

CHARITY NO: SC005375

DIOCESE OF ARGYLL & THE ISLES
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2024

DIOCESE OF ARGYLL & THE ISLES

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2024**

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DIOCESE OF ARGYLL AND THE ISLES

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2024

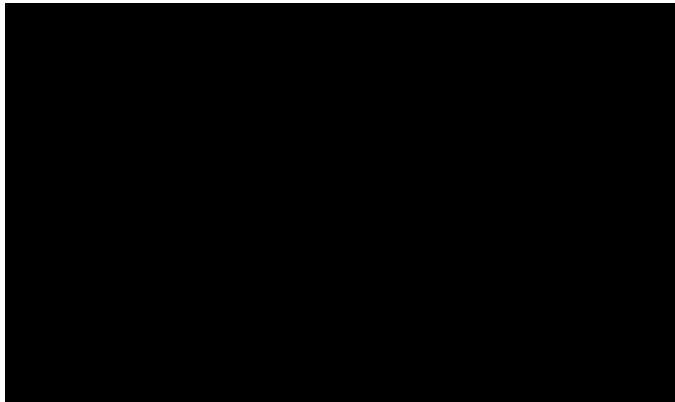
REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name: Diocese of Argyll and The Isles

**Registered Office and
Operational Address:** Diocesan Office
St Moluag's Diocesan Centre
Croft Ave
Oban
Argyll
PA34 5JJ

Charity Registration Number: SC005375

Trustees:



Company Secretary:

Auditors: Wbg (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Bankers: Royal Bank of Scotland
26 George Street
Oban
PA34 4AT

Solicitors: Twin Deer Law
Ben Nevis Auction Mart
Torlundy
Fort William
PH33 6SW

Accountants: Ainsley Smith & Co.
21 Argyll Square
Oban
PA34 4AT

DIOCESE OF ARGYLL AND THE ISLES

Report of the Trustees for the year ended 30 November 2024

The Trustees present their report with the financial statements of the charity for the year ended 30 November 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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.

The legal and administrative information on page one forms part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The United Diocese was formed in 1847 out of the vacant Sees of The Isles and of Argyll. The Diocese is constituted under and governed by the Canons of the Scottish Episcopal Church (Charity No. SC015962, and hereafter called "the Province"). The day-to-day operation of the Diocese is governed by the Diocesan Governing Regulations, adopted by the Diocesan Synod in March 2012 and amended in March 2018.

All Diocesan funds and properties are held in the names of the Bishop, the Dean, the Synod Clerk and the Registrar, pursuant to Resolution 7.1.3 of the Digest of Resolutions of the General Synod.

Organisational structure

The highest organ of governance within the Diocese is the Diocesan Synod. The Standing Committee is responsible to Synod for the administration of the Diocese, and its members for the time being are therefore regarded for the purposes of the Charities and Trustee Investment (Scotland) Act 2005 as the trustees of the charity. Standing Committee comprises a number of ex-officio members together with 5 members elected by the Diocesan Synod in accordance with the Diocesan Governing Regulations. The Canons assign certain property-related matters to the Diocesan Buildings Committee, with Standing Committee exercising oversight. The Diocesan Synod resolved at its 2023 annual meeting that, in accordance with Provincial recommendations, the responsibility for supporting the move to net-zero by 2030 in order to combat climate change should be added to the Building Committee's remit, and its title would become the Property and Environment Board.

The election process limits the opportunity for active recruitment and selection of trustees, but the *ex officio* members carry out an annual review prior to Synod in order to ensure that candidates with a mix of skills are presented for election. If, post-election, gaps in expertise are present, further members with the missing skills may be identified and co-opted, as provided for in the Governing Regulations, but this has not proved necessary to date.

Induction and training of new trustees is undertaken, in addition to updating and briefing of existing trustees. The package for new trustees is tailored to their previous knowledge and experience; many new trustees are familiar with the work of the Diocese, but all are provided with information on the applicability of the Canons of the Church, OSCR Trustee guidance and previous minutes / papers of Standing Committee meetings.

DIOCESE OF ARGYLL AND THE ISLES

Report of the Trustees for the year ended 30 November 2024

Standing Committee is responsible for setting stipends, salaries and honoraria of key management personnel. In most cases the key personnel are members of the clergy, receiving the stipend set by the Province. In the case of other personnel, remuneration is set by Standing Committee on appointment and reviewed annually, typically using the Standard Stipend uplift as a guideline. The Key Management Personnel are The Bishop (), August 2024), The Dean (), The Secretary, and The Treasurer (set by the Standing Committee and reviewed annually). The remuneration packages for the Bishop and Dean are set by the Province and reviewed annually.

Relationships

The Diocese has a subsidiary charitable company Island Retreats Ltd, (Scottish Charity No: SC 023281) limited by guarantee, to run a retreat house in Iona and the Diocesan Centre in Oban. The members of the Standing Committee are the members of the company, and they elect a board of directors to carry out the day-to-day management of the house and the Diocesan Centre.

The Diocese took back the running of the College at Cumbrae in 2022 from Island Retreats Ltd with the College accommodation being let out to the company involved with the flood defence system for Millport. This arrangement was fortunate as during this time a SCIO has been formed by interested parties on and off the island of Cumbrae to look at the potential for this local group to run the College and Cathedral. This group have achieved a lot including raising grants to pay for a feasibility study and a development officer and are motoring on with raising more funds to bring their development plans to fruition. It is hoped that during 2025 the new charity will take over the whole responsibility for the buildings and grounds at Cumbrae. The Standing Committee have agreed to give these assets and a grant to the charity towards costs in the early stages of the project. However, this will be a one-off contribution, and no other costs will be sought by the charity for upkeep or maintenance.

The Diocese receives a block grant from the province for ministry and mission. The bulk of this is used to support priests' stipends, in which case they are passed on directly to the charge which requires them. Other grants are given from time to time for ministry training and development. All grants given are to further the ministry and mission of the Diocese.

Risk management

The trustees manage risk by the following means:

- Assessing the risks faced by the Diocese;
- Establishing systems and procedures to mitigate those risks identified; and
- Implementing procedures to minimize any possible impact should those risks materialise.

