



The Church of Scotland General Trustees
SC014574

Annual Report and Financial Statements
For year ended 31 December 2023

THE CHURCH OF SCOTLAND GENERAL TRUSTEES
Annual Report and Financial statements for the year ended 31 December 2023

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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 under 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 (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 the 1,025 congregations with holdings in it. 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.

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 a congregation's holding in the Consolidated Stipend Fund being transferred to its holding in 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 a congregation's holding in the Consolidated Fabric Fund being transferred to its holding in the Consolidated Stipend Fund.

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.

Individual Funds

Individual Funds are derived from 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.

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. The following guidelines are applied when assessing applications for financial assistance:

- Priority will be given to grant applications to the Central Fabric Fund from congregations in Priority Areas and in other areas of identified need.
- Grants will not be awarded to congregations which have holdings in the Consolidated Fabric Fund from which the relevant expenditure could be met.
- Grants will not be awarded to congregations which can finance the repayment of a loan, although the General Trustees may continue to make grants in this circumstance towards the cost of obtaining professional advice.

Objectives and Activities (continued)

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

Central Fabric Fund (continued)

- Grants will only be awarded where the congregation has applied the whole or a substantial portion of its fabric reserves or has made significant efforts to raise funds locally or from other external sources.
- 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.

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. The Fund receives payments under Gift Aid from the Church of Scotland Insurances Services Ltd, the subsidiary company. 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.

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. The costs associated with the upkeep of these buildings over an extended period may be substantial. Two buildings are 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.

The sale proceeds of buildings in other dissolved congregations continue to be credited to the Central Fabric Fund.

Objectives and Activities (continued)

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

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. The registered office is 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 as it was renewed for a five-year period with Aviva from 1 January 2020. Work is already underway to prepare for the renewal of the Scheme from 1 January 2025.

It also provides an income for the Trustees and so the Trustees are satisfied that the services which the Company provides represent good value both for congregations and the Trustees.

Achievements and Performance

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. Now that most have been approved, planning has started on the process for carrying out annual reviews.

The staff of the Trustees and of the Law Department are already dealing with an increasing number of disposals of buildings arising from the planning process including the sale of surplus manses.

Manse Condition Reports and Manse Provision

In May 2023, the General Assembly approved proposals from the Trustees aimed at ensuring manses 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. Unfortunately, progress to date has been disappointing. The General Assembly also asked the Trustees to work with other parties to review the current way in which manses are provided to ministers. A Manse working group was established to address both matters.

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.

Achievements and Performance (continued)

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".

Consolidated Stipend Fund

For many years, this fund was invested entirely in the Investors Trust Growth Fund. During the year, an agreement was reached with CrossReach and the Assembly Trustees under which the Trustees would provide a loan facility to finance the redevelopment of Gaberston House. The maximum amount of the loan was set at £3.2m to be drawn down on the completion of specified milestones and to be repaid within 20 years with interest at 5% for the first five years and reviewable thereafter. The Assembly Trustees provided an indemnity in the event of default by CrossReach. The first draw down instalment is expected to be in Spring 2024.

Sub-Funds of the Central Fabric Fund

As described earlier, 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. Their creation will provide flexibility that may be useful in other contexts in future.

Trustee Board and Restructuring

At the General Assembly in May 2023, Mr Alan Kennedy was confirmed as Chair with Rev Scott Rennie as Vice-Chair. They had acted in those roles on an interim basis since April 2022.

The Trustees have reviewed the Committee structure and established specialist working groups that report to the Committees. As a result, new Terms of Reference were developed for the Board, the Committees and the working groups. Details are provided in the section on Structure, Governance and Management.

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.

Early in the year, the Trustees were pleased to appoint Mr Brian Waller as Chief Executive with Mrs Morag Menneer as his depute. Further appointments have followed as part of Brian's development of the executive team and support staff including additional Presbytery Buildings Officers who are centrally managed but with their costs shared with the Presbytery in question. These appointments have contributed to the ability of the staff to deal with the increased workload described above and the Trustees are indebted to all the staff for their dedicated contribution to the work of the Trustees.

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 Funds are the responsibility of the General Trustees.

The Trustees commissioned an external review of their Investment Policy in late 2022. The outcome was shared with COSIT with whom discussions remain ongoing while COSIT carries out its own review.

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

The Trustees' Investment Policy review also covered the area of Ethical Investment and Manliffe Goodbody has been nominated to represent the Trustees alongside representatives of COSIT on a new Ethical Oversight Committee established following the General Assembly held in May 2023.

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), alcohol, armaments, thermal coal and tar sands and recreational cannabis. 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.

Those members of the Finance & Resources Committee with an investment background regularly engage with COSIT by reviewing its quarterly and annual investment reports, with particular reference to the Growth and Income Funds, and attending presentations from the Investment Managers of these two Funds.

Investment Policy and Performance (continued)

Consolidated Stipend Fund

As agreed with the then Board of Ministry (now Faith Action Programme Leadership Team) 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. The objective is to maximise the long-term capital value of the Fund to benefit future levels of income and capital. The Trustees are empowered to augment the distribution of income to FAPLT for the benefit of congregations' stipend responsibilities from the sale proceeds of capital and they have agreed with FAPLT that the distributed income will be augmented in that way to £3.2m per annum from 2021 to 2025.

The Trustees have agreed to provide CrossReach with a loan facility for up to £3.2m for the redevelopment of Gaberston House with a loan guarantee being provided by the Unincorporated Entities (further details on page 7). The loan will be provided by the Consolidated Stipend Fund. None of the loan facility had been draw down by the date of signing of this report.

