

Charity registration number SC016901 (Scotland)

THE FREE NORTH CHURCH INVERNESS
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

THE FREE NORTH CHURCH INVERNESS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Rev A MacRae - Minister
C Davidson - Assistant Minister
B Cameron - Elder and Session Clerk
J Macaulay - Elder
A Campbell - Elder
R Finlay - Elder
A Fraser - Elder
N Kennedy - Elder
R Maciver - Elder
M MacLean - Elder
C MacLeod - Elder
D MacLeod - Elder
J MacLeod - Elder
S MacLeod - Elder
C Innes - Deacon
D MacKenzie - Deacon
R McKenzie - Deacon
A Morrison - Deacon
I Wilson - Deacon

Charity number (Scotland) SC016901

Principal address Bank Street
Inverness
IV1 1QY

Denominational address Free Church of Scotland
The Mound
Edinburgh
EH1 2LS

Independent examiner Rhona Wilson BA, FCCA
MacKenzie Kerr Limited
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Bankers Bank of Scotland
2-6 Eastgate
Inverness
IV2 3NA

Solicitors Innes & MacKay
Kintail House
Beechwood Business Park
Inverness
IV2 3BW

THE FREE NORTH CHURCH INVERNESS

CONTENTS OF THE FINANCIAL STATEMENTS

	Page
Trustees' report	1 - 4
Independent examiner's report	5
Statement of financial activities	6
Balance sheet	7
Notes to the financial statements	8 - 22

THE FREE NORTH CHURCH INVERNESS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees present their annual report and financial statements for the year ended 31 December 2025.

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

Objectives and activities

The Free Church of Scotland currently has congregations throughout Scotland, as well as one in London and five in North America, and sister Churches founded by mission work in India, Peru and South Africa. The Free Church of Scotland also has a full time degree awarding College in Edinburgh for the training of Ministers and other Christian workers and sustains an extensive Missionary programme relative to the size of the church.

Dating from 1843, but with its roots in the Reformation, it owes its distinctive title to its historical struggle to remain 'free' from state interference in its internal affairs. It has close and active relations with many other Reformed Churches of Jesus Christ throughout the world and stands firmly in the tradition, which accepts the Bible in its entirety as the Word of God and, therefore, derives its forms of teaching, worship, ministry and government from it. The main emphasis of its worship is the preaching of the gospel - the good news of a free and sovereign salvation through Jesus Christ alone.

The Free North Church is a congregation of the Free Church of Scotland working towards the common aims set out above. It is a Presbyterian Church adhering in its worship and doctrine to the position of the Church of Scotland at the Reformation. The Free Church of Scotland has an explanatory document which explains the origins of the Free Church and which gives the historical background to the Free Church coming into being in 1843 and lists documents in which is embodied the constitution of the Free Church of Scotland.

The Free North Church is authorised by the Free Church of Scotland to have a minister, and an assistant minister, paid from central funds of the Free Church of Scotland.

The Free North Church building, halls and manses are the property of the Free North Church.

The government of the Free Church of Scotland is Presbyterian and the Free North Church congregation is within the Presbytery of Inverness, Lochaber & Ross.

Grant making policy

The Free North Church makes grants from its income to individuals and organisations that are generally known to the Free North Church trustees. The beneficiaries are involved in activities or ministries compatible with the Free North Church's objectives.

Achievements and performance

Significant activities and achievements against objectives

During the year, the Free North Church met for public worship at 11am and 6.00pm, 7.30pm on Wednesday for prayer and bible study and carried out various other activities in pursuit of their aims.

There remains a reliance from some members on meeting via Zoom video-conferencing or via YouTube livestreaming. In this respect the Free North continues to be successful in adapting to new means of technology and supporting members.

The church hosted a number of social events during the year, including prayer breakfasts and meals.

The Free North Church congregation continued its commitment to support the Free Church of Scotland both spiritually and financially.

THE FREE NORTH CHURCH INVERNESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

In pursuit of its aims and objectives during the year the Free North Church congregation undertook: -

- Youth ministries through Sunday School and Youth Fellowship (YF held at the neighbouring CYC building).
- House groups met once a month (and subsequently online where possible).
- Evening fellowships in person and also online.
- Continuing a Strategy focussing on Worship, Community, Mission and Discipleship to develop the work and witness of the congregation in the city centre. This also took the form of a Warm Hub from November, specifically designed to help people in the local community by providing a warm, safe and inviting place for them for 8 hours per week (Mondays and Fridays).
- Bible studies and book reading groups were organised for groups of both women and men.
- The Church Plant arrangement with 20 Schemes in the Merkinch continued and the Launch Team was supported through the year with training and support from the Church Session and Deacons' Court.
- The church supported local charities and members also engaged in charitable and missional work.