The trustees have assessed the major risks to which the Diocese is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks, which include:

- Major pandemic;
- Loss of key personnel, especially the Bishop;
- Reductions in income streams, especially those from the Province and IRL;
- The impact of financial failure of a large congregation; and
- Reputational risk arising from e.g., allegations of improper behaviour by a member of the church.

DIOCESE OF ARGYLL AND THE ISLES

Report of the Trustees for the year ended 30 November 2024

Risk management (continued)

The main strategy for managing these risks is to ensure that the Diocese follows best practice, by ensuring that there is backup for key personnel, that financial performance is reviewed on a regular basis and that measures are in place for checking the background of personnel who work with vulnerable groups. A task for the trustees is to assess the appropriate steps to take to minimise risk from future pandemics, learning from the Diocese's actual performance during COVID. The increased emphasis on climate change from the Province will point to appropriate risk assessment for Dioceses, which the trustees will carry out.

The mission and ministry strategy for the Diocese, to which the Trustees are fully committed, involves investment in order to promote growth and in consequence increased income. The Trustees recognise the increased risk of this approach, and they are confident of their experience and ability to administer the activities of the Diocese in a way that manages this additional risk.

OBJECTIVES AND ACTIVITIES

The Diocese is one of seven Dioceses of the Scottish Episcopal Church and is governed by the Code of Canons of that church.

The objectives and main activities of the Diocese throughout the year have continued to be:

- The provision of spiritual, clerical and financial support to the Charges throughout the Diocese, the administration of Provincial grants, mission work and both ministerial and congregational development; and
- Support for the Bishop as Chief Pastor of all within the Diocese (Canon 6).

The Standing Committee acts as the Executive Committee of the Diocese between meetings of the Synod. It implements Synod decisions, supervises and receives reports on finance, buildings and mission, and prepares for Synod meetings. It meets on a quarterly basis.

There has been a paid part time post of Diocesan Mission Enabler to support and encourage mission and development work across the Diocese, which has been delivered on a job-share basis; the post holders were supervised directly by the Bishop and reported their work to the Standing Committee. The work of the Mission Enablers is now complete and a new position of Canon Missioner will be filled to assist with Mission across the Diocese.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

The Diocese disbursed a total of £70,089 (2023: £108,901) in grants to Charges to assist with Mission & Ministry, clergy costs and travelling costs. Its mission and ministry activities include development, where appropriate, of Local Collaborative Ministry and have included the appointment of a Diocesan Mission Enabler.

The main beneficiaries of the Diocese as a charity are the individual congregations in Argyll and The Isles, who benefit from the missional leadership of the Bishop and the financial and other contributions made by the Diocese to their mission and ministry. Wider public benefits are provided in the main by the individual congregations rather than the Diocese.

During 2024 there was a legacy was received from [REDACTED] estate. [REDACTED] had lived his later years on North Uist and left his house and the residue of his estate to the Diocese, in total around £321,500 in value. The house has now been sold and the monies invested for the moment in SEC UTP units. [REDACTED] will be remembered by the Diocese being able to use the legacy to maintain and expand its Mission and Ministry.

DIOCESE OF ARGYLL AND THE ISLES

Report of the Trustees for the year ended 30 November 2024

Charitable activities (continued)

The charity measures its success primarily through the reaction of its congregations to reports presented at the Synod and Conference, normally held annually but which was restricted in 2021, which is the formal reporting mechanism to its main beneficiaries. These reports include full financial information.

The Diocesan administrative team continues to provide help and give support to Charges who request it on administrative, governance and practical matters. The work of the Diocese is supported by a small and loyal staff, as well as many volunteers. Without their commitment the Diocese could not function.

FINANCIAL REVIEW

Results

The trustees' objective for the Diocese for the year under report was to deliver the required activities within the budget as approved at the beginning of the year. On the (unrestricted) General Fund, a group surplus of £224,221 (2023: deficit of £16,858) was recorded.

During the year the Diocese charged subsidiary Island Retreats, £Nil (2023 £6,250) loan interest and £5,000 (2023 £5,000) rental charge. These transactions have been eliminated in the consolidated results.

The main funding sources are:

- Quota paid by congregations.
- A Block Grant paid by the province to support mission and ministry.
- Income from investments.
- Operational surpluses generated by IRL.

Investment policy and performance

The overall policy is to invest prudently and take few risks that are not balanced by blue chip or gilt-edged positions. The emphasis is on generating income while maintaining reasonable capital value.

The investments held by the Diocese are now all held in the Scottish Episcopal Church Unit Trust Pool, the objective of which is to earn a return on the assets over the long term, sufficient to maintain the real value of the distribution to unit holders. Its performance in the year under report was outstanding, delivering overall yield of 2.8% (2023: 3.7%).

Reserves policy

It is the policy of the trustees to build and maintain cash reserves sufficient to meet operating costs for six months. The policy of the trustees is also to meet planned property maintenance costs with a reserve for unforeseen costs which would equate to £72,000 (2023: £72,000).

Current total funds held by the Diocese are £2,430,574 (2023: £1,960,379), of which £1,038,011 (2023: £769,738) are unrestricted. The charity's free reserves are £438,701 being unrestricted reserves of £1,038,011 less amounts tied up in tangible fixed assets of £599,310.

There are no expenditure timing issues.

DIOCESE OF ARGYLL AND THE ISLES

Report of the Trustees for the year ended 30 November 2024

FUTURE DEVELOPMENTS

The trustees will continue the principal functions of the Diocese, namely the support of a bishop, the development of mission and ministry, and the support of charges in financial and administrative matters.

- a) to support our Bishop;
- b) with the Bishop, to develop further a more sustainable model for ministry across the Diocese, to remove the requirement for open-ended stipend support from the Province through the Block Grant; and
- c) to contain costs to minimise the level of Quota contributions required from Charges.

The Trustees are confident that this programme can be delivered within the anticipated income / expenditure envelope.

