

THE CHURCH OF SCOTLAND TRUST
TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS
For the year ended 31st December 2024

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Scottish Charity No SC020269

THE CHURCH OF SCOTLAND TRUST

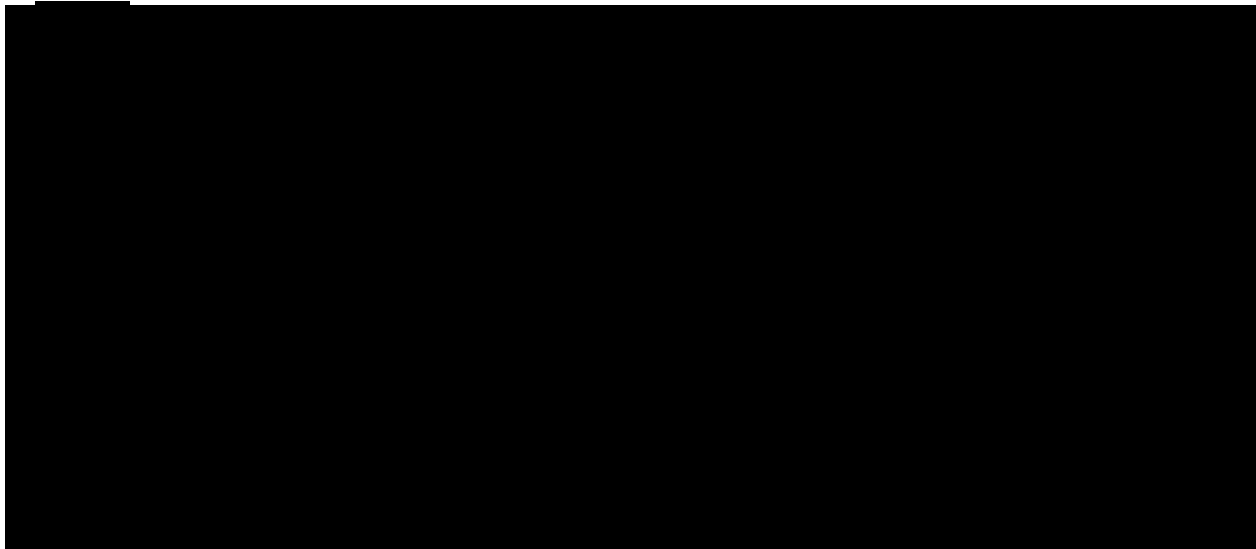
TRUSTEES' ANNUAL REPORT

1. REFERENCE AND ADMINISTRATION DETAILS

Scottish Charity Number

SC020269

Offices



Bankers

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

Mercantile Discount Bank
103 Allenby Street
Tel Aviv-Jaffa, Israel

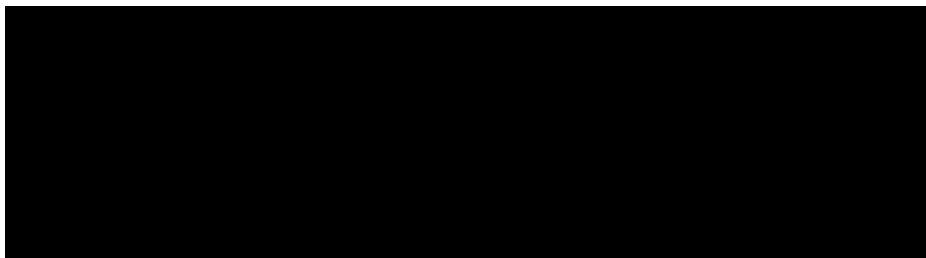
Auditor

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

Secretary and Clerk and Solicitor



Church of Scotland Law Department
121 George Street
Edinburgh EH2 4YN



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TRUSTEES' ANNUAL REPORT

2 STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Church of Scotland Trust is a statutory corporation, established by the Church of Scotland Trust Order Confirmation Act 1932, as amended by the Church of Scotland Trust (Amendment) Order Confirmation Act 1948, the Church of Scotland Trust Order Confirmation Act 1958, the Church of Scotland Trust (Amendment) Order Confirmation Act 1985 and the Church of Scotland (Properties & Investments) Order Confirmation Act 1994.

