

Scottish Charity Number: SC030976

**Free Church of Scotland (Continuing)
Annual Report and Financial Statements
for the year ended 31 December 2025**



Free Church of Scotland (Continuing)

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Free Church of Scotland (Continuing)

Report of the Trustees for the year ended 31 December 2025

The Trustees present their report together with the financial statements of the charity for the year ended 31 December 2025. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and Activities

Objectives and aims

The overall object of the Church, as a Christian denomination seeking to maintain conformity with the Bible as the Word of God, is to glorify God through maintaining and promoting His worship in accordance with the Bible, through the preaching and teaching of the Gospel of the Lord Jesus Christ and the administration of the sacraments of Baptism and the Lord's Supper. In carrying out its objectives of spreading the Gospel of Christ the Church has a full-time ministry.

Significant activities

The principal activity of the Church is the conduct of public worship and associated activities through local congregations and Presbyteries. Work is also organised, promoted and carried out by Standing Committees appointed by and accountable to the General Assembly.

The ministers/pastors of the denomination function on a full-time basis and are paid from a central fund supported by all of the local congregations. Each minister is paid exactly the same amount of stipend (salary) from the central fund, currently £25,000 per annum. Reimbursement to each minister, of locally-incurred expenses is covered by his local Deacons' Court and varies from congregation to congregation.

The denomination maintains a Seminary for the theological training of students for the ministry. This is staffed part-time by ministers already in charges and by retired ministers, and involves a combination of distance learning and tutorial work in a building located in Inverness.

Besides the work of a full-time ministry the Church is involved in producing publications germane to its principles, publishes a monthly magazine entitled Free Church Witness, operates a web-site www.freechurchcontinuing.org and produces a young people's magazine entitled The Explorer. The Church also supports missionary work in Canada, Zambia, Sri Lanka, Spain, France and Portugal.

Achievement and Performance

Charitable activities

The principal activity of the Church is the conduct of public worship and associated activities through local congregations and Presbyteries, and through missionary work both in this country and abroad.

Financial Review

Financial position

During the year in review there was a surplus of income over expenditure for the year of £175,833 compared to a surplus in the previous year of £102,587. Legacies of £235,233 were received in 2025, £90,000 of which were returned to a local congregation, (2024 - £51,421). Ordinary remittances from congregations were down by £17,987 (2.6%) on the previous year, with the total of congregational remittances for 2025 at £683,244. Expenditure was £953,111 (2024 - £748,787) with payroll costs up by £14,992 (3.1%) at £496,866 compared to the previous year.

The total assets and funds of the denomination at the end of 2025 amounting to £1,736,729 (2024 - £1,560,896), was up by £175,833 (11.3%) compared to the previous year. The total funds of £1,736,729 represents the unrestricted general fund of £1,190,620, designated funds of £454,076 and restricted funds of £92,033. Full details of the charity's funds are included in the notes to the financial statements.

Free Church of Scotland (Continuing)

Report of the Trustees for the year ended 31 December 2025

Financial Review (continued)

Financial position (continued)

Four manse properties were purchased in 2014 for the congregations of Edinburgh, Partick, North Uist and Duthil-Dores at a total cost of £1,005,050. Loans were taken out with Stewardship Ltd for a total of £532,000 repayable over 15 years. After receipt of annual mortgage loan repayments from these four congregations and an additional repayment of £100,000 in 2015 by the denomination to reduce the interest costs, a total amount of £nil now remains outstanding on these loans.

Aside from North Uist (further details below), all of these loans have been repaid in full and the title deeds of the manse properties have been transferred into the local congregations name in previous years.

In 2020, the mortgage on the North Uist manse was repaid in full. In October 2025 the £23,000 loan received in 2014 to help pay the initial deposit, had a remaining balance outstanding of £4,365. The Finance & Sustentation Committee agreed to issue a grant of £4,365 in October 2025 to cover this balance. Therefore, once the £25,000 loan received in 2015 has been repaid, (the balance being £24,800 at 31 December 2025), the title deeds will be transferred to the congregation.

A further manse property was purchased in 2016 for the congregation of Bracadale & Duirinish at a cost of £190,000. This was also part funded by a loan with Stewardship Ltd of £70,000. In 2022, the congregation repaid that loan in full and therefore the title deeds are in the process of being transferred.

A further manse property was purchased in 2019 for the congregation of Brora at a cost of £190,100. This was also part funded by a loan with Stewardship Ltd of £105,000. In February 2023, the denomination settled the balance of £55,510 on the loan and brought the full balance in-house interest free. The term of the original loan was 15 years, but the repayments to the denomination was over 20 years, as such the interest-free loan balance was £62,682. After receipt of significant loan repayments from the congregation in the year, (totalling £26,532), a balance of £20,000 remains outstanding on this loan.

In the 2021, a loan was also taken out with Stewardship Ltd of £95,000 in order to assist in the funding of the church building project in Poolewe & Aultbea. In February 2023, the denomination settled the balance of £42,918 on the loan and brought the full balance in-house interest free. After receipt of loan repayments from the congregation, a total amount of £5,202 remains outstanding on this loan.

In February 2019 a loan facility of £75,000 was arranged between the denomination and the congregation of Shettleston to assist them in their acquisition of the title to their present church and manse. The amount of £67,200 remains outstanding on this loan.

In October 2025, the Finance and Sustentation Committee agreed to issue grants to several congregations which had denominational loan balances still outstanding pertaining to manse/church improvements loans. The total sum granted was £16,245 (North Uist and Grimsay, £4,365; Harris, £1,200; and Kilmuir and Stenscholl, £10,680).

In December 2025, the denomination disposed of the property at 85 Old Edinburgh Road, Inverness, IV2 3HT for a sum of £210,000, realising a gain on the original purchase of in excess of £80,000. The accounts report a loss of £35,000 as a result of a difference between the realised proceeds and the estimated market valuation as provided by Peter Murphy & Co Estate Agents in October 2023.

Free Church of Scotland (Continuing)

Report of the Trustees for the year ended 31 December 2025

Financial Review (continued)

Financial position (continued)

Two grants totalling £20,000 (2024: £15,865) were issued to congregations in the year relating to improvement/remedial works at church properties (Shettleston, £10,000 and Tarbat, £10,000) (2024: Knightswood, £5,865 and Inverness, £10,000).

Principal funding sources

The principal funding resource of the Church is represented by the ordinary remittances of sums received monthly from congregations. These ordinary remittances represented 60.5% of total incoming resources in 2025. They are predominantly used for the payment of stipends (Ministers' salaries) and other payroll costs including amounts for pension provision. The payroll-related costs accounted for £496,866 and represented 72.7% of congregational ordinary remittances to central funds in 2025.

