



The Church of Scotland General Trustees  
SC014574

Annual Report and Financial Statements  
For year ended 31 December 2024

THE CHURCH OF SCOTLAND GENERAL TRUSTEES  
Annual Report and Financial statements for the year ended 31 December 2024

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## Objectives and Activities

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

Mission Statement

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

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

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

## Objectives

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

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

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

The five key Strategic Objectives defined by the Board are:

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

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

## Objectives and Activities (continued)

### Principal Activities

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

### Funds Supporting Parish Ministry

#### **Glebeland Funds**

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

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

#### **Consolidated Stipend Fund**

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

Revenue generated within the Fund, net of administration costs, is distributed through the Faith Action Programme Leadership Team to help the individual congregations meet their parish ministry costs. The Trustees are empowered to augment what would otherwise be distributed from capital sales.

Changes to the Investment Policy and the level of distributions of the Fund have been agreed by the Trustees following consultation with the Faith Action Programme Leadership Team. These will be implemented in 2025 and are described in the sections entitled "Investment Policy" and "Future Plans".

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

## Objectives and Activities (continued)

### Funds Assisting Congregations in the Provision of Suitable Buildings

#### **Consolidated Fabric Fund**

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

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

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

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

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

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

## Objectives and Activities (continued)

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

#### **Individual Funds**

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

#### **Central Fabric Fund**

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

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

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

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

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

### Funds Supporting the Work of the Trustees

#### **General Fund**

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

The Fund receives payments under Gift Aid from the Church of Scotland Insurance Services Ltd, the subsidiary company, albeit future plans for the provision of insurance under the Church Scheme may result in that source of income coming to an end as described in the following section and in the section entitled "Future Plans".

## **Objectives and Activities (continued)**

### **Funds Supporting the Work of the Trustees (continued)**

#### **General Fund (continued)**

The Fund makes transfers to other Funds to cover expense shortfalls therein that arise from current rules that limit the level of support costs that they bear to an amount less than the actual assessed costs.

#### **Church of Scotland Insurance Services Limited (COSIS)**

The Church of Scotland Insurance Services Limited (“the Company”) is a limited company incorporated and domiciled in Scotland with registered company number SC001777. It is a regulated insurance intermediary with its registered office at 121 George Street, Edinburgh, EH2 4YN. The Company is a wholly-owned subsidiary of the General Trustees and, as such, its assets, liabilities and results for the year are consolidated with those of the General Trustees. With its Church Scheme, the Company provides a first-class comprehensive package of cover at competitive rates for buildings, liabilities and contents for congregations. The Scheme provides certainty for congregational Treasurers and it was successfully renewed for a further five-year period with Aviva from 1 January 2025. The level of underlying premium charges (before indexation) increased by some 10% which is a much better result than was expected given the events of the past five years such as the impact of COVID, market instability and the church change programme.

The Board of COSIS regularly carries out a review of its strategy and, in 2024, it concluded that its brokerages activities should be transferred to a national broker in late 2025. The Trustees have approved this course of action that is described in the section entitled “Future Plans”. A by-product of this transaction will be that Gift Aided profits will no longer flow to the Trustees after 2026.

#### **Historic Property Portfolio Fund**

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

## **Achievements and Performance**

### **Legislative Change**

A major piece of work approved by the 2024 General Assembly has now become Church law in the guise of the General Trustees (Properties, Funds & Endowments) Act 2024 and this major piece of legislation provides a “one-stop shop” for all Assembly legislation as it pertains to the work of the Trustees.

### **Presbytery Mission Plans, Annual Reviews and the Disposal of Buildings**

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

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

### **Manse Condition Reports and Manse Provision**

In May 2023, the General Assembly approved proposals from the Trustees aimed at ensuring manse meet the same minimum standards as other let properties in Scotland. The responsibility of congregations and presbyteries was restated as was the requirement for them to provide status reports including energy performance information. The Manse Working Group continues to tackle these matters and, following the General Assembly of 2024, there has been a modest “uptick” in responses from Presbyteries in terms of information sought locally on manse. The General Assembly of 2024 agreed that the default position with regards to manse provision should remain that a congregation provides a manse and the minister should live in and use the manse as a work base.

### **Historic Signature Churches**

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

### **Pathway to Net Zero**

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

## **Achievements and Performance (continued)**

### **Consolidated Stipend Fund**

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

### **Church of Scotland Insurance Services Limited (COSIS)**

As referred to earlier, the Board of COSIS concluded that its brokerage activities should be transferred to a national broker in late 2025. The Trustees have approved this course of action that is described in the section entitled "Future Plans".

### **Governance Review**

The Trustees commissioned an external review of governance that was presented to its conference in late 2023 when all the recommendations were accepted. Work started on these in 2024 with a start being made on Trustee training. Surveys were issued about the effectiveness of the operation of the Board and its committees as well as a skills analysis to better inform the Trustees about future recruitment needs. Performance reviews will be based on an improved interview process for prospective Trustees that will attempt to address issues of diversity and skills gaps.

### **Executive Team and Recruitment**

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

Rob Lee was appointed as Head of Planning & Policy, thus completing the contingent of senior staff, and a further two Presbytery Buildings Officers were appointed for the Presbyteries of the South West and Lothian & Borders. These appointments have contributed to the ability of the staff to deal with the increased workload described above. There is also a much stronger emphasis on financial assistance, with the Fabric Committee overseeing the dispersal of significant grant funding, following a period of relative stagnation in this area so as to allow Presbytery Plans to be finalised.

At the General Assembly of 2024, the Trustees agreed that, from 2025, they would no longer charge Presbyteries 50% of the employment costs of the Presbytery Buildings Officers. Instead, the Trustees would be permitted to charge some or all of the costs to the Central Fabric Fund with the balance being met from the General Fund.

## Investment Policy and Performance

### Investment Policy

The General Trustees invest primarily in the Deposit, Growth and Income Funds of the Church of Scotland Investors Trust (COSIT). Although they obtain the benefits of professional management, continuous portfolio supervision, spread of investment risk and economies of scale, decisions as to the appropriate investment mix as between the three COSIT Funds are the responsibility of the General Trustees.

Asset allocation strategies for the Central Fabric Fund and the General Fund are monitored quarterly to ensure that they remain consistent with their objectives. External advice, in respect of asset allocations for these funds between the Deposit, Growth and Income Funds of COSIT, was received in 2022 as part of the Investment Policy Review and, after careful consideration, the recommendations were implemented in full.

Recommendations from that same Investment Policy Review resulted in the Trustees deciding to invest the Consolidated Stipend Fund elsewhere as described below but to continue to invest the other Funds of the Trustees with COSIT.

The Investment Policy Review also covered the area of Ethical Investment. Manliffe Goodbody has represented the Trustees alongside representatives of COSIT on the Ethical Oversight Committee established following the General Assembly of 2023. Similar ethical investment considerations will continue to apply to the Consolidated Stipend Fund.

### Consolidated Stipend Fund

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

At present the Fund is invested in the Growth Fund of COSIT apart from a loan facility for up to £3.2m for CrossReach, the direct social care service of the Church of Scotland Unincorporated Entities. The Assembly Trustees have provided the Trustees with an indemnity in the event of default by CrossReach. At 31 December 2024, £1.4m of the loan facility had been drawn down.

In 2024, the Trustees decided to take a different approach to the investment of the Fund based on the recommendations of the external Investment Policy Review. Discussions took place with COSIT, FAPLT and other parties. As COSIT was unable to accommodate the new approach within its funds, the Trustees decided that, in early 2025, the Fund's holding in the COSIT Growth Fund should be transferred to an investment vehicle provided by Mercer's Implemented Consulting Services. With this approach, Mercer would provide enhanced diversification of assets, select managers suited to each investment segment and monitor ethical investment practices relating to environmental, social, and governance issues.

## **Investment Policy and Performance (continued)**

### **Consolidated Stipend Fund (continued)**

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

### **Consolidated Fabric Fund**

The Trustees are responsible for the investment of this Fund, that is held for the benefit of congregations. The Fund is invested within the COSIT funds, with the asset allocation being determined by the General Trustees, taking account of requests made by each congregation.