The building restoration project and the hall refurbishment project have been key objectives in our church strategy of investing in our assets to create a modern, safe and attractive place of worship in the city centre.

Funding: The Free North Church trustees report

- Donations from the Free North Church congregation were mainly made by standing order or through the PayPal button on our website and Gift Aid donations continued at a similar level to the previous year.
- Continued participation by Free North Church congregation in the Gift Aid scheme.
- Special offerings for charitable purposes, which were channelled through other Christian relief agencies.

Financial review

The financial statements for the year are set out in pages 6 to 22. The Statement of Financial Activities on page 6 reflects net outgoing resources of £77,515 (2024 - £113,200).

Reserves policy

It is the policy of the Free North Church to maintain general unrestricted funds, i.e. funds not committed or invested in fixed assets, at a level which equates to a minimum of one month's unrestricted expenditure. This allows sufficient funds to enable the ongoing work of the Free North Church to be maintained. The balance on the General Fund at 31 December 2025 amounted to £29,450 (2024 - £63,123). One month's actual expenditure on the general fund totalled £11,471 and, therefore, the current level of reserves is sufficient.

Total reserves, including the net book value of fixed assets and balances on restricted funds amounted to £501,054 (2024 - £578,569).

The building restoration fund is showing a deficit of £30,000 at the year end. Loan funding of £30,000 was received in December 2025, which will cover this deficit in the short term.

Principal funding sources

The Free North Church receives its funding from Free North Church congregation by way of weekly offerings and Gift Aid donations.

Major risks

The trustees assess risks to which the Free North Church is exposed on an ongoing basis and take appropriate steps to minimise such risks. These risks are shared regularly with the Church's Deacons' Court. Advice is available on request from the Free Church Head Office. The Church's Kirk Session reports back to Head Office annually on the health (financially, spiritually and numerically) of the Free North.

THE FREE NORTH CHURCH INVERNESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Plans for future periods

The Free North has for several years had discussions on a strategic vision for the future and this is focused on providing a healthy gospel church in the centre of Inverness. In 2025, this included discussions with the Mission Director of the Free Church who met with office-bearers and members to consider how best the Free North can promote the gospel in its current location.

In terms of the church finances, there has been significant investment in the stonework restoration project and the hall refurbishment. Some of this expenditure is continuing in 2026 and there has been encouragement in terms of financial contributions from members, adherents and the wider church family. There has also been encouragement in terms of a number of successful funding bids relating to church works.

The greatest financial pressure the church faces now is the damage to the church steeple caused by high winds in Autumn 2025. Careful consideration is needed by office-bearers in 2026 to consider options around this.

Structure, governance and management

The Free North Church is established by Constitution and is a Scottish Charity (No. SC016901) .

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

Rev A MacRae - Minister
C Davidson - Assistant Minister
B Cameron - Elder and Session Clerk
J Macaulay - Elder
A Campbell - Elder
R Finlay - Elder
A Fraser - Elder
N Kennedy - Elder
R Maciver - Elder
M MacLean - Elder
C MacLeod - Elder
D MacLeod - Elder
J MacLeod - Elder
S MacLeod - Elder
C Innes - Deacon
D MacKenzie - Deacon
R McKenzie - Deacon
A Morrison - Deacon
I Wilson - Deacon

Recruitment and appointment of trustees

The Kirk Session exercises its discretion in determining the most appropriate method of electing new trustees (Elders and Deacons). Any election process must involve the communicant membership of the congregation. There is no fixed term for trusteeship. Prior to their appointment, new trustees would have served the Free North Church for some time in various roles and would be familiar with the Church's values, its aims and objectives as well as its day-to-day operations. As part of their induction programme, new Free North Church trustees are required to understand their statutory responsibilities as well as their responsibility as Elders or Deacons.

THE FREE NORTH CHURCH INVERNESS

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

All office bearers as listed above meet as the Deacons' Court.