Consolidated Fabric Fund

The Trustees are responsible for the investment of this Fund that is held for the benefit of congregations. The Fund operates by taking account of asset allocations in the COSIT funds as requested by each congregation. Until December 2023, there was also a Mixed Fund option that comprised 50% Growth, 25% Income and 25% Deposit. For reasons of administrative simplification and to increase transparency for congregations, this option was discontinued and the underlying holdings transferred to holdings in Growth, Income and Deposit within the Fund.

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 2023 the Growth Fund's total return was 10.6% (2022: -9.2%) against the composite benchmark of 13.2% (2022: -6.7%). The Fund outperformed the ARC Steady Growth Index return for the year by 3.3%.

The Income Fund's total investment return was 9.44% (2022: -12.16%) compared with the composite benchmark return of 8.6% (2022: -17.72%). 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 2023 was 4.26% (2022: +1.06%).

Financial Review

Total Funds

The financial statements as at 31 December 2023 show that the General Trustees have total funds of £820m (2022: £798m). Of this total for the charity, £563m (2022: £563m) is represented by the value of land and property assets as shown in note 12 and £83.8m (2022: £72.5m) is represented by unrealised gains on investment assets to date.

Unrestricted Funds

Of the total funds of £820m only £11.5m (2022: £11.1m) are unrestricted and undesignated, the majority of the funds being held in restricted funds for the benefit of individual congregations.

Within unrestricted, undesignated funds, £106k represents tangible fixed assets. These are not readily available for cashflow and so this leaves £11.4m as the free reserves as at 31 December 2023.

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

- there is annual expenditure on the General Fund of around £2.6m (2022: £2.1m) with annual ordinary recurring income, excluding income from the Insurance Company which is solely dependent on its trading results, of £732k (2022: £692k);
- 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 2023 the unrestricted funds of the General Trustees directly subsidised the work of the designated and restricted funds of the charity with a transfer of £1.8m towards the cost of administering these funds.

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 £11.4m within these free reserves, representing over just over four years of annual expenditure. The policy is therefore being met.

Designated Funds

In addition to the General Trustees' own reserves, the consolidated financial statements show reserves in a Designated Fund of £8.1m (2022: £7.7m) at the Balance Sheet date of which £7.3m 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 are conscious of the Trustees' desire to aid the work of the Church and continue to examine ways to assist in that process.

Financial Review (continued)

Designated Funds (continued)

Also included within Designated Funds is £793k (2022: £652k) 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.

The General Trustees policy on reserves for the Historic Property Fund is to hold sufficient monies to maintain those buildings which form part of the Fund and any shortfall will be met from the reserves of the General Fund.

Restricted Funds

There are restricted reserves of £797m (2022: £776m) at 31 December 2023, comprising £139m (2022: £129m) of funds to support parish ministry and £658m (2022: £646m) of Fabric and other Funds which includes £29m and £534m respectively of capitalised land and properties.

As explained on page 3, the Consolidated Stipend Fund is held for the benefit of the 1,025 congregations for whom it is earmarked, and the income is 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 or to the National Stipend Fund (administered by the Faith Action Programme Leadership Team).

Fabric Funds are made up of:

- 1) heritable properties capitalised in the accounts which total £533m;
- 2) monies held for the benefit of specific congregations totalling £98m; and
- 3) the Central Fabric Fund of £21.7m.

In the case of (2) the monies are held for the benefit of approximately 785 congregations and, subject to the relevant approvals by Presbyteries and the General Trustees, both capital and revenue balances may be withdrawn to meet local fabric needs. The timing of these withdrawals is out-with 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 the appropriate investment strategy.

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.

Financial Review (continued)

Restricted Revaluation Reserve

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

Review of Financial Activities

The Statement of Financial Activities discloses the incoming and expended resources for the year to 31 December 2023 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 £7.3m (2022 - £7.1m). A summary of the Insurance Company's results for the year is shown in Note 14.

The overall total income is £17.9m (including 'donated' assets of £1.3m – see notes 1 and 4) which is £2.3m less than 2022 with total expenditure of £24.5m, a decrease of £1m 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, £25.8m 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 £893k (note 17) is committed by way of fabric grants to congregations. Awarding grants in excess of £1m 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

A major piece of work that will be taken to the 2024 General Assembly is a Consolidating Act that will bring together the vast majority of the church law that relates to the Trustees and how they operate. This will simplify the way the Trustees operate and provide greater flexibility in areas where that will be of benefit.

Administration Costs

As noted earlier, the General Fund meets all the expenses incurred by the Trustees in the administration of their business. At present, the amounts that can be allocated to the restricted funds are limited by formal and informal rules. The allocation of support costs is significantly less than the actual assessed costs that the Trustees incur in administering each of the funds and that results in the General Fund having to make transfers to each fund thereby subsidising them. The Trustees have been provided with financial projections that show the assessed costs increasing at a far greater rate in future than the current level of allocations. The Trustees therefore intend to regularise the position by increasing the allocation of support costs from 2025 and doing so in such way that the approach will continue to be appropriate in future. Some of these changes will require the agreement of the 2024 General Assembly.

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, manses 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. A fact-finding survey about the condition of manses has recently been issued to ministers and manse families.

The Trustees will provide an update to the 2024 General Assembly on this topic as well as reporting on the outcome of work carried out along with other parties to review the current way in which manses are provided to ministers. Investigations to date indicate that the basic principles underlying manse provision will remain unaltered.

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.