### **Funds of the Investors Trust**

The Investors Trust has an ethical investment policy; investment is avoided in shares in any company substantially involved (generating more than 10% (previously 15%) of turnover) in gambling, tobacco products (including vaping), recreational cannabis, alcohol, armaments, thermal coal and tar sands and other activities which are felt to harm society more than they benefit it. In general, investment is sought in companies that demonstrate responsible employment and good corporate governance practices, have regard to environmental performance (particularly Climate Change), acknowledge the importance of human rights and act with sensitivity to the communities in which they operate.

The Growth Fund is a largely equity-based fund with some holdings in corporate bonds and alternative assets and is intended for long-term investment. It seeks to provide growing annual income and a long-term increase in the value of the capital. The Income Fund is largely invested in UK bonds and gilts and is intended to provide nominal capital protection. The Deposit Fund is intended for short-term investment and seeks to provide a competitive rate of interest whilst preserving nominal capital value.

### **Investment Performance**

The COSIT Trustees set internal benchmarks for the Growth Fund that take account of ethical constraints and these are used to assess the investment performance of the Fund Manager.

- In 2024 the Growth Fund's total return was +11.6% (2023: +10.6%) against the composite benchmark of +16.3% (2023: +13.2%). While the performance exceeded the investment objective of CPI +3%, the underperformance relative to the benchmark was disappointing.
- The Income Fund's total investment return was +6.81% (2023: +9.44%) compared with the composite benchmark return of +1.71% (2023: +8.6%). The Fund has consistently outperformed its benchmark over every period since the appointment of the managers in February 2012.
- The Deposit Fund's average rate of interest paid for 2024 was +5.09% (2023: +4.26%).

## Financial Review

### Total Funds

The financial statements as at 31 December 2024 show that the General Trustees have total funds of £858m (2023: £820m). Of this total for the charity, £564m (2023: £563m) is represented by the value of land and property assets as shown in note 12 and £97.3m (2023: £83.8m) is represented by unrealised gains on investment assets to date.

### Unrestricted Funds

Of the total funds of £858m only £12.2m (2023: £11.5m) are unrestricted and undesignated, the majority of the funds being held in restricted funds for the benefit of individual congregations.

Within unrestricted, undesignated funds, £0.1m represents tangible fixed assets. These are not readily available to spend and so this leaves £12.1m as the free reserves as at 31 December 2024.

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

- there is annual expenditure on the General Fund of around £2.2m (2023: £2.4m) with annual ordinary recurring income, excluding income from the Insurance Company which is solely dependent on its trading results, of £0.8m (2023: £0.7m);
- major essential maintenance costs or underinsured damage to buildings which cannot be met by the congregation concerned could become a liability of the General Trustees to be met from this reserve and while such instances are not common when they do arise the sums can be very significant; and
- the General Trustees have contingent liabilities as disclosed in note 29 to the financial statements which, if they arose, would significantly reduce unrestricted reserves.

During 2024 the unrestricted funds of the General Trustees directly subsidised the work of the designated and restricted funds of the charity with a transfer of £1.5m towards the cost of administering these funds (2023: £1.8m).

Given the potential scale of the call on reserves arising from these risk categories, it is the policy of the General Trustees to hold approximately four years of annual expenditure in these reserves that amounts to around £10m. The General Trustees currently retain £12.1m within these free reserves, representing over just over five and half years of annual expenditure. In light of the anticipated reduction in income from the insurance company, the Trustees consider this appropriate and they will be reviewing the reserves policy during the course of 2025.

## **Financial Review (continued)**

### **Designated Funds**

In addition to the General Trustees' own reserves, the consolidated financial statements show reserves in a Designated Fund of £7.8m (2023: £8.1m) at the Balance Sheet date of which £7.7m represents the net assets of the Insurance Company. The Insurance Company operates under the Companies Act and is authorised and regulated by the Financial Conduct Authority. The Directors of the Company have reviewed its strategic direction in order to best aid the work of the Church. The Trustees have approved the plans presented by COSIS as shown in the section "Future Plans".

Also included within Designated Funds is £75k (2023: £793k) in respect of the Historic Property Fund. This Fund was established as a designated fund to receive the heritable and moveable assets of congregations which have been dissolved and where the buildings involved present challenges in being disposed of. The Fund monies are applied towards the costs of keeping the buildings in good order until such time as a satisfactory outcome is achieved either by outright disposal or the liabilities of ownership are no longer the sole responsibility of the General Trustees.

### **Restricted Funds**

There are restricted reserves of £834m (2023: £797m) at 31 December 2024, comprising £149m (2023: £139m) of funds to support parish ministry and £685m (2023: £658m) of Fabric and other Funds which includes £29m and £535m respectively of capitalised land and properties.

As explained on page 3, the Consolidated Stipend Fund is held for the benefit of congregations, and the distributions from the Fund are applied against the congregation's ministry costs. Capital is not normally withdrawn but upon receipt of additional capital, typically from the sale of glebeland, surplus monies *can* be transferred to the Consolidated Fabric Fund

Fabric Funds are made up of:

- 1) heritable properties capitalised in the accounts which total £534m;
- 2) monies held for the benefit of specific congregations totalling £124m; and
- 3) the Central Fabric Fund of £22.6m.

In the case of (2) the monies are held for the benefit of approximately 730 congregations and, subject to the relevant approvals by Presbyteries and the General Trustees, both capital and revenue balances may be withdrawn as permitted under the General Trustees (Properties, Funds and Endowments) Act 2024 as described earlier. The timing of these withdrawals is outwith the control of the General Trustees. Since July 2003 new capital holdings are initially individually invested in the Deposit Fund of the Investors Trust until the congregation advises the Trustees as to their requested investment strategy.

## **Financial Review (continued)**

### **Restricted Funds (continued)**

The Central Fabric Fund is used to award loans and grants to congregations (see notes 15, 17 and 27 to the Financial Statements). Grants and loans from the Central Fabric Fund may be applied for by all congregations but all such applications fall to be decided by the General Trustees. Levies on property sales are credited to Revenue and ring-fenced for grant assistance to the three priority categories of congregations as approved by the 2003 General Assembly. The Fund is long term in nature as it is the Trustees' main funding support for congregations now, and in the future. It is therefore the policy of the General Trustees to hold around 10 years of annual expenditure (or grants) in reserves.

### **Restricted Revaluation Reserve**

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

### **Review of Financial Activities**

The Consolidated Statement of Financial Activities discloses the incoming and expended resources for the year to 31 December 2024 and the supporting notes analyse these over the General Trustees' main activities of supporting parish ministry, assisting the provision of suitable buildings and the unrestricted activities of general administration and the Insurance Company. The assets, liabilities and results of the Insurance Company are consolidated with those of the General Trustees and the format of the financial statements complies with the requirements of the Statement of Recommended Practice "Charities SORP (FRS 102)" effective 1 January 2019.

The underlying net assets of the Insurance Company at the Balance Sheet date were £7.7m (2023 - £7.3m). A summary of the Insurance Company's results for the year is shown in Note 14.

The overall total income is £29.3m (including 'donated' assets of £9.2m (2023: £1.3m) – see notes 1 and 4) which is £11.4m more than 2023 with total expenditure of £32.2m, an increase of £7.7m on the previous year.

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

Including gross capital expenditure, £37.0m has been spent on fabric purposes to assist the provision of suitable buildings for congregational purposes. This expenditure represents a significant investment in the Church's property assets. Of this sum £2.5m (note 17) is committed by way of fabric grants to congregations. Awarding grants in excess of £2m per annum is only possible if the Central Fabric Fund receives support from other income streams of the General Trustees. The General Fund surplus for the year was due in great measure to the Insurance Company's contribution to the work of the General Trustees amounting to £1.1m for the year.

## **Future Plans**

### **Legislative Change**

With the 2024 General Assembly having approved the General Trustees (Properties, Funds & Endowments) Act 2024, work is now underway to amend related guidance and resources in order that these dovetail with the new legislation. In addition, the senior staff continue to work on the establishment of a mini-website, linked to the main Church site, which will serve as an online resource for the updated guidance mentioned in the foregoing. It is hoped that the new site will be operational by late summer 2025.

### **Presbytery Mission Plans, Annual Reviews and the Disposal of Buildings**

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

### **Manse Condition Reports and Manse Provision**

The Trustees will aim to ensure increased compliance with the minimum standards agreed by the General Assembly in May 2023 and report back to the General Assembly of 2025.