The 1932 Act transferred three types of property to the Church of Scotland Trust as it had been agreed that the newly united Church would create a single body of trustees to hold such properties and investments:

- Heritable properties and investments held by the Church of Scotland General Trustees under the Church of Scotland (General Trustees) Order Confirmation Act 1921 so far as they did not fall within the provisions of the Church of Scotland (Property & Endowments) Act 1925.
- Heritable properties and investments held by the General Trustees of the United Free Church and the United Free Church of Scotland Trust.
- Heritable properties and investments held by or vested in individual trustees.

In terms of the 1994 Act, on 1st January 1995 the investment function of the Church of Scotland Trust was transferred to a new statutory corporation, the Church of Scotland Investors Trust.

Trustees

The Trust currently has ten Trustees and in terms of its constitution the number of Trustees must not exceed twenty. The Trustees must be members of the Church of Scotland and are appointed by the General Assembly of the Church of Scotland on the nomination of the Trust. Two Trustees, other than the Chair or the Vice Chair, retire annually on 31st May each year but are eligible for reappointment by the General Assembly. The Trustees due to retire by rotation on 31st May 2024 were [REDACTED]

[REDACTED] Both were reappointed.

New Trustees are sought when the Trustees identify a need for a particular skill or expertise and are appointed through personal recommendation. New Trustees receive an induction pack which includes the relevant legislation, the last financial report and accounts, minutes of recent meetings, last report to the General Assembly, a Declaration of Interests form and a list of contact details.

The day to day running of the Trust is delegated to its Secretary and Clerk.

In carrying out its duties, the Trust works closely with the Unincorporated Entities (UE) of the General Assembly of the Church of Scotland at both Trustee and staff levels, including the Faith Action Programme Leadership Team (FAPLT) which is a component part of the UE.

Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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TRUSTEES' ANNUAL REPORT

Trustees' Responsibilities (continued)

The law applicable to charities in Scotland requires the Trustees to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements 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 Church of Scotland Trust will continue its activities.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Church of Scotland Trust and which enable it to ensure that the financial statements comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Trust's founding document. They are also responsible for safeguarding the assets of the Church of Scotland Trust and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware, there is no relevant information of which the charity's auditor is unaware and they have taken all the steps they ought to have taken to make themselves aware of any information and to establish that the auditor is aware of that information.

Officials

The General Treasurer of the Church of Scotland is *ex officio* the Treasurer of the Trust. Jenny Simpson was appointed as the General Treasurer of the Church of Scotland with effect from 1 April 2024. Anne Macintosh retired as General Treasurer of the Church of Scotland with effect from 31 March 2024. [REDACTED] Solicitor in the Church of Scotland Law Department, was confirmed as Secretary and Clerk to the Trust at its meeting on 20 February 2020.

Meeting and Decision Making Structure

The Trust meets in February/March and September/October each year and on other occasions when required. The Chair and Vice Chair have delegated powers to make day to day decisions between meetings. Such decisions are reported to the next meeting of the Trust. The responsibility for the approval of grants and assessment of funding applications are delegated to various Trustees.

Related Parties

The Trust is a component element of The Church of Scotland (Scottish Charity Number SC011353) and, as such, the Trust is part of a Designated Religious Charity. The Trust reports to the General Assembly each May.

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TRUSTEES' ANNUAL REPORT

3 FINANCIAL REVIEW

Investment Powers, Policy and Performance

Under powers given by the Church of Scotland (Properties and Investments) Order Confirmation Act 1994, the Church of Scotland Trust is permitted to invest, to an unlimited extent, in the funds provided by the Church of Scotland Investors Trust.