Future Plans (continued)

Consolidated Fabric Fund

At the 2023 General Assembly, the Trustees agreed to issue a “plain English” guide to the operation of the Fund covering both the Capital Account and the Revenue Account. The Trustees now intend to go beyond that and present a report recommending significant simplifications to the operation of the Fund highlighting much increased flexibility for congregations to request that the Trustees release monies for fabric and, within constraints, non-fabric purposes.

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. They have already been moved onto permanent contracts of employment and the Trustees will be bringing proposals about their longer-term funding to the 2024 General Assembly.

Staff will continue to be involved in developing a “Pathway to Net Zero” and an “Environmental Footprint Tool”.

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.
- Increasing level of expense subsidies to the restricted funds being met by the General Fund.

Risk Management (continued)

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.

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 and teaching webinars. 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 assumed administrative responsibility for two substantial historic listed buildings that were not capable of being disposed of in the short-term following dissolution of a congregation. They are held in the Historic Property Fund. While the costs associated with the upkeep of these buildings over an extended period are substantial, the disposal of both properties 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 such buildings reaching the stage of dissolution.

Risk Management (continued)

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.

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.

Increasing level of expense subsidies to the restricted funds being met by the General Fund

The Stewardship & Finance Department has provided the Finance & Resources Committee with more detailed projections of income and expenditure for each fund so that the future level of subsidies can be assessed. These projections show that the charging structure that the Trustees currently operate for the restricted funds is not sustainable going forward and so proposals will be made to the General Assembly in 2024 to remedy the situation.

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.

As stated earlier, a new Consolidating Act is being prepared for the 2024 General Assembly to bring together and simplify the church law relating to the operation of the General Trustees and the Funds for which they are responsible.

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

Organisation and Structure

Following the recent review, the 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 19 General Trustees including the Procurator of the Church who is a Trustee *ex officio*. There are 10 Advisory Members who also attend Board meetings but have no voting rights. There are also 6 Committee Members and 2 Co-Opted Members. A "List of General Trustees and Advisory Members" is provided.

Following the recent review, the terms of reference of the Board, the Committees and the working groups were 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 (continued)

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

- Audit & Assurance
- Fabric

- Finance & Resources

- Glebes
- Presbytery Support and Buildings

- Nomination Committee

Working Groups

- Health and Safety WG
- Manse WG
- Energy Procurement WG
- Insurance Forum WG

- Heritage Property Portfolio WG
- Signature Churches WG
- Presbytery Planning WG

Membership of the Nomination Committee comprises the Chair, Vice-Chair, Committee Conveners and Committee Vice-Conveners. 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 underway. 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 are under way and Trustees will be asked to complete surveys on the operation of the Board and its Committees 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 2023 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 has now also been 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 (FAPLT) at both trustee and executive staff levels.

The General Trustees have traditionally invested 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 2023

List of General Trustees

Current

Walter H Barbour
Richard S Bell
Robert Bell
Jonathan Brodie (*ex officio*) (*wef 31/05/23*)
Michael Craig (*wef 24/05/23*)
Alan Gibson (*wef 24/05/23*)
Manliffe Goodbody
Isobel W Gray (*wef 24/05/23*)
William A Hall
Nigel W Hicks
Alan F K Kennedy (*Acting Chair wef 13/04/22*)
(*Chair wef 24/05/23*)
Douglas Kerr
William M Lawrie
Neil I M MacGregor
Kenneth I Mackenzie
John W Maddock
Scott Rennie (*Acting Vice-Chair wef 14/06/22*)
(*Vice-Chair wef 24/05/23*)
D Stewart Toy
John M Trushell

Retired/resigned

Robert W Balfour (*res 24/05/23*)
Laura J Dunlop (*ex officio*) (*ret 31/05/23*)
Robin M Stimpson (*ret 24/05/23*)

List of Advisory Members

Current

Fraser Bews (*wef 08/08/23*)
Logan Brown (*wef 05/03/24*)
David Coulter (*wef 08/08/23*)
Chris Johnstone
Ian W T Lochhead
Hamish McBean
Michael Pearson (*wef 06/02/24*)
Tim Podger (*wef 08/08/23*)
Bahar Raeisi Dehkordi
Nigel Robb (*wef 08/08/23*)
Rosalind J Taylor

Retired/resigned

A Graham Biggerstaff (*ret 24/05/23*)
Michael M Norval (*res 11/03/23*)
David Taverner (*res 30/06/23*)

Appointed as General Trustees

Michael Craig (*until 24/05/23*)
Alan Gibson (*until 24/05/23*)
Isobel W Gray (*until 24/05/23*)

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

Barri S Millar BSc, MSc, MIOd, MAPM (until 31 January 2023)

Brian D Waller LLB (Hons) Dip LP (from 24 April 2023)
(Acting Chief Executive and Clerk from 1 February 2023)

Treasurer

Jenny Simpson BSc(Hons) FCA DChA (from 29 March 2024)
Anne F Macintosh BA CA (until 28 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).

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.