### **Executive Team and Recruitment**

The Trustees look forward to a period of stability in the executive team and support staff while remaining aware of the increase in their workload arising from the level of assistance required by congregations and from the volume of disposals. They will encourage the remaining Presbyteries to agree to the appointment of Presbytery Buildings Officers. Staff will continue to be involved in developing a "Pathway to Net Zero" and an "Environmental Footprint Tool".

### **Historic Signature Churches**

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

### **Investment of the Consolidated Stipend Fund**

As described in the section entitled "Investment Policy", the proceeds of the Fund's holding in the Growth Fund of the Church of Scotland Investors Trust will be transferred in 2025 to an investment vehicle provided by Mercer's Implemented Consulting Services.

## **Future Plans (continued)**

### **Administration Costs**

As noted earlier, the General Fund meets all the expenses incurred by the Trustees in the administration of their business. The General Trustees (Properties, Funds & Endowments) Act 2024 has provided the Trustees with the ability to make a more realistic allocation of support costs to the restricted funds from 2025 onwards always subject to the allocation not exceeding the actual costs incurred as calculated in accordance with accounting standards for charities. Stewardship and Finance is working with the Trustees to develop a suitable means of allocating the costs and a means of communicating the outcome.

### **Trustee Recruitment**

The Trustees are continuing to develop a "skills matrix" to show where there are skills gaps both at present and in the future when Trustees retire. They are also seeking to improve the diversity of their membership and are looking to reach a wider audience for recruitment.

### **Church of Scotland Insurance Services (COSIS)**

For some time, the Board of COSIS has been considering the best way to continue to provide tailor-made insurance coverages for congregations. Due to the risks associated with the small size of COSIS, the imminent retirement of its Chief Executive and the ever-increasing level of regulation affecting both its operations and the Trustees as the sole shareholder, it has been decided to transfer the insurance intermediary business along with its clients to Howden Scotland Limited ("Howden"). The Trustees have given their approval to this decision.

- On 13 March 2025, COSIS and Howden signed a client transfer agreement with an implementation date at the end of 2025. The Trustees will be co-signatories.
- Howden will replace COSIS as the insurance intermediary for the Church Scheme and take over responsibility for the current relationship between congregations and Aviva as insurer. Howden will also negotiate the terms of subsequent renewals in the best interests of congregations.
- The current arrangements will continue throughout 2025, with Aviva paying commission to COSIS. Gift Aid accruing in 2025 will be payable to the Trustees in 2026.
- COSIS will cease being a regulated company during 2026 so it will no longer be entitled to earn commission. Gift Aid payments will end and COSIS will likely be wound up.
- Congregations will benefit from the agreement since, moving to a net rating basis will result in a material reduction in insurance premiums from renewal dates in 2026 onwards.
- All COSIS staff, apart from the CEO who is retiring, will transfer to Howden under the Transfer of Undertakings (Protection of Employment) Regulations 2006.
- The investment portfolio of some £5m will be transferred to the Trustees during 2025 with cash of some £2m to follow. Taking that into account, the Trustees will consider how to further mitigate the loss of the income stream arising from future Gift Aid payments. This is referred to in the final section on Risk Management.

## **Risk Management**

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

The Trustees Risk Assessment Register currently identifies the key risks to be:

- Congregations failing to implement effective maintenance and repair programmes.
- Congregations failing to adhere to statutory requirements for safe buildings.
- Significant financial support required from General Trustees to resolve property issues.
- Dependence on Presbyteries and congregations for asset information.
- Difficulty in the timely disposal of unoccupied congregational properties.
- Liabilities for General Trustees resulting from the decisions of others.
- Replacing the loss of future Gift Aid income from the Insurance Company

Mitigation of the key risks is as follows:

### **Congregations failing to implement effective maintenance and repair programmes**

The traditional method of managing the risk has been through the system of 5-yearly property inspections which are co-ordinated by individual Presbyteries and involve the appointment of external firms of surveyors and architects. The primary failing of the system is that there is no consistent follow-through to ensure that recommendations as to urgent, essential and desirable work are implemented.

The implementation of the Presbytery Mission Planning Act 2021 and the introduction of the Asset Management Building Audit has enabled the Trustees to collect data on all Churches and Halls, and a similar exercise will be required to obtain information on all other properties. The appointment of Building Officers within Presbyteries has been another means of assessing congregational property. The Building Officer is tasked with undertaking the professional building inspections and works to support individual Kirk Sessions to ensure that recommendations are implemented to an agreed timetable.

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

## **Risk Management (continued)**

### **Congregations failing to adhere to statutory requirement for safe buildings**

The creation of a team comprising the Health, Safety, Risk & Compliance Manager and Fire, Risk & Compliance Manager enables the Trustees to support the local and regional Church through the provision of the Health & Safety Toolkit, congregational Health & Safety Administrators and Presbytery Health & Safety Co-ordinators and the provision of accredited training courses.

In addition, the team deals with telephone and email enquiries on a daily basis. Recruitment of Health and Safety and Fire Safety experts and further Presbytery Buildings Officers who can make site visits is a mitigating factor.

### **Significant financial support required from General Trustees to resolve property issues**

The Trustees still have administrative responsibility for one substantial historic listed building that was not capable of being disposed of in the short-term following dissolution of a congregation. It is held in the Historic Property Fund. While the costs associated with the upkeep over an extended period are substantial, the disposal of the remaining property is now under detailed consideration. The creation of a new working group to assist congregations with large Signature Churches should greatly reduce the chance of other such buildings reaching the stage of dissolution.

### **Dependence on Presbyteries and congregations for asset information**

The Trustees have implemented an asset management system (AMS) for recording and managing property and land, and the Trustees remain committed to improving the availability of a reliable and comprehensive database capable of being accessed by congregations and Presbyteries. Further database advances and improved communication with Presbyteries have arisen out of the Presbytery Planning process.

### **Difficulty in the timely disposal of unoccupied congregational properties**

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

## **Risk Management (continued)**

### **Liabilities for General Trustees resulting from the decisions of others**

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

### **Replacing the loss of future Gift Aid income from the Insurance Company**

As outlined above, an important by-product of the client agreement with Howden will be that Gift Aided profits will no longer flow to the General Trustees after 2026. As a result, the General Fund is expected to incur an additional shortfall of c£750k per year from 2027 onwards. Therefore, alternative sources of income will be required to replace the lost revenue. The General Trustees' strategy for doing so has the following three elements:

- Up until 31 December 2024 the allocation of costs in respect of Presbytery Buildings Officers ("PBOs") was split 50:50 between the General Trustees General Fund and Presbyteries. The General Trustees (Properties, Funds & Endowments) Act 2024 permits all such costs to be charged to the Central Fabric Fund. From 1 January 2025 onwards, the General Trustees intend to allocate 100% of PBO costs to the Central Fabric Fund. This will reduce the yearly shortfall in the General Fund by approximately 50%.
- The action outlined above, will mean that the Central Fabric Fund is carrying additional costs in relation to the PBOs. To fund these additional costs, it is proposed that the current levy charges in relation to the sale of buildings that are no longer required by local congregations will be increased from 10% to 15%. A deliverance to enable this change is to be presented at General Assembly in May 2025. If approved, the change would apply to all proceeds from disposals received on or after 1 June 2025.
- Following the planned transfer of the COSIS client bank to Howden, the investments held in the General Fund are expected to increase by c£7m. The General Trustees envisage making good the remaining income shortfall in the General Fund through a combination of investment income and capital disinvestment. Through prudent management it is expected that this could be sustained for a period of at least 10 years or more.

## Structure, Governance & Management

### Constitution

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

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

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

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

### Organisation and Structure

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

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

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

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

## Structure, Governance & Management (continued)

### Organisation and Structure

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

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

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

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

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

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

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

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

## **Structure, Governance & Management (continued)**

### **Governance Review**

During 2023, the Trustees commissioned an independent review of its governance arrangements. Following a tender process, Turcan Connell was selected to undertake this review. Their findings and recommendations were presented during a General Trustee conference event held at Stirling University campus in October 2023. The report was approved in its entirety by the Trustees and the implementation of the recommendations is under way. Regular monitoring of progress is undertaken by the Nominations Committee on behalf of the Board.

The governance review has led the Trustees to focus on aspects of recruitment (diversity and skills gaps) and, in particular, on induction and refresher training. Training sessions have taken place and will continue and Trustees have been asked to complete surveys on the operation of the Board and its Committees, the skills they bring to the Trustees and on the training sessions.