DIOCESE OF ARGYLL AND THE ISLES

Report of the Trustees for the year ended 30 November 2024

Trustees' responsibilities in relation to the financial statements

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

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the group incoming resources and application of resources of the 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 Charities SORP.
- make judgments and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements:
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and the group will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and of the group and 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

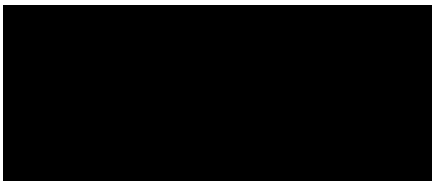
The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Trustees and signed on their behalf by:



Date 8th July 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF DIOCESE OF ARGYLL & THE ISLES FOR THE YEAR ENDED 30 NOVEMBER 2024

Opinion

We have audited the financial statements of Diocese of Argyll & The Isles (the 'parent charity') and its subsidiary (the 'group') for the year ended 30 November 2024 which comprise the Group and Parent Charity's Statement of Financial Activities, the Group and Parent Charity's Balance Sheet, the Group and Parent Charity's Statement of Cash Flows and the related 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 group's and the parent charity's affairs as at 30 November 2024, and of the group's and the parent charity's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 and 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 group and parent charitable company'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 Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. 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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF DIOCESE OF ARGYLL & THE ISLES FOR THE YEAR ENDED 30 NOVEMBER 2024

misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustees; or
- proper accounting records have not been kept; or
- the parent charity's 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 group and parent 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 group or the parent 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 the Act and relevant regulations made or having effect thereunder.

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF DIOCESE OF ARGYLL & THE ISLES FOR THE YEAR ENDED 30 NOVEMBER 2024

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the charity, the environment in which it operates, and the control procedures implemented by management and the trustees; and
- Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the charity and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries.

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following:

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance.

In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business.

Review of journals included but was not limited to the following areas

- Prepayments;
- Other debtors & accrued income;
- Accruals;
- Other creditors;
- PAYE & NIC;
- Wages & salaries; and
- Depreciation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

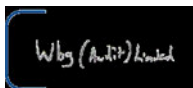
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF DIOCESE OF ARGYLL & THE ISLES FOR THE YEAR ENDED 30 NOVEMBER 2024

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with 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.



Wbg (Audit) Limited (Statutory Auditor)
168 Bath Street
Glasgow
G2 4TP

Date: 8th July 2025

Wbg (Audit) Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

DIOCESE OF ARGYLL & THE ISLES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 30 NOVEMBER 2024

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £
Income and endowments from:									
Donations and legacies	4	476,631	121,506	-	598,137	188,261	157,256	-	345,517
Charitable activities	5	436,584	-	-	436,584	420,135	-	-	420,135
Other trading activities	6	1,559	-	-	1,559	3,217	-	-	3,217
Investments	7	32,698	22,479	-	55,177	19,580	34,094	-	53,674
Other incoming resources	8	4,389	-	-	4,389	2,300	-	-	2,300
Total Income		951,861	143,985	-	1,095,846	633,493	191,350	-	824,843
Expenditure on:									
Raising funds									
Other trading activities	9	2,962	-	-	2,962	1,647	-	-	1,647
Charitable activities	11	724,678	77,433	-	802,111	648,704	165,267	-	813,971
Total Expenditure		727,640	77,433	-	805,073	650,351	165,267	-	815,618
Net income / (expenditure) before gains and losses on investments		224,221	66,552	-	290,773	(16,858)	26,083	-	9,225
Net gains on investments	17	82,422	98,946	88,475	269,843	18,387	24,200	21,657	64,244
Net income		306,643	165,498	88,475	560,616	1,529	50,283	21,657	73,469
Transfers between funds		10,984	(10,984)	-	-	(17,388)	17,388	-	-
Net movement in funds		317,627	154,514	88,475	560,616	(15,859)	67,671	21,657	73,469
Funds reconciliation									
Total Funds brought forward	23	934,734	937,777	527,634	2,400,145	950,593	870,106	505,977	2,326,676
Total Funds carried forward	23	1,252,361	1,092,291	616,109	2,960,761	934,734	937,777	527,634	2,400,145

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

DIOCESE OF ARGYLL & THE ISLES
CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 30 NOVEMBER 2024
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £
Income and endowments from:									
Donations and legacies	4	468,073	121,506	-	589,579	169,915	127,256	-	297,171
Charitable activities	5	110,311	-	-	110,311	69,800	-	-	69,800
Investments	7	30,830	22,479	-	53,309	16,626	34,094	-	50,720
Total Income		609,214	143,985	-	753,199	256,341	161,350	-	417,691
Expenditure on:									
Charitable activities		415,147	77,433	-	492,580	312,131	165,267	-	477,398
Total Expenditure		415,147	77,433	-	492,580	312,131	165,267	-	477,398
Net income / (expenditure) before gains and losses on investments		194,067	66,552	-	260,619	(55,790)	(3,917)	-	(59,707)
Net gains on investments	17	63,222	98,946	47,408	209,576	19,310	24,200	11,598	55,108
Net income / (expenditure)		257,289	165,498	47,408	470,195	(36,480)	20,283	11,598	(4,599)
Transfers between funds		10,984	(10,984)	-	-	(17,388)	17,388	-	-
Net movement in funds		268,273	154,514	47,408	470,195	(53,868)	37,671	11,598	(4,599)
Funds reconciliation									
Total Funds brought forward		769,738	907,777	282,864	1,960,379	823,606	870,106	271,266	1,964,978
Total Funds carried forward		1,038,011	1,062,291	330,272	2,430,574	769,738	907,777	282,864	1,960,379

The Statement of Financial Activities includes all gains and losses recognised in the year.

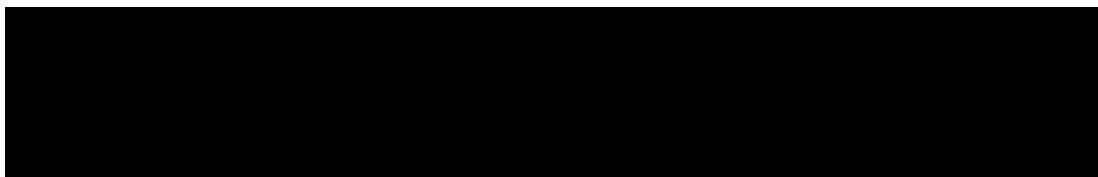
All income and expenditure derive from continuing activities.

