

Charity registration number SC011189 (Scotland)

THE SOCIETY OF OUR LADY OF THE ISLES
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2025

THE SOCIETY OF OUR LADY OF THE ISLES

LEGAL AND ADMINISTRATIVE INFORMATION

| | | |
|----------------------|----------------------------|----------------------------|
| Trustees | G Robertson | |
| | Rev G Booth | |
| | J Potts | |
| | Rev A Dyer | (Appointed 8 October 2024) |
| Charity registration | Scotland | SC011189 |
| Principal address | 272 Kingsgate | |
| | Aberdeen | |
| | United Kingdom | |
| | AB15 6AZ | |
| Independent examiner | Thyme Accounting & Tax Ltd | |
| | 36 Angusfield Avenue | |
| | Aberdeen | |
| | AB15 6AQ | |

THE SOCIETY OF OUR LADY OF THE ISLES

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THE SOCIETY OF OUR LADY OF THE ISLES

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

The trustees present their annual report and financial statements for the year ended 30 September 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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 (FRS 102)" (effective 1 January 2019).

Objectives and activities

At the time of forming the original Constitution, the society was "authorised, enabled, permitted and licenced" by the Bishop, to "teach in schools, visit the sick, read and explain the holy scriptures, to exhort and pray in private households and to hold such services as deemed necessary".

The Society consists of Hermit Sisters, under religious vows, living a contemplative/hermit lifestyle of prayer. It also embraces the Vocation of (a) Oblate Companions (Internal Oblates) living a more active lifestyle of care, service and hospitality in the local community and (b) External Oblates living within their own home settings, working under the auspices of SOLI, within their own parishes.

The purposes of the Charity continue to evolve from those originally stated.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The Oblates continue to develop their vocation based on the contemplative prayer and worship lifestyle of the SOLI Community on Shetland. They gather annually usually in Durham for prayer, direction for the future, fellowship and celebration.

The Mother Guardian has settled well in her retirement cottage in the Nottinghamshire countryside and continues to exercise her vocation as a Hermit Sister. The Society continues to support her as Mother Guardian Emeritus and also the remaining Sister Mary Aidan who lives in sheltered housing in Unst to enable both to follow their lifelong vocations as religious.

The Trustees accept that the Society has entered a transitional phase. Its overall aim continues to be the advancement of religion and the Trustees will be considering how best this can be realised in a practical and effective way, bearing in mind the spiritual ethos of the Society established during a period of almost 40 years in Shetland. The future of the Oblate Companions and External Oblates will require to be reviewed to take account of the changes in circumstances, and it is hoped that they can continue to serve the people of Shetland and beyond into the future.

The Trustees are actively involved in arranging for the heritable property owned by SOLI on Unst to be leased for an initial period, with a view to the property being ultimately sold. Negotiations are presently being conducted with an interested party. The lease should result in a reduction of expenditure on the property, and any additional funds available will be used to meet day-to-day outgoings.

Financial review

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The balance held as unrestricted funds at 30th September 2025 was £1,263,655 of which £82,256 are regarded as free reserves, after allowing for funds tied up in tangible fixed assets and investments. Actual 3-month cash payments totalled £7,124. The current level of reserves is therefore higher than is needed.

THE SOCIETY OF OUR LADY OF THE ISLES

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

Principal funding sources

Investment interest, rent and donations, have helped to maintain income for the Society to manage outgoing costs.

Structure, governance and management

The Society was formed in 1988 and had its Central House at Aithness, Fetlar, Shetland from that date until 2016. It operated under the original Constitution dated 27th January 1990 as amended by changes incorporated 23rd May 2003. A new Constitution was adopted by the Society on 4th April 2017, and this was approved by the Rt Rev Mark Strange as acting Bishop of Aberdeen and Orkney on 13th April 2017 and by the Rt Rev Robert Gillies as Visitor and acting Chairman of Trustees on 11th May 2017. The new Constitution was approved by OSCR on 19th June 2017.