### **Appointment and Induction of Trustees**

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

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

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

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

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

## **Structure, Governance & Management (continued)**

### **Appointment of External Auditors**

The Council of Assembly's Audit Committee interviewed for external auditors during 2018 and agreed to appoint RSM UK Audit LLP. Although the appointment would be on a year-by-year basis, it was anticipated that unless extraordinary circumstances emerged the appointment would run for an initial three years. The year-to-year arrangement continued to roll over into 2024 as agreed by the General Trustees. A Trustee of The Church of Scotland General Trustees had been on the panel and had recommended the appointment of RSM UK Audit LLP to serve as external auditors for the Trustees. RSM UK Audit LLP is also appointed as the auditor of the Insurance Company.

### **Related Parties**

The General Trustees are an integral part of the Church of Scotland, and along with the Unincorporated Entities of the General Assembly of the Church of Scotland are component elements of the Church of Scotland, reporting annually to the General Assembly and subject to its direction and are thus related parties as stated in Note 30 to the Financial Statements. In carrying out their functions, the Trustees work closely with the Unincorporated Entities in the shape of the Faith Action Programme Leadership Team at both trustee and executive staff levels.

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

The General Trustees currently invest all monies under their administration through the Church of Scotland Investors Trust.

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

The Church of Scotland Insurance Services Limited (COSIS) is a wholly owned subsidiary of the General Trustees. It is a Company trading as an insurance intermediary and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Further information regarding the relationship between the company and the General Trustees is contained later in the report. The accounts of COSIS have been consolidated with those of the General Trustees.

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

THE CHURCH OF SCOTLAND GENERAL TRUSTEES  
Trustees' Annual Report for the year ended 31 December 2024

List of General Trustees

**Current**

Walter H Barbour  
Robert Bell  
Fraser Bews (*with effect from 22/05/24*)  
Jonathan Brodie (*ex officio*)  
David Coulter (*with effect from 22/05/24*)  
Michael Craig  
Alan Gibson  
Manliffe Goodbody  
Isobel W Gray  
William A Hall  
Nigel W Hicks  
Alan F K Kennedy (*Chair*)  
William M Lawrie  
Neil I M MacGregor  
Kenneth I Mackenzie  
Tim Podger (*with effect from 22/05/24*)  
Scott Rennie (*Vice-Chair*)  
Nigel Robb (*with effect from 22/05/24*)  
D Stewart Toy

**Retired/resigned on 22/05/24**

Richard S Bell  
Douglas Kerr  
John W Maddock  
John M Trushell

List of Advisory Members

**Current**

Logan Brown (*with effect from 05/03/24*)  
Chris Johnstone  
Ian W T Lochhead  
Michael Pearson (*with effect from 06/02/24*)  
Bahar Raeisi Dehkordi  
Rosalind J Taylor

**Retired/resigned**

Hamish McBean (*retired 22/05/24*)  
Rev Dr George Whyte (*resigned 23/01/24*)

**Appointed as General Trustees on 22/05/24**

Fraser Bews  
David Coulter  
Tim Podger  
Nigel Robb

## **Reference and Administrative Details**

### **Offices**

121 George Street  
Edinburgh EH2 4YN

### **Bankers**

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

### **Independent Auditors**

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

### **The Church of Scotland Investors Trust**

June Lee  
Secretary  
121 George Street  
Edinburgh  
EH2 4YN

### **Chief Executive and Clerk**

Brian D Waller LLB (Hons) Dip LP

### **Treasurer**

Jenny Simpson BSc(Hons) FCA DChA (from 1 April 2024)  
Anne F Macintosh BA CA (until 31 March 2024)

### **Solicitor**

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

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and parent charity, and of the income and expenditure of the group and parent charity for that period.

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

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

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

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Edinburgh

Date: 8 April 2025



Alan F K Kennedy, BSc (Hons), FFA  
Trustee



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

13/05/25

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

### **Opinion**

We have audited the financial statements of The Church of Scotland General Trustees (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Balance Sheets, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

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

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

### **Conclusions relating to going concern**

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

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

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

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

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out on page 25 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

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

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the charity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks, that the charity operates in and how the charity is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Charities SORP (FRS 102) effective 01 January 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

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

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

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

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

**14/05/25**

## THE CHURCH OF SCOTLAND GENERAL TRUSTEES

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2024

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2024 £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2023 £000
<b>Income from:</b>									
Donations and legacies	3	232	6,941	-	7,173	148	1,196	-	1,344
Charitable Activities	4	99	9,249	-	9,348	248	1,728	-	1,976
Investments	5	608	8,044	-	8,652	458	6,363	-	6,821
Other	6	1,487	2,591	-	4,078	1,565	6,176	-	7,741
<b>Total income</b>		<b>2,426</b>	<b>26,825</b>	<b>-</b>	<b>29,251</b>	<b>2,419</b>	<b>15,463</b>	<b>-</b>	<b>17,882</b>
<b>Expenditure on:</b>									
Raising Funds		36	-	-	36	28	-	-	28
Charitable Activities	7	2,995	28,576	-	31,571	2,543	21,406	-	23,949
Other	11	633	-	-	633	544	-	-	544
<b>Total expenditure</b>		<b>3,664</b>	<b>28,576</b>	<b>-</b>	<b>32,240</b>	<b>3,115</b>	<b>21,406</b>	<b>-</b>	<b>24,521</b>
<b>Net gains / (losses) on investments</b>									
	13								
Realised - Investments		41	114	-	155	6	(22)	-	(16)
Unrealised - Investments		920	13,791	388	15,099	757	11,439	272	12,468
		<b>961</b>	<b>13,905</b>	<b>388</b>	<b>15,254</b>	<b>763</b>	<b>11,417</b>	<b>272</b>	<b>12,452</b>
<b>Net (expenditure) / income</b>		<b>(277)</b>	<b>12,154</b>	<b>388</b>	<b>12,265</b>	<b>67</b>	<b>5,474</b>	<b>272</b>	<b>5,813</b>
<b>Transfers between funds</b>	19 - 22	572	(963)	391	-	764	(764)	-	-
<b>Gains on revaluation of tangible fixed assets</b>	12	-	25,281	-	25,281	-	16,188	-	16,188
<b>Net movement in funds</b>		<b>295</b>	<b>36,472</b>	<b>779</b>	<b>37,546</b>	<b>831</b>	<b>20,898</b>	<b>272</b>	<b>22,001</b>
Total funds brought forward		19,624	797,077	3,699	820,400	18,793	776,179	3,427	798,399
<b>Total funds carried forward</b>		<b>19,919</b>	<b>833,549</b>	<b>4,478</b>	<b>857,946</b>	<b>19,624</b>	<b>797,077</b>	<b>3,699</b>	<b>820,400</b>

## THE CHURCH OF SCOTLAND GENERAL TRUSTEES

### CHARITY STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2024

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2024 £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2023 £000
<b>Income from:</b>									
Donations and legacies	3	232	6,941	-	7,173	148	1,196	-	1,344
Charitable Activities	4	99	9,249	-	9,348	248	1,728	-	1,976
Investments	5	1,603	8,044	-	9,647	1,429	6,363	-	7,792
Other	6	7	2,591	-	2,598	34	6,176	-	6,210
<b>Total income</b>		<b>1,941</b>	<b>26,825</b>	<b>-</b>	<b>28,766</b>	<b>1,859</b>	<b>15,463</b>	<b>-</b>	<b>17,322</b>
<b>Expenditure on:</b>									
Charitable Activities	7	2,995	28,576	-	31,571	2,543	21,406	-	23,949
<b>Total expenditure</b>		<b>2,995</b>	<b>28,576</b>	<b>-</b>	<b>31,571</b>	<b>2,543</b>	<b>21,406</b>	<b>-</b>	<b>23,949</b>
<b>Net (losses) / gains on investments</b>									
Realised - Investments	13	(18)	114	-	96	-	(22)	-	(22)
Unrealised - Investments		427	13,791	388	14,606	501	11,439	272	12,212
		<b>409</b>	<b>13,905</b>	<b>388</b>	<b>14,702</b>	<b>501</b>	<b>11,417</b>	<b>272</b>	<b>12,190</b>
<b>Net (expenditure) / income</b>		<b>(645)</b>	<b>12,154</b>	<b>388</b>	<b>11,897</b>	<b>(183)</b>	<b>5,474</b>	<b>272</b>	<b>5,563</b>
<b>Transfers between funds</b>	19 - 22	572	(963)	391	-	764	(764)	-	-
<b>Gains on revaluation of tangible fixed assets</b>	12	-	25,281	-	25,281	-	16,188	-	16,188
<b>Other gains</b>	14	368	-	-	368	250	-	-	250
<b>Net movement in funds</b>		<b>295</b>	<b>36,472</b>	<b>779</b>	<b>37,546</b>	<b>831</b>	<b>20,898</b>	<b>272</b>	<b>22,001</b>
Total funds brought forward		19,624	797,077	3,699	820,400	18,793	776,179	3,427	798,399
<b>Total funds carried forward</b>		<b>19,919</b>	<b>833,549</b>	<b>4,478</b>	<b>857,946</b>	<b>19,624</b>	<b>797,077</b>	<b>3,699</b>	<b>820,400</b>

