

Treasurer's Report to the Annual Congregational Meeting 2026

2025 – an Odd Year

2025 was a memorable year for the Church of Scotland Geneva. It doesn't take a financial report to detail the changes which took place as a result of the former Minister leaving at the end of May. Coming at the same time as the linkage with Lausanne, this meant that Rev. Dr. Enikő Ferenczy took joint charge of the Scots Kirk Lausanne and the Church of Scotland Geneva at the end of the year. Until then, Rev Graham Austin of the Scots International Church in Rotterdam was Interim Moderator and we had a number of locums serving on the more immediate level, something which has continued into 2026. While these are features of Church governance and leadership rather than financial management, their impact on the Church's finances has not been insignificant. At the same time, we have seen the first year of a revised, more responsive budget and a switch to cash accounting in line with the requirements of becoming an officially registered, Scottish charity. So it is not as if nothing has been happening on the financial side of things. The main issue of concern is that it hasn't been all that obvious.

The Benefits of Less Financial Attention

2025 appears, from a numbers perspective, to have been a good year. This is almost inevitable when there isn't a full-time Minister since the Church of Scotland Geneva does not own any fixed assets – it rents the Auditoire, the Salle and the Manse. So the overall outlay is considerably less than it would be if it owned them. The main expenditure is employment costs. In 2024, these represented 58.6% of total expenditure. In 2025, including locum costs, they were down to 51.3%, and that was with a full-time Minister for the first five months as well. If you then take out continued employment costs for the former Minister which could not be reimbursed until 2026, these come down to 44.3%.

This is not meant to indicate that a Minister is a bad thing from a financial perspective and that we'd be better off with locums and guest preachers. The Minister is one of the key elements in driving and leading a Church and adds considerable value to what it is. If you need funds for a Minister, that is because the Minister is one of, if not the, most valuable elements in which you can invest to build and sustain your Church. To take an analogy, you could save money on your car by getting rid of the engine but it wouldn't go very far apart from downhill, and its overall worth would be next to nothing. The fact that something costs money does not make it a bad thing at all.

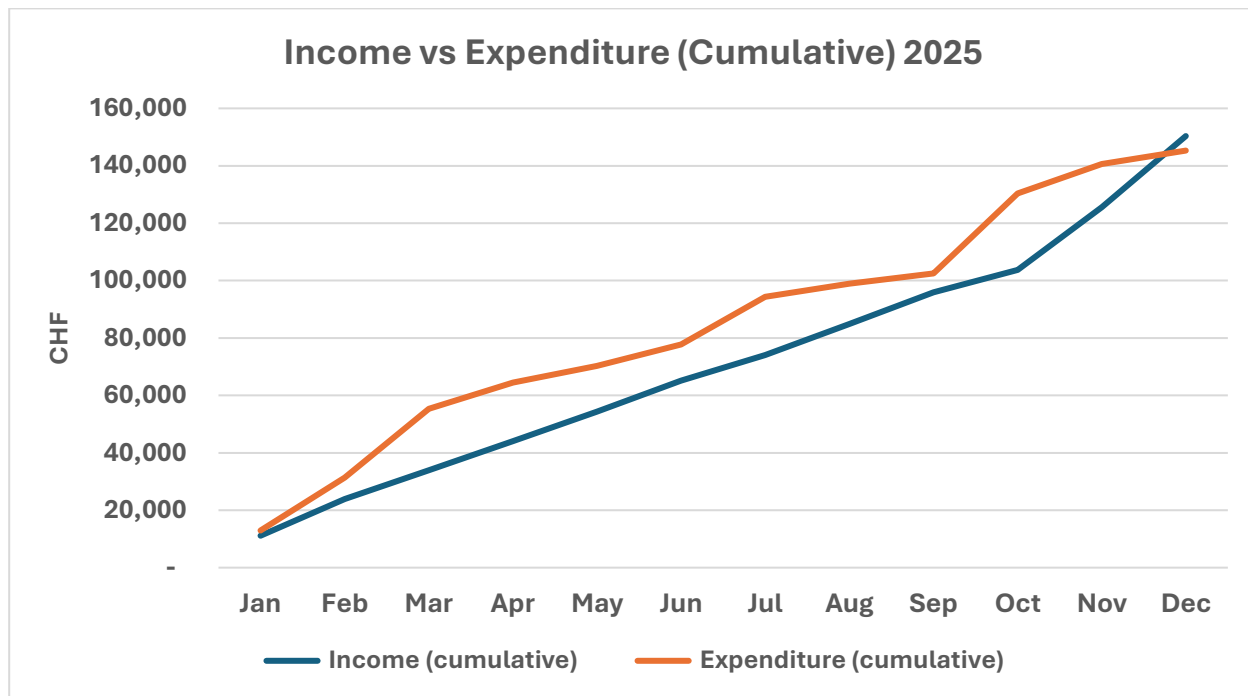
Nonetheless, operating at a loss is never a good thing and so the fact that 2025 effectively broke even is not a bad thing. Technically, the Church made a surplus of CHF 5,155 but relative to a turnover of slightly less than CHF 160,000, that's hardly a significant, operating surplus.

