **928** | **-** | **928** |

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

## Notes to the accounts (continued)
## Year ended 31 December 2025

### 10 Investment assets

**(a) Fixed asset investmemts**

| | Social investments £'000 | SEC Unit TrustPool £'000 | Total £'000 |
|---|---|---|---|
| ***Cost or valuation*** | | | |
| Carrying value at 1 January 2025 | 0 | 5,918 | 5,918 |
| Disposal proceeds | | - 400 | - 400 |
| Unrealised gain on revaluation | 1 | 191 | 192 |
| Carrying value at 31 December 2025 | **1** | **5,709** | **5,710** |

The social investment is a property - the former St Andrew's Church, Craigmillar - which is leased to Craigmillar Now, a community arts group. Formerly carried at a notional value of £100, it has been revalued to £1,000 in order to retain a visible value in accounts that are rounded to the nearest thousand. The Diocese has representation on the board of Craigmillar Now. Because the primary purpose of holding the property is not the generation of rental income, costs of £7,600 (2024: £3,100) relating to landlord's insurance and expenditure incurred in acquiring the rights to a related carpark have been classified in the Statement of Financial Activities as mission and ministry activities.

All other fixed asset investments are held in the Scottish Episcopal Church Unit Trust Pool (UTP) and are shown at fair value. The diocese's investment policy is set out in the Trustees' Report. The analysis of the unrealised gain on revaluation between funds is shown in note 13.

In terms of accounting policy note 1(j), the UTP investments are the only financial instruments held by the diocese that are carried at fair value (ie market value) with the revaluation surplus or deficit passing through the Statement of Financial Activities.

**(b) Current asset investments**

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| CAF Charity Deposit Platform - fixed term deposits | 422 | - |
| less: maturing within 3 months and treated as cash at bank | 182 | - |
| | 240 | - |
| Bridging loans to congregations | 160 | - |
| | 400 | - |

During the year, the Diocese registered with the CAF Charity Deposit Platform, a scheme promoted through Charities Aid Foundation (CAF) and provided by Flagstone Group Ltd. The Platform allows the Diocese to make deposits with a range of banks without having to register with each bank separately. Deposits are made for fixed periods of between 3 and 12 months to suit cash flow needs. Exposure to individual banks is kept below the limit of the UK Financial Services Compensation Scheme (currently £120,000).

The Diocese made two interest-bearing bridging loans of £100,000 each to congregations within the Diocese. One, to assist with the purchase of a new rectory, bears interest at 3% and is repayable upon the sale of the current rectory. The other (now partly repaid) bears interest at 2% and was provided to cover a gap between payments being made on a major building project and grant receipts from external funding agencies. The outstanding £60,000 loan is repayable upon the receipt of the final grants.

***Contingent liability for Provincial loans to congregations***

In addition to the two loans above, the Diocese has underwritten loans made by the Scottish Episcopal Church to three congregations within the Diocese, totalling £496,000 (2024: £nil).

## Notes to the Accounts (continued)
## Year ended 31 December 2025

### 11 Debtors

| | 2025 | 2024 |
|---|---|---|
| ***Due within one year*** | **£'000** | **£'000** |
| Amounts recoverable from Charges for: | | |
| Grant overpayment | - | 15 |
| Bridging loan interest accrued | 2 | - |
| Payroll and printing recharges | 8 | 5 |
| | 10 | 20 |
| Accrued investment income | 124 | 103 |
| Bishop search costs recoverable from SEC | 25 | - |
| Other debtors | 7 | 2 |
| Prepayments | 9 | 3 |
| | 175 | 128 |

### 12 Creditors: amounts falling due within one year

| | to Charges | Other | 2025 | 2024 |
|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** |
| Grants awarded but not yet paid | 9 | - | 9 | 1 |
| Amounts due to Trust Funds (note (a)) | - | 44 | 44 | 16 |
| Accounts payable | - | 3 | 3 | 4 |
| Other creditors | - | 7 | 7 | 5 |
| | 9 | 54 | 63 | 26 |
| Accruals | - | 8 | 8 | 11 |
| Deferred income (note (b)) | 21 | 1 | 22 | 12 |
| | 21 | 9 | 30 | 23 |
| | 30 | 63 | **93** | **49** |

***Additional notes on creditors, commitments and contingent liabilities***

(a) The Diocese administers six independent trust funds. The transactions of these trusts pass through the Diocese's bank account and money held on behalf of the trusts at 31 December 2025 is therefore included in creditors. The Walker Trust is the largest of these. Its trustees are the Bishop, the Dean, the Diocesan Secretary and two independent trustees. The diocesan property trustees comprise the trustees of the remaining five small trusts.

(b) Deferred income at 31 December 2024 amounted to £12,000, comprising quota payable by Charges in respect of 2025 . It was fully recognised as income in 2025. Deferred income at 31 December 2025 amounted to £22,000. (Deferred income at 31 December 2023 of £23,000 was fully recognised as income in 2024.)