The trustees who served during the year and up to the date of signature of the financial statements were:

G Robertson

Canon N Brice

(Resigned 17 November 2024)

Rev G Booth

J Potts

Rev A Dyer

(Appointed 8 October 2024)

Recruitment and appointment of new trustees

The charity constitution states that the Bishop and Chancellor of the Diocese of Aberdeen, along with the Mother Guardian of the Society and the Rector of St Magnus Episcopal Church in Lerwick, and all their successors in Office will automatically become trustees of the charity.

The trustees' report was approved by the Board of Trustees.

G Robertson

Trustee

13 May 2026

THE SOCIETY OF OUR LADY OF THE ISLES

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE SOCIETY OF OUR LADY OF THE ISLES

I report on the financial statements of the charity for the year ended 30 September 2025, which are set out on pages 4 to 12.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently I do not express an audit opinion on the view given by the financial statements.

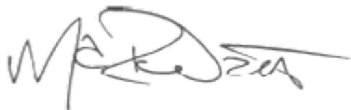
Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Martin R Watt FCCA
Thyme Accounting & Tax Ltd
36 Angusfield Avenue
Aberdeen
AB15 6AQ

Dated: 13 May 2026

THE SOCIETY OF OUR LADY OF THE ISLES

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2025

| | Notes | Unrestricted funds 2025 £ | Unrestricted funds 2024 £ |
|---|-------|------------------------------------|------------------------------------|
| Income from: | | | |
| Donations and legacies | 3 | 1,437 | 1,677 |
| Investments | 4 | 22,926 | 20,147 |
| Total income | | 24,363 | 21,824 |
| Expenditure on: | | | |
| Charitable activities | 5 | 28,651 | 32,994 |
| Total expenditure | | 28,651 | 32,994 |
| Net gains/(losses) on investments | 9 | 73,847 | 321,142 |
| Net income and movement in funds | | 69,559 | 309,972 |
| Reconciliation of funds: | | | |
| Fund balances at 1 October 2024 | | 1,194,096 | 884,124 |
| Fund balances at 30 September 2025 | | 1,263,655 | 1,194,096 |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE SOCIETY OF OUR LADY OF THE ISLES

BALANCE SHEET

AS AT 30 SEPTEMBER 2025

| | | 2025 | | 2024 | |
|--|-------|---------------|------------------|---------------|------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | | 410,583 | | 410,737 |
| Investments | 12 | | 770,816 | | 696,970 |
| | | | <u>1,181,399</u> | | <u>1,107,707</u> |
| Current assets | | | | | |
| Debtors | 13 | 1,280 | | 1,280 | |
| Cash at bank and in hand | | 80,976 | | 85,109 | |
| | | <u>82,256</u> | | <u>86,389</u> | |
| Net current assets | | | <u>82,256</u> | | <u>86,389</u> |
| Total assets less current liabilities | | | <u>1,263,655</u> | | <u>1,194,096</u> |
| The funds of the charity | | | | | |
| Unrestricted funds | 14 | | 1,263,655 | | 1,194,096 |
| | | | <u>1,263,655</u> | | <u>1,194,096</u> |

The financial statements were approved by the trustees on 13 May 2026

G Robertson
Trustee

THE SOCIETY OF OUR LADY OF THE ISLES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

1 Accounting policies

Charity information

The Society of our Lady of the Isles is a unincorporated charity.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

THE SOCIETY OF OUR LADY OF THE ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------------|-------------------|
| Freehold land and buildings | Not depreciated |
| Fixtures and fittings | 25% Straight line |
| Motor vehicles | 20% Straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE SOCIETY OF OUR LADY OF THE ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

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 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE SOCIETY OF OUR LADY OF THE ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

3 Income from donations and legacies

| | Unrestricted funds 2025 £ | Unrestricted funds 2024 £ |
|---------------------|------------------------------------|------------------------------------|
| Donations and gifts | 1,437 | 1,677 |

4 Income from investments

| | Unrestricted funds 2025 £ | Unrestricted funds 2024 £ |
|--------------|------------------------------------|------------------------------------|
| Other income | 22,926 | 20,147 |