DIOCESE OF ARGYLL & THE ISLES

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 30 NOVEMBER 2024

	Note	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Fixed assets:					
Tangible assets	15 & 16	808,911	824,429	599,310	613,687
Investments	17	<u>1,879,564</u>	<u>1,423,922</u>	<u>1,593,727</u>	<u>1,179,151</u>
Total fixed assets		<u>2,688,475</u>	<u>2,248,351</u>	<u>2,193,037</u>	<u>1,792,838</u>
Current assets:					
Investments	17	503,875	385,730	340,973	292,029
Stocks	18	684	665	-	-
Debtors	19	94,675	58,833	81,575	72,628
Cash at bank and in hand	27	349,534	288,145	211,552	149,364
Total current assets		<u>948,678</u>	<u>733,373</u>	<u>634,100</u>	<u>514,021</u>
Liabilities:					
Creditors falling due within one year	20	<u>(630,312)</u>	<u>(539,576)</u>	<u>(396,563)</u>	<u>(346,480)</u>
Net current assets		<u>318,456</u>	<u>193,797</u>	<u>237,537</u>	<u>167,541</u>
Total assets less current liabilities		<u>3,006,931</u>	<u>2,442,148</u>	<u>2,430,574</u>	<u>1,960,379</u>
Creditors: Amounts falling due after more than one year	22	(46,170)	(42,003)	-	-
Net assets		<u><u>2,960,761</u></u>	<u><u>2,400,145</u></u>	<u><u>2,430,574</u></u>	<u><u>1,960,379</u></u>
The funds of the charity:					
Unrestricted Funds	23	1,252,361	934,734	1,038,011	769,738
Restricted Funds	23	1,092,291	937,777	1,062,291	907,777
Endowment Funds	23	<u>616,109</u>	<u>527,634</u>	<u>330,272</u>	<u>282,864</u>
Total charity funds		<u><u>2,960,761</u></u>	<u><u>2,400,145</u></u>	<u><u>2,430,574</u></u>	<u><u>1,960,379</u></u>

Approved by the trustees and signed on their behalf by:



Date: 8th July 2025

DIOCESE OF ARGYLL & THE ISLES
STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDING 30 NOVEMBER 2024

	Note	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
<i>Cash flows from operating activities:</i>					
Net cash provided by / (used in) by activities	25	344,918	(125,520)	278,082	89,411
<i>Cash flows from investing activities:</i>					
Dividends, interest and rents from investments		55,177	53,674	53,309	50,720
Purchase of investments		(255,000)	(100,000)	(205,000)	(100,000)
Proceeds from the disposal of investments		-	572,429	-	250,001
Interest paid		(1,250)	(927)	-	-
Proceeds from disposal of fixed assets		134,872	-	130,872	-
Purchase of fixed assets		<u>(206,605)</u>	<u>(252,246)</u>	<u>(195,000)</u>	<u>(252,233)</u>
Net cash (used in) / provided by investing activities		(272,806)	272,930	(215,819)	(51,512)
<i>Cash flows from financing activities:</i>					
Repayment of loans		(10,723)	(14,988)	(75)	(5,261)
Net cash (used in) investing activities		<u>(10,723)</u>	<u>(14,988)</u>	<u>(75)</u>	<u>(5,261)</u>
Change in cash and cash equivalents in the year		61,389	132,422	62,188	32,638
Cash and cash equivalents brought forward	27	288,145	155,723	149,364	116,726
Cash and cash equivalents carried forward	27	<u>349,534</u>	<u>288,145</u>	<u>211,552</u>	<u>149,364</u>

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The financial statements consolidate the results of the wholly owned subsidiary, Island Retreats Ltd, on a line by line basis.

The charity constitutes a public benefit entity as defined by FRS 102.

The Trustees have considered a period of twelve months from the date of signing these accounts and are satisfied that the group remains a going concern.

The charity's presentational currency is sterling, which is the functional currency of the charity, and amounts in the financial statements are rounded to the nearest £.

(b) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or charity's constitution, or through the terms of an appeal.

Endowment funds are permanent or expendable capital funds.

Further details of each fund are disclosed in note 23.

(c) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

1. Accounting Policies (continued)

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met (see note 21).

(d) 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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

- Costs of raising funds comprise the costs of commercial trading including investment management costs and certain legal fees and their associated support costs;
- Expenditure on charitable activities includes costs incurred by the charity in the delivery of its activities, services for its beneficiaries and other activities undertaken to further the purposes of the charity and their associated support costs;
- Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the charity that would permit the charity to avoid making the

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

1. Accounting Policies (continued)

future payment(s), settlement is probable, and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(e) Donated services and facilities

Donated professional 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 that economic benefit can be measured reliably.

(f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring, and assessing research grants, salary support grants and postgraduate scholarships are broadly equivalent. The allocation of support and governance costs is analysed in note 10.

On receipt, donated professional 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.

(g) Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised and valued at historical cost. Depreciation is charged as follows:

	Basis
Land & buildings	2-20% on cost
Plant and machinery	15% on reducing balance
Motor vehicles	Over 10 years

(h) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. These amounts are disclosed as current asset investments as they can be accessed at short notice if required.

The Charity does not acquire put options, derivatives, or other complex financial instruments.

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

1. Accounting Policies (continued)

(h) Investments (continued)

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

To maximise returns to the group, surplus cash balances held by the charity invested. These amounts are disclosed as current asset investments as they can be accessed at short notice if required.

(i) Heritage assets

The charity has a heritage asset in the form of The Cathedral and College, Cumbrae. The operation of the Cathedral and College contributes to the charity's aims of spiritual and educational support. Members of the public have access to the assets during normal opening hours. The company is also responsible for preserving the asset in an excellent condition at times requiring input and advice from Historic Scotland. The charity has no intention of either acquiring further heritage assets or disposing of its current heritage asset and therefore a policy is not reported. Due to the nature of the asset held and the lack of comparable market values the asset is not recognised in the balance sheet.

(j) Stock

Stock is included at the lower of cost or net realisable value.

(k) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(n) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

1. Accounting Policies (continued)

(o) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

(p) Taxation

The Diocese is a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

(q) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. Legal status

The charity is registered in Scotland under the Charities and Trustee Investment (Scotland) Act 2005.

3. Related party transactions and trustees' expenses and remuneration

Trustees of the Diocese have received the following during the year:

██████████: Salary, NI & Pension £Nil (2023 - £40,080). No Contributions were made to a pension fund on behalf of the Bishop, (2023 - £10,792).

██████████: Salary, NI & Pension £15,391 (2023 - £Nil). Contributions were made to a pension fund on behalf of the Bishop, totalling £2,976 (2023 - £Nil).