Reserves policy

The General fund and Designated fund represent the unrestricted funds from past operating results. They also represent the free reserves of the charity. The Trustees have resolved, to set unrestricted reserves at £300,000. This takes into account a monthly stipend and salary commitment of approximately £44,200 for six months. The church maintains Designated buildings fund for fixed assets, comprised of the Net Book Value of the properties, plus congregational loans. The Designated Death in Service fund is held at a balance around the amount of a ministers annual stipend plus corresponding employers NIC costs in any year. The Trustees consider that the level of the unrestricted reserves held in the General fund at 31 December 2025 equating to approximately 15 months operating expenditure, is sufficient to meet the charity's operational requirements taking account of the regular monthly contributions being received from congregations.

At the year-end there were total funds of £1,736,729 (2024: £1,560,896), which is made up as follows:

	2025	2024
	£	£
Restricted funds of	92,033	58,417
Designated funds of	454,076	771,341
Unrestricted funds of	1,190,620	731,138

Grant making policy

The church makes grants to organisations whose activities are compatible with the church's own objectives. Details of grants made during 2025 are outlined in Note 8 on page 25.

Plans for the Future

The Finance & Sustentation Committee and the General Treasurer intend to continue to run the Church's financial affairs in such a manner that ensures its financial stability and assists in the carrying out the work to which it is committed. The Finance & Sustentation Committee and the General Treasurer believe that the Church's assets are available and sufficient to fulfil its present obligations.

Free Church of Scotland (Continuing)

Report of the Trustees for the year ended 31 December 2025

Structure, Governance and Management

History

The Free Church of Scotland (Continuing) claims continuity with the Free Church of Scotland which historically came into being in 1843 as a result of the "Disruption" within the Church of Scotland as then constituted. In maintaining this continuity, the Free Church of Scotland (Continuing) identifies itself with the Free Church of Scotland that continued in existence in 1900 after the union of the then majority of the Free Church with the United Presbyterian Church.

Consequent upon actions and judgements within the Free Church of Scotland as then constituted, between June 1999 and January 2000, a Declaration of Reconstitution was adopted on 20 January 2000 by a minority of ministers and elders. They claimed to be more faithful to the constitutional principles of the Free Church of Scotland than the remainder of the former Free Church and thus legitimately and constitutionally sought to continue as the Free Church of Scotland, henceforth to be known for administrative reasons only as the Free Church of Scotland (Continuing).

Constitution

The constitutional documents of the Free Church of Scotland of 1843 remain the founding documents of the Free Church of Scotland (Continuing).

An explanatory document is available detailing the documents within which is embodied the constitution of the Church.

The Free Church of Scotland (Continuing) is an unincorporated association and was registered as a charity on 20 January 2000. Act of Assembly XVII, dated 22nd May 2014 asserts:-

The General Assembly reaffirm that they are the true *bona fide* successor of the Free Church of Scotland of 1843. 2. The General Assembly hereby declare that legislation enacted by the Free Church of Scotland prior to 20th January 2000 applies to the Free Church of Scotland (Continuing) in the same way as any legislation enacted by the said Free Church of Scotland (Continuing) after 20th January 2000.

Structure

The Church is Presbyterian in Church government and is therefore ruled and governed by ministers and elders acting through Kirk Sessions of local congregations, Presbyteries, Synods, and the General Assembly. It is Reformed and Evangelical in doctrine and practice and conforms to full subscription to the Westminster Confession of Faith.

Governance and Management

The General Assembly annually appoints Standing Committees for the management of the central work of the Church. Consequently, a Finance and Sustentation Committee together with the General Treasurer are presently responsible for the financial management of the Church's resources, for which they are answerable to the General Assembly. Membership of the General Assembly is annually commissioned by each Presbytery in accordance with Assembly legislation and comprises all Ministers who have a seat in Presbytery with an approximately equal number of ruling elders, together with such Ministers as may be appointed by the Missions Committee and a corresponding number of ruling Elders. At present there are four Presbyteries covering the entire geographical area of Scotland. A Nominations Committee of the General Assembly annually puts forward for acceptance by the Assembly the names of ministers and elders for service on the various Standing Committees representing a range of work and interests consistent with the constitution, objectives and activities of the Church. These are selected with reference to representation of the various Synods and Presbyteries throughout the Church as detailed in the Standing Orders of Assembly. Membership of Committees is constantly changing because the replacement of men is on a staggered basis.

Free Church of Scotland (Continuing)

Report of the Trustees for the year ended 31 December 2025

Financial Management

Mr. Murray Mackay, General Treasurer, is accountable to the Finance and Sustentation Committee for the management of the financial affairs of the Church. Mrs. Donna Norris, Financial Administrator, is responsible for the maintenance of all financial records and book-keeping functions and reports to the General Treasurer.

The members of the Finance & Sustentation Committee during the year 2025 were as follows:

Rev. James I. Gracie (Edinburgh), Convener
 Rev. Thomas J. Buchanan (Brora)
 Rev. Raymond A. Kemp (Scalpay, Isle of Harris)
 Rev. Greg MacDonald (Ness, Isle of Lewis), (Resigned on 21 May 2025)
 Mr. Donald MacDonald (Stornoway, Isle of Lewis), (Resigned on 21 May 2025)
 Mr. George McMillan (Knightswood, Glasgow), (Resigned on 21 May 2025)
 Mr. Donald Buchanan (Knock and Point, Isle of Lewis)
 Mr. Lindsay M. MacCallum (Kiltearn, Kilmorack & Strathglass), (Appointed on 21 May 2025)
 Mr. Gordon Furzer (Arran), Vice-convener, (Appointed on 21 May 2025)
 Mr. David W. Norris (Edinburgh), (Appointed on 21 May 2025)
 Dr. Andrew I. Naylor (Chairman of the General Trustees), Ex-officio Advisor
 Mr. Murray Mackay (General Treasurer), Ex-officio Advisor
 Mr. Murdo Murray (Clerk), Ex-officio Advisor

Recruitment and appointment of new Trustees

Under legislation approved by the General Assembly every Presbytery of the Church in Scotland has the right to nominate a person to represent them on the Board of General Trustees. On a rotational basis, each Presbytery will nominate an additional trustee to serve for a period of five years. The appointment of Trustees is finally approved by the General Assembly which meets in May each year. On the basis of the original structure of Presbyteries in Scotland, the Board of General Trustees will normally consist of five persons. The Board of the General Trustees elects their Chairman and Vice Chairman from amongst their own number. Each Trustee serves for five years and is eligible for re-appointment. On the basis of current Assembly legislation Trustees are bound to retire and be replaced on their having attained the age of 80 years.

Induction and training of new trustees

The charity will undertake training for newly appointed Trustees to ensure awareness and understanding of:-

- the duties and responsibilities of Trustees;
- the organisational structure of the charity;
- the financial position of the charity; and
- the future plans and objectives of the charity.

Significance of volunteers

The denomination could not deliver the range of activities in furtherance of its aims without the consistent and generous time committed by a large number of volunteers.