At present, all the invested funds of the Church of Scotland Trust are held in the Church of Scotland Investors Trust Growth and Income Funds. The function of the Investors Trust is to provide an investment service to bodies within or connected to the Church of Scotland. It does this through its Growth, Income and Deposit Funds. Investors in these three Funds obtain the benefits of professional management, continuous portfolio supervision, spread of investment risk and economies of scale. The Investors Trust has an ethical investment policy and does not invest in companies substantially involved in alcohol, tobacco, gambling, armaments, and the extraction and/or sale of thermal coal and/or oil extracted from tar sands. Substantially is interpreted as resulting in 15% or more of total turnover being derived from these sectors.

The Growth Fund is an equity based, unitised fund and is intended for long-term investment. It seeks to provide a long-term increase in the value of capital and a growing annual income.

The unit price of the Growth Fund increased by 9.43% from £5.83 at 31st December 2023 to £6.38 at 31st December 2024. The Growth Fund's income distribution for 2024 was 13.5p per unit. Over the year the portfolio return of 11.6% (net) underperformed the benchmark return of 16.3%. In a very positive environment for particular pockets of equity markets, the portfolio struggled to keep pace with the benchmark and underperformed in the last quarter of 2024.

The Income Fund is mainly invested in fixed interest securities and aims to provide sustainable income and to protect the nominal value of capital.

The unit price of the Income Fund increased by 0.91% from £10.96 at 31st December 2023 to £11.06 at 31st December 2024. The Income Fund's income distribution for 2023 was 60.0p per unit. Over the year the portfolio outperformed the benchmark of 1.71% with a return of 6.81%.

Income for 2024 is £1,481 less than 2023, £786,394 compared to £787,875. Investment income is in line with the agreed loan repayment and lease payment schedules for 2024 with St Andrew's Galilee Limited and St Andrew's Scottish Centre Limited – no payments have been made during the year, they are accrued and remain due at the year end. The Assembly Trustees at their October meeting agreed that the lease payments due in 2024 by St Andrew's Galilee Limited and St Andrew's Scottish Centre Limited should be paid when they had the ability to do so – all lease payments remain outstanding at 31 December 2024. The ongoing situation in Israel has resulted in both establishments operating below capacity and being closed at points in the year, therefore impacting their ability to make the lease payments at the current time. The total lease payments due in 2024 are recognised in Other Trading Activities and Accrued Income.

Expenditure for 2024 is £4,370 more than 2023, £790,020 compared to £785,650. The majority of the expenditure relates to the donation to the UE and is in line with the agreement between the Trust and the UE over the donation of interest and lease payments received by the Trust. No payments have been made to the UE in the year, but will be made when monies are received from the establishments in Israel.

In 2024 no capital and interest payments were received from St Andrews Galilee Limited and St Andrew's Scottish Centre Limited to the Trust with regards to the loans, and as a result the Trust made no loan repayments to the UE – the capital payments and donated interest payments will be paid to the UE on receipt of the loan repayments from the establishments in Israel. These repayments remain outstanding to the UE

THE CHURCH OF SCOTLAND TRUST

at 31 December 2024 – the donated interest payments are included in Creditors (Loan Interest) and the loan repayments within Creditors and Long term Liabilities.

As no lease payments were received by the Trust in the year from St Andrews Galilee Limited or St Andrew's Scottish Centre Limited, these donations remain outstanding to the UE at 31 December 2024 and are included in Other Creditors.

Reserves Policy

The reserves of the Church of Scotland Trust stood at £69,597 at 31st December 2024 (2023 - £67,388). These funds are held for unforeseen future costs and special projects.

4 RISK MANAGEMENT

Management of Risk

The Trust continues to be aware of its responsibilities to minimise risk and undertake an annual review of its exposure to risk. It maintains a risk assessment register. The Trust uses a 'Traffic Light System' to analyse risk, with only one risk classified as high/red. This is "Encroachments - foreign property" which is managed by (a) relying on partner churches and/or attorneys to preserve/protect land and buildings; (b) selling surplus land and buildings and (c) instructing local court actions for vacant possession.