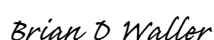
The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Edinburgh

Date: 9 April 2024



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



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

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 2023 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Group and Company Balance Sheets, the Group and Charity 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 2023 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 23 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
12/04/24

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

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2023 £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2022 £000
Income from:									
Donations and legacies	3	148	1,196	-	1,344	445	2,345	-	2,790
Charitable Activities	4	248	1,728	-	1,976	106	1,238	-	1,344
Investments	5	458	6,363	-	6,821	266	3,968	-	4,234
Other	6	1,565	6,176	-	7,741	3,149	8,591	-	11,740
Total income		2,419	15,463	-	17,882	3,966	16,142	-	20,108
Expenditure on:									
Raising Funds		28	-	-	28	30	-	-	30
Charitable Activities	7	2,543	21,406	-	23,949	2,331	4,485	-	6,816
Other	11	544	-	-	544	461	-	-	461
Total expenditure		3,115	21,406	-	24,521	2,822	4,485	-	7,307
Net gains / (losses) on investments									
	13								
Realised - Investments		6	(22)	-	(16)	(192)	342	-	150
Unrealised - Investments		757	11,439	272	12,468	(1,672)	(19,613)	(405)	(21,690)
		763	11,417	272	12,452	(1,864)	(19,271)	(405)	(21,540)
Net (expenditure) / income		67	5,474	272	5,813	(720)	(7,614)	(405)	(8,739)
Transfers between funds									
	19 - 22	764	(764)	-	-	412	(412)	-	-
Gains on revaluation of tangible fixed assets	12	-	16,188	-	16,188	-	16,734	-	16,734
Net movement in funds		831	20,898	272	22,001	(308)	8,708	(405)	7,995
Total funds brought forward		18,793	776,179	3,427	798,399	19,101	767,471	3,832	790,404
Total funds carried forward		19,624	797,077	3,699	820,400	18,793	776,179	3,427	798,399

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

CHARITY STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2023

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2023 £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2022 £000
Income from:									
Donations and legacies	3	148	1,196	-	1,344	445	2,345	-	2,790
Charitable Activities	4	248	1,728	-	1,976	106	1,238	-	1,344
Investments	5	1,429	6,363	-	7,792	1,435	3,968	-	5,403
Other	6	34	6,176	-	6,210	1,584	8,591	-	10,175
Total income		1,859	15,463	-	17,322	3,570	16,142	-	19,712
Expenditure on:									
Charitable Activities	7	2,543	21,406	-	23,949	2,331	4,485	-	6,816
Total expenditure		2,543	21,406	-	23,949	2,331	4,485	-	6,816
Net gains / (losses) on investments									
Realised - Investments	13	-	(22)	-	(22)	-	342	-	342
Unrealised - Investments		501	11,439	272	12,212	(968)	(19,613)	(405)	(20,986)
		501	11,417	272	12,190	(968)	(19,271)	(405)	(20,644)
Net (expenditure) / income		(183)	5,474	272	5,563	271	(7,614)	(405)	(7,748)
Transfers between funds	19 - 22	764	(764)	-	-	412	(412)	-	-
Gains on revaluation of tangible fixed assets	12	-	16,188	-	16,188	-	16,734	-	16,734
Other gains	14	250	-	-	250	(991)	-	-	(991)
Net movement in funds		831	20,898	272	22,001	(308)	8,708	(405)	7,995
Total funds brought forward		18,793	776,179	3,427	798,399	19,101	767,471	3,832	790,404
Total funds carried forward		19,624	797,077	3,699	820,400	18,793	776,179	3,427	798,399

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

BALANCE SHEETS As at 31st December 2023

Note	Group		Charity	
	2023 £000	2022 £000 (restated)	2023 £000	2022 £000 (restated)
Fixed Assets				
12 Tangible Assets	563,192	563,019	563,189	563,015
13 Investments	228,843	207,450	223,912	203,088
14 Investment in Subsidiary Company	-	-	7,307	7,057
Total fixed assets	792,035	770,469	794,408	773,160
15 Long Term Concessionary Loans	1,513	1,130	1,513	1,130
Current Assets				
15 Short Term Concessionary Loans	975	1,516	975	1,516
16 Debtors	1,910	1,779	115	126
26 Short Term Deposits	20,097	21,668	20,097	21,668
26 Cash at Bank and in hand	6,348	6,121	4,345	3,702
Total current assets	29,330	31,084	25,532	27,012
17 Creditors: Amounts falling due within one year	2,244	4,091	1,053	2,903
Net Current Assets	27,086	26,993	24,479	24,109
Total Assets less Current Liabilities	820,634	798,592	820,400	798,399
18 Provisions for Liabilities and Charges	234	193	-	-
Net Assets	820,400	798,399	820,400	798,399
The funds of the charity:				
19 Endowment Funds	3,699	3,427	3,699	3,427
20a Restricted Funds	616,709	609,999	616,709	609,999
20b Restricted Revaluation Reserve	180,368	166,180	180,368	166,180
21 Unrestricted Funds	11,524	11,084	11,524	11,084
22 Designated Funds	8,100	7,709	8,100	7,709
Total charity funds	820,400	798,399	820,400	798,399

The notes on pages 32 to 48 form an integral part of these financial statements.

The financial statements on pages 28 to 48 were authorised for issue by The Church of Scotland General Trustees on 9 April 2024 and were signed on its behalf by:

Alan F K Kennedy

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

Jenny Simpson BSc(Hons) FCA DChA, Treasurer

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

STATEMENT OF CASH FLOWS for the year ended 31st December 2023

Note	Group		Charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Cash flows from operating activities:				
25	(10,271)	18,754	(11,133)	17,964
Cash flows from investing activities:				
	6,821	4,234	7,792	5,403
	(5,441)	(23,422)	(5,441)	(23,422)
	14,692	10,684	14,692	10,684
	(29,058)	(16,981)	(27,992)	(15,369)
	20,117	10,675	19,358	8,685
	(83)	(1,106)	(83)	(1,106)
	1,879	969	1,879	969
	<u>8,927</u>	<u>(14,947)</u>	<u>10,205</u>	<u>(14,156)</u>
Cash flow from financing activities:				
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	(1,344)	3,807	(928)	3,808
	27,789	23,982	25,370	21,562
26	26,445	27,789	24,442	25,370
NET DEBT RECONCILIATION				
26	Analysis of changes in net debt		Group	
		At 1 Jan 2023 £000	Cash flows £000	At 31 Dec 2023 £000
	Cash and cash equivalents			
	Cash	6,121	227	6,348
	Cash equivalents	21,668	(1,571)	20,097
		<u>27,789</u>	<u>(1,344)</u>	<u>26,445</u>
	Analysis of changes in net debt		Charity	
		At 1 Jan 2023 £000	Cash flows £000	At 31 Dec 2023 £000
	Cash and cash equivalents			
	Cash	3,702	643	4,345
	Cash equivalents	21,668	(1,571)	20,097
		<u>25,370</u>	<u>(928)</u>	<u>24,442</u>