Free Church of Scotland (Continuing)

Report of the Trustees for the year ended 31 December 2025

Risk Management

The Trustees have a duty to identify and review the risks to which the charity may be exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The principal potential risks and uncertainties faced by the charity include:-

1. changes in charitable status.
2. changes in Gift Aid legislation.
3. insufficient incoming financial resources.
4. compliance with laws and regulations including health & safety and employment regulations and PVG legislation.

The charity's plans to manage principal risks and uncertainties include: the review of the major risks that the charity faces on an ongoing basis; the establishment of policies, systems and procedures to mitigate those risks that may be identified; and the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Denominational Trustees

The Denominational Trustees who served during the year were A I Naylor, J N Gillies, L M MacCallum (resigned on 21 May 2025) M MacDonald, T MacInnes and A Manderson (appointed on 21 May 2025). Denominational Trustees are elected as required in order that property belonging to the congregation may be held in the names of these elected trustees. Their duties are to hold properties in trust and sign necessary documents connected with ownership or sale when duly authorised.

Key Management Personnel Remuneration

The key management personnel of the charity comprise the trustees. No employee benefits were received by the trustees during the year to 31 December 2025 (2024: £nil).

Free Church of Scotland (Continuing)
Report of the Trustees for the year ended 31 December 2025

Reference and administrative details

Trustees

A I Naylor, Chairman	Outer Hebrides Presbytery
L M MacCallum, Vice-chairman (Resigned 21 May 2025)	Free Northern Presbytery
M MacDonald	Free Northern Presbytery
T MacInnes	Skye & Lochcarron Presbytery
J N Gillies	Southern Presbytery
A Manderson, Vice-chairman (Appointed 21 May 2025)	Southern Presbytery

Principal address

c/o General Treasurer
Copperfield House
Culloden Road
Westhill
Inverness
IV2 5BP

Registered Charity number

SC030976

Auditors

Jonathan N Innes FCCA
Innes & Partners
Chartered Certified Accountants & Statutory Auditors
9 Ardross Street
Inverness
IV3 5NN

Bankers

Bank of Scotland	Virgin Money	Royal Bank of Scotland
47 Cromwell Street	15 Academy Street	Cartsdyke Avenue Cartsburn East
Stornoway	Inverness	Greenock
Isle of Lewis	IV1 1JN	PA15 1E
HS1 2DD		

Kingdom Bank	Flagstone Group Ltd
Media House	1 st Floor, Clareville House
Padge Road	26-27 Oxendon Street
Beeston	London
Nottingham	SW1Y 4EL
NG9 2RS	

Solicitors

Lindsays
Caledonian Exchange
19a Canning Street
Edinburgh
EH3 8HE

Free Church of Scotland (Continuing)

Report of the Trustees for the year ended 31 December 2025

Signatories

It is believed that the Accounts and the Report thereon conform to the law regulating Charities in Scotland. The law requires that the Report and Accounts be approved by the "persons in management and control." It is assumed that this refers to the Finance & Sustentation Committee appointed by the General Assembly of the Free Church of Scotland (Continuing) to oversee the financial affairs of the church. By appointment of the Finance and Sustentation Committee the Accounts are signed by the Convener of the Finance & Sustentation Committee and the Chairman of the General Trustees.

Trustees' Responsibilities in relation to the Financial Statements

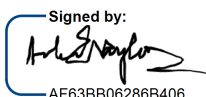
The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 and the provisions of the charity's constitution require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity, of the incoming resources and application of these resources, including the income and expenditure of the charity for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Approved by order of the Board of General Trustees on 02.04.2026 and signed on its behalf by:

Signed by:

 AF63BB06286B406...
Dr. Andrew I. Naylor
 Chairman

Free Church of Scotland (Continuing)

Report of the Independent Auditor to the Trustees for the year ended 31 December 2025

Opinion

We have audited the financial statements of Free Church of Scotland (Continuing) (the ‘charity’) for the year ended 31 December 2025 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity’s affairs as at 31 December 2025, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 the provisions available to small entities in the circumstances set out in note 19 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the 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.

Other information

The other information comprises the information included in the trustees 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Free Church of Scotland (Continuing)

Report of the Independent Auditor to the Trustees for the year ended 31 December 2025

Other information (continued)

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 in relation to which the Charities Accounts (Scotland) Regulations 2006 requires 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 trustees' responsibilities statement set out on page 7, 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 responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the 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.

Free Church of Scotland (Continuing)

Report of the Independent Auditor to the Trustees for the year ended 31 December 2025

Auditor responsibilities for the audit of the financial statements (continued)

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussion with Trustees and management, and from our wider knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct materials effect on the financial statements or the operations of the charitable company, including the Charities SORP FRS 102, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended);
- We assessed the extent of the compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence and obtaining legal confirmations; and
- Identified laws and regulations were communicated to all members of the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected or alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested a sample of journal entries to identify unusual transactions based on pre-defined risk criteria identified as part of our risk assessment;
- Assessed through planned audit procedures, such as recalculation, whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to risks of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those changed by governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Requesting correspondence with HMRC, OSCR and the legal advisers of the charity.

Free Church of Scotland (Continuing)

Report of the Independent Auditor to the Trustees for the year ended 31 December 2025

Auditor responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditors report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

DocuSigned by:

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Jonathan N Innes FCCA

Senior Statutory Auditor

For and behalf of Innes and Partners Limited, Statutory Auditor

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

9 Ardross Street

Inverness

IV3 5NN

Date 02.04.2026
 Date

Free Church of Scotland (Continuing)**Statement of Financial Activities for the year ended 31 December 2025**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Income						
Donations and Legacies	4	915,390	-	154,087	1,069,477	804,477
Charitable Activities	5	36,087	-	-	36,087	29,877
Investments	6	22,965	223	192	23,380	17,020
Total Income		974,442	223	154,279	1,128,944	851,374
Expenditure						
Raising Funds	7	994	-	-	994	1,046
Charitable Activities	7	778,633	40,776	132,708	952,117	747,741
Total Expenditure		779,627	40,776	132,708	953,111	748,787
Net income/(expenditure) before gains/(losses) on investments		194,815	(40,553)	21,571	175,833	102,587
Transfers between funds	16,17	264,667	(276,712)	12,045	-	-
		459,482	(317,265)	33,616	175,833	102,587
Net Movement in Funds		459,482	(317,265)	33,616	175,833	102,587
Reconciliation of Funds						
Total Funds Brought Forward		731,138	771,341	58,417	1,560,896	1,458,309
Total Funds Carried Forward	16	1,190,620	454,076	92,033	1,736,729	1,560,896