As part of this risk management the Trust has an annual review programme for the 48 Third Party Trusts which it governs and administers and 3 Trusts where it is one of the trustees. The Trust's Secretary and Clerk reviews the trusts, producing reports on behalf of the third party trust portfolio for each of the February/March and September/October Trust meetings.

The Trust holds an indemnity from the Church of Scotland UE in respect of the overseas properties held on behalf of UE. This indemnifies the Church of Scotland Trust of all liability and expenses of any kind resulting from its ownership of these properties. In addition, the Trust also holds indemnities from the UE in respect of the shares it holds on behalf of the UE in St Andrew's Galilee Limited and St Andrew's Scottish Centre Limited. These indemnities indemnify the Church of Scotland Trust of all liability and expenses of any kind resulting from these shareholdings.

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TRUSTEES' ANNUAL REPORT

5 OBJECTIVES, ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

Principal Activities

The principal function of the Trust is to act as administrative trustees. The Trustees hold properties out with Scotland on behalf of Church of Scotland bodies and act as Trustees in a number of Third Party Trusts which benefit areas of work undertaken by UE and FAPLT, Committees and Congregations of the Church of Scotland. The Trust also fulfils governance responsibilities on the direction of the General Assembly of the Church of Scotland.

(a) Properties

General

The Trust dealt with issues relating to properties abroad as they arose during 2024.

Israel

The Trust continues to be consulted by the Israel Palestine Committee (formerly by FAPLT prior to changes made at General Assembly 2024) regarding ongoing and future developments relating to property in Israel.

The properties owned by the Trust are all leased and the rents are paid to the Church of Scotland Trust. The Trust has agreed to donate all rent received for these Israeli properties to the Church of Scotland Unincorporated Entities to further the work of the Church of Scotland Unincorporated Entities.

Pakistan

The Trust continues to be a party to a number of court cases involving its property interests in Pakistan. Some cases have been found in favour of the Trust but are now subject to appeal. The Trust is legally represented in all these cases but, due to the nature of the Pakistan legal system, it is anticipated that the cases will be ongoing for some time.

A new Succession Trust was agreed between the Trust and World Mission Council in 2019. Difficulties with the registration process in Pakistan have meant that some further changes are required to the trust deed before it can become operational. The Trustees are working with their attorney for Pakista [REDACTED], to resolve these difficulties and will continue to investigate the option of transferring the property titles to local government authorities in Pakistan.

Unfortunately, no progress has been made with the transfer of Murray Christian College in Sialkot to an alternative Christian college. The Government in Pakistan have still to process the denationalisation which is a prerequisite for the transfer of the College to another Christian educational establishment.

Representatives of the Trust and FAPLT continue to meet with [REDACTED] regularly to monitor developments and agree future strategy. The Trust will continue to endeavour to achieve its objectives, with the help of [REDACTED] and his many contacts in Pakistan.

The Church of Scotland Trust holds heritable properties on behalf of the Unincorporated Entities, Committees, Congregations and other agencies of the Church of Scotland. These properties are not recorded in the Accounts of the Trust but are recorded in the Accounts of the bodies on whose behalf the titles are held. The Trust holds property as a bare trustee and the beneficial owner must indemnify any losses suffered by the Trust due to its position as title holder.

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TRUSTEES' ANNUAL REPORT

5 OBJECTIVES, ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

(b) Third Party Trusts

The Trust administers various Third Party Trusts which benefit different areas of the work of the Church of Scotland and which have a combined value as at 31 December 2024 of £8.3 million (2023 - £7.9 million). As indicated previously the Trust reviews all of the Third Party Trusts it administers on an annual basis.

The value of the funds is reflected within the miscellaneous funds of the Unincorporated Entities of the Church of Scotland (Scottish Charity Number SC011353) as the purposes for which these funds can be utilised are not the purposes of the Trust, but purposes of the UE, FAPLT and Committees of the General Assembly of the Church of Scotland, Congregations of the Church and other Church related work.