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2023

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 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 2023

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

Donated assets comprise capital expenditure incurred by individual congregations on the property they occupy, and are treated as donated assets in these financial statements as title to the properties vests in the General Trustees.

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 and expensed 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 2023

1 Accounting Policies (Continued)

g) Employee benefits

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

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 Unincorporated Entities make use of heritable properties vested in The Church of Scotland General Trustees. These properties are not included in the financial statements of the General Trustees but are included in the financial statements of the Unincorporated Entities as beneficiary nominees and are held at cost less depreciation and impairment.

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

As a result of the change of status from that of a Designated Religious Body to a Designated Religious Charity in 2005, which removed the previous exemption from compliance with accounting standards in place at the time in respect of capitalising heritable properties (FRS 15), 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 the General Trustees and 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
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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 2023

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 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 2023

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 consolidated 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 purchases with the loan repaid in full or in part from the proceeds of disposal of a property.

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 2023

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 2023

	Group		Charity	
	2023 £000	2022 £000	2023 £000	2022 £000
3 Income from Donations and legacies				
Legacies	4	322	4	322
Donations	3	638	3	638
Monies from Other Boards/Committees	1,324	891	1,324	891
New Capital from Congregations	13	939	13	939
	<u>1,344</u>	<u>2,790</u>	<u>1,344</u>	<u>2,790</u>
4 Income from Charitable activities				
Supporting Parish Ministry	394	22	394	22
Providing Suitable Buildings				
Donated Assets	1,309	1,134	1,309	1,134
Other income	25	77	25	77
Other - General Fund	248	111	248	111
	<u>1,976</u>	<u>1,344</u>	<u>1,976</u>	<u>1,344</u>
5 Income from Investments				
Dividends	6,561	4,062	6,561	4,062
Gift Aid (CoSIS)	-	-	1,061	1,231
Interest	260	172	170	110
	<u>6,821</u>	<u>4,234</u>	<u>7,792</u>	<u>5,403</u>
6 Other Income				
Rental Income	2,043	1,857	2,043	1,857
Subsidiary Company Trading Income (note 14)	1,531	1,252	-	-
Net Proceeds on Disposal of Tangible Fixed Assets	3,359	5,814	3,359	5,814
Levies on Property Sales	787	604	787	604
Sundry Income	21	2,213	21	1,900
	<u>7,741</u>	<u>11,740</u>	<u>6,210</u>	<u>10,175</u>

Net proceeds on Disposal of Tangible Fixed Assets are the proceeds on the sale of locally vested properties which contain an Assembly Control Clause, less the realised loss on disposal of properties vested with the General Trustees.

7 Expenditure on Charitable Activities				
Supporting Parish Ministry	3,600	3,597	3,600	3,597
Providing Suitable Buildings				
Expenditure	19,157	19,068	19,157	19,068
Reversal of impairment losses	(1,351)	(18,180)	(1,351)	(18,180)
	<u>17,806</u>	<u>888</u>	<u>17,806</u>	<u>888</u>
Other (General & Designated Funds)	2,543	2,331	2,543	2,331
	<u>23,949</u>	<u>6,816</u>	<u>23,949</u>	<u>6,816</u>

Included in the figure of Providing Suitable Buildings is a cost of £85k (2022: £469k) 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 mainly relates to Support Costs of £2.1m (2022: £1.8m) (note 8); Governance Costs of £327k (2022: £301k) (note 9); property related costs of £374k (2022: £403k).

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2023

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

	Support Costs	Transfer to Governance	2023	2022
	£000	£000	£000	£000
Legal	537	-	537	423
Finance and Payroll Administration	184	-	184	169
Direct Staff	1,177	(50)	1,127	1,020
Human Resources	43	-	43	38
Central Premises	95	-	95	66
Information Technology	88	-	88	71
	<u>2,124</u>	<u>(50)</u>	<u>2,074</u>	<u>1,787</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	
	2023	2022	2023	2022
	£000	£000	£000	£000
9 Governance Costs				
External Audit	65	38	40	25
Internal Audit	-	-	-	-
Trustees' Remuneration and Expenses (See Note 10)	10	2	10	2
Expenses of Advisory Members etc.	-	-	-	-
Trustees' Indemnity Insurance	32	45	-	16
Professional Support for Trustees	50	50	50	50
Subsidiary Company's Directors' Remuneration	170	166	-	-
	<u>327</u>	<u>301</u>	<u>100</u>	<u>93</u>

10 Employees and trustees

Employees

Salaries	1,108	1,026	886	822
Social Security Costs	101	99	86	85
Defined Contribution Pension Costs	200	192	106	101
Other Staff Costs	49	28	49	28
	<u>1,458</u>	<u>1,345</u>	<u>1,127</u>	<u>1,036</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 22 (2022 - 21), and calculated as full time equivalents was 21 (2022 - 20).