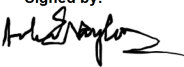
Free Church of Scotland (Continuing)**Balance Sheet as at 31 December 2025**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Fixed Assets						
Tangible assets	11	-	299,704	10,265	309,969	589,846
Total Fixed Assets		-	299,704	10,265	309,969	589,846
Current Assets						
Stock	12	1,852	-	-	1,852	1,865
Debtors falling due within one year	13	72,743	23,502	-	96,245	115,894
Debtors falling due after more than one year	13	2,814	99,875	-	102,689	145,781
Cash at Bank and in Hand		190,517	30,995	81,768	303,280	350,953
Cash held on Deposit		947,899	-	-	947,899	380,434
Total Current Assets		1,215,825	154,372	81,768	1,451,965	994,927
Liabilities						
Creditors falling due within one year	14	25,205	-	-	25,205	23,877
Net Assets		1,190,620	454,076	92,033	1,736,729	1,560,896
The Funds of the Charity						
Restricted Income Funds		-	-	92,033	92,033	58,417
Unrestricted Funds		1,190,620	-	-	1,190,620	731,138
Designated Funds		-	454,076	-	454,076	771,341
Total Charity Funds	16	1,190,620	454,076	92,033	1,736,729	1,560,896

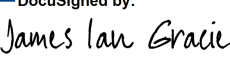
The notes at pages 16 to 30 form part of these accounts

02.04.2026

The financial statements were approved by the Board of Trustees and authorised for issue on and signed on their behalf by:

Signed by:

 AF63BB06286B406...

Dr. Andrew I. Naylor
 Chairman

DocuSigned by:

 C2E2C738F93543F...

Rev. James. I. Gracie
 Convenor, Finance & Sustentation Committee

Free Church of Scotland (Continuing)

Statement of Cash Flows as at 31 December 2025

	Total Funds 2025 £	Total Funds 2024 £
Cash flows from by operating activities	175,833	102,587
Adjustments for:		
Depreciation charges	34,877	20,670
Loss/(profit) on sale of assets	35,000	306
Interest received	(23,380)	(17,020)
Decrease/(increase) in stocks	13	4
Decrease/(increase) in debtors	62,741	8,656
(Decrease)/increase in creditors	1,328	2,254
Net cash provided by operating activities	286,412	117,457
Cash flows from investing activities:		
Purchase of tangible fixed assets	-	(599)
Proceeds on sale of tangible fixed assets	210,000	-
Interest received	23,380	17,020
Net cash used by investing activities	233,380	16,421
Change in cash and cash equivalents in the year	519,792	133,878
Cash and equivalents brought forward	731,387	597,509
Cash and cash equivalents carried forward	1,251,179	731,387
Cash at Bank and in Hand	303,280	350,953
Cash held on Deposit	947,899	380,434
Cash and cash equivalents carried forward	1,251,179	731,387

The notes at pages 16 to 30 form part of these accounts

Free Church of Scotland (Continuing)

Notes to the Financial Statements for the year ended 31 December 2025

1. Accounting Policies

Basis of Preparation

Free Church of Scotland (Continuing) is an unincorporated association registered in Scotland. The address of the principal office is given in the charity information on page 6 of these financial statements. The nature of the charity's operations and principal activities are included in the trustees report on pages 1 – 8.

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

The management team have prepared projections for the periods to 31 December 2026 and 31 December 2027. The Trustees have reviewed the projections, based on this review, have a reasonable expectation that the charity has adequate resources to continue in operation for a period of at least 12 months from the approval of the financial statements. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, income and expenditure.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods should it affect future periods.

Free Church of Scotland (Continuing)

Notes to the Financial Statements for the year ended 31 December 2025

1. Accounting Policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

The estimates and assumptions which carry a higher degree of risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. They are amended when necessary to reflect current estimates, future investment, economic utilisation and the physical condition of the assets. See note 11 for details of the values of tangible fixed assets.

Valuation of properties

The valuation of residential properties is carried out by professionals every 5 years and reliance is placed on their opinion as experts in their field. The valuation of church buildings is carried out by The Trustee's who seek professional advice from experts in the field every 5 years.

Income Recognition

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and the amount of income receivable can be measured reliably. Income received in advance is deferred until the criteria for income recognition are met.

Grants generated to support the objects of the charity and without further specified purpose are taken to the Statement of Financial Activities in that period. Grants received which are related to capital expenditure or are for a specified purpose are transferred to Restricted Funds and are utilised to fund the future depreciation of the related capital expenditure or fund the costs relating to the specified purpose.

Donated goods & Services

Donated services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and the economic benefit can be measured reliably. On receipt, donated services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Donated goods are measured at their value unless it is impractical to measure the fair value reliability. Fair values are estimated based on the cost of the item to the donor.

Free Church of Scotland (Continuing)

Notes to the Financial Statements for the year ended 31 December 2025

1. Accounting Policies (continued)

Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. The charity is not registered for VAT, irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Raising funds

Costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its objects and activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. The allocation of direct and support costs are analysed in the notes to the financial statements.

Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. estimated usage.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	in accordance with the property
Fixtures and fittings	25% on reducing balance
Motor vehicles	10% on cost
Computer equipment	25% on reducing balance and 25% on cost

Properties not funded by loans are depreciated at 2% per annum on a straight line basis.

Tangible fixed assets are stated at cost/revaluation less accumulated depreciation. The costs of minor additions or those costing below £100 are not capitalised.

Free Church of Scotland (Continuing)

Notes to the Financial Statements for the year ended 31 December 2025

1. Accounting Policies (continued)

Revaluation policy

Properties are shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss. Revalued properties are then depreciated in line with the policies above.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cash at bank and in hand

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Cash held on Deposit

Cash held on deposit includes deposits held at call with banks with maturities of three months or more.

Taxation

The charity is exempt from tax on its charitable activities.

Funds Structure

Unrestricted funds – can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds - unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds – can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pensions

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The charity's financial assets and financial liabilities qualify as basic financial instruments which are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank and other loans which are subsequently measured at amortised cost.

Concessionary loans

Loans receivable include concessionary loans made to congregations and individuals which are interest free or below market rates and are measured at cost less repayments or any impairment.

Free Church of Scotland (Continuing)

Notes to the Financial Statements for the year ended 31 December 2025

2. Related Party Transactions and Trustees' Expenses and Remuneration

There were no trustees' remuneration or other benefits for the year ended 31 December 2025 (2024: £nil).

There were no trustees' expenses paid for the year ended 31 December 2025 (2024: £nil).

The following related party transactions took place in the year ended 31 December 2025:

During the year, Poolewe & Aultbea Free Church of Scotland (Continuing), a charity where Murdo MacDonald, Trustee, is also a trustee of, made loan repayments of £7,800 (2024: £16,370). At 31 December 2025 the balance owing to the charity was £5,202 (2024: £13,002). The charity also received donations from Poolewe & Aultbea Free Church of Scotland (Continuing) totalling £nil (2024: £9,800).

During the year, the charity also received donations from Partick Free Church of Scotland (Continuing) a charity where John Gillies, Trustee, is also a trustee of, totalling £54,000 (2024: £54,000).

During the year, the charity also received donations from Knightswood Free Church of Scotland (Continuing) a charity where Alastair Manderson, Trustee (appointed 21 May 2025), is also a trustee of, totalling £29,000 (2024: £29,236).