5 Expenditure on charitable activities

| | 2025 £ | 2024 £ |
|---|-----------|-----------|
| Direct costs | | |
| Depreciation and impairment | 155 | 155 |
| Rates | 5,299 | 4,367 |
| Insurance | 1,661 | 1,535 |
| Light & heat | 2,939 | 3,342 |
| Telephone | 1,649 | 1,063 |
| Sundries | - | 5,039 |
| Travel & subsistence | 6,000 | 6,250 |
| Rent | 10,500 | 10,250 |
| | 28,203 | 32,001 |
| Share of support and governance costs (see note 6) | | |
| Support | 88 | 93 |
| Governance | 360 | 900 |
| | 28,651 | 32,994 |
| Analysis by fund | | |
| Unrestricted funds | 28,651 | 32,994 |

THE SOCIETY OF OUR LADY OF THE ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

6 Support costs allocated to activities

| | Heading #ac982 | Total |
|-----------------------------------|-------------------|-------------------|
| | 2025 | 2024 |
| | £ | £ |
| Bank charges | 88 | 93 |
| Governance | 360 | 900 |
| | <u> </u> | <u> </u> |
| | 2025 | 2024 |
| | £ | £ |
| Governance costs comprise: | | |
| Legal and professional | - | 540 |
| Independent examination | 360 | 360 |
| | <u> </u> | <u> </u> |
| | 360 | 900 |
| | <u> </u> | <u> </u> |

7 Trustees

No Trustees received

8 Employees

The average monthly number of employees during the year was:

| | 2025 | 2024 |
|-------|-------------------|-------------------|
| | Number | Number |
| Total | - | - |
| | <u> </u> | <u> </u> |

There were no employees whose annual remuneration was more than £60,000.

9 Gains and losses on investments

| | Unrestricted | Unrestricted |
|----------------------------|-------------------|-------------------|
| | funds | funds |
| | 2025 | 2024 |
| | £ | £ |
| Gains/(losses) arising on: | | |
| Revaluation of investments | 73,847 | 321,142 |
| | <u> </u> | <u> </u> |

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE SOCIETY OF OUR LADY OF THE ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

11 Tangible fixed assets

| | Freehold land and buildings | Leasehold improvements | Fixtures and fittings | Motor vehicles | Total |
|------------------------------------|--------------------------------|---------------------------|--------------------------|----------------|---------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 October 2024 | 410,272 | 7,931 | 620 | 6,224 | 425,047 |
| Additions | - | (7,931) | - | - | (7,931) |
| Disposals | - | - | - | (6,224) | (6,224) |
| At 30 September 2025 | 410,272 | - | 620 | - | 410,892 |
| Depreciation and impairment | | | | | |
| At 1 October 2024 | - | - | 155 | 6,224 | 6,379 |
| Depreciation charged in the year | - | - | 154 | - | 154 |
| Eliminated in respect of disposals | - | - | - | (6,224) | (6,224) |
| At 30 September 2025 | - | - | 309 | - | 309 |
| Carrying amount | | | | | |
| At 30 September 2025 | 410,272 | - | 311 | - | 410,583 |
| At 30 September 2024 | 410,272 | - | 465 | - | 410,737 |

12 Fixed asset investments

| | Listed investments |
|--------------------------|-----------------------|
| | £ |
| Cost or valuation | |
| At 1 October 2024 | 696,970 |
| Additions | 36,923 |
| At 30 September 2025 | 733,893 |
| Carrying amount | |
| At 30 September 2025 | 733,893 |
| At 30 September 2024 | 696,970 |

13 Debtors

| | 2025 | 2024 |
|---|-------|-------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Other debtors | 1,280 | 1,280 |

THE SOCIETY OF OUR LADY OF THE ISLES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

14 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

| | At 1 October 2024 £ | Incoming resources £ | Resources expended £ | Gains and losses £ | At 30 September 2025 £ |
|-----------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------|---------------------------------------|
| General funds | 1,194,096 | 24,363 | (28,651) | 73,847 | 1,263,655 |
| | ===== | ===== | ===== | ===== | ===== |
| Previous year: | At 1 October 2023 £ | Incoming resources £ | Resources expended £ | Gains and losses £ | At 30 September 2024 £ |
| General funds | 884,124 | 21,824 | (32,994) | 321,142 | 1,194,096 |
| | ===== | ===== | ===== | ===== | ===== |

15 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).