# THE CHURCH OF SCOTLAND GENERAL TRUSTEES

## BALANCE SHEETS As at 31st December 2024

Note	Group		Charity		
	2024 £000	2023 £000	2024 £000	2023 £000	
<b>Fixed Assets</b>					
12	Tangible Assets	563,915	563,192	563,914	563,189
13	Investments	255,613	228,843	250,441	223,912
14	Investment in Subsidiary Company	-	-	7,675	7,307
	<b>Total fixed assets</b>	<b>819,528</b>	<b>792,035</b>	<b>822,030</b>	<b>794,408</b>
15	Long Term Loans	1,584	1,513	1,584	1,513
<b>Current Assets</b>					
15	Short Term Concessionary Loans	253	975	253	975
16	Debtors	1,950	1,910	132	115
26	Short Term Deposits	31,236	20,097	31,236	20,097
26	Cash at Bank and in hand	8,147	6,348	6,067	4,345
	<b>Total current assets</b>	<b>41,586</b>	<b>29,330</b>	<b>37,688</b>	<b>25,532</b>
17	<b>Creditors: Amounts falling due within one year</b>	<b>(4,518)</b>	<b>(2,244)</b>	<b>(3,356)</b>	<b>(1,053)</b>
	<b>Net Current Assets</b>	<b>37,068</b>	<b>27,086</b>	<b>34,332</b>	<b>24,479</b>
	<b>Total Assets less Current Liabilities</b>	<b>858,180</b>	<b>820,634</b>	<b>857,946</b>	<b>820,400</b>
18	Provisions for Liabilities and Charges	(234)	(234)	-	-
	<b>Net Assets</b>	<b>857,946</b>	<b>820,400</b>	<b>857,946</b>	<b>820,400</b>
<b>The funds of the charity:</b>					
19	Endowment Funds	4,478	3,699	4,478	3,699
20a	Restricted Funds	639,752	616,709	639,752	616,709
20b	Restricted Revaluation Reserve	193,797	180,368	193,797	180,368
21	Unrestricted Funds	12,169	11,524	12,169	11,524
22	Designated Funds	7,750	8,100	7,750	8,100
	<b>Total charity funds</b>	<b>857,946</b>	<b>820,400</b>	<b>857,946</b>	<b>820,400</b>

The notes on pages 34 to 50 form an integral part of these financial statements.

The financial statements on pages 30 to 50 were authorised for issue by The Church of Scotland General Trustees on 8 April 2025 and were signed on its behalf by:

*Alan F K Kennedy*

Alan F K Kennedy, BSc(Hons), FFA, Chair

*Jenny Simpson*

Jenny Simpson BSc(Hons) FCA DChA, Treasurer

14/05/25

# THE CHURCH OF SCOTLAND GENERAL TRUSTEES

## STATEMENT OF CASH FLOWS for the year ended 31st December 2024

Note	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
<b>Cash flows from operating activities:</b>				
25	(4,520)	(10,271)	(5,281)	(11,133)
<b>Cash flows from investing activities:</b>				
	8,652	6,821	9,647	7,792
	(3,601)	(5,441)	(3,601)	(5,441)
	25,693	14,692	25,693	14,692
	(18,579)	(29,058)	(17,281)	(27,992)
	6,830	20,117	5,221	19,358
	233	-	233	-
	(2,078)	(83)	(2,078)	(83)
	308	1,879	308	1,879
	<u>17,458</u>	<u>8,927</u>	<u>18,142</u>	<u>10,205</u>
<b>Cash flow from financing activities:</b>				
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	12,938	(1,344)	12,861	(928)
	<u>26,445</u>	<u>27,789</u>	<u>24,442</u>	<u>25,370</u>
26	<u>39,383</u>	<u>26,445</u>	<u>37,303</u>	<u>24,442</u>
<b>NET DEBT RECONCILIATION</b>				
26	<b>Group</b>			
	<b>At</b>		<b>At</b>	
	<b>1 Jan</b>	<b>Cash</b>	<b>31 Dec</b>	
	<b>2024</b>	<b>flows</b>	<b>2024</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
	6,348	1,799	8,147	
	20,097	11,139	31,236	
	<u>26,445</u>	<u>12,938</u>	<u>39,383</u>	
	<b>Charity</b>			
	<b>At</b>		<b>At</b>	
	<b>1 Jan</b>	<b>Cash</b>	<b>31 Dec</b>	
	<b>2024</b>	<b>flows</b>	<b>2024</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
	4,345	1,722	6,067	
	20,097	11,139	31,236	
	<u>24,442</u>	<u>12,861</u>	<u>37,303</u>	

# THE CHURCH OF SCOTLAND GENERAL TRUSTEES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

### 1 Accounting Policies

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

#### a) General information

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

The principal office of the charity is 121 George Street, Edinburgh, EH2 4YN.

The principal activities of the charity are as described in the Trustees' Report (page 3).

#### Subsidiary Company

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

#### b) Basis of preparation

The group and charity financial statements are prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('the Charities SORP'), FRS 102: The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102'), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

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

#### c) Preparation of accounts on a going concern basis

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

#### d) Group financial statements

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

# THE CHURCH OF SCOTLAND GENERAL TRUSTEES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

### 1 Accounting Policies (Continued)

#### e) Recognition of income

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

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

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

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

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

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

Donated assets comprises:

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

Rental income is recognised when due.

#### f) Expenditure

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

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

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

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

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

# THE CHURCH OF SCOTLAND GENERAL TRUSTEES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

### 1 Accounting Policies (Continued)

#### g) Employee benefits

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

#### h) Taxation

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

#### i) Tangible assets

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

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

#### Glebeland and Heritable Properties

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

#### Tangible Fixed Assets excluding Heritable Properties

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

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

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

Manses, Churches and Halls	50 years
----------------------------	----------

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

# THE CHURCH OF SCOTLAND GENERAL TRUSTEES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

### 1 Accounting Policies (Continued)

#### i) Tangible assets (continued)

##### Derecognition

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

#### j) Investments

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

Deposits held by the Deposit Fund are stated at cost.

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

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

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

#### k) Cash and cash equivalents

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

#### l) Provisions and contingencies

##### Provisions

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

The General Trustees provision relates to deferred tax of the 'Insurance Company' which is expected to be used more than 12 months following the balance sheet date.