Therein lies the problem.

Why Things Weren't so Good

The problem observed in 2025 is not hard to explain. The Church operated without a full-time Minister for seven months. It broke even by a (relatively speaking) very small amount. Therefore, had there been a full-time Minister in place, unless something else had changed in terms of income, the Church would have been operating at a loss. At the time of writing in Q2 2026, work is proceeding to recruit a new Associate Minister (which has no financial implication relative to a full Presbyterian Minister) on a full-time basis. So the Church is currently heading towards a system which it is not prepared to sustain.

This is easy to see from the chart below. It shows the cumulative level of income and expenditure (excluding Mission and the Minister Farewell) across 2025. Every month, the Church was running an annual deficit until December. This was due to a number of large, end-of-year contributions from a few individuals and there being relatively little expenditure in December. The point to note, though, is that the Church was running at a level across the year which would not allow it to afford a full-time Minister, at least not without running up a considerable deficit. That is simply unsustainable.

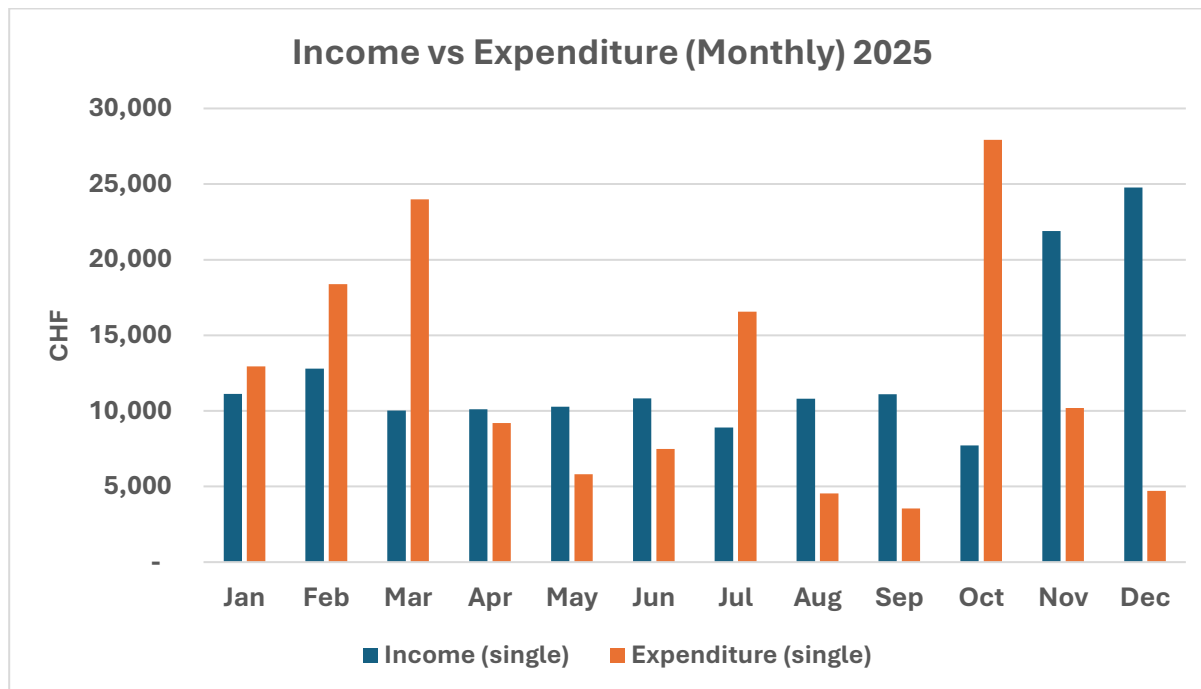


The downside of nothing going seriously wrong in 2025 is that not much attention was paid to this. The Congregation’s response to the financial crisis in 2023 was excellent and it put the Church back onto a financially viable footing, which it had not seen since at least five years previously. However, over the course of 2024 and 2025, there does appear to have been some complacency setting in. Despite newsletter articles, Congregational Committee presentations and ACM reports, we appear to be at risk of settling into an approach of not worrying too much about a problem which hasn’t happened yet. This is more or less where we were just before the COVID-19 lockdown which hit finances quite severely and which maybe did not cause the 2023 crisis but certainly precipitated it.

The likelihood of there being no Church Fair in 2026 is a prime example. The Church Fair has made about 8% of Church income each year recently, which is more than the level of the surplus in 2025 for a start. No income element in 2025 exceeded its budget level, nor did any one of them exceed the 2024 level apart from special fund-raising. That was due mainly to the 2025 Burns Supper (also not repeated in 2026) and the collection for the Minister’s farewell.