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

	2023	2022
	£000	£000
Salaries	222	204
Social Security Costs	15	13
Defined Contribution Pension Costs	94	91
	<u>331</u>	<u>308</u>

	Group		Charity	
	2023	2022	2023	2022
	£000	£000	£000	£000
Employees who received employee benefits over £60,000:				
£60,001 - £70,000	-	1	-	1
£70,001 - £80,000	1	-	1	-
£100,001 - £110,000	1	1	-	-

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2023

10 Employees and trustees (Continued)

Trustees

Other than the Chairman and Vice-Chairman, who received a combined £3,800 (2022 - £3,800), 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 incurred and amounting in total to £5,393 were reimbursed to 10 Trustees mainly for travel and subsistence (2022 - £1,861 to six Trustees). A total of £365 was also reimbursed to Advisory Members (2022 - £127).

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	
	2023	2022	2023	2022
	£000	£000	£000	£000
Salaries and other short-term benefits	346	414	239	313
Post-employment benefits	88	105	26	39
	<u>434</u>	<u>519</u>	<u>265</u>	<u>352</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	
	2023	2022	2023	2022
	£000	£000	£000	£000
Subsidiary Company - Trading expenditure	503	774	-	-
Subsidiary Company Taxation	41	(313)	-	-
	<u>544</u>	<u>461</u>	<u>-</u>	<u>-</u>

12 Tangible Assets

	Land	Heritable	Charity	Subsid. Co	Group
	£000	Properties	£000	Office	
Cost or valuation	£000	£000	£000	Equipment	£000
At beginning of the year	29,380	533,635	563,015	18	563,033
Additions	-	6,750	6,750	-	6,750
Disposals	(397)	(13,040)	(13,437)	-	(13,437)
Revaluations	281	6,580	6,861	-	6,861
At end of the year	<u>29,264</u>	<u>533,925</u>	<u>563,189</u>	<u>18</u>	<u>563,207</u>
Accumulated depreciation					
At beginning of the year	-	-	-	14	14
Depreciation	-	10,678	10,678	1	10,679
Disposals	-	-	-	-	-
Revaluations	-	(10,678)	(10,678)	-	(10,678)
At end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
Net book value at beginning of the year	29,380	533,635	563,015	4	563,019
Net book value at end of the year	<u>29,264</u>	<u>533,925</u>	<u>563,189</u>	<u>3</u>	<u>563,192</u>
Net gains on disposal of tangible fixed assets					
Proceeds	1,817	12,875	14,692	-	14,692
Opening net book value	(397)	(13,040)	(13,437)	-	(13,437)
Net realised gains / (losses) in year	<u>1,420</u>	<u>(165)</u>	<u>1,255</u>	<u>-</u>	<u>1,255</u>

As reported in previous years, following close discussions with the Auditors the General Trustees have capitalised all the heritable assets vested in them 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 37.

Included within additions is £1.3m 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 2023

12 Tangible Assets (continued)

During the year expenditure on property which was deemed to be of a capital nature has been capitalised along with the cost of capital expenditure on properties as incurred by individual congregations on the basis that these are donated assets as the property titles are vested in the General Trustees.

Gains / (losses) 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:

	2023 £000	2022 £000
Revaluation gain	6,861	24,240
Depreciation reversal	10,678	10,674
	<u>17,539</u>	<u>34,914</u>
Reversal of impairment losses	(1,351)	(18,180)
Net gain on revaluation of tangible fixed assets	<u><u>16,188</u></u>	<u><u>16,734</u></u>

13 Investments

	Group		Charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Fair value at beginning of the year	207,450	222,720	203,088	217,084
Acquisitions at cost	29,058	16,981	27,992	15,369
Disposals at opening fair value / cost	(20,133)	(10,561)	(19,380)	(8,379)
Net gains / (losses) on revaluation	12,468	(21,690)	12,212	(20,986)
Fair value at end of the year	<u><u>228,843</u></u>	<u><u>207,450</u></u>	<u><u>223,912</u></u>	<u><u>203,088</u></u>
Historic cost at end of the year	<u><u>143,927</u></u>	<u><u>134,081</u></u>	<u><u>140,160</u></u>	<u><u>130,629</u></u>
Net (losses) / gains on disposal of investments				
Proceeds	20,117	10,675	19,358	8,685
Prior year proceeds - timing difference	-	36	-	36
Opening fair value	20,133	10,561	19,380	8,379
Net realised (losses) / gains in year	<u><u>(16)</u></u>	<u><u>150</u></u>	<u><u>(22)</u></u>	<u><u>342</u></u>
Analysis of Investments at 31st December				
Church of Scotland Investors Trust - Growth Fund	152,640	140,454	152,640	140,454
Church of Scotland Investors Trust - Income Fund	26,699	23,700	26,699	23,700
Church of Scotland Investors Trust - Deposit Fund	44,573	38,934	44,573	38,934
Ordinary Stocks and Shares and Unit Trusts	4,931	4,362	-	-
	<u><u>228,843</u></u>	<u><u>207,450</u></u>	<u><u>223,912</u></u>	<u><u>203,088</u></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 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 2023

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.