██████████ Treasurer: Salary & NI £17,678 (2023 - £16,268). Contributions were also made to a pension fund on behalf of ██████████, totalling £5,774 (2023: £5,375).

██████████: Salary & NI £12,142 (2023 - £20,643). Contributions were also made to a pension fund on behalf of ██████████, totalling £3,989 (2023: £7,011).

Expenses were paid to five trustees in the year totalling £4,631 (2023 – five trustees totalling £5,383).

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

3. Related party transactions and trustees' expenses and remuneration (continued)

During the year, no donations were made by related parties (2023 - None).

██████████, Treasurer of the Diocese is a director and shareholder of Ainsley Smith & Co. Chartered Accountants. Accountancy fees of £6,708 (2023 - £6,874) were paid to the firm by the charity during the year. The total fees charged to the group in the year amounted to £14,043 (2023: £11,900), £7,500 of this is included in group's accruals at 30 November 2024 (2023: £11,900).

Except for the transactions noted above no other trustee or other person related to the charity had a personal interest in any contract or transaction entered into by the charity during the year.

4. Income from donations and legacies

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Donations	8,378	42,874	-	5,348
General grants	134,194	168,643	134,014	157,823
Legacies	321,565	-	321,565	-
Quota contribution	134,000	134,000	134,000	134,000
	<u>598,137</u>	<u>345,517</u>	<u>589,579</u>	<u>297,171</u>

5. Income from charitable activities

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Accommodation	436,584	420,135	110,311	69,800
	<u>436,584</u>	<u>420,135</u>	<u>110,311</u>	<u>69,800</u>

6. Income from other trading activities

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Goods for resale	1,559	3,217	-	-
	<u>1,559</u>	<u>3,217</u>	<u>-</u>	<u>-</u>

The charity has a wholly owned charitable subsidiary Island Retreats Limited, which is incorporated in the Scotland. This year the subsidiary reported a surplus of £90,421 (2023: surplus of £78,068). A summary of the trading results is shown below.

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

6. Income from other trading activities (continued)

The summary financial performance of the subsidiary is:

	Y/E 30 November 2024 £	Y/E 30 November 2023 £
INCOME		
Donations and legacies	8,558	48,346
Charitable activities	336,273	350,335
Other trading activities	1,559	3,217
Investment income	11,868	19,203
Other income	4,389	2,300
	<hr/> 362,647	<hr/> 423,401
RESOURCES EXPENDED		
Raising funds		
Other trading activities	2,962	1,647
Charitable activities	329,531	352,822
	<hr/> 332,493	<hr/> 354,469
Net income resources	<hr/> 30,154	<hr/> 68,932
Gain on investments	60,267	9,136
Net income	<hr/> 90,421	<hr/> 78,068

At 30 November 2024 the assets and liabilities of the subsidiary were:

	2024 £	2023 £
Fixed assets	495,438	455,512
Current assets	320,022	238,999
Current liabilities	(239,103)	(212,742)
Long term liabilities	(46,170)	(42,003)
Total net assets	<hr/> 530,187	<hr/> 439,766
Unrestricted funds	214,350	164,996
Restricted income funds	30,000	30,000
Endowment funds	285,837	244,770
Total funds	<hr/> 530,187	<hr/> 439,766

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

7. Investment income

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Dividends – equities	50,542	53,594	38,674	34,094
Bank interest	137	80	137	80
Loan interest	1,298	-	1,298	6,546
Rent	3,200	-	8,200	5,000
Salary recharge	-	-	5,000	5,000
	<u>55,177</u>	<u>53,674</u>	<u>53,309</u>	<u>50,720</u>

8. Other income

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Miscellaneous income	2,800	2,300	-	-
Gains on disposal of tangible fixed assets	1,589	-	-	-
	<u>4,389</u>	<u>2,300</u>	<u>-</u>	<u>-</u>

9. Raising funds – expenditure on other trading activities – Group

	Direct Costs	Support Costs	Total
	£	£	2024
	£	£	£
Goods for resale	2,962	-	2,962
	<u>2,962</u>	<u>-</u>	<u>2,962</u>
	Direct Costs	Support Costs	Total
	£	£	2023
	£	£	£
Goods for resale	1,647	-	1,647
	<u>1,647</u>	<u>-</u>	<u>1,647</u>

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

10. Allocation of governance costs – Group

Governance costs:	2024	2023
	£	£
Accountancy fees	14,013	14,444
Legal fees	1,688	15,662
Auditor's remuneration	15,765	14,700
Synod committee costs	3,624	5,305
	<u>35,090</u>	<u>50,111</u>

Allocation of governance costs:	2024	2023
	£	£
Provision of religious support and administration	19,152	20,579
Accommodation	15,938	29,532
Total allocated	<u>35,090</u>	<u>50,111</u>

11. Analysis of expenditure on charitable activities - Group

	Provision of religious support and administration	Accommodation	Total 2024
	£	£	£
Grants paid out	70,089	-	70,089
Clergy costs	54,981	-	54,981
Property costs	142,328	51,991	194,319
Loss on disposal	64,128	-	64,128
Clergy office costs	28,800	-	28,800
Provincial Quota	25,097	-	25,097
Management costs	52,165	-	52,165
Training and Education	1,463	-	1,463
Loan interest	-	1,250	1,250
Staff costs	-	157,926	157,926
Office costs	-	8,454	8,454
Travel costs	-	1,891	1,891
Food purchases	-	45,351	45,351
Depreciation	14,377	10,335	24,712
Repairs/ maintenance	-	28,781	28,781
Other costs	-	7,614	7,614
Governance costs (note 10)	19,152	15,938	35,090
	<u>472,580</u>	<u>329,531</u>	<u>802,111</u>

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

11. Analysis of expenditure on charitable activities – Group (continued)

	Provision of religious support and administration	Accommodation	Total 2023
	£	£	£
Grants paid out	108,901	-	108,901
Clergy costs	71,737	-	71,737
Property costs	142,713	48,940	191,653
Clergy office costs	2,994	-	2,994
Provincial Quota	24,515	-	24,515
Management costs	75,935	-	75,935
Training and education	15,662	-	15,662
Loan interest	-	922	922
Staff costs	-	139,642	139,642
Office costs	-	9,007	9,007
Travel costs	-	2,147	2,147
Food purchases	-	52,909	52,909
Depreciation	-	20,099	20,099
Repairs/maintenance	-	39,177	39,177
Other costs	-	8,560	8,560
Governance costs (note 10)	20,579	29,532	50,111
	<u>463,036</u>	<u>350,935</u>	<u>813,971</u>