Free Church of Scotland (Continuing)**Notes to the Financial Statements for the year ended 31 December 2025****3. Statement of Financial Activities for the year ended 31 December 2024**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2024 £
Income				
Donations and Legacies	761,369	-	43,108	804,477
Charitable Activities	29,877	-	-	29,877
Investments	16,495	285	240	17,020
Total Income	807,741	285	43,348	851,374
Expenditure				
Raising Funds	1,046	-	-	1,046
Charitable Activities	688,314	11,287	48,140	747,741
Total Expenditure	689,360	11,287	48,140	748,787
Net income/(expenditure) before gains/(losses) on investments	118,381	(11,002)	(4,792)	102,587
Transfers between funds	8,964	(12,346)	3,382	-
Net Movement in Funds	127,345	(23,348)	(1,410)	102,587
Reconciliation of Funds				
Total Funds Brought Forward	603,793	794,689	59,827	1,458,309
Total Funds Carried Forward	731,138	771,341	58,417	1,560,896

4. Donations and Legacies

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Congregations	683,244	-	-	683,244	701,231
Donations	21,584	-	124,521	146,105	51,790
Legacies	206,667	-	28,566	235,233	51,421
Seminary books and fees	1,842	-	-	1,842	35
Other income	2,053	-	1,000	3,053	-
	915,390	-	154,087	1,069,477	804,477

Donations and Legacies - Comparatives

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2024 £
Congregations	701,231	-	-	701,231
Donations	9,682	-	42,108	51,790
Legacies	50,421	-	1,000	51,421
Seminary books and fees	35	-	-	35
	761,369	-	43,108	804,477

Free Church of Scotland (Continuing)**Notes to the Financial Statements for the year ended 31 December 2025****5. Charitable Activities**

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£	£
Magazine subscriptions	17,726	-	-	17,726	15,494
Publications and CDs	403	-	-	403	2,006
Stock movement	(13)	-	-	(13)	(4)
Camp income	9,013	-	-	9,013	8,535
Conference income	3,568	-	-	3,568	3,846
Rental income	5,390	-	-	5,390	-
	36,087	-	-	36,087	29,877

Charitable Activities - Comparatives

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2024
	£	£	£	£
Magazine subscriptions	15,494	-	-	15,494
Publications and CDs	2,006	-	-	2,006
Stock movement	(4)	-	-	(4)
Camp income	8,535	-	-	8,535
Conference income	3,846	-	-	3,846
	29,877	-	-	29,877

6. Investments

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£	£
Deposit interest	22,742	223	192	23,157	16,794
Car loan interest	223	-	-	223	226
	22,965	223	192	23,380	17,020

Investments - Comparatives

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2024
	£	£	£	£
Deposit interest	16,269	285	240	16,794
Car loan interest	226	-	-	226
	16,495	285	240	17,020

Free Church of Scotland (Continuing)**Notes to the Financial Statements for the year ended 31 December 2025****7. Analysis of Expenditure**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Raising Funds						
Freewill offering envelopes		994	-	-	994	1,046
		994	-	-	994	1,046
Charitable Expenditure						
<u>Direct costs</u>						
Staff costs	9	464,347	-	-	464,347	449,947
Supply Cost		4,277	-	-	4,277	-
Home and foreign missions		12,662	-	83,946	96,608	43,283
Presbytery of N&A		-	-	17,581	17,581	10,136
Denominational Support to Presbytery of N&A		16,000	-	-	16,000	-
Camp expenses		16,561	-	-	16,561	16,120
Conference expenses		5,556	-	-	5,556	6,907
General assembly (net cost)		18,977	-	-	18,977	18,220
Magazine		18,574	-	-	18,574	23,534
Donations and grants	8	158,342	-	-	158,342	98,636
Sabbath School prizes		348	-	200	548	494
Depreciation		-	5,776	29,101	34,877	20,670
Loss/(gain) on sale of assets		-	35,000	-	35,000	306
Total direct costs		715,644	40,776	130,828	887,248	688,253
<u>Management and support costs</u>						
Staff costs	9	32,519	-	-	32,519	31,927
Rent		600	-	-	600	600
Insurance		1,604	-	-	1,604	1,604
Stationery		919	-	-	919	525
Postage		353	-	-	353	150
Printing and publications		622	-	-	622	1,876
Materials for seminary lecturers		567	-	-	567	-
Travel		5,815	-	-	5,815	7,164
Fees and subscriptions		3,386	-	-	3,386	4,229
Presentations		-	-	1,000	1,000	500
Bank fees		294	-	-	294	233
General charges		647	-	880	1,527	840
Total management and support costs		47,326	-	1,880	49,206	49,648
<u>Governance</u>						
Auditors' remuneration		10,882	-	-	10,882	9,840
Legal fees		4,781	-	-	4,781	-
Total governance expenditure		15,663	-	-	15,663	9,840
Total charitable expenditure		778,633	40,776	132,708	952,117	747,741
Total expenditure		779,627	40,776	132,708	953,111	748,787

Support costs have not been separately identified as the trustees consider that there is only one charitable activity. Therefore support costs relate wholly to that activity and have not been separately identified.

Free Church of Scotland (Continuing)**Notes to the Financial Statements for the year ended 31 December 2025****7. Analysis of Expenditure (continued)**

	Note	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Funds 2024 £
Raising Funds					
Freewill offering envelopes		1,046	-	-	1,046
		1,046	-	-	1,046
Charitable Expenditure					
<u>Direct Costs</u>					
Staff costs	9	449,947	-	-	449,947
Home and foreign missions		15,248	-	28,035	43,283
Presbytery of N&A		-	-	10,136	10,136
Camp expenses		16,120	-	-	16,120
Conference expenses		6,907	-	-	6,907
General assembly (net cost)		18,220	-	-	18,220
Magazine		23,534	-	-	23,534
Donations and grants	8	98,636	-	-	98,636
Sabbath School prizes		214	-	280	494
Depreciation		-	10,981	9,689	20,670
Loss/(gain) on sale of assets		-	306	-	306
Total direct costs		628,826	11,287	48,140	688,253
<u>Management and support costs</u>					
Staff costs	9	31,927	-	-	31,927
Rent		600	-	-	600
Insurance		1,604	-	-	1,604
Stationery		525	-	-	525
Postage		150	-	-	150
Printing and publications		1,876	-	-	1,876
Travel		7,164	-	-	7,164
Fees and subscriptions		4,229	-	-	4,229
Presentations		500	-	-	500
Bank fees		233	-	-	233
General charges		840	-	-	840
Total management and support costs		49,648	-	-	49,648
<u>Governance</u>					
Auditors' remuneration		9,840	-	-	9,840
Total governance expenditure		9,840	-	-	9,840
Total charitable expenditure		688,314	11,287	48,140	747,741
Total expenditure		689,360	11,287	48,140	748,787