(c) Act II 2016 – The International Presbytery Act

Since the General Assembly of 2016 all congregations in the International Presbytery require the approval of both Presbytery and the Church of Scotland Trust for (a) any extensive alterations to their building/s; (b) any property purchase and (c) the lease of any property in excess of one year. The Trust continues to work with the International Presbytery to fulfil these responsibilities. The Trust has given approval for a number of property related matters in the last year.

Every congregation in the International Presbytery is required to produce a Property Report to Presbytery each year with details of the management, maintenance and insurance of congregational buildings. The Trust reviews the contents of the Property Reports on an annual basis.

6 FUTURE DEVELOPMENTS

The Trust will endeavour to recruit new Trustees with the requisite experience and skills and will continue to deal with matters of administration relating to the heritable property it owns overseas and the Third Party Trusts as and when required.

Date: 03/03/25

THE CHURCH OF SCOTLAND TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH OF THE SCOTLAND TRUST

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

THE CHURCH OF SCOTLAND TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH OF THE SCOTLAND TRUST (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' annual report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on pages 3 and 4 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.

THE CHURCH OF SCOTLAND TRUST

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- obtained an understanding of the nature of the sector, including the legal and regulatory 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 the Charities Accounts (Scotland) Regulations 2006 (as amended). We performed audit procedures to detect non-compliances

THE CHURCH OF SCOTLAND TRUST

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

which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

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

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

Use of our report

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

RSM UK Audit LLP

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

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

03/03/25

THE CHURCH OF SCOTLAND TRUST

FINANCIAL STATEMENTS 2024

Statement of Financial Activities For the year ended 31st December 2024

		2024 £ Unrestricted Funds	2023 £ Unrestricted Funds
Income from:			
Donations		54,900	55,236
Other Trading Activities		335,512	332,349
Investment Income		395,982	400,290
		<u>786,394</u>	<u>787,875</u>
Expenditure on:			
Charitable Activities	7	<u>790,020</u>	<u>785,650</u>
		<u>790,020</u>	<u>785,650</u>
Net (Expenditure)/Income		(3,626)	2,225
 Gain on Investments		 5,836	 4,562
Loss on Foreign Currency		(1)	(1)
		<u>5,835</u>	<u>4,561</u>
Net Movement in Funds		2,209	6,786
Funds brought forward at 1st January		<u>67,388</u>	<u>60,602</u>
Funds carried forward at 31st December		<u>69,597</u>	<u>67,388</u>

All operations are continuing.

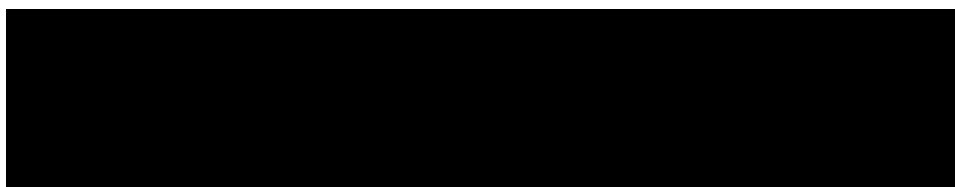
THE CHURCH OF SCOTLAND TRUST

FINANCIAL STATEMENTS 2024

Balance Sheet As at 31st December 2024

		2024 £	2024 £	2023 £	2023 £
	Note				
Investments	5		67,692		61,856
Current Assets					
Due from the Church of Scotland		13,243		13,072	
Accrued Income	8	1,085,112		365,170	
Loans	9	10,045,310		10,045,310	
Bank & Cash		<u>2</u>		<u>19</u>	
			11,143,667		10,423,571
Current Liabilities					
Due to Church of Scotland	10	(1,481,739)		(559,739)	
Accrued expenses	11	<u>(11,340)</u>		<u>(7,560)</u>	
			(1,493,079)		(567,299)
			<u></u>		<u></u>
Net Current Assets			9,650,588		9,856,272
Long Term Liabilities	12		(9,648,683)		(9,850,740)
			<u></u>		<u></u>
Net Assets of the charity			<u>69,597</u>		<u>67,388</u>
Funds of the charity					
			<u></u>		<u></u>
Unrestricted Funds	6		<u>69,597</u>		<u>67,388</u>