The Minister’s farewell is an interesting case in financial terms. There was a lot of enthusiasm and all of a sudden a lot of funding was received from a lot of contributors. It would be a bit unseemly to go into specific amounts here but that isn’t the point anyway. The point is that actually, what we saw with the Minister’s farewell was what the Church would like to see in the long-term: a decent flow of revenue from a wide spread of donors, most of them giving relatively small but still generous contributions. This is much lower risk in financial terms than the current model where most revenue comes from a small number of very generous contributors, giving very large amounts. The Church is extremely grateful to everyone who

contributes, no matter how large or small. However, the more it depends on very generous contributors, the more vulnerable it is to their leaving for whatever reason. This is quite evident if we look at the monthly levels of contributions and expenditures.



This is a little more encouraging inasmuch as the actual level of income did exceed that of expenditure in seven months out of twelve. However, when expenditure did exceed income, it did so by a considerable amount which was never equalled in the opposite direction until November and December. The reason for that was the Church Fair in November and the generous end-of-year givings in December. The latter, as noted above, was due to a small number of contributors and relying on that model is extremely risky. If the Church can no longer rely on there being a Church Fair towards the end of each year either, then its financing model is going to leave it distinctly vulnerable.

Changing the Model

No doubt, people have heard enough of consistent cajoling to get up and give more. It's a boring topic, it's hardly unique to our Church and it almost feels like an attempt to shift the blame for the institution's financial woes onto individuals. It's not that anybody is not doing enough. What is a little sad is how the cash flow mirrors the level of energy and enthusiasm seen.

In 2023, the financial analysis of the crisis identified in the second half of the year, pointed out that the real issue facing the Church was one of falling numbers. This had a direct and measurable impact on the financial health of the Congregation but it was a much deeper problem. The Kirk Session responded with the Future Focus initiative.

Mission finances have fallen considerably over the same period, declining by over 50% over the period 2022 to 2025. The decline was moderated a shade by the visit of Graeme and Meena from Nepal during 2025 but the fall in revenue for the Malawi project since 2022 has been dramatic. At the same time, planned visits from Ekwendeni didn't manage to go ahead and the level of engagement has been less evident.