Free Church of Scotland (Continuing)**Notes to the Financial Statements for the year ended 31 December 2025****8. Analysis of Grants and Donations**

	Total Funds 2025 £	Total Funds 2024 £
Institutions		
<u>Donations</u>		
Christian Concern	500	500
Christian Institute	1,000	1,000
Hudson Taylor Ministries	240	200
International Mission to Jewish People	1,000	1,000
Edinburgh Free Church of Scotland (Continuing)	-	50,421
Inverness Free Church of Scotland (Continuing)	90,000	-
	<u>92,740</u>	<u>53,121</u>
<u>Grants</u>		
School in Theology	1,500	1,500
Knightwood Free Church of Scotland (Continuing)	-	5,865
Lewis Christian Education Association	-	250
Melville Knox Aberdeen	129	250
Melville Knox Glasgow	-	250
Melville Knox Highland	-	250
Inverness - Greyfriars Free Church of Scotland (Continuing)	-	10,000
Shettleston Free Church of Scotland (Continuing)	10,000	-
Harris Free Church of Scotland (Continuing)	1,200	-
Kilmuir & Stenscholl Free Church of Scotland (Continuing)	10,680	-
North Uist & Grimsay Free Church of Scotland (Continuing)	4,365	-
Tarbat Free Church of Scotland (Continuing)	10,000	-
	<u>37,874</u>	<u>18,365</u>
Total Donations & Grants to Institutions	<u>130,614</u>	<u>71,486</u>
Individuals		
<u>Donations</u>		
Rev Partheepan	1,120	-
	<u>1,120</u>	<u>-</u>
<u>Grants</u>		
Christian Education Grant (provided to 14 Individuals)	1,871	-
Home Education Grant (provided to 1 Individual)	-	200
	<u>1,871</u>	<u>200</u>
<u>Student grants</u>		
Joel Suarez	4,175	8,350
Alan Blaney	5,400	9,600
Kevin MacDonald	11,040	9,000
Fabien Garat	2,412	-
Comon Tome	1,710	-
	<u>24,737</u>	<u>26,950</u>
Total Donations & Grants to Individuals	<u>27,728</u>	<u>27,150</u>
Total Donations & Grants	<u>158,342</u>	<u>98,636</u>

9. Analysis of Staff Costs

	Total 2025 £	Total 2024 £
Salaries and wages	412,828	405,619
Social security costs	34,498	27,581
Pension costs	49,540	48,674
	<u>496,866</u>	<u>481,874</u>
	Total 2025 Number	Total 2024 Number
Ministers	16	16
Management and Administration	2	2
	<u>18</u>	<u>18</u>

No employee had employee benefits in excess of £60,000 (2024: nil).

Free Church of Scotland (Continuing)**Notes to the Financial Statements for the year ended 31 December 2025****10. Auditor's Remuneration**

The auditor's remuneration paid to Innes and Partners Limited amounts to accountancy services of £1,512 (2024: £1,440) and audit fees of £9,180 (2024: £8,400).

11. Tangible Fixed Assets

	Freehold property £	Fixtures & fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
As at 1 January 2025	815,100	3,381	23,689	5,910	848,080
Additions	-	-	-	-	-
Disposals	(250,000)	-	-	-	(250,000)
As at 31 December 2025	565,100	3,381	23,689	5,910	598,080
Depreciation					
As at 1 January 2025	238,868	3,376	11,055	4,935	258,234
Charge for the year	32,032	1	2,369	475	34,877
Eliminated on Disposal	(5,000)	-	-	-	(5,000)
As at 31 December 2025	265,900	3,377	13,424	5,410	288,111
Net Book Value					
As at 31 December 2024	576,232	5	12,634	975	589,846
As at 31 December 2025	299,200	4	10,265	500	309,969

The following properties held by the charity at the year end were revalued as noted below:

	<u>Valuation</u>	<u>Date of Valuation</u>	<u>Valuer</u>
7 Lindsay Street	15,000	24/10/2023	Trustees (note 1 below)
2-4 Thornwood Terrace	250,000	24/10/2023	Trustees (note 1 below)
	265,000		

Note 1 - 7 Lindsay Street and 2-4 Thornwood Terrace were valued by the Trustees, who sought professional advice from an expert in the field, Giles Arnold MRICS of Growth Church Trust.

The valuation at 24/10/2023 is deemed to be the value at the reporting date of 31/12/2025.

12. Stocks

	Total 2025 £	Total 2024 £
Stocks	1,852	1,865
	1,852	1,865

13. Analysis of Debtors

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Due within 1 year					
Other debtors	18,763	-	-	18,763	6,526
Gift aid receivable	50,669	-	-	50,669	74,845
Loans	3,311	23,502	-	26,813	34,523
	72,743	23,502	-	96,245	115,894
Debtors due after 1 year					
Loans	2,814	99,875	-	102,689	145,781
	2,814	99,875	-	102,689	145,781

Free Church of Scotland (Continuing)**Notes to the Financial Statements for the year ended 31 December 2025****14. Analysis of current liabilities and long term creditors**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Due within 1 year					
Taxation and Social Security	9,302	-	-	9,302	7,499
Other Creditors	4,339	-	-	4,339	4,087
Accruals and deferred income	11,564	-	-	11,564	12,291
	25,205	-	-	25,205	23,877
Deferred Income	Balance at 01.01.25 £	Received in year £	Released in year £	Balance at 31.12.25 £	For release: within 1 Year £
Subscriptions received in advance	344	312	(344)	312	312
Total	344	312	(344)	312	312

15. Analysis of Net Assets Among Funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2025 £
Fixed Assets	-	299,704	10,265	309,969
Current Assets	1,215,825	154,372	81,768	1,451,965
Current Liabilities	(25,205)	-	-	(25,205)
Net Assets as at 31 December 2025	1,190,620	454,076	92,033	1,736,729
	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2024 £
Fixed Assets	-	577,212	12,634	589,846
Current Assets	755,015	194,129	45,783	994,927
Current Liabilities	(23,877)	-	-	(23,877)
Net Assets as at 31 December 2024	731,138	771,341	58,417	1,560,896

Free Church of Scotland (Continuing)**Notes to the Financial Statements for the year ended 31 December 2025****16. Movement in Funds**