(c) At 31 December 2025, the Diocese had entered into agreements with seven churches to provide financial support over up to five years under the 'Investing in the Future' initiative described on page 3. The maximum amount payable in 2026 is £98,000, which will be met from the designated Investing in the Future Fund. In addition, support has been committed to five congregations on a similar basis from other designated or restricted funds amounting to £35,000. No liability has been recognised for these commitments, because payment is contingent on the churches maintaining clergy appointments and is otherwise subject to monitoring and review by the Diocese.

(d) The Diocesan Office is heated by gas. For many years it was understood that the gas bill was being paid by the Provincial office as our landlords. However, during the year it was discovered that this was not the case and in fact gas has been supplied without charge. The office gas meter appears to be unregistered and we have not been able to establish the source of gas supplies or the liability we may have for historic supplies. There was therefore a potential liability at 31 December 2025, but uncertain as to amount, and accordingly no provision has been made for it in these accounts.

## Notes to the accounts (continued)
## Year ended 31 December 2025

### 13 Funds and summary of fund movements

| *Analysis of net assets between funds* | General Fund | Designated Funds | Restricted Funds | Total Funds |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 |
| Tangible fixed assets | - | 928 | - | 928 |
| Investments | 245 | 5,539 | 326 | 6,110 |
| Net current assets | 61 | 115 | 119 | 295 |
| | 306 | 6,582 | 445 | 7,333 |

A comparative table for 2024 is at note 15 (d).

***Summary of movements in significant funds***

| | Brought forward | Income | Expen-diture | Gains/ (losses) | Transfers | Carried forward |
|---|---|---|---|---|---|---|
| ***Restricted Funds*** | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Bishop's discretionary fund | 200 | 12 | (4) | 5 | - | 213 |
| Pitcairn Library fund | 34 | 1 | - | 1 | - | 36 |
| Funds for specific Charges | 85 | 3 | (27) | 3 | - | 64 |
| Walker Bursary Fund | 63 | 1 | (5) | 1 | - | 60 |
| Other restricted funds | 57 | 92 | (77) | 0 | - | 72 |
| | 439 | 109 | (113) | 10 | - | 445 |
| ***Unrestricted funds*** | | | | | | |
| ***Designated capital funds*** | | | | | | |
| Mission funds | 2,466 | - | - | 105 | - | 2,571 |
| Episcopal residence fund | 928 | - | - | - | - | 928 |
| ***Designated revenue funds*** | | | | | | |
| Diocesan projects funds | 2,429 | 83 | (48) | 74 | - | 2,538 |
| Investing in the future | 644 | - | (103) | - | - | 541 |
| Lambeth conference | 3 | - | - | - | 1 | 4 |
| | 6,470 | 83 | (151) | 179 | 1 | 6,582 |
| ***General Fund*** | 264 | 791 | (751) | 3 | (1) | 306 |
| | 6,734 | 874 | (902) | 182 | - | 6,888 |
| **Total funds** | **7,173** | **983** | **(1,015)** | **192** | **-** | **7,333** |

A comparative table for 2024 is included at Note 15(e).

***Restricted Funds***

The Bishop's discretionary fund provides grants for the benefit of individual diocesan clergy and also assists other beneficiaries and projects. The Pitcairn Library Fund is held for the improvement of the Cathedral library. Funds for the benefit of specific Charges relate to the Charges at Livingston and Roslin. Walker Bursary funds are held for the purpose of clergy training. Other restricted funds represent a number of small disparate funds.

***Designated funds***

Capital mission funds hold investments which provide income to support the activities of the Diocese. The related investment income is therefore treated as unrestricted in the Statement of Financial Activities. The Episcopal residence fund represents the net book value of the Bishop's residence.

Diocesan project funds provide grants for mission projects (the St Hilda's Fund) and buildings maintenance (the St Andrew's Fund). The new Investing in the Future Fund provides grants for church growth. A transfer of £1,500 was made from the General Fund to build up funds to meet the cost of the next future Lambeth Conference.

## Notes to the Accounts (continued)
## Year ended 31 December 2025

### 14 Reconciliation of net income to net cash flow from operating activities

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Net income for the reporting period | 160 | 327 |
| Adjustments for non cash transactions and investing or financing activities | | |
| Add back depreciation charges | - | - |
| Deduct gain on investment assets | (192) | (495) |
| Deduct dividends, interest and rents from investments | (213) | (189) |
| | (405) | (684) |
| Changes in non-cash balances | | |
| Decrease in debtors (excluding accrued interest) | (26) | 12 |
| (Decrease)/Increase in creditors | 44 | (63) |
| | 18 | (51) |
| ***Net cash used in operating activities*** | (227) | (408) |