12. Analysis of grants

	Grants to institutions £	Grants to individuals £	2024 Total £	Grants to institutions £	Grants to individuals £	2023 Total £
Stipend	48,047	-	48,047	94,396	-	94,396
Support						
Travel grant	5,000	-	5,000	-	-	-
Ministry grant	8,000	-	8,000	-	7,500	7,500
Arran grant				-	-	-
Dean's Travel expenses & Allowance	3,600	2,317	5,917	-	2,985	2,985
Duror grant	1,875	-	1,875	2,500	-	2,500
Small grants	-	1,250	1,250	-	1,520	1,520
Total	<u>66,522</u>	<u>3,567</u>	<u>70,089</u>	<u>96,896</u>	<u>12,005</u>	<u>108,901</u>

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

12. Analysis of grants (continued)

Recipients of institutional grant(s):	2024 Total £	2023 Total £
St Peter's, Stornoway	3,690	12,832
Christ Church, Lochgilphead	22,740	18,125
The College of the Holy Spirit, Cumbrae	-	8,500
WHR	16,667	15,783
St Johns Cathedral Oban	13,800	-
St Adamnan, Duror	1,875	2,500
St Margaret, Arran	400	300
Curate	-	33,906
Fort William	1,000	-
Dunoon	4,250	2,950
Portree	1,700	1,700
Campbeltown	400	300
Total	66,522	96,896

13. Analysis of staff costs and remuneration of key management personnel

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Salaries and wages	210,186	226,987	71,997	114,643
Social security costs	13,068	14,174	446	6,945
Pension costs	21,802	30,861	19,688	10,792
Total staff costs and employee benefits	245,056	272,022	92,131	132,380

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Key Management Personnel remuneration	96,884	100,349	57,951	67,139

No employees had employee benefits in excess of £60,000 (2023: no employees).

	2024 No.	2023 No.
The average number of persons, by headcount, employed by the group during the year was:	9	11

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

14. Net income/(expenditure) for the year

	Group		Charity	
This is stated after charging:	2024	2023	2024	2023
	£	£	£	£
Depreciation	24,712	20,099	14,377	9,362
Auditor's remuneration:				
Audit fees charity	8,820	8,400	8,820	8,400
Audit fees subsidiary	<u>6,945</u>	<u>6,300</u>	<u>-</u>	<u>-</u>

15. Tangible Fixed Assets - Group

	Land & Buildings £	Plant & Machinery £	Motor Vehicles £	Total £
Cost or valuation				
At 1 December 2023	1,189,509	202,085	5,000	1,396,594
Additions	-	206,605	-	206,605
Disposals	-	(202,167)	-	(202,167)
At 30 November 2024	<u>1,189,509</u>	<u>206,523</u>	<u>5,000</u>	<u>1,401,032</u>
Depreciation				
At 1 December 2023	387,698	179,880	4,587	572,165
Charge for the year	20,188	4,400	124	24,712
On disposals	-	(4,756)	-	(4,756)
At 30 November 2024	<u>407,886</u>	<u>179,524</u>	<u>4,711</u>	<u>592,121</u>
Net book value				
At 30 November 2024	<u>781,623</u>	<u>26,999</u>	<u>289</u>	<u>808,911</u>
At 30 November 2023	<u>801,811</u>	<u>22,205</u>	<u>413</u>	<u>824,429</u>

At 30 November 2024 all assets were used for charitable purposes.

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

16. Tangible Fixed Assets - Charity

	Land & Buildings £	Plant & Machinery £	Total £
Cost or valuation			
At 1 December 2023	710,323	14,699	725,022
Additions	195,000	-	195,000
Disposals	(195,000)	-	(195,000)
At 30 November 2024	710,323	14,699	725,022
Depreciation			
At 1 December 2023	97,772	13,563	111,335
Charge for the year	14,207	170	14,377
At 30 November 2024	111,979	13,733	125,712
Net book value			
At 30 November 2024	598,344	966	599,310
At 30 November 2023	612,551	1,136	613,687

Due to the unique nature of some of the properties owned by the Diocese and the difficulty in obtaining a true and accurate valuation of these, no valuations are reflected in the balance sheet. The relevant properties have insurance values as follows:

Diocese Centre	£738,558
Bishops House, Iona	£4,242,698
College & Cathedral, Cumbrae	£9,393,095

At 30 November 2024 all assets were used for charitable purposes.

17. Fixed and Current Asset Investments

Group

	2024 £	2023 £
Movement in listed investments		
Market value at 1 December 2023	1,423,922	1,925,808
Additions to investments at cost	255,000	100,000
Disposals at carrying value	-	(568,172)
Net gain on revaluation	269,843	59,987
Movement in current asset investments	(69,201)	(93,701)
Market value as at 30 November 2024	1,879,564	1,423,922
Funds held as custodian	340,973	292,029
Reclassified to current asset investments	162,902	93,701
Market value as at 30 November 2024	2,383,439	1,809,652
Disclosed as;		
Fixed asset investments	1,879,564	1,423,922
Current asset investments	503,875	385,730
	2,383,439	1,809,652

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

17. Fixed and Current Asset Investments (continued)

Charity

Movement in listed investments	2024 £	2023 £
Market value at 1 December 2023	1,179,151	1,274,044
Additions to investments at cost	205,000	100,000
Disposals at carrying value	-	(249,998)
Net gain on revaluation	209,576	55,105
Market value as at 30 November 2024	1,593,727	1,179,151
Funds held as custodian	340,973	292,029
Market value as at 30 November 2024	1,934,700	1,471,180

Disclosed as;

Fixed asset investments	1,593,727	1,179,151
Current asset investments	340,973	292,029
	1,934,700	1,471,180

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. In terms of specific risks including foreign exchange and credit risks, the charity uses specialist investment managers to balance and limit the overall financial risk by operating a portfolio which provides a high degree of diversification of holdings within a fairly wide band of investment asset classes all of which are quoted on recognised stock exchanges. In addition, the charity does not make use of riskier derivatives or more complex financial instruments in this area. Liquidity risk is expected to be low as all assets are traded in markets with high trading volumes and not in any markets subject to exchange controls or trading restrictions.