The financial statements were approved and authorised for issue by the Trustees on 03/03/25 and signed on its behalf by:



Chair

Secretary

Date: 03/03/25

THE CHURCH OF SCOTLAND TRUST

FINANCIAL STATEMENTS 2024

Statement of Cash Flows For the year ended 31st December 2024

	2024 £	2024 £	2023 £	2023 £
Cash Flows from Operating Activities				
Cash Receipts from Trading Activities	-		-	
Charitable Expenditure	<u>(16)</u>		<u>(391,402)</u>	
Net Cash from Operating Activities		(16)		(391,402)
Cash Flows from Investing Activities				
Loan Interest Received	<u>-</u>		<u>389,634</u>	
Net Cash from Investing Activities		-		389,634
Cash Flows from Financing Activities				
Loan Repayments Received	-		93,366	
Loan Repayments Made	-		(96,851)	
Gain on Foreign Currency	<u>(1)</u>		<u>(1)</u>	
Net Cash from Financing Activities		(1)		(3,486)
Net (Decrease) in Cash & Cash Equivalents		(17)		(5,254)
Cash & Cash Equivalents Brought Forward		<u>19</u>		<u>5,273</u>
Cash & Cash Equivalents Carried Forward		<u><u>2</u></u>		<u><u>19</u></u>

	at 1st Jan 2024 £	Cash Flows £	Other Non- Cash Changes £	at 31st Dec 2024 £
Analysis of Changes in Net Debt				
Cash & Cash Equivalents	19	(17)	-	2
Borrowings				
Debt due within One Year	(194,570)	-	(202,056)	(396,626)
Debt due in more than One Year	<u>(9,850,740)</u>	<u>-</u>	<u>202,057</u>	<u>(9,648,683)</u>
	(10,045,310)	-	1	(10,045,309)
Total	<u>(10,045,291)</u>	<u>(17)</u>	<u>1</u>	<u>(10,045,307)</u>

THE CHURCH OF SCOTLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS 2024

1 Accounting Policies

Legal Status

The Church of Scotland Trust was incorporated by the Church of Scotland Trust Order Confirmation Act 1932. The Church of Scotland Trust holds the titles to the properties out with Scotland of the Unincorporated Entities. It also holds, for behoof of the UE, all the shares in St. Andrew's Galilee Company Limited in Tiberias and St. Andrew's Scottish Centre Limited in Jerusalem, both of which are incorporated in Israel as "foreign institutions".

The Registered Office of the charity is [REDACTED] The principal activities of the charity are described in the Trustees' Report. These financial statements are presented in £ Sterling.

Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity meets the definition of a public benefit entity ('PBE') as set out in FRS 102 and therefore applies the PBE prefixed paragraphs in FRS 102.

Going concern

The financial statements have been prepared on a going concern basis with consistently applied accounting policies. The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. The UE continues to indemnify the Trust for the operations in Israel and the Trust will only donate actual rent and investment income received to the Unincorporated Entities of the Church of Scotland, thus other than the administration and support costs, which are covered by the annual donation from the Unincorporated Entities of the Church of Scotland, outgoings will always match the actual income received. The Trust has the continued support of the Unincorporated Entities of the Church of Scotland for at least 12 months from the approval of the financial statements.

Income

Income is recognised in the Statement of Financial Activities when there is legal entitlement to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

Expenditure

Expenditure is accounted for in the Statement of Financial Activities on an accruals basis and is presented on an activity basis against the appropriate heading in the Financial Statements.

Costs allocated to the Trust from the Law and Stewardship & Finance Departments of the Church are based on an approximation of staff time and associated costs spent on the work of the Trust.