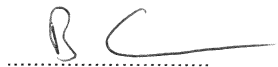
All Elders act as Deacons.

The Free North Church is Presbyterian in government and its day to day running is undertaken by the Elders (the Kirk Session) and the Deacons (the Deacons' Court). The Deacons' Court's specific function relates to the material and financial business of the Free North Church, whereas Elders are charged with the general and spiritual oversight of the congregation. Under charity law the Office Bearers, meeting as the Deacons' Court, are deemed to be the Free North Church Congregation Trustees and are distinct from the role of congregational trustees responsible only for holding property in trust.

Congregational Trustees

For holding Property - B Cameron, M MacLean, R Finlay.

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



B Cameron - Elder and Session Clerk

Trustee

Date: 10.3.26

THE FREE NORTH CHURCH INVERNESS

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE FREE NORTH CHURCH INVERNESS

I report on the financial statements of the charity for the year ended 31 December 2025, which are set out on pages 6 to 22.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1)(a)-(c) of the Charities Accounts (Scotland) Regulations 2006 does not apply.

It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the financial statements.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with Section 44(1)(a) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 4 of the Charities Accounts (Scotland) Regulations 2006, and
- to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the Charities Accounts (Scotland) Regulations 2006

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Rhona Wilson BA, FCCA

Mackenzie Kerr Limited
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Date: 12 March 2026.

THE FREE NORTH CHURCH INVERNESS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes						
Income from:							
Donations and legacies	2	245,252	67,374	312,626	215,546	21,206	236,752
Charitable activities	3	-	152,056	152,056	5	11,850	11,855
Other trading activities	4	14,165	-	14,165	17,194	-	17,194
Investments	5	1,653	-	1,653	4,357	-	4,357
Total income		261,070	219,430	480,500	237,102	33,056	270,158
Expenditure on:							
Charitable activities	6	305,146	252,869	558,015	295,228	88,130	383,358
Total expenditure		305,146	252,869	558,015	295,228	88,130	383,358
Net expenditure		(44,076)	(33,439)	(77,515)	(58,126)	(55,074)	(113,200)
Transfers between funds		(11,562)	11,562	-	3,722	(3,722)	-
Net movement in funds	8	(55,638)	(21,877)	(77,515)	(54,404)	(58,796)	(113,200)
Reconciliation of funds:							
Fund balances at 1 January 2025		577,453	1,116	578,569	631,857	59,912	691,769
Fund balances at 31 December 2025		521,815	(20,761)	501,054	577,453	1,116	578,569

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

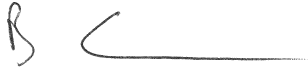
THE FREE NORTH CHURCH INVERNESS

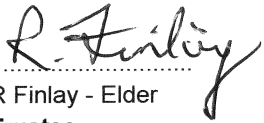
BALANCE SHEET

AS AT 31 DECEMBER 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		329,874		346,006
Current assets					
Debtors	13	2,579		8,348	
Cash at bank and in hand		203,194		301,890	
		<u>205,773</u>		<u>310,238</u>	
Creditors: amounts falling due within one year	15	34,593		77,675	
		<u></u>		<u></u>	
Net current assets			171,180		232,563
Total assets less current liabilities			<u>501,054</u>		<u>578,569</u>
The funds of the charity					
Restricted funds	17	(20,761)		1,116	
Unrestricted funds	18	521,815		577,453	
		<u>501,054</u>		<u>578,569</u>	

The financial statements were approved by the trustees on 10-03-26.


 B Cameron - Elder and Session Clerk
 Trustee


 R Finlay - Elder
 Trustee

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

Charity information

The Free North Church Inverness is an unincorporated charity registered at the Office of the Scottish Charity Regulator.

1.1 Basis of preparation

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

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

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

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

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

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies (Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

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

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

Property and improvements	2% on cost
Fixtures and fittings	20% on cost
Computers and electronics	25% - 33% on cost

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

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

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

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

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

Basic financial assets

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

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies (Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	233,252	67,374	300,626	215,546	21,206	236,752
Legacies	2,000	-	2,000	-	-	-
Grants	10,000	-	10,000	-	-	-
	<u>245,252</u>	<u>67,374</u>	<u>312,626</u>	<u>215,546</u>	<u>21,206</u>	<u>236,752</u>