Finance itself is not the goal of the Church. The worship of God and the service of His people who come to the Church are what matter. The issue with money is that it is a bit like blood in a body: blood itself is not what makes decisions or powers movement but if you run out of it, the body ceases to function. The Church does not exist for money but if it runs out of it, it won't exist as it does today.

If money is a barometer of the level of energy and enthusiasm in the Church, then the level of getting by seen in 2025 indicates that the Church is functioning at a satisfactory level. However, it needs to ramp things up, generate some genuine drive and focus on some key goals if it is going to have what it needs, moving forwards.

This will likely not be a popular message but it would be better to broadcast it sooner rather than later. It's not a question of people having to give more. It's a question of all us needing to do that little bit more. A lot of people do a lot of things and they are all to be recognized and appreciated. You can read about a lot of them in this broader report. If you calculated the financial worth of the time and effort given by so many people to the Church, the level of generosity would be phenomenal. However, we still need some high-energy initiatives, especially those which are outward-looking, for our Church to be what it needs to be in future. We hope that the new Minister will be a strong leader and we need to be ready to pay for her or his service. What we really need to see in the meantime and going forward, is a Congregation which sees where it wants to go and takes the steps, practical and financial to get there. If enthusiasm and finance generate each other, then we can solve both sets of worries if we base our financial thinking on our plans to boost, grow and sustain our Church.

Budget

The revised budget for 2026 and the provisional budget for 2027 are attached to this report as an annex. As usual, the ACM needs to approve these. By way of a reminder, the revised 2026 budget represents what was presented and approved at the ACM in 2025, based on the best available information and analysis at that point. This is what has guided the Church's expenditure and set the targets for income to mid-2026. The revised version updates this in light of actual developments, subject to ACM approval. The provisional 2027 budget is the first step in the same model: the ACM is asked to approve this as the basis for the Church's operations in 2027 until the 2027 ACM when a revised version will be presented, together with a provisional budget for 2028.

2026 sees reductions in the budgeted levels for both income and expenditure. These are explained below. The overall target is now a surplus of CHF 57,500, up from CHF 34,585. This is probably not a good thing since it does not represent an increase in income expected, simply the expectation that a new, full-time Minister will not take office until early 2027. The provisional 2026 budget was approved on the expectation that there would be a full-time Minister during 2026. The revised budget assumes that this will not happen. It may be an overly pessimistic assumption but the increase in locum costs is certainly fully justified up to this point. The assumptions are presented in detail in the budgets themselves but the main ones are:

Income:

- Cash offerings will be CHF 5,000 lower than originally expected;
- Donations (paid mainly by bank transfer) will be CHF 12,000 lower than originally expected;
- There will be no Church Fair at the end of the year.

Expenditure:

- There will be no full-time Minister until early 2027;
- The Church will continue to use locum services for the remainder of 2026;
- Provision is made for increases in utility bills and unforeseen contingencies in light of the global, geopolitical situation and its impact on cost of living.

The 2027 provisional budget has been prepared on a more optimistic basis, assuming that the Church will have a full-time Minister again, that it will be able to contain employment costs better than before and that it will be able to increase the levels of cash and online giving. It is expected, however, that the Church Fair will not take place again. Overall, this would leave a deficit of CHF 6,500. While hardly ideal, this still reflects a realistic challenge which could be addressed under the leadership of a new Minister. The principal assumptions are:

Income:

- A successful outreach will be made to raise income and online donations;
- There will be no Church Fair at the end of the year.

Expenditure:

- There will be a full-time Minister of pensionable age with spouse and children to support;
- There will be no further need for locum services;
- Costs of living and contingency cost levels will remain approximately consistent, at least in terms of CHF, which tends to be a strong currency.

The ACM is requested to approve the revised budget for 2026 and the provisional budget for 2027 as presented.