	As at 01/01/2025	Incoming Resources	Outgoing Resources	Transfers	As at 31/12/2025
	£	£	£	£	£
Restricted Funds					
Central Building Fund	22,038	28,722	(26,732)	-	24,028
Sabbath School Prize Fund	576	5	(200)	-	381
Zambia Missions Fund	2,123	3	(996)	-	1,130
Gospel Fund	15,959	443	(780)	-	15,622
Children's Biblical Knowledge Prize Fund	-	28,573	-	-	28,573
Sri Lanka Mission	-	15,503	(23,735)	8,232	-
Sri Lanka Car Fund	12,634	-	(2,369)	-	10,265
Sri Lanka Children's work (Karis Care)	-	3,075	(1,920)	-	1,155
Sri Lanka, Hatton Outreach	-	200	(200)	-	-
Sri Lanka, Solar Panels/Air Conditioning	1,000	3,000	(1,000)	-	3,000
Sri Lanka, Selvanager pre-school	-	2,084	(3,783)	1,699	-
Sri Lanka, Cyclone Appeal	-	4,480	(920)	-	3,560
Sri Lanka, Kilinochchi Building Fund	-	26,000	(26,000)	-	-
Margaret Macleod Memorial Prize	4,087	32	(100)	-	4,019
Spanish Work	-	20	(20)	-	-
French Work	-	372	(372)	-	-
Portuguese Work	-	25,000	(25,000)	-	-
Presbytery of Navarre & Aragon	-	15,767	(17,581)	2,114	300
Seminary Lecture presentation	-	1,000	(1,000)	-	-
	58,417	154,279	(132,708)	12,045	92,033
Unrestricted Funds					
General	731,138	974,442	(779,627)	264,667	1,190,620
<u>Designated Funds</u>					
Building	744,763	-	(40,300)	(281,887)	422,576
Death in Service Fund	25,597	223	-	5,175	30,995
Other Assets	981	-	(476)	-	505
Total Designated Funds	<u>771,341</u>	<u>223</u>	<u>(40,776)</u>	<u>(276,712)</u>	<u>454,076</u>
	1,502,479	974,665	(820,403)	(12,045)	1,644,696
Total Funds	1,560,896	1,128,944	(953,111)	-	1,736,729

Free Church of Scotland (Continuing)**Notes to the Financial Statements for the year ended 31 December 2025****16. Movement in Funds (continued)**

	As at 01/01/2024	Incoming Resources	Outgoing Resources	Transfers	As at 31/12/2024
	£	£	£	£	£
Restricted Funds					
Central Building Fund	20,084	9,274	(7,320)	-	22,038
Sabbath School Prize Fund	847	9	(280)	-	576
Zambia Missions Fund	3,119	-	(996)	-	2,123
Gospel Fund	14,023	1,936	-	-	15,959
Sri Lanka Mission	352	12,203	(15,187)	2,632	-
Sri Lanka Car Fund	15,003	-	(2,369)	-	12,634
Sri Lanka Children's work (Karis Care)	1,070	892	(2,712)	750	-
Sri Lanka, Hatton Outreach	-	1,800	(1,800)	-	-
Sri Lanka, Solar Panels/Air Conditioning	-	1,000	-	-	1,000
Sri Lanka, Pre-school Building, Vavuniya	-	1,000	(1,000)	-	-
Margaret Macleod Memorial Prize	4,039	48	-	-	4,087
Spanish Work	335	230	(565)	-	-
French Work	-	5,775	(5,775)	-	-
Presbytery of Navarre & Aragon	955	9,181	(10,136)	-	-
	59,827	43,348	(48,140)	3,382	58,417
Unrestricted Funds					
General	603,793	807,741	(689,360)	8,964	731,138
<u>Designated Funds</u>					
Building	771,198	-	(10,300)	(16,135)	744,763
Death in Service Fund	22,122	285	-	3,190	25,597
Other Assets	1,369	-	(987)	599	981
Total Designated Funds	794,689	285	(11,287)	(12,346)	771,341
	1,398,482	808,026	(700,647)	(3,382)	1,502,479
Total Funds	1,458,309	851,374	(748,787)	-	1,560,896

Fund Purposes:**Restricted Funds:**

Central Building Fund - represents funds collected from congregations. These funds can only be used for the purchase of buildings (although more favourably towards the purchase of manses).

Sabbath School Prize Fund - represents the balance of two donations of £1,000 for the Maurine Murchison Memorial Fund.

Margaret Macleod Memorial Prize Fund - was previously included within the Seminary Fund, this has now been set up as a distinct fund which relates to a legacy of £4,000 which awards the interest each year to the best student.

Zambia Missions Fund - has been collected from congregations for the work in Zambia. These funds can only be used in projects associated with Zambia.

Gospel Fund - was set up in 2015 and is restricted to the expenditure associated with 'Home Missions' work.

Children's Biblical Knowledge Prize Fund - This fund was set up in 2025 as a result of a legacy of £28,566 received from the late Dr Murdoch Murchison.

Sri Lanka Mission - was set up historically by an £18,000 legacy left for missions work. The General Assembly used these funds to fund the work in Sri Lanka for three years. The legacy has now been exhausted. The fund is now made up by ongoing contributions made specifically for the work in Sri Lanka and the costs associated with the ongoing work in that land.

Sri Lanka Car Fund - (set up in 2017) was for the purpose of purchasing a motor vehicle in Sri Lanka. A vehicle was purchased in 2020 with the balance of the funds being used to help with the ongoing running costs of the vehicle. These funds have now been used and the closing balance now represents the written down net book value of the vehicle.

Sri Lanka children's work (Karis Care) - these funds can only be used in support of the work amongst the disabled children in Sri Lanka.

Sri Lanka, Hatton Outreach - these funds can only be used in support of the Hatton outreach work.

Sri Lanka, Solar Panels - a donation of £1,000 was received in 2024 to assist in the installation of either air-conditioning in the manse guest room or to install solar panels. The H&FMC agreed that the installation of the solar panels was the better use of such funds. The estimated cost of solar panels for the church and manse would be approximately £3,000. It was agreed to hold the donation until sufficient funds are available to complete the work.

Sri Lanka, Pre-school Building, Vavuniya - these funds are for assisting in the purchase of a second building for the pre-school work near Vavuniya.

Sri Lanka, Selvanagar Pre-School - this fund, often supported by Explorer magazine appeals, is for the development of facilities, particularly the playground area.

Free Church of Scotland (Continuing)

Notes to the Financial Statements for the year ended 31 December 2025

16. Movement in Funds (continued)

Fund Purposes:

Restricted Funds:

Sri Lanka, Cyclone appeal - this fund was set up in December 2025 to provide emergency relief for families suffering following the December 2025 cyclone in Sri Lanka.

Sri Lanka, Kilinochchi Building Fund - this fund was set up in 2025 for the purchase and renovation of a church building and surrounding grounds.

Spanish Work - these funds can only be used in support of the work in Spain.

French Work - these funds can only be used in support of the work in France.

Portuguese Work - these funds can only be used in support of the work in Portugal.

Presbytery of Navarre and Aragon - these funds can only be used in support of the work in the Presbytery of Navarre & Aragon.

Seminary Lecture presentation - these funds were collected in respect of a presenation made to Rev. HJT Woods upon his retiral from the seminary.

Unrestricted Funds:

General Fund - represents unrestricted funds which the trustees are free to use in accordance with the charitable objects.

Designated Funds:

Building fund - represents funding designated by the trustees for building purposes.

Death In Service Fund - The General Assembly agreed that a fund should be built up over three years to contain an amount that is at least the Equal Dividend plus corresponding employers NIC costs.