The Diocese of Argyll & The Isles has a wholly owned subsidiary, Island Retreats Ltd which is incorporated in Scotland and whose principal activity is running retreat houses. The Standing Committee of the Diocese of Argyll & The Isles are the members of the company which is limited by guarantee.

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

18. Stock

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Goods for resale	684	665	-	-
	<u>684</u>	<u>665</u>	<u>-</u>	<u>-</u>

19. Debtors

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Amounts due from charges	18,477	12,532	18,477	12,532
Other debtors	76,198	46,301	63,098	40,450
Due from group undertakings	-	-	-	19,646
	<u>94,675</u>	<u>58,833</u>	<u>81,575</u>	<u>72,628</u>

20. Creditors: amounts falling due within one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	6,628	3,898	-	-
Other creditors and accruals	223,418	190,109	18,906	27,889
Taxation and social security costs	19,426	17,640	1,463	662
Funds held as custodian	366,434	313,448	366,434	313,448
Loans	14,406	14,481	4,406	4,481
Due to group undertakings	-	-	5,354	-
	<u>630,312</u>	<u>539,576</u>	<u>396,563</u>	<u>346,480</u>

21. Deferred income

	Group	Charity
	£	£
Balance as at 1 December 2023	170,530	-
Amount released to income from charitable activities	(147,515)	-
Amount deferred in year	206,622	-
	<u>229,637</u>	<u>-</u>
Balance as at 30 November 2024		

Deferred income comprises quotas received in advance, and deposits received by the retreat houses for future periods. Included within creditors falling due after more than one year is deferred income of £37,830 (2023 - £23,015).

22. Creditors: amounts falling due after more than one year

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Deferred income (Note 21)	37,830	23,015	-	-
Bounceback loan	8,340	18,988	-	-
	<u>46,170</u>	<u>42,003</u>	<u>-</u>	<u>-</u>

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

23. Analysis of charitable funds – Group

Analysis of Fund movements	At 1 December 2023 £	Income £	Expenditure £	Transfers £	(Gains)/ Losses £	At 30 November 2024 £
Unrestricted funds						
General fund	934,734	951,861	727,640	10,984	82,422	1,252,361
Total	934,734	951,861	727,640	10,984	82,422	1,252,361
unrestricted funds						
Endowment funds						
Argyll Bequest Fund	282,864	-	-		47,408	330,272
Ivor Ramsey Fund	244,770	-	-		41,067	285,837
Total endowment funds	527,634	-	-		88,475	616,109
Restricted fund						
Episcopal Stipend Fund	287,613	26,147	17,721	-	52,746	348,785
Bishop Low Ministry Support Fund	299,047	1,889	-	(1,889)	10,016	309,063
Mission and Ministry West Highland Region Fund	12,332	24,600	13,015	-	-	23,917
Carsaig Cottage Fund	171,186	-	-	-	27,155	198,341
Bishop's Discretionary Fund	4,542	-	1,250	-	-	3,292
Zanzibar Fund	71,302	1,703	-	-	9,029	82,034
Argyll Bequest Fund	689	-	-	-	-	689
Clergy Stipend	-	8,940	-	(8,904)	-	-
Dean's Allowance	17,451	72,106	36,847	-	-	52,710
Islay Fund	155	3,600	3,600	(115)	-	-
Bishop's House, Iona	1,560	-	-	-	-	1,560
Cumbræ Land Sale	30,000	-	-	-	-	30,000
Travel grant	41,900	-	-	-	-	41,900
Total restricted funds	-	5,000	5,000	-	-	-
TOTAL FUNDS	937,777	143,985	77,433	(10,984)	98,946	1,092,291
	2,400,145	1,095,846	805,074	-	269,843	2,960,761

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

23. Analysis of charitable funds – Group (continued)

Analysis of Fund movements	At 1 December 2022 £	Income £	Expenditure £	Transfers £	(Gains)/ Losses £	At 30 November 2023 £
Unrestricted funds						
General fund	950,593	633,493	650,351	(17,388)	18,387	934,734
Total unrestricted funds	950,593	633,493	650,351	(17,388)	18,387	934,734
Endowment funds						
Argyll Bequest Fund	271,266	-	-	-	11,598	282,864
Ivor Ramsey Fund	234,711	-	-	-	10,059	244,770
Total endowment funds	505,977	-	-	-	21,657	527,634
Restricted fund						
Episcopal Stipend Fund	274,712	23,464	50,872	27,408	12,901	287,613
Bishop Low Ministry Support Fund	296,597	1,748	-	(1,748)	2,450	299,047
Mission and Ministry	12,332	32,217	32,217	-	-	12,332
West Highland Region Fund	164,545	-	-	-	6,641	171,186
Carsaig Cottage Fund	4,542	-	-	-	-	4,542
Bishop's Discretionary Fund	73,749	1,575	6,230	-	2,208	71,302
Zanzibar Fund	169	1,634	1,114	-	-	689
Argyll Bequest Fund	-	8,272	-	(8,272)	-	-
Clergy Stipend	-	89,300	71,849	-	-	17,451
Dean's Allowance	-	3,140	2,985	-	-	155
Islay Fund	1,560	-	-	-	-	1,560
Bishop's House, Iona	-	30,000	-	-	-	30,000
Cumbræ Land Sale	41,900	-	-	-	-	41,900
Total restricted funds	870,106	191,350	165,267	17,388	24,200	937,777
TOTAL FUNDS	2,326,676	824,843	815,618	-	64,244	2,400,145

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

23. Analysis of charitable funds – Group (continued)

a) The unrestricted funds are available to be spent for any of the purposes of the charity.

b) Endowment funds comprise:

The Argyll Bequest Fund represents investments held in which any income generated from this can be used to fund Mission and Ministry expenditure.

The Ivor Ramsey Fund represents the transfer of assets from the Ivor Ramsey Trust on the dissolution of the Trust in 2013/14. The income generated from the monies held in the Ivor Ramsey Grant Endowment Fund is restricted. These monies are for expenditure which will maintain or enhance the operation, mainly in the respect of maintenance, repairs and insurance premiums.

c) Restricted funds comprise:

The Episcopal Stipend fund is to be used, solely, to provide a contribution to the Bishop's Stipend. The Bishop's Stipend is allocated in full to this fund with any short fall being funded, from either the Bishop Low fund or general funds by way of transfer from these funds.