### 15 Comparative figures analysed by fund

| ***(a) Income and expenditure - 2024*** | ***General Fund*** | ***Designated Funds*** | ***Restricted Funds*** | ***2024 Total*** |
|---|---|---|---|---|
| ***Income - 2024*** | **£'000** | **£'000** | **£'000** | **£'000** |
| Income from donations and legacies | 17 | 1 | 2 | 20 |
| Quota due by charges | 511 | - | - | 511 |
| General Synod grant funding | 71 | - | 155 | 226 |
| Other grants and funding | - | - | - | - |
| Other charitable activities | 21 | - | 0 | 21 |
| Charges for printing, payroll etc | 7 | - | - | 7 |
| Income from investments | 109 | 70 | 10 | 189 |
| | 736 | 71 | 167 | 974 |
| ***Expenditure - 2024*** | 766 | 199 | 177 | 1,142 |
| ***Net operating income/(expenditure) - 2024*** | (30) | (128) | (10) | (168) |
| ***Gains on investment assets - 2024*** | 7 | 462 | 26 | 495 |
| ***Transfer between fund4*** | (2) | 2 | - | - |
| **Net movement in funds - 2024** | (25) | 336 | 16 | 327 |

***(b) Analysis of expenditure - 2024***

| ***Analysed by category:*** | **Direct costs £'000** | **Grant-making £'000** | **Support & governance £'000** | **2024 Total £'000** |
|---|---|---|---|---|
| Involvement in the wider church | 321 | - | 18 | 339 |
| Episcopal leadership | 96 | - | 44 | 140 |
| Support for congregations: | | | | |
| Mission and ministry | 148 | - | 80 | 228 |
| Grants | - | 344 | 8 | 352 |
| Administration | 57 | - | 26 | 83 |
| | 622 | 344 | 176 | 1,142 |
| ***Analysed by fund:*** | | - | - | - |
| General fund | 585 | 5 | 176 | 766 |
| Designated funds | 28 | 171 | - | 199 |
| Restricted funds | 9 | 168 | - | 177 |
| | 622 | 344 | 176 | 1,142 |

## Notes to the accounts (continued)
## Year ended 31 December 2025

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

***(b) Analysis of expenditure - 2024 (cont'd)***

| *Analysis of support and governance costs - 2024* | *Support* £'000 | *Governance* £'000 | *Total* £'000 |
|---|---|---|---|
| Costs of Bishop, staff and diocesan officers | 77 | 23 | 100 |
| Office costs | 69 | - | 69 |
| Professional fees (see note 8) | - | 6 | 6 |
| Synod and meeting costs | - | 1 | 1 |
| | 146 | 30 | 176 |

| *(c) Movement in funds - 2024* | *General Fund* £'000 | *Designated Funds* £'000 | *Restricted Funds* £'000 | *2024 Total* £'000 |
|---|---|---|---|---|
| Net movement in funds - 2024 | (25) | 336 | 16 | 327 |
| Funds brought forward at 1 January 2024 | 289 | 6,134 | 423 | 6,846 |
| Total Funds at 31 December 2024 | 264 | 6,470 | 439 | 7,173 |

***(d) Analysis of net assets between funds - 2024***

| | | | | |
|---|---|---|---|---|
| Tangible fixed assets | - | 928 | - | 928 |
| Investments | 82 | 5,520 | 316 | 5,918 |
| Net current assets | 182 | 22 | 123 | 327 |
| | 264 | 6,470 | 439 | 7,173 |

***(e) Summary of movements in significant funds - 2024***

| | *Brought forward* £'000 | *Income* £'000 | *Expend-iture* £'000 | *Gains/ (losses)* £'000 | *Transfers* £'000 | *Carried forward* £'000 |
|---|---|---|---|---|---|---|
| ***Restricted Funds*** | | | | | | |
| Bishop's discretionary fund | 184 | 10 | (8) | 14 | - | 200 |
| Pitcairn Library fund | 31 | 1 | - | 2 | - | 34 |
| Funds for specific Charges | 99 | 2 | (23) | 7 | - | 85 |
| Walker Bursary Fund | 59 | 1 | - | 3 | - | 63 |
| Other restricted funds | 51 | 165 | (159) | - | - | 57 |
| | 424 | 179 | (190) | 26 | - | 439 |
| ***Unrestricted funds*** | | | | | | |
| ***Designated capital funds*** | | | | | | |
| Mission funds | 2,197 | - | - | 269 | - | 2,466 |
| Episcopal residence fund | 928 | - | - | - | - | 928 |
| ***Designated revenue funds*** | | | | | | |
| Diocesan projects funds | 2,272 | 71 | (107) | 193 | - | 2,429 |
| Investing in the future | 735 | - | (91) | - | - | 644 |
| Lambeth conference | 1 | - | - | - | 2 | 3 |
| | 6,133 | 71 | (198) | 462 | 2 | 6,470 |
| ***General Fund*** | 289 | 736 | (766) | 7 | (2) | 264 |
| | 6,422 | 807 | (964) | 469 | - | 6,734 |
| **Total funds - 2024** | 6,846 | 986 | (1,154) | 495 | - | 7,173 |

An explanation of the purposes and restrictions relating to funds is given in Note 13.