Accounts

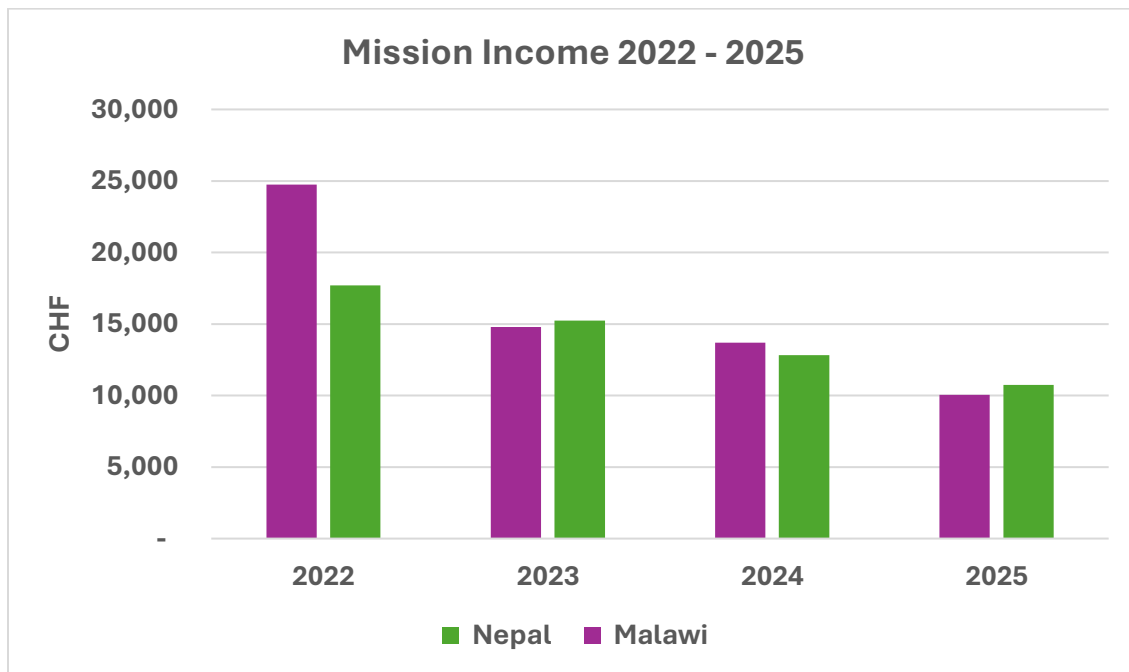
The accounts are presented as an annex and can largely be read as presented in light of the report above. The main point to note is the impact of the change from accrual to cash accounting. This was effectively enforced across Churches in the International Presbytery by virtue of registration under the Office of the Scottish Charity Regulator. Under accrual accounting, our statements allow for accrued receivables and expenditures where the transaction has been carried out in one year but relates to another. For example, if you pay your utility bill for the next year in advance of that year still to come, it gets accounted for against the next year's accounts where the benefit was received. Under cash accounting, you simply account for any transaction on the date it occurs, regardless of when the benefit is experienced. Cash accounting is simpler and less prone to error but it is also less accurate in terms of managing finances in a meaningful manner.

The main impacts on our annual accounts in 2025 are that the expenditures are higher than they should have been since we had to account for employment costs which would be refunded in 2026, as and when the transactions occurred. As noted above, this made the expenditures around CHF 10,400 higher than they might have had to be. It would also have prevented the need to present accounts for what is now determined the Church's General Fund, as distinct from the Mission Fund. This is because Mission can no longer be accounted for on the assumption that all Mission income is expensed in the year when it is received.

Without accruals, the actual cash balance of Mission income has to be shown but this cannot be combined with the rest of the Church’s resources since that could risk either causing a false impression of the other. In practical terms, it makes no difference to the level of resources available to Mission or expensed by it but it means that Mission has to be displayed wholly separately in every respect in the accounts.