##### Contingencies

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

# THE CHURCH OF SCOTLAND GENERAL TRUSTEES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

### 1 Accounting Policies (Continued)

#### m) Long Term and Short Term Concessionary Loans

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

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

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

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

#### n) Financial instruments

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

#### o) Fund Accounting

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

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

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

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

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

#### p) Related party transactions

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

# THE CHURCH OF SCOTLAND GENERAL TRUSTEES

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2024

### 2 Critical accounting judgements and estimation uncertainty

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

#### Critical judgements in applying the entity's accounting policies

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

#### Key accounting estimates and assumptions

##### Valuation of Assets

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

##### Glebeland

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

##### Other Land

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

##### Churches and Halls

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

##### Manses

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

## THE CHURCH OF SCOTLAND GENERAL TRUSTEES

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2024

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
<b>3 Income from Donations and legacies</b>				
Legacies	16	4	16	4
Donations	3	3	3	3
Donated proceeds - property sales with Assembly Control Clause	6,483	-	6,483	-
Monies from Other Boards/Committees	641	1,324	641	1,324
New Capital from Congregations	30	13	30	13
	<u>7,173</u>	<u>1,344</u>	<u>7,173</u>	<u>1,344</u>
<b>4 Income from Charitable activities</b>				
Supporting Parish Ministry	-	394	-	394
Providing Suitable Buildings				
Donated Assets	9,240	1,309	9,240	1,309
Other income	9	25	9	25
Other - General Fund	99	248	99	248
	<u>9,348</u>	<u>1,976</u>	<u>9,348</u>	<u>1,976</u>
<b>5 Income from Investments</b>				
Dividends	8,510	6,561	8,510	6,561
Gift Aid (CoSIS)	-	-	1,108	1,061
Interest	142	260	29	170
	<u>8,652</u>	<u>6,821</u>	<u>9,647</u>	<u>7,792</u>
<b>6 Other Income</b>				
Rental Income	2,129	2,043	2,129	2,043
Subsidiary Company Trading Income (note 14)	1,480	1,531	-	-
Property Sales	365	3,359	365	3,359
Levies on Property Sales	65	787	65	787
Sundry Income	39	21	39	21
	<u>4,078</u>	<u>7,741</u>	<u>2,598</u>	<u>6,210</u>
<p>Property sales are the proceeds on the sale servitudes, plus net realised gains on disposal of properties vested with the General Trustees. Property sales for 2023 also include £2,061k in respect proceeds from the sale of locally vested properties which contain an Assembly Control Clause; such proceeds for 2024 have been recognised as donations (note 3).</p>				
<b>7 Expenditure on Charitable Activities</b>				
Supporting Parish Ministry	3,813	3,600	3,813	3,600
Providing Suitable Buildings				
Expenditure	24,202	19,157	24,202	19,157
Reversal of impairment losses	(1,153)	(1,351)	(1,153)	(1,351)
Realised loss on disposal of Tangible Fixed Assets	1,714	-	1,714	-
	<u>24,763</u>	<u>17,806</u>	<u>24,763</u>	<u>17,806</u>
Other (General & Designated Funds)	2,995	2,543	2,995	2,543
	<u>31,571</u>	<u>23,949</u>	<u>31,571</u>	<u>23,949</u>

Included in the figure of Providing Suitable Buildings is a cost of £2,739k (2023: £853k) in respect of fabric grant awards for the year. An analysis of fabric grants payable during the year is set out in note 27.

Other expenditure mainly relates to Support Costs of £2.5m (2023: £2.1m) (note 8); Charity Governance Costs of £127k (2023: £100k) (note 9); property related costs of £732k (2023: £374k).

# THE CHURCH OF SCOTLAND GENERAL TRUSTEES

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2024

### 8 Support Costs within: Other - General Fund Expenditure (note 7)

	Support Costs £000	Transfer to Governance £000	2024 £000	2023 £000
Legal	562	-	562	537
Finance and Payroll Administration	196	-	196	184
Direct Staff	1,472	(50)	1,422	1,127
Human Resources	68	-	68	43
Central Premises	61	-	61	95
Information Technology	148	-	148	88
	<u>2,507</u>	<u>(50)</u>	<u>2,457</u>	<u>2,074</u>

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

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
<b>9 Governance Costs</b>				
External Audit	64	65	36	40
Internal Audit	-	-	-	-
Trustees' Remuneration and Expenses (See Note 10)	8	10	8	10
Expenses of Advisory Members etc.	-	-	-	-
Trustees' Indemnity Insurance	57	32	33	-
Professional Support for Trustees	50	50	50	50
	<u>179</u>	<u>157</u>	<u>127</u>	<u>100</u>

### 10 Employees and trustees

#### Employees

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£000	£000	£000	£000
Salaries	1,328	1,108	1,089	886
Social Security Costs	168	101	150	86
Defined Contribution Pension Costs	226	200	135	106
Other Staff Costs	48	49	48	49
	<u>1,770</u>	<u>1,458</u>	<u>1,422</u>	<u>1,127</u>

The General Trustees do not employ any staff, except in their Subsidiary Company, but reimburse the Church of Scotland for the services of staff employed by the Church's Central Services Committee, but working primarily for the General Trustees. The average head count of such employees was 25 (2023 - 22) , and calculated as full time equivalents was 24 (2023 - 21).

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

	2024 £000	2023 £000
Salaries	239	222
Social Security Costs	18	15
Defined Contribution Pension Costs	91	94
	<u>348</u>	<u>331</u>

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Employees who received employee benefits over £60,000:				
£60,001 - £70,000	1	-	1	-
£70,001 - £80,000	-	1	-	1
£80,001 - £90,000	1	-	1	-
£90,001 - £100,000	-	-	-	-
£100,001 - £110,000	1	1	-	-

## THE CHURCH OF SCOTLAND GENERAL TRUSTEES

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2024

#### 10 Employees and trustees (Continued)

##### *Trustees*

Other than the Chairman and Vice-Chairman, who each received £2k (2023 - £2k each), the individual Trustees received no remuneration. Authority to pay this remuneration is contained in Section 38 of the Church of Scotland (Property and Endowment) Act 1925.

Expenses amounting £15k in total were incurred in respect of nine Trustees mainly for travel and subsistence (2023 - £12k - 11 Trustees). A total of £553 was incurred in respect of Advisory Members (2023 - £365).

##### *Key management compensation*

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

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Salaries and other short-term benefits	440	346	333	239
Post-employment benefits	71	88	11	26
	<u>511</u>	<u>434</u>	<u>344</u>	<u>265</u>

#### 11 Other Expenditure

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

	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Subsidiary Company - Trading expenditure	633	503	-	-
Subsidiary Company Taxation	-	41	-	-
	<u>633</u>	<u>544</u>	<u>-</u>	<u>-</u>

#### 12 Tangible Assets

	Land	Heritable Properties	Charity	Subsid. Co Office Equipment	Group
	£000	£000	£000	£000	£000
<b>Cost or valuation</b>					
At beginning of the year	29,264	533,925	563,189	18	563,207
Additions	-	12,841	12,841	-	12,841
Disposals	-	(27,978)	(27,978)	-	(27,978)
Revaluations	85	15,777	15,862	-	15,862
At end of the year	<u>29,349</u>	<u>534,565</u>	<u>563,914</u>	<u>18</u>	<u>563,932</u>
<b>Accumulated depreciation</b>					
At beginning of the year	-	-	-	15	15
Depreciation	-	10,691	10,691	2	10,693
Disposals	-	-	-	-	-
Revaluations	-	(10,691)	(10,691)	-	(10,691)
At end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>17</u>
Net book value at beginning of the year	29,264	533,925	563,189	3	563,192
Net book value at end of the year	<u>29,349</u>	<u>534,565</u>	<u>563,914</u>	<u>1</u>	<u>563,915</u>
<b>Net gains on disposal of tangible fixed assets</b>					
Proceeds	2	25,691	25,693	-	25,693
Opening net book value	-	(27,978)	(27,978)	-	(27,978)
<b>Net realised gains / (losses) in year</b>	<u>2</u>	<u>(2,287)</u>	<u>(2,285)</u>	<u>-</u>	<u>(2,285)</u>

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

Included within additions is £9.2m of donated assets that have been capitalised during the year.

# THE CHURCH OF SCOTLAND GENERAL TRUSTEES

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2024

### 12 Tangible Assets (continued)

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

#### Gains on revaluation of tangible fixed assets

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

	2024 £000	2023 £000
Revaluation gain	15,862	6,861
Depreciation reversal	10,691	10,678
	<u>26,553</u>	<u>17,539</u>
Reversal of impairment losses	(1,272)	(1,351)
Net gain on revaluation of tangible fixed assets	<u>25,281</u>	<u>16,188</u>

### 13 Investments

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Fair value at beginning of the year	228,843	207,450	223,912	203,088
Acquisitions at cost	18,579	29,058	17,281	27,992
Disposals at opening fair value / cost	(6,675)	(20,133)	(5,125)	(19,380)
Transfers to Short Term Deposits	(233)	-	(233)	-
Net gains on revaluation	15,099	12,468	14,606	12,212
<b>Fair value at end of the year</b>	<u>255,613</u>	<u>228,843</u>	<u>250,441</u>	<u>223,912</u>
<b>Historic cost at end of the year</b>	<u>156,687</u>	<u>143,927</u>	<u>153,163</u>	<u>140,160</u>
<b>Net gains / (losses) on disposal of investments</b>				
Proceeds	6,830	20,117	5,221	19,358
Opening fair value	6,675	20,133	5,125	19,380
<b>Net realised gains / (losses) in year</b>	<u>155</u>	<u>(16)</u>	<u>96</u>	<u>(22)</u>
<b>Analysis of Investments at 31 December</b>				
Church of Scotland Investors Trust - Growth Fund	167,670	152,640	167,670	152,640
Church of Scotland Investors Trust - Income Fund	27,576	26,699	27,576	26,699
Church of Scotland Investors Trust - Deposit Fund	55,195	44,573	55,195	44,573
Ordinary Stocks and Shares and Unit Trusts	5,172	4,931	-	-
	<u>255,613</u>	<u>228,843</u>	<u>250,441</u>	<u>223,912</u>