Other Assets Fund - represents the Net Book Value of other assets held by the church.

17. Fund Transfers

Funds of £8,232, £1,699 and £2,114 have been transferred from General Funds to the Sri Lanka Mission Fund, the Sri Lanka Selvanager pre-school work and the Presbytery of Navarre and Aragon in order to finance the expenditure in the year.

Funds of £281,887 have been transferred from the Buildings Fund to the General Fund which represents the movement in the congregational loan balances/NBV of buildings.

Funds of £5,175 have been transferred from the general fund to the Death In Service Fund to make the fund balance around the level of the Equal Stipend plus corresponding employers NIC costs.

18. Analysis of changes in net debt

	Total 2024 £	Cash flows £	Total 2025 £
Cash at Bank and in Hand	350,953	(47,673)	303,280
Cash held on Deposit	380,434	567,465	947,899
Total net debt	731,387	519,792	1,251,179

19. FRC Ethical Standard - Provisions available for small entities

In common with many other organisations of our size and nature we use our auditors to assist with the preparation of the financial statements.

Free Church of Scotland (Continuing)**Detailed Statement of Financial Activities for the year ended 31 December 2025**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
INCOME					
Donations and Legacies					
Congregations	683,244	-	-	683,244	701,231
Donations	21,584	-	124,521	146,105	51,790
Legacies	206,667	-	28,566	235,233	51,421
Seminary books and fees	1,842	-	-	1,842	35
Other income	2,053	-	1,000	3,053	-
	915,390	-	154,087	1,069,477	804,477
Charitable Activities					
Magazine subscriptions	17,726	-	-	17,726	15,494
Publications and CDs	403	-	-	403	2,006
Stock movement	(13)	-	-	(13)	(4)
Camp income	9,013	-	-	9,013	8,535
Conference income	3,568	-	-	3,568	3,846
Rental income	5,390	-	-	5,390	-
	36,087	-	-	36,087	29,877
Investments					
Deposit interest	22,742	223	192	23,157	16,794
Car loan interest	223	-	-	223	226
	22,965	223	192	23,380	17,020
Total Incoming resources	974,442	223	154,279	1,128,944	851,374

Free Church of Scotland (Continuing)**Detailed Statement of Financial Activities for the year ended 31 December 2025**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
EXPENDITURE					
Raising Funds					
Freewill offering envelopes	994	-	-	994	1,046
	994	-	-	994	1,046
	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Charitable Expenditure					
<u>Direct costs</u>					
Staff costs	464,347	-	-	464,347	449,947
Supply Cost	4,277	-	-	4,277	-
Home and foreign missions	12,662	-	83,946	96,608	43,283
Presbytery of N&A	-	-	17,581	17,581	10,136
Denominational support to Presbytery of N&A	16,000	-	-	16,000	-
Camp expenses	16,561	-	-	16,561	16,120
Conference expenses	5,556	-	-	5,556	6,907
General assembly (net cost)	18,977	-	-	18,977	18,220
Magazine	18,574	-	-	18,574	23,534
Donations and grants	158,342	-	-	158,342	98,636
Sabbath School prizes	348	-	200	548	494
Depreciation	-	5,776	29,101	34,877	20,670
Loss/(gain) on sale of assets	-	35,000	-	35,000	306
Total direct costs	715,644	40,776	130,828	887,248	688,253
<u>Management and support costs</u>					
Staff costs	32,519	-	-	32,519	31,927
Rent	600	-	-	600	600
Insurance	1,604	-	-	1,604	1,604
Stationery	919	-	-	919	525
Postage	353	-	-	353	150
Printing and publications	622	-	-	622	1,876
Materials for seminary lectures	567	-	-	567	-
Travel	5,815	-	-	5,815	7,164
Fees and subscriptions	3,386	-	-	3,386	4,229
Presentations	-	-	1,000	1,000	500
Bank fees	294	-	-	294	233
General charges	647	-	880	1,527	840
Total management and support costs	47,326	-	1,880	49,206	49,648
<u>Governance</u>					
Auditors' remuneration	10,882	-	-	10,882	9,840
Legal fees	4,781	-	-	4,781	-
Total governance expenditure	15,663	-	-	15,663	9,840
Total expenditure	779,627	40,776	132,708	953,111	748,787
Net income/(expenditure)	194,815	(40,553)	21,571	175,833	102,587

Free Church of Scotland (Continuing)**Detailed Statement of Financial Activities for the year ended 31 December 2024**

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2024
	£	£	£	£
INCOME				
Donations and Legacies				
Congregations	701,231	-	-	701,231
Donations	9,682	-	42,108	51,790
Legacies	50,421	-	1,000	51,421
Seminary books and fees	35	-	-	35
	761,369	-	43,108	804,477
Charitable Activities				
Magazine subscriptions	15,494	-	-	15,494
Publications and CDs	2,006	-	-	2,006
Stock movement	(4)	-	-	(4)
Camp income	8,535	-	-	8,535
Conference income	3,846	-	-	3,846
	29,877	-	-	29,877
Investments				
Deposit interest	16,269	285	240	16,794
Car loan interest	226	-	-	226
	16,495	285	240	17,020
Total Incoming resources	807,741	285	43,348	851,374

Free Church of Scotland (Continuing)**Detailed Statement of Financial Activities for the year ended 31 December 2024**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2024 £
EXPENDITURE				
Raising Funds				
Freewill offering envelopes	1,046	-	-	1,046
	1,046	-	-	1,046
	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2024 £
Charitable Expenditure				
<u>Direct costs</u>				
Staff costs	449,947	-	-	449,947
Home and foreign missions	15,248	-	28,035	43,283
Presbytery of N&A	-	-	10,136	10,136
Camp expenses	16,120	-	-	16,120
Conference expenses	6,907	-	-	6,907
General assembly (net cost)	18,220	-	-	18,220
Magazine	23,534	-	-	23,534
Donations and grants	98,636	-	-	98,636
Sabbath School prizes	214	-	280	494
Depreciation	-	10,981	9,689	20,670
Loss/(gain) on sale of assets	-	306	-	306
Total direct costs	628,826	11,287	48,140	688,253
<u>Management and support costs</u>				
Staff costs	31,927	-	-	31,927
Rent	600	-	-	600
Insurance	1,604	-	-	1,604
Stationery	525	-	-	525
Postage	150	-	-	150
Printing and publications	1,876	-	-	1,876
Travel	7,164	-	-	7,164
Fees and subscriptions	4,229	-	-	4,229
Presentations	500	-	-	500
Bank fees	233	-	-	233
General charges	840	-	-	840
Total management and support costs	49,648	-	-	49,648
<u>Governance</u>				
Auditors' remuneration	9,840	-	-	9,840
Total governance expenditure	9,840	-	-	9,840
Total expenditure	689,360	11,287	48,140	748,787
Net income/(expenditure)	118,381	(11,002)	(4,792)	102,587