How long this will remain is an open question. The Church of Scotland in Edinburgh recognizes that national and local regulations in other countries have to take legal precedence over Scottish requirements but at present, the Congregation’s annual turnover remains less than CHF 500,000. Above that level, the Canton of Geneva would insist on accrual accounting being used but unless and until that should be our position, we will remain with cash accounting.

Mission



Adjusting figures to be comparable across the period 2022 – 2025 even with the change in accounting standards, the figure for Mission income, and hence expenditure, is quite bleak. This is particularly the case for Malawi where the drop in annual income over the period has been almost 60%. It has been less pronounced in the case of Nepal but even there, income has still dropped by almost 40%. There are several explanations for this but they are outside the remit of the finance report.

At the start of 2026, the Church still had enough resources to continue to provide what has become its regular level of support to each project (i.e. approximately CHF 12,000 per annum). Without a boost in income over 2026 however, by 2027 it will have much less left to provide. Q1 income for Mission in 2026 was just over CHF 2,000. Assuming this stays constant, it would give income of around CHF 8,000 by the end of the year. This would be considerably short of the CHF 24,000 level required for regular giving levels to continue in 2027.

Moving Forwards

Something has to change. That much is clear and if it doesn’t, the Church of Scotland Geneva will drift, perhaps imperceptibly to start with but with a gathering momentum, towards becoming financially

unsustainable and so lacking in resources that it has to close. That is not a pleasant proposition but it's the stark truth.

The good news is that it isn't just around the corner yet. There is not enough time to sit back and hope that it sorts itself out. We did that between the COVID-19 lockdown and 2023. However, at the end of 2023, the Congregation showed what it was really capable of and that is what we are going to need to do again, and for which there is time. The Church is perfectly capable of organizing pastoral, spiritual, fellowship and administrative events. There's tea and coffee after every service, every week. There is probably nobody who can name every single committee and group which the Church runs and hosts. The question is, how do we transform this energy into something which reaches out and grows our Congregation and everything it does ? Put crudely, how do we manage our marketing ? We can't rely on the same people to do everything and it would not be a healthy strategy either. The reliance on a few big-ticket contributors, who tend to stop giving for various reasons after a while, shows how the Congregation needs to broaden its reliance to make things happen in every respect.

The energy and ideas are there. The cash flow serves as a de facto measure of how well or not they're being put into action. The question for the Congregation at present is, are we going to do what's needed or are we going to hope that somehow it just takes place ? We don't have the time or money to take the latter approach but we do have what it takes to make the former work and that is where this Congregation will need to move.

Acknowledgments

Many people serve to make the Church's finances work and their time and energy should be recognized. Within the Congregation, Mak Ikeda carries out sterling work as Freewill Offering Treasurer while Nan Braunschweiger is an exceptionally efficient and responsive dual signatory, enabling payments to be made every month. Han Broere provides his wisdom and guidance as Chair of the Finance Sub-Committee and is always available to support the finance work. Christine Buhler has dedicated considerable time to sorting out several of the HR matters concerning tax and benefits which would have taken forever to deal with from a finance perspective but just a couple of phone calls for a professional like herself.

Andrew McCallum and Robert Walker again provided the critical Independent Examiner function for the Church with its 2025 accounts and for this the Congregation is extremely grateful. Their timely response meant that Geneva was one of a minority of Churches in the International Presbytery which managed to comply with the tight deadlines in place due to the Office of the Scottish Charity Regulator.

We have received a lot of help as well from our friends and colleagues in the International Presbytery. Of particular note is the support provided by Ms Jo Austen of the Malta Congregation and also our counterparts in Lausanne, Mr William Wright and Mr Robert Kenneth.

The weekly work of the ushers on duty should not be overlooked either. The sterling efforts of Arthur Askew, Nicola Hollyman and Han Broere in paying the funds received each Sunday into the Church's account, are much appreciated too.

No doubt, there are others who have helped considerably but whom I am guilty of forgetting just now. I would like to ask their forgiveness but to assure them that the work of all who contribute to financial management in our Congregation is always appreciated.

Ewart MacKenzie, Treasurer
April 2026