Investments

Investments are stated at market value at the Balance Sheet date. Realised gains and losses on disposal are recorded in the SOFA at the difference between the sale price and carrying value of the investment. Unrealised gains and losses are recorded in the Statement of Financial Activities at the difference between fair value at the start and end of the financial year.

Funds

Unrestricted Funds are spent or applied at the discretion of the trustees in furtherance of any of the purposes of the Church of Scotland Trust.

THE CHURCH OF SCOTLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS 2024 (continued)

Recognition of Liabilities

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

2 Taxation

The Church of Scotland Trust is exempt from taxation on the income and gains falling within Part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 insofar as such income or gains are applied exclusively for charitable purposes.

3 Related Parties

During the year, the Unincorporated Entities of the Church of Scotland made a grant of £54,900 to the Church of Scotland Trust (2023 - £51,996), including £6,900 from FAPLT to cover the increased audit costs of the Trust. The Unincorporated Entities charged £58,721 to the Trust for management services (2023 - £56,068). At 31 December 2024, the Trust had a debtor balance of £13,243 due from the Unincorporated Entities (2023 £13,072).

Lease payments

Lease payments due in the year from St Andrew's Galilee Limited were £274,111 – these remain outstanding at 31 December 2024. Lease payments of £271,527 remain outstanding from 2023. Both amounts are included in Note 8. Lease payments due to be donated to the UE were £274,111 (2023 - £271,527) and are included within the Donation to the UE in Note 7. Total lease payments outstanding at the year end were £545,638 (2023 - £271,527) and are included within Other Creditors in Note 10.

Lease payments due in the year from St Andrew's Scottish Centre Limited were £61,401 – these remain outstanding at 31 December 2024. Lease payments of £93,643 remain outstanding from 2022 and 2023. Both amounts are included in Note 8. Lease payments due to be donated to the UE were £61,401 (2023 - £60,822) and are included within the Donation to the UE in Note 7. Total lease payments outstanding at the year end were £155,044 (2023 - £93,643) and are included within Other Creditors in Note 10.

Loans

Loan capital and interest payments of £516,000 (2023 - £420,000) were due from St Andrew's Galilee Limited in the year. No payments were made in 2024 (full payment was made in 2023). The loan capital of £150,528 which was due in 2024 remains within loans (Note 9) and the unpaid interest due (£365,472) is within Accrued Income (Note 8). The loan capital payments due to the UE in 2024 are included in the Loan Repayment in Note 10 and the donated interest due to the UE in 2024 is included in Loan Interest in Note 10. The loan capital (£50,778) and interest (£369,222) payments in 2023 were received and paid in full in 2023.

Loan capital and interest payments of £63,000 (2023 - £63,000) were due from St Andrew's Scottish Centre Limited in the year. No payments were made in 2024 (full payment was made in 2023). The loan capital of £44,041 which was due in 2024 remains within loans (Note 9) and the unpaid interest due (£18,959) is within Accrued Income (Note 8). The loan capital payments due to the UE in 2024 are included in the Loan Repayment in Note 10 and the donated interest due to the UE in 2024 is included in Loan Interest in Note 10. The loan capital (£42,588) and interest (£20,412) payments in 2023 were received and paid in full in 2023.

At 31 December 2024 the balance on the loan from the Trust to St Andrews Galilee Limited was £9,439,574 (2023 £9,439,574). The balance on the loans from the Trust to St Andrew's Scottish Centre Limited were £605,736 (2023 £605,736). At 31 December 2024 the balance on the loans from the Unincorporated Entities to the Trust for all loans was £10,045,310 (2023 £10,045,310) (see note 9).

THE CHURCH OF SCOTLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS 2024 (continued)

4 Heritable Properties

The Church of Scotland Trust holds heritable properties on behalf of the UE, FAPLT, Committees, Congregations and other agencies of the Church of Scotland. These properties are not recorded in the Accounts of the Trust but are recorded in the Accounts of the bodies on whose behalf the titles are held.