### 14 Investment in Subsidiary Company

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

## THE CHURCH OF SCOTLAND GENERAL TRUSTEES

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2024

#### 14 Subsidiary Company (continued)

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

	2024 £000	2023 £000
Turnover	1,480	1,531
Administrative expenses	(606)	(525)
Operating Profit	874	1,006
Investment Income	63	53
Gain on Investment Assets	539	293
Profit on ordinary activities before taxation	1,476	1,352
Taxation Charge	-	(41)
Net Operating Profit before Gift Aid Distributions	1,476	1,311
Gift Aid Distributions to the General Trustees	(1,108)	(1,061)
Net Operating Profit after Gift Aid Distributions	368	250
Reserves brought forward	6,777	6,527
Reserves carried forward	7,145	6,777
 <b>Subsidiary Company Funds:</b>		
Assets	9,071	8,731
Liabilities	(1,396)	(1,424)
<b>Total Funds (including 530,000 ordinary shares of £1 each)</b>	<b>7,675</b>	<b>7,307</b>

#### 15 Loans - Group and Charity

Loan movements were as follows:

	Concessionary Interest Free £000	Interest Bearing £000	Other Interest Bearing £000	2024 £000	2023 £000
Value at beginning of the year	1,149	1,339	-	2,488	4,214
New loans paid out	209	490	1,379	2,078	1,860
Loans reclassified as CFF advance	(1,225)	(1,315)	-	(2,540)	(1,577)
Loans cancelled / written off	-	-	-	-	(200)
Loans repaid	(34)	(272)	(2)	(308)	(1,879)
Interest applied	-	8	2	10	90
Value of loans drawn at end of the year	99	250	1,379	1,728	2,508
Movement in provision	110	(1)	-	109	(20)
Total Value of loans at end of the year	209	249	1,379	1,837	2,488
Less : Amounts repayable within one year	(209)	(44)	-	(253)	(975)
Amounts repayable after one year	-	205	1,379	1,584	1,513

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

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

At 31 December 2024, £181km interest bearing and £831k interest free concessionary loans had been committed but not taken up from the Central Fabric Fund (2023: £60k interest bearing, and £27k interest free). At 31 December 2024, £1.8m other interest bearing loans had been committed but not taken up from the Stipend Fund (2023: £nil).

# THE CHURCH OF SCOTLAND GENERAL TRUSTEES

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2024

16 Debtors	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Subsidiary Company Insurance Debtors	1,818	1,795	-	-
Debtors and Prepayments	132	115	132	115
	1,950	1,910	132	115

17 Creditors: Amounts falling due within one year	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Grants voted but not paid	2,488	893	2,488	893
Subsidiary Company Insurance Creditors	1,162	1,191	-	-
Sundry Creditors and Accruals	128	37	128	37
Due to the Church of Scotland Unincorporated Entities	740	123	740	123
	4,518	2,244	3,356	1,053

18 Provision for Liabilities and Charges	Group		Charity	
	2024	2023	2024	2023
	£000	£000	£000	£000
Deferred Taxation on unrealised investment gains				
At beginning of the year	234	193	-	-
Provision for year	-	41	-	-
At end of the year	234	234	-	-

### 19 Permanent Endowment Funds - Group and Charity

	Balance 1 Jan 2024 £000	Income £000	Expenditure £000	Transfers £000	Gains / (Losses) £000	Balance 31 Dec 2024 £000
Providing Suitable Buildings - Fabric Funds	3,699	-	-	391	388	4,478

	Balance 1 Jan 2023 £000	Income £000	Expenditure £000	Transfers £000	Gains / (Losses) £000	Balance 31 Dec 2023 £000
Providing Suitable Buildings - Fabric Funds	3,427	-	-	-	272	3,699

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

## THE CHURCH OF SCOTLAND GENERAL TRUSTEES

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2024

#### 20a Restricted Funds

	As at 1 Jan 2024 £000	Income £000	Expenditure £000	Transfers £000	Other Gains / (Losses) £000	As at 31 Dec 2024 £000
<b>Supporting Parish Ministry</b>						
Glebe Funds	29,588	507	(548)	(420)	85	29,212
Glebe Improvement Fund	441	16	-	-	-	457
Consolidated Stipend Fund	109,252	2,611	(3,265)	350	10,242	119,190
	<u>139,281</u>	<u>3,134</u>	<u>(3,813)</u>	<u>(70)</u>	<u>10,327</u>	<u>148,859</u>
<b>Providing Suitable Buildings</b>						
Consolidated Fabric Fund	631,702	22,724	(22,083)	(1,402)	27,604	658,545
Individual	4,349	254	(471)	(755)	181	3,558
Central Fabric Fund	21,745	713	(2,209)	1,264	1,074	22,587
	<u>657,796</u>	<u>23,691</u>	<u>(24,763)</u>	<u>(893)</u>	<u>28,859</u>	<u>684,690</u>
<b>Total Restricted Funds</b>	<u>797,077</u>	<u>26,825</u>	<u>(28,576)</u>	<u>(963)</u>	<u>39,186</u>	<u>833,549</u>
	<b>As at 1 Jan 2023 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers £000</b>	<b>Other Gains / (Losses) £000</b>	<b>As at 31 Dec 2023 £000</b>
<b>Supporting Parish Ministry</b>						
Glebe Funds	29,392	2,254	(400)	(1,940)	282	29,588
Glebe Improvement Fund	384	111	(1)	(53)	-	441
Consolidated Stipend Fund	100,043	2,277	(3,200)	2,163	7,969	109,252
	<u>129,819</u>	<u>4,642</u>	<u>(3,601)</u>	<u>170</u>	<u>8,251</u>	<u>139,281</u>
<b>Providing Suitable Buildings</b>						
Consolidated Fabric Fund	622,444	9,241	(16,506)	(1,769)	18,292	631,702
Individual	4,128	202	(160)	(9)	188	4,349
Central Fabric Fund	19,788	1,378	(1,139)	844	874	21,745
	<u>646,360</u>	<u>10,821</u>	<u>(17,805)</u>	<u>(934)</u>	<u>19,354</u>	<u>657,796</u>
<b>Total Restricted Funds</b>	<u>776,179</u>	<u>15,463</u>	<u>(21,406)</u>	<u>(764)</u>	<u>27,605</u>	<u>797,077</u>
					<b>2024 £000</b>	<b>2023 £000</b>
Total Restricted Funds					833,549	797,077
Restricted Revaluation Reserve (note 20b)					<u>(193,797)</u>	<u>(180,368)</u>
<b>Other Restricted Funds</b>					<u>639,752</u>	<u>616,709</u>

The glebe funds are restricted for the purpose of managing glebeland and supporting the ministry costs of individual congregations.