The Bishop Low Ministry Support fund is to support the mission and ministry work of the Diocese. Donations received, during the year, to support mission and ministry work have been included in this fund.

Mission and Ministry: This fund exists for education and mission within the Diocese. Grants are received from the Province and are paid to facilitators and educators during the year for continued education and mission. The Diocese supports this work directly with a transfer of monies from the main fund and from The Argyll Bequest Fund Income.

The West Highland Region fund is made up of a number of bequests and allocations from diocesan funds for the purpose of providing a priest for the West Highland Region (WHR).

Carsaig Cottage Fund: The Carsaig Cottage Fund receives a small grant from the province annually. This money can then be used to assist clergy in the Diocese with costs of holidays.

The Bishop's Discretionary Fund -Small awards are given from this fund at the discretion of the bishop in order to assist those in pastoral need and with short term emergencies. Particularly in 2019 small awards were made to those wishing to take part in retreats.

The Zanzibar Fund - This Zanzibar fund was set up by [REDACTED] to raise monies for the companion Diocese in Zanzibar.

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

23. Analysis of charitable funds – Group (continued)

Travel grants are received as part of the Provincial grant to assist with the funding of the travel costs of the Diocese. These funds are either paid out by way of grants to the Parishes or directly for the travel costs incurred by the Diocese.

Clergy Stipend - this fund is made up of grants received from the Province to fund the stipends of the priests of the Diocese.

Argyll Bequest Fund: This fund is now under the trusteeship of the Diocesan Trustees and is for the promotion of Ministry & Mission. All funds including the underlying investments are now held in the Diocesan Accounts. The endowment fund represents those assets which must be held permanently by the Diocese for the purpose of creating income for Mission & Ministry. Income arising from the endowment funds are treated as restricted funds. Although the conditions attached to the income of this fund are very broad there are still some restrictions.

The Dean's Allowance is paid by the Province, via the Diocese, to cover the Dean's costs. These funds are paid to the Dean's congregation to enable them to pay for cover when the Dean is absent on Diocese duties.

Islay Fund: Grants have been paid to the Diocese for the upkeep & extension of St Columba's Church on Islay. The Diocese pays out the grant on receipt of invoices for building work completed.

Bishop's House, Iona funds represent donations made to the Bishops House with no particular restrictions other than the assumption they assist in the funding of Bishops House. The friends of the house also raise money through the year and make donations for Capital Equipment and improvements sometimes at the specific request of the warden. All funds raised in the year were expended in the year on general running and maintenance costs.

Cumrae Land Sale, fund relates to the sale of land at The College and Cathedral of the Isles, Millport, the proceeds for which were restricted to being used for Mission and Ministry at the College and Cathedral.

d) Transfers:

Transfers between funds are made where unrestricted reserves are used to meet a shortfall in restricted income.

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

24. Group net assets over funds

At 30 November 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2024 £
Fixed assets	808,911	-	-	808,911
Fixed asset Investments	325,232	938,223	616,109	1,879,564
Current asset investments	503,875	-	-	503,875
Stocks	684	-	-	684
Debtors	94,675	-	-	94,675
Cash at bank and in hand	195,466	154,068	-	349,534
Current liabilities	(630,312)	-	-	(630,312)
Long term liabilities	<u>(46,170)</u>	<u>-</u>	<u>-</u>	<u>(46,170)</u>
	<u>1,252,361</u>	<u>1,092,291</u>	<u>616,109</u>	<u>2,960,761</u>

At 30 November 2024	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
Fixed assets	824,429	-	-	824,429
Fixed asset Investments	67,140	829,148	527,634	1,423,922
Current asset investments	385,730	-	-	385,730
Stocks	665	-	-	665
Debtors	58,833	-	-	58,833
Cash at bank and in hand	179,516	108,629	-	288,145
Current liabilities	(539,576)	-	-	(539,576)
Long term liabilities	<u>(42,003)</u>	<u>-</u>	<u>-</u>	<u>(42,003)</u>
	<u>934,734</u>	<u>937,777</u>	<u>527,634</u>	<u>2,400,145</u>

DIOCESE OF ARGYLL & THE ISLES

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FOR THE YEAR ENDED 30 NOVEMBER 2024

25. Operating lease commitments

At the reporting end date, the group had outstanding commitment for future minimum lease payments under non-cancellable operating leases, which fall due as follows;

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Less than 1 year	526	526	-	-
Between 2 and 5 years	1,314	1,840	-	-
	<u>1,840</u>	<u>2,366</u>	<u>-</u>	<u>-</u>

26. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	560,616	73,469	470,195	(4,599)
Adjustments for:				
Depreciation charges	24,712	20,099	14,377	9,362
Dividends, interest and rents from investments	(55,177)	(53,674)	(53,309)	(50,720)
(Gains) on investments	(269,843)	(64,244)	(209,576)	(55,108)
(Gains) on investments held as custodian	(48,944)	(11,973)	(48,944)	(11,973)
Interest Payable	1,250	927	-	-
Loss on disposal of fixed assets	62,539	-	64,128	-
(Increase)/Decrease in stocks	(19)	575	-	-
(Increase)/decrease in debtors	(35,842)	(33,656)	(8,947)	179,496
Increase/(Decrease) in creditors	105,626	(57,043)	50,158	22,953
Net cash provided by/(used in) operating activities	<u>344,918</u>	<u>(125,520)</u>	<u>278,082</u>	<u>89,411</u>

27. Analysis of cash and cash equivalents

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Cash at bank and in hand	<u>349,534</u>	<u>288,145</u>	<u>211,552</u>	<u>149,364</u>
Total cash and cash equivalents	<u>349,534</u>	<u>288,145</u>	<u>211,552</u>	<u>149,364</u>

DIOCESE OF ARGYLL & THE ISLES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

28. Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Lease Classification – Determination of whether leases entered into by the charity either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have transferred.

Impairment – Where there are indicators of impairment of the charity's intangible assets and investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Depreciation of fixed assets – fixed assets are depreciated over the useful life of the asset. The useful lives of fixed assets are based on the knowledge of senior management, with reference to assets expected life cycle.

Allocation of expenditure between activities – Support costs are allocated between charitable activities and governance based on the time spent by senior management on undertaking the charity's activities.