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3 Charitable activities

	General activities 2025 £	General activities 2024 £
Grants	152,056	11,850
Other income	-	5
	<u>152,056</u>	<u>11,855</u>
Analysis by fund		
Unrestricted funds - general	-	5
Restricted funds	<u>152,056</u>	<u>11,850</u>

4 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Magazine and book sales	805	1,394
Rental income	<u>13,360</u>	<u>15,800</u>
Other trading activities	<u>14,165</u>	<u>17,194</u>

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	<u>1,653</u>	<u>4,357</u>

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

6 Expenditure on charitable activities

	General activities 2025 £	General activities 2024 £
Direct costs		
Staff costs	78,566	62,226
Depreciation and impairment	16,133	19,603
Ministerial and employee expenses	8,491	5,349
Training	3,416	5,891
Mission outreach	45,786	19,452
Travel and subsistence	451	2,489
Presbytery dues	1,096	1,719
Supply and communion expenses	1,415	1,181
Women's meetings	-	91
Presentations and donations	3,114	7,605
Youth activities	5,925	2,358
Sundry expenses	2,000	3,370
Remittance to central funds	100,815	95,525
	<u>267,208</u>	<u>226,859</u>
Share of support and governance costs (see note 7)		
Support	288,887	154,579
Governance	1,920	1,920
	<u>558,015</u>	<u>383,358</u>
Analysis by fund		
Unrestricted funds - general	305,146	295,228
Restricted funds	252,869	88,130
	<u>558,015</u>	<u>383,358</u>

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

7 Support costs allocated to activities

	2025 £	2024 £
Rent and rates	31,515	27,113
Insurance	14,051	12,497
Light and heat	28,281	19,450
Telephone	2,175	586
Repairs and maintenance	193,267	84,862
Stationery, advertising and printing	2,975	2,035
Publications	4,417	3,005
Professional fees	11,593	4,885
Bank charges	613	146
Governance costs	1,920	1,920
	<u>290,807</u>	<u>156,499</u>
Analysed between:		
General activities	<u>290,807</u>	<u>156,499</u>

	2025 £	2024 £
Governance costs comprise:		
Independent examination	840	840
Accountancy	1,080	1,080
	<u>1,920</u>	<u>1,920</u>

8 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	840	840
Depreciation of owned tangible fixed assets	<u>16,133</u>	<u>19,603</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year except for Chris Davidson who received £7,800 (2024 - £7,800) housing allowance in his capacity of Assistant Minister of the Church.

During the year, expenses of £2,894 (2024 - £3,155) were incurred on behalf of Rev Angus MacRae in his capacity of Minister of the Church and expenses of £2,164 (2024 - £642) were incurred on behalf of Rev Chris Davidson in his capacity of Minister of Merkinch Free Church.

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

10 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Women's Pastoral worker	1	1
Internship/Gospel worker	1	1
Assistant Minister/Minister	1	1
Others	1	-
Total	4	3

Employment costs	2025 £	2024 £
Wages and salaries	65,844	52,921
Social security costs	7,207	4,793
Other pension costs	5,515	4,512
	78,566	62,226

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

Remuneration of key management personnel

No remuneration is paid by Free North Church to key management personnel.

11 Taxation

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

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

12 Tangible fixed assets

	Property and improvements	Fixtures and fittings	Computers and electronics	Total
	£	£	£	£
Cost				
At 1 January 2025	376,006	27,554	49,878	453,438
At 31 December 2025	376,006	27,554	49,878	453,438
Depreciation and impairment				
At 1 January 2025	50,444	20,808	36,179	107,431
Depreciation charged in the year	7,520	1,764	6,849	16,133
At 31 December 2025	57,964	22,572	43,028	123,564
Carrying amount				
At 31 December 2025	318,042	4,982	6,850	329,874
At 31 December 2024	325,562	6,745	13,699	346,006

The Free North Church building is not included in the balance sheet. In the opinion of the trustees, this building is a heritage asset, the cost or valuation of which is not available and cannot be obtained at a cost commensurate with the benefit to the users of the accounts.

13 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Other debtors	-	3,300
Prepayments	2,579	5,048
	<u>2,579</u>	<u>8,348</u>

14 Loans and overdrafts

	2025 £	2024 £
Other loans	<u>30,000</u>	<u>70,000</u>
Payable within one year	<u>30,000</u>	<u>70,000</u>

Loans were received to help with the building restoration work. These loan are unsecured, interest free, and with no fixed terms of repayment.

