

Charity registration number SC003811 (Scotland)

DUNKELD CLERICAL FRIENDLY SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

DUNKELD CLERICAL FRIENDLY SOCIETY

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DUNKELD CLERICAL FRIENDLY SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees



Secretary



Charity number (Scotland)

SC003811

Registered office

St John's
20 Melville Street
Perth
PH1 5PY

Auditor

Consilium Audit Limited
169 West George Street
Glasgow
Scotland
G2 2LB

DUNKELD CLERICAL FRIENDLY SOCIETY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The Procurator presents their report and financial statements for the year ended 31 December 2024.

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 constitution, 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)".

Structure, governance and management

The Dunkeld Clerical Friendly Society was formed on 3rd December 1879 by the priests who formed the clergy serving in the newly established Diocese of Dunkeld (March 1878). The Society was formed in succession to a Friendly Society made up of clergy belonging to the Eastern District (one of the three areas in which the Catholic Church in Scotland had been split for administration purposes). All but one of those present at the formation of the Dunkeld Clerical Society had previously been a member of the Eastern District. Their share of the funds from this society, which ceased to exist when the new Dioceses were formed