	2023 £000	2022 £000
Turnover	1,531	1,252
Administrative expenses	(525)	(682)
Operating Profit	1,006	570
Investment Income	53	55
Gain on Investment Assets	293	(698)
Profit on ordinary activities before taxation	1,352	(73)
Taxation (Charge)	(41)	313
Net Operating (Loss)/Profit before Gift Aid Distributions	1,311	240
Gift Aid Distributions to the General Trustees	(1,061)	(1,231)
Net Operating Profit after Gift Aid Distributions	250	(991)
Reserves brought forward	6,527	7,518
Reserves carried forward	6,777	6,527
 Subsidiary Company Funds:		
Assets	8,731	8,438
Liabilities	(1,424)	(1,381)
Total Funds (including 530,000 ordinary shares of £1 each)	7,307	7,057

15 Concessionary Loans - Group and Charity

Loan movements were as follows:

	Interest Free £000	Interest Bearing £000	2023 £000	2022 £000 (restated)
Value at beginning of the year	873	3,341	4,214	3,413
New loans paid out	804	1,056	1,860	210
Loans cancelled / written off	(468)	(1,309)	(1,777)	(640)
Loans repaid	(60)	(1,819)	(1,879)	(969)
Interest applied	-	90	90	167
Value of loans drawn at end of the year	1,149	1,359	2,508	2,181
Movement in provision	-	(20)	(20)	465
Total Value of loans at end of the year	1,149	1,339	2,488	2,646
Less : Amounts repayable within one year	-	975	975	1,516
Amounts repayable after one year	1,149	364	1,513	1,130

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 2023, £60k interest bearing and £27k interest free concessionary loans had been committed but not taken up from the Central Fabric Fund (2022: £1.3m interest bearing, and £310k interest free). These balances have been excluded from debtors and creditors on the balance sheet and in notes 15 and 17, resulting in restated comparatives for 2022.

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2023

16 Debtors	Group		Charity			
	2023 £000	2022 £000	2023 £000	2022 £000		
Subsidiary Company Insurance Debtors	1,795	1,653	-	-		
Debtors and Prepayments	115	126	115	126		
	<u>1,910</u>	<u>1,779</u>	<u>115</u>	<u>126</u>		
17 Creditors: Amounts falling due within one year	Group		Charity			
	2023 £000	2022 £000 (restated)	2023 £000	2022 £000 (restated)		
Grants voted but not paid	893	723	893	723		
Subsidiary Company Insurance Creditors & Provisions	1,191	1,188	-	-		
Sundry Creditors and Accruals	37	29	37	29		
Due to the Church of Scotland Unincorporated Entities	123	2,151	123	2,151		
	<u>2,244</u>	<u>4,091</u>	<u>1,053</u>	<u>2,903</u>		
18 Provision for Liabilities and Charges	Group		Charity			
	2023 £000	2022 £000	2023 £000	2022 £000		
Deferred Taxation on unrealised investment gains						
At beginning of the year	193	506	-	-		
Provision for year	41	(313)	-	-		
At end of the year	<u>234</u>	<u>193</u>	<u>-</u>	<u>-</u>		
19 Permanent Endowment Funds - Group and Charity						
	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
	Balance 1 Jan 2022 £000	Income £000	Expenditure £000	Transfers £000	Gains / (Losses) £000	Balance 31 Dec 2022 £000
Providing Suitable Buildings - Fabric Funds	3,832	-	-	-	(405)	3,427

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 2023

20a Restricted Funds

	As at 1 Jan 2023 £000	Income £000	Expenditure £000	Transfers £000	Other Gains / (Losses) £000	As at 31 Dec 2023 £000
Supporting Parish Ministry						
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>
Providing Suitable Buildings						
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>
Total Restricted Funds	<u>776,179</u>	<u>15,463</u>	<u>(21,406)</u>	<u>(764)</u>	<u>27,605</u>	<u>797,077</u>
	As at 1 Jan 2022 £000	Income £000	Expenditure £000	Transfers £000	Other Gains / (Losses) £000	As at 31 Dec 2022 £000
Supporting Parish Ministry						
Glebe Funds	36,668	565	(438)	(234)	(7,169)	29,392
Glebe Improvement Fund	328	14	42	-	-	384
Consolidated Stipend Fund	111,972	2,929	(3,200)	222	(11,880)	100,043
	<u>148,968</u>	<u>3,508</u>	<u>(3,596)</u>	<u>(12)</u>	<u>(19,049)</u>	<u>129,819</u>
Providing Suitable Buildings						
Consolidated Fabric Fund	592,993	11,594	(694)	(261)	18,812	622,444
Individual	4,420	137	(86)	(3)	(340)	4,128
Central Fabric Fund	21,090	903	(109)	(136)	(1,960)	19,788
	<u>618,503</u>	<u>12,634</u>	<u>(889)</u>	<u>(400)</u>	<u>16,512</u>	<u>646,360</u>
Total Restricted Funds	<u>767,471</u>	<u>16,142</u>	<u>(4,485)</u>	<u>(412)</u>	<u>(2,537)</u>	<u>776,179</u>
					2023 £000	2022 £000
Total Restricted Funds					797,077	776,179
Restricted Revaluation Reserve (note 20b)					<u>(180,368)</u>	<u>(166,180)</u>
Other Restricted Funds					<u>616,709</u>	<u>609,999</u>

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.