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

15 Creditors: amounts falling due within one year

	2025 £	2024 £
Borrowings	30,000	70,000
Trade creditors	-	3,203
Accruals and deferred income	4,593	4,472
	<u>34,593</u>	<u>77,675</u>

16 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to profit or loss in respect of defined contribution schemes	<u>5,515</u>	<u>4,512</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

17 Restricted funds

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

	At 1 January 2025 £	Incoming resources £	Resources expended £	Transfers £	At 31 December 2025 £
College/training of the ministry	2,018	3,150	(3,150)	-	2,018
International missions	30	-	-	-	30
MacLean memorial prize fund	101	-	-	-	101
Road to recovery	1,992	-	(67)	-	1,925
Merkinch Free Church Salary	-	25,967	(25,967)	-	-
Donations and presentations	-	2,171	(2,171)	-	-
Camps	962	200	(150)	-	1,012
Sound system	934	1,529	-	-	2,463
Building restoration	(4,921)	160,048	(185,305)	178	(30,000)
Woman's pastoral worker	-	18,714	(30,098)	11,384	-
Warm Hub	-	250	(250)	-	-
Hall restoration	-	1,690	-	-	1,690
Lighthouse project	-	2,095	(2,095)	-	-
W MacLeod Training	-	3,616	(3,616)	-	-
	<u>1,116</u>	<u>219,430</u>	<u>(252,869)</u>	<u>11,562</u>	<u>(20,761)</u>

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

17 Restricted funds (Continued)

Previous year:	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
College/training of the ministry	2,018	-	-	-	2,018
International missions	530	-	(500)	-	30
MacLean memorial prize fund	101	-	-	-	101
Road to recovery	1,992	-	-	-	1,992
Donations and presentations	-	2,239	(2,239)	-	-
Camps	1,179	233	(450)	-	962
Sound system	984	-	(50)	-	934
Building restoration	53,108	10,738	(68,767)	-	(4,921)
Woman's pastoral worker	-	7,000	(7,000)	-	-
Warm Hub	-	1,600	(1,600)	-	-
Hall chairs	-	2,409	-	(2,409)	-
Hall restoration	-	8,837	(7,524)	(1,313)	-
	<u>59,912</u>	<u>33,056</u>	<u>(88,130)</u>	<u>(3,722)</u>	<u>1,116</u>

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

17 Restricted funds (Continued)

Fund purposes:

College/training of ministry - The Free North College fund is used to give financial support to those attending courses in training for the ministry at ETS.

International missions - The Free North International Missions fund is used to give financial support to any International Mission appeals.

MacLean memorial prize fund - The Free North MacLean Memorial Prize fund is used to support the activities of the Sunday School activities.

Road to recovery - The Free North Road to Recovery fund is used to fund and run the Road to Recovery.

Donations and presentations - The Free North Donations and Presentations fund is income raised for a specific need or presentation identified by the congregation.

Camps - The Free North Camps fund is used to give financial support to people in the congregation who attend Free Church Camps.

Sound system - The Free North Sound System fund is used to fund the purchase of new sound equipment for the church.

Building restoration - The Free North building restoration fund is to be used to help fund the urgent repairs needed to the stonework in the spire and the front elevation of the church, as well as work to prevent any further damage, water ingress or risk of any part of the building becoming unstable.

Woman's pastoral worker - Funds contributed towards the salary of the woman's pastoral worker.

Warm Hub - Funds contributed to the provision of a warm space for the community.

Hall chairs - Funds contributed to the purchase of chairs for the hall.

Hall restoration - Funds contributed to the cost of restoring the church hall.

Lighthouse Project - Funds contributed to the cost of the Lighthouse project.

W MacLeod Training - Funds contributed towards training costs.