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

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

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

#### 20b Restricted Revaluation Reserve - Group and Charity

	2024 £000	2024 £000	2023 £000	2023 £000
Opening Revaluation Reserve		180,368		166,180
Revaluation gain for the year	15,194		6,092	
Depreciation reversal	10,087		10,096	
		<u>25,281</u>		16,188
Disposals		(11,852)		(2,000)
Movement in year		<u>13,429</u>		<u>14,188</u>
Closing Revaluation Reserve balance		<u>193,797</u>		<u>180,368</u>

## THE CHURCH OF SCOTLAND GENERAL TRUSTEES

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2024

#### 21 Unrestricted income Fund - Group and Charity

	Balance 1 Jan 2024 £000	Income £000	Expenditure £000	Transfers £000	Total Gains / (Losses) £000	Gift Aid Distribution £000	Balance 31 Dec 2024 £000
Other - General Fund	11,524	764	(2,240)	587	426	1,108	12,169
	Balance 1 Jan 2023 £000	Income £000	Expenditure £000	Transfers £000	Total Gains / (Losses) £000	Gift Aid Distribution £000	Balance 31 Dec 2023 £000
Other - General Fund	11,084	732	(2,431)	612	466	1,061	11,524

#### 22 Designated Funds

	Balance 1 Jan 2024 £000	Income £000	Expenditure £000	Transfers £000	Total Gains / (Losses) £000	Gift Aid Distribution £000	Balance 31 Dec 2024 £000
<b>(a) Group</b>	£000	£000	£000	£000	£000	£000	£000
Other - Subsidiary Company	7,307	1,592	(666)	-	550	(1,108)	7,675
<b>(b) Charity</b>	£000	£000	£000	£000	£000	£000	£000
Other - Subsidiary Company	7,307	-	-	-	368	-	7,675
	Balance 1 Jan 2023 £000	Income £000	Expenditure £000	Transfers £000	Total Gains / (Losses) £000	Gift Aid Distribution £000	Balance 31 Dec 2023 £000
<b>(a) Group</b>	£000	£000	£000	£000	£000	£000	£000
Other - Subsidiary Company	7,057	1,621	(572)	-	262	(1,061)	7,307
<b>(b) Charity</b>	£000	£000	£000	£000	£000	£000	£000
Other - Subsidiary Company	7,057	-	-	-	250	-	7,307

This value equates to the net assets of the Subsidiary Company and will fluctuate in line with this.

	Balance 1 Jan 2024 £000	Income £000	Expenditure £000	Transfers £000	Total Gains / (Losses) £000	Gift Aid Distribution £000	Balance 31 Dec 2024 £000
Other - Historic Property Fund	793	70	(755)	(15)	(18)	-	75
	Balance 1 Jan 2023 £000	Income £000	Expenditure £000	Transfers £000	Total Gains / (Losses) £000	Gift Aid Distribution £000	Balance 31 Dec 2023 £000
Other - Historic Property Fund	652	66	(112)	152	35	-	793

#### 23 Analysis of group net assets among funds

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

## THE CHURCH OF SCOTLAND GENERAL TRUSTEES

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2024

#### 23 Analysis of group net assets among funds (continued)

	Endowment £000	Restricted £000	Unrestricted £000	Designated £000	Revaluation £000	2023 Total £000
Tangible Assets	-	382,378	106	340	180,368	563,192
Investments	3,699	208,906	10,088	6,150	-	228,843
Long Term Loans	-	1,508	5	-	-	1,513
Current Assets	-	24,810	1,485	3,035	-	29,330
Current Liabilities	-	(893)	(160)	(1,191)	-	(2,244)
Provisions for Liabilities and Charges	-	-	-	(234)	-	(234)
	<u>3,699</u>	<u>616,709</u>	<u>11,524</u>	<u>8,100</u>	<u>180,368</u>	<u>820,400</u>

#### 24 Financial instruments

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

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
<b>Investments at fair value</b>	<u>255,613</u>	<u>228,843</u>	<u>250,441</u>	<u>223,912</u>

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

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
<b>Net income for the financial year (as per the statement of financial activities)</b>	37,546	22,001	37,546	22,001
<b>Adjustments for:</b>				
Depreciation	10,693	10,679	10,691	10,678
Donated Assets	(9,240)	(1,309)	(9,240)	(1,309)
Gains on investments	(15,254)	(12,452)	(15,070)	(12,440)
Gains on property	(24,268)	(18,794)	(24,268)	(18,794)
Investment income	(8,652)	(6,821)	(9,647)	(7,792)
(Increase) / decrease in Debtors	(40)	(131)	(17)	11
Increase in Loans due	(10)	(90)	(10)	(90)
Loans reclassified or written off	2,540	-	2,540	-
(Decrease) / increase in Provision for Loans	(109)	20	(109)	20
Increase / (decrease) in Creditors	2,274	(3,374)	2,303	(3,418)
<b>Net cash used in operating activities</b>	<u>(4,520)</u>	<u>(10,271)</u>	<u>(5,281)</u>	<u>(11,133)</u>

#### 26 Analysis of cash and cash equivalents

	Group		Charity	
	2024 £000	2023 £000	2024 £000	2023 £000
Short term deposits	31,236	20,097	31,236	20,097
Cash at bank	8,147	6,348	6,067	4,345
<b>Total cash and cash equivalents</b>	<u>39,383</u>	<u>26,445</u>	<u>37,303</u>	<u>24,442</u>

# THE CHURCH OF SCOTLAND GENERAL TRUSTEES

## NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2024

### 27 Analysis of Fabric Grants Awarded to Congregations

	2024	2023
	£000	£000
<b>Providing Suitable Buildings</b>		
Churches / Halls - 47 (2023 - 28)	2,146	760
Manses - 7 (2023 - 2)	363	19
	2,509	779
Less: Grants lapsed or cancelled	(215)	-
	2,294	779
Bequests	456	74
Less: Grants lapsed or cancelled	(11)	-
	2,739	853

### 28 Capital Commitments

As at 31 December 2024, the General Trustees had approved a number of capital projects which will enable congregations to draw down on balances within the Consolidated Fabric Fund. Due to these projects comprising both capital and revenue expenditure and with some projects having a number of funding partners, the extent of the capital commitment cannot be estimated with any accuracy other than being limited to the amount held in name of the congregation concerned.

### 29 Contingent Liabilities

A contingent liability exists in relation to grants received from the Community Fund, the Heritage Lottery Fund and Historic Environment Scotland in respect of work at buildings vested in the General Trustees. Some or all of the individual grants could become repayable in certain circumstances, such as the sale of the properties within a specified period from the date of receipt of the grant. In cases where the proceeds of sale and other funds held by the Congregations concerned were less than the amounts of the grants repayable, there could be a liability falling on the General Trustees to repay the balance of grants amounting to £2.5m as at 31 December 2024.

A further contingent liability exists in that the General Trustees are the titular proprietors of the bulk of the Congregational property of the Church of Scotland. The individual Congregations are charged with the maintenance and adequate insurance of their property but in the event of their not having the resources to meet statutory obligations these would fall on the General Trustees. It is not possible to quantify this potential liability but at 31 December 2024 the Trustees are not aware of any specific liability against which a provision need be made.

The Trustees have taken a number of steps to mitigate any potential liability that could arise from congregations not adequately maintaining and / or insuring their properties such as; annual and quinquennial inspections by Presbyteries; introduction of simplified versions of the Property Register and Manse Condition Schedule; monitoring and follow up of Quinquennial Reports by the Trustees; holding regular property seminars throughout the country; regular deputation visits by Trustees; implementation of comprehensive compulsory insurance schemes for buildings, liabilities and contents for congregations; appointment of a full-time Safe Buildings Consultant. By the end of 2024, Presbytery Buildings Officers were appointed to eight Presbyteries.

## THE CHURCH OF SCOTLAND GENERAL TRUSTEES

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2024

#### 30 Related party transactions and controlling party

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

The General Trustees paid over to Faith Action Programme Leadership Team, which is one of the Church of Scotland's Unincorporated Entities, the sum of £3.6m (2023 - £3.5m) representing net revenue income from its Stipend and Glebe Revenue Funds and a top up from Stipend capital as agreed by the 2021 General Assembly.

The Church of Scotland Unincorporated Entities receive monies and make payments on behalf of the Church of Scotland General Trustees via a current account. At the end of the financial year, the sum of £740k was due to the Church of Scotland Unincorporated Entities by the Church of Scotland General Trustees (2023 - £123k). Both bodies are answerable to the General Assembly of the Church of Scotland. The General Trustees paid internal support costs to the Unincorporated Entities of £2.4m in respect of accommodation, information technology, human resources, finance and payroll administration, legal services and direct staff costs (2023 - £2.1m).

During the year the General Trustees provided CrossReach with a loan facility of up to £3.2m for the redevelopment of Gaberston House, with a loan guarantee being provided by the Unincorporated Entities. As at 31 December 2024, £1.4m of the capital facility had been drawn down, and the balance outstanding at the end of the financial year, including accrued interest, was £1.4m.

In addition, some of the congregations of which individual General Trustees are members or Trustees have deposits/investments with the General Trustees and received interest/dividends. These arrangements were all on an arm's length basis in line with agreements with all other congregations.

Prior to the General Assembly of May 2023, the Chair of the General Trustees, by order of the General Assembly, was also an Assembly Trustee of the Unincorporated Entities of the Church of Scotland.