20b Restricted Revaluation Reserve - Group and Charity

	2023 £000	2023 £000	2022 £000	2022 £000
Opening Revaluation Reserve		166,180		140,041
Revaluation gain for the year	6,092		9,789	
Depreciation reversal	10,096		6,945	
		<u>16,188</u>		16,734
Disposals		(2,000)		9,405
Movement in year		<u>14,188</u>		<u>26,139</u>
Closing Revaluation Reserve balance		<u>180,368</u>		<u>166,180</u>

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2023

21 Unrestricted income Fund - Group and Charity

	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
	Balance 1 Jan 2022 £000	Income £000	Expenditure £000	Transfers £000	Total Gains / (Losses) £000	Gift Aid Distribution £000	Balance 31 Dec 2022 £000
Other - General Fund	10,147	1,995	(2,083)	696	(902)	1,231	11,084

22 Designated Funds

	Balance 1 Jan 2023 £000	Income £000	Expenditure £000	Transfers £000	Total Gains / (Losses) £000	Gift Aid Distribution £000	Balance 31 Dec 2023 £000
(a) Group	£000	£000	£000	£000	£000	£000	£000
Other - Subsidiary Company	7,057	1,621	(572)	-	262	(1,061)	7,307

	Balance 1 Jan 2022 £000	Income £000	Expenditure £000	Transfers £000	Total Gains / (Losses) £000	Gift Aid Distribution £000	Balance 31 Dec 2022 £000
(b) Charity	£000	£000	£000	£000	£000	£000	£000
Other - Subsidiary Company	7,057	-	-	-	250	-	7,307

	Balance 1 Jan 2022 £000	Income £000	Expenditure £000	Transfers £000	Total Gains / (Losses) £000	Gift Aid Distribution £000	Balance 31 Dec 2022 £000
(a) Group	£000	£000	£000	£000	£000	£000	£000
Other - Subsidiary Company	8,048	1,620	(484)	-	(896)	(1,231)	7,057

	Balance 1 Jan 2022 £000	Income £000	Expenditure £000	Transfers £000	Total Gains / (Losses) £000	Gift Aid Distribution £000	Balance 31 Dec 2022 £000
(b) Charity	£000	£000	£000	£000	£000	£000	£000
Other - Subsidiary Company	8,048	-	-	-	(991)	-	7,057

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

	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
	Balance 1 Jan 2022 £000	Income £000	Expenditure £000	Transfers £000	Total Gains / (Losses) £000	Gift Aid Distribution £000	Balance 31 Dec 2022 £000
Other - Historic Property Fund	906	344	(248)	(284)	(66)	-	652

23 Analysis of group net assets among funds

	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)
	3,699	616,709	11,524	8,100	180,368	820,400

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2023

23 Analysis of group net assets among funds (continued)

	Endowment £000	Restricted £000 (restated)	Unrestricted £000	Designated £000	Revaluation £000	2022 Total £000 (restated)
Tangible Assets	-	396,507	-	332	166,180	563,019
Investments	3,427	189,228	9,295	5,500	-	207,450
Long Term Loans	-	1,130	-	-	-	1,130
Current Assets	-	26,021	1,805	3,258	-	31,084
Current Liabilities	-	(2,887)	(16)	(1,188)	-	(4,091)
Provisions for Liabilities and Charges	-	-	-	(193)	-	(193)
	<u>3,427</u>	<u>609,999</u>	<u>11,084</u>	<u>7,709</u>	<u>166,180</u>	<u>798,399</u>

24 Financial instruments

The group and charity have the following financial instruments:

	Group		Charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Investments at fair value	<u>228,843</u>	<u>207,450</u>	<u>223,912</u>	<u>203,088</u>

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

	Group		Charity	
	2023 £000 (restated)	2022 £000	2023 £000 (restated)	2022 £000 (restated)
Net income for the financial year (as per the statement of financial activities)	22,001	7,995	22,001	7,995
Adjustments for:				
Depreciation	10,679	10,674	10,678	10,673
Donated Assets	(1,309)	(1,314)	(1,309)	(1,314)
(Gains) / losses on investments	(12,452)	21,576	(12,440)	21,671
Gains on property	(18,794)	(15,396)	(18,794)	(15,396)
Investment income	(6,821)	(4,234)	(7,792)	(5,403)
Decrease in Deferred Tax Provision	-	(313)	-	-
(Increase) / decrease in Debtors	(131)	276	11	321
(Increase) / decrease in Loans due from Congregations	(90)	1,409	(90)	1,409
Increase / (decrease) in Provision for Loans	20	(465)	20	(465)
Decrease in Creditors	(3,374)	(1,454)	(3,418)	(1,527)
Net cash (used in) / provided by operating activities	<u>(10,271)</u>	<u>18,754</u>	<u>(11,133)</u>	<u>17,964</u>

26 Analysis of cash and cash equivalents

	Group		Charity	
	2023 £000	2022 £000	2023 £000	2022 £000
Short term deposits	20,097	21,668	20,097	21,668
Cash at bank	6,348	6,121	4,345	3,702
Total cash and cash equivalents	<u>26,445</u>	<u>27,789</u>	<u>24,442</u>	<u>25,370</u>

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2023

27 Analysis of Fabric Grants Awarded to Congregations

		2023 £000	2022 £000
Providing Suitable Buildings			
Churches / Halls -	28 (2022 - 22)	760	424
Manses -	2 (2022 - 5)	19	304
		<u>779</u>	<u>728</u>
Less: Grants lapsed or cancelled		<u>-</u>	<u>(295)</u>
		<u>779</u>	<u>433</u>
Bequests		74	36
Total Net Grants Awarded		<u>853</u>	<u>469</u>

28 Capital Commitments

As at 31 December 2023, 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 £2.9m as at 31 December 2023.

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 2023 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. In 2023, Presbytery Buildings Officers were appointed to six Presbyteries.

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED for the year ended 31st December 2023

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 and The Church of Scotland Investors Trust, neither of which is controlled by the other but both 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 £3.5m (2022 - £3.6m) 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 £123k was due to the Church of Scotland Unincorporated Entities by the Church of Scotland General Trustees (2022 - £2.2m). 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 £2.1m in respect of accommodation, information technology, human resources, finance and payroll administration, legal services and direct staff costs (2022 - £1.8m).

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.