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2025	Incoming resources	Resources expended	Transfers	At 31 December 2025
	£	£	£	£	£
Fixed asset fund	346,006	-	(16,133)	-	329,873
Fabric fund	19,469	3,499	(15,888)	(178)	6,902
Free North Sunday school	2,460	20	(784)	-	1,696
Benevolent fund	2,099	-	(195)	-	1,904
Development fund	8,260	44,446	(487)	(38,973)	13,246
Merkinch Free Church	128,037	141,943	(123,246)	(11,427)	135,307
Grant Street	7,999	-	(10,756)	6,194	3,437
General funds	63,123	71,162	(137,657)	32,822	29,450
	<u>577,453</u>	<u>261,070</u>	<u>(305,146)</u>	<u>(11,562)</u>	<u>521,815</u>

Previous year:	At 1 January 2024	Incoming resources	Resources expended	Transfers	At 31 December 2024
	£	£	£	£	£
Fixed asset fund	357,305	-	(19,603)	8,304	346,006
Fabric fund	11,038	5,957	(524)	2,998	19,469
Free North Sunday school	2,712	53	(305)	-	2,460
Benevolent fund	2,344	-	(245)	-	2,099
Youth fellowship	79	60	(768)	629	-
Women's pastoral worker	1,028	516	(21,395)	19,851	-
Development fund	35,297	45,123	(1,950)	(70,210)	8,260
Merkinch Free Church	163,952	108,800	(88,094)	(56,621)	128,037
Grant Street	-	340	(22,341)	30,000	7,999
General funds	58,102	76,253	(140,003)	68,771	63,123
	<u>631,857</u>	<u>237,102</u>	<u>(295,228)</u>	<u>3,722</u>	<u>577,453</u>

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

18 Unrestricted funds (Continued)

Fund Purposes:

Fixed asset fund - The Fixed Asset fund represents the value of unrestricted funds tied up in fixed assets, which would not be readily convertible into cash.

Fabric fund - The Free North Fabric Fund is used to fund repairs and maintenance work for the upkeep of the church building.

Free North Sunday School - The Free North Sunday School is used to fund and run the activities of the Sunday School.

Benevolent fund - The Free North Benevolent fund is used to give support to those in need within the Free North.

Youth Fellowship - The Free North Youth Fellowship is used to fund and run the activities of the Youth Fellowship.

Women's Pastoral Worker - The Free North fund is used to fund and run the activities of the women's pastoral worker.

Development fund - The Free North Development fund was established to ensure a ring fenced budget is available for specific capital investment works and projects separate to the routine minor repairs which are designed to make a significant difference to the Free North.

Merkinch Free Church - The Merkinch Free Church fund is used to support all activities related to Merkinch Free Church.

Grant Street - The Grant Street fund is used to facilitate the Lighthouse Counselling.

Unrestricted general fund

General fund - The Free North General fund encompasses all income and expenditure relating to the primary focus activities of the charity, other than those for which funding is designated or restricted.

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

18 Unrestricted funds (Continued)

Transfers

2025

A transfer of £5,233 was made from the Merkinch Free Church to the women's pastoral worker fund and of £6,194 to Grant Street fund during the year.

A further transfer of £6,151 was made to the women's pastoral worker fund from the development fund in order to clear the deficit on this fund.

A transfer of £178 was made from the fabric fund to the building restoration fund in order to clear that part of the deficit not covered by short term loans.

A transfer of £32,823 was made from the development fund to the general fund to cover general costs during the year.

2024

A transfer of £7,580 was made from the development fund to the fabric fund in order to fund the purchase of new chairs. This transfer was made before donations were received for this purpose.

A transfer of £629 was made from the development fund to the youth fellowship fund to clear the shortfall on this fund,

A transfer was made from the development fund and the Merkinch Free Church fund to clear each church's share of the £19,851 deficit on the women's pastoral worker fund.

A transfer of £68,771 was made from the development fund to the general fund to fund ongoing costs in the year.

A transfer of £20,000 was made from the Merkinch Free Church to the development fund as their contribution to ongoing expenses.

A transfer of £30,000 was made from the Merkinch Free Church to the Grant Street fund to cover future lease costs.

A transfer of £2,409 was made from the hall chairs fund, £1,313 from the hall restoration fund, and £4,582 from the fabric fund to the fixed asset fund following the purchase of the assets for which the funds were set up.

19 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 December 2025:			
Tangible assets	329,874	-	329,874
Current assets/(liabilities)	191,941	(20,761)	171,180
	<u>521,815</u>	<u>(20,761)</u>	<u>501,054</u>

THE FREE NORTH CHURCH INVERNESS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

19 Analysis of net assets between funds (Continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	346,006	-	346,006
Current assets/(liabilities)	231,447	1,116	232,563
	<u>577,453</u>	<u>1,116</u>	<u>578,569</u>

20 Related party transactions

During the year, donations of £21,166 (2024 - £24,205) were received from the trustees.

