

The 2025 Accounts comprise a Trustees' Report, Auditor's Report, Statement of Financial Activity or "SOFA" (effectively the income and expenditure account), Balance Sheet, Cash Flow Statement and Notes thereto. The accounts were approved by Standing Committee on 26 February 2026. The auditors have also confirmed they have completed their work satisfactorily and issued a report with no adverse comments.

This year, the accounts have been rounded to the nearest £1,000 for greater clarity.

Financial outcome for the year

The SOFA on page 10 shows an overall deficit (ie an excess of expenditure over income) of £32k.

An deficit on designated funds of £68k was the result of grants totalling £103k in the Investing in the Future programme, net of unspent investment income of £35k in the St Hilda's Fund (for Mission). This was offset by surpluses of £40k on the General Fund and £4k in restricted funds.

General Fund outcome compared to budget

The General Fund deals with the core running costs of the Diocese, funded mainly by quota and investment income. The attached schedule shows actual income and costs for the year matched against budget.

The net surplus of £40k on the General Fund, compares with a budgeted surplus before contingencies of £7k. The main reasons for this were:

- Investment income was £12k over budget. The UTP distribution rates rose again by more than inflation, and a new deposit platform earned higher rates of interest on uninvested cash balances.
- Planned maintenance works on the Bishop's house during the vacancy were delayed and around £14k of expenditure will now fall into 2026.
- During 2025 the Diocese operated with fewer regular staff and a greater use of temps. For administration support this was more expensive, but mission and ministry activity was less than budgeted and temp costs also reduced. Savings in M&M of £20k were offset by higher administration costs of £13k. (These included unplanned but necessary work on IT network security.)
- Grant costs in the General Fund were reduced by the absence of ordinands qualifying for robes grants this year. (Note that most grants are paid from designated and restricted funds rather than from the General Fund.)

While the total expenditure in the attached schedule agrees with total expenditure in the accounts, the analysis of expenditure in note 4 to the accounts is on a different basis in order to comply with accounting standards. Note 4 shows costs analysed between the major categories of Diocesan activities, with overall support costs allocated between them.

Movements in other funds

These are disclosed in note 13 to the accounts where you can also find a brief description of the purpose of each fund. In relation to the income and expenditure figures for 2025:

- Income in 'other restricted funds' comprises £84k of specific grant funding from the Scottish Episcopal Church (SEC), mainly for curate grants, with £8k coming from other restricted donations. (A further £75k of SEC grants are included in General Fund income because they are given to help towards aspects of our recurring general fund expenditure on mission, Bishop's stipend etc.)
- Apart from a further £6k of grant receipts, mainly in the Bishop's Discretionary Fund, all other income in restricted and designated funds derives from distributions from investments in the SEC Unit Trust Pool (UTP).
- Designated capital funds include historic 'Mission Funds' invested in the UTP where the related income is used to meet general fund expenditure and help keep quota levels down.
- £750k of investment gains were transferred from these Mission Funds in 2023 to fund the Investing in the Future programme for five years. IIF expenditure in the year includes both the £103k shown and an additional £27k drawn from a restricted fund held for the benefit of one of the congregations supported.
- Diocesan project fund expenditure comprised grants to congregations for building works (£8k), a rectory green grant (£5k), multi-year mission projects (£25k) and other mission grants (£10k).

Balance Sheet

There is full analysis in the notes to the accounts of the Diocese's assets and liabilities. Note 10 discloses the disposal of part of our holding in UTPs and its reinvestment in fixed term deposits, in order to keep funds off market risk that will be needed in the medium term for future IIF grants. It also discloses two interest-bearing loans made to congregations to assist with high-value bridging issues.

2024 Accounts

As there was no October Synod in 2025, I also have to present the 2024 audited accounts to the March Synod. However, the numbers are unchanged since the draft accounts I presented to the Synod in February 2025, so this is a formality. The 2024 accounts are available on the Diocesan website at <https://edinburgh.anglican.org/diocesan-synod-14-march-2026/>

**Ian Lawson Diocesan
Treasurer 10 March 2026**

Diocese of Edinburgh
General Fund Result compared to budget
Year ended 31 December 2025

2024	Category Group	2025 results			variance as a % of budget
		Actual	Budget	Variance	
£	Income	£	£	£	
4,878	1000 Voluntary	4,464	2460	2,004	81%
511,352	2100 Quota	552,253	552793	(540)	-0%
70,604	2200 SEC Grants	75,283	75283	0	0%
12,681	2300 Other grants	12,032	11604	428	4%
20,514	2400 Other charitable activities	23,217	22000	1,217	6%
6,732	3000 Charges for services	4,931	8324	(3,393)	-41%
108,938	4000 Investment income	119,743	107751	11,992	11%
<u>735,698</u>		<u>791,922</u>	<u>780,215</u>	<u>11,707</u>	<u>2%</u>
Expenditure					
297,896	1000 Quota and the wider church	322,398	323500	1,102	0%
154,624	2000 Office of Bishop and Dean	126,460	133017	6,557	5%
117,758	3000 Mission & Ministry (see below)	103,747	124,607	20,860	17%
4,324	4000 Grants (see below)	2,152	7,800	5,648	72%
166,764	5000 Support (see below)	169,873	156,999	(12,874)	-8%
20,656	6000 Governance	26,552	27,316	764	3%
<u>762,020</u>		<u>751,182</u>	<u>773,239</u>	<u>22,057</u>	
(26,323)	(DEFICIT)/SURPLUS	40,740	6,976	33,764	
(1,500)	Transfer to Lambeth Fund	(1,500)	(1,500)		
<u>(27,823)</u>		<u>39,240</u>	<u>5,476</u>	<u>33,764</u>	
3000 Mission & Ministry					
1,265	3100 M&M clergy in training	1,190	3700	2,510	68%
88,491	3200 M&M Authorised ministry support	80,809	93998	13,189	14%
8,510	3400 M&M central activities	10,111	8000	(2,111)	-26%
1,579	3500 Youth and Children's support	4,009	1200	(2,809)	-234%
17,913	3600 M&M support costs	7,628	17709	10,081	57%
<u>117,758</u>		<u>103,747</u>	<u>124,607</u>	<u>20,860</u>	<u>17%</u>
4000 Grants					
429	4100 Grants to congregations	-	2800	2,800	100%
3,895	4200 Grants - individuals	2,152	5000	2,848	57%
<u>4,324</u>		<u>2,152</u>	<u>7,800</u>	<u>5,648</u>	<u>72%</u>
5000 Support					
89,812	5100 Support staff costs	88,870	84515	(4,355)	-5%
34,271	5200 Office premises	31,570	34306	2,736	8%
38,205	5300 Office support services	44,997	35926	(9,071)	-25%
3,576	5400 Communications and Media	3,626	1754	(1,872)	-107%
899	5500 Finance costs	811	498	(313)	-63%
<u>166,764</u>		<u>169,873</u>	<u>156,999</u>	<u>(12,874)</u>	<u>-8%</u>