5 Investments

The invested funds are held in the Growth and Income Funds of the Church of Scotland Investors Trust.

	2024	2023
	Total	Total
	Investments	Investments
	£	£
Market value at 1 January	61,856	57,294
Net Gain on Revaluation at 31 December	5,836	4,562
Market Value at 31 December	67,692	61,856
Historical Cost 31 December	30,769	30,769

6 Reconciliation of Funds

	01- Jan-24	Income	Expenditure	Investment Gains	Foreign Currency (Losses)	31-Dec-24
Unrestricted Funds	£	£	£	£	£	£
General Fund	67,388	786,394	(790,020)	5,836	(1)	69,597
	67,388	786,394	(790,020)	5,836	(1)	69,597

The general fund of £69,597 will be used in the fulfilment of the charity's objectives.

7 Charitable Expenditure

	2024	2023
	£	£
Donation to the UE	719,943	721,982
Bank charges on Israel bank account	16	3
Stewardship and Finance Department Charge	3,104	2,956
Audit Fee	11,340	7,560
Law Department Charge	55,617	53,112
Committee Meeting Expenses	-	37
	790,020	785,650

THE CHURCH OF SCOTLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS 2024 (continued)

8	Accrued Income	2024	2023
		£	£
	Lease Income due from St Andrew's Scottish Centre Ltd	155,044	93,643
	Lease Income due from St Andrew's Galilee Ltd	545,638	271,527
	Loan interest due from St Andrew's Scottish Centre Ltd	18,959	-
	Loan interest due from St Andrew's Galilee Ltd	365,471	-
		<u>1,085,112</u>	<u>365,170</u>

9	Loans	2024	2023
		£	£
	Loan to St Andrew's Galilee Ltd	9,439,574	9,439,574
	Loans to St Andrew's Scottish Centre Ltd	605,736	605,736
		<u>10,045,310</u>	<u>10,045,310</u>

The loan to St Andrew's Galilee Ltd is repayable to the Trust over 40 years at 3.9% per annum. £9,132,541 is due in more than one year.

The loans to St Andrew's Scottish Centre Limited are repayable to the Trust over 10 years. The first attracts interest of 3.9% per annum and £425,845 is due in more than one year. The second bears no interest and £90,298 is due in more than one year.

The Trust has agreed to donate the interest received annually on all loans to the UE.

10	Due to Church of Scotland	2024	2023
		£	£
	Loan Repayment (Note 12)	396,626	194,569
	Loan Interest	384,431	-
	Other Creditors	700,682	365,170
		<u>1,481,739</u>	<u>559,739</u>

11	Accrued Expenses	2024	2023
		£	£
	Audit Fees	11,340	7,560
		<u>11,340</u>	<u>7,560</u>

THE CHURCH OF SCOTLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS 2024 (continued)

12	Long Term Liabilities	2024	2023
		£	£
	Loans from the UE	9,648,683	9,850,740

As noted in Note 9 loan agreements exist between the Trust and St Andrews Galilee Limited, and the Trust and St Andrew's Scottish Centre Limited. All payments received by the Trust from St Andrews Galilee Ltd and St Andrew's Scottish Centre Limited are paid annually by the Trust to the UE in line with the repayment profile included below with each annual instalment being a part repayment of the loan.

	2024	2023
	£	£
Due within one year (Note 10)	396,626	194,569
Due in more than one year but less than two	211,816	202,057
Due in more than two years but less than five	753,405	704,799
Due in more than five years	8,683,463	8,943,885
	<u>10,045,310</u>	<u>10,045,310</u>

13 Trustees' Remuneration and Expenses

No Trustees received remuneration during the year (2023 – none). No Trustees were reimbursed for out of pocket expenses during the year (2023 - £37).

14 Employees

The Trust has no employees. Administration work is carried out by designated staff within the Law Department and the Stewardship and Finance Department of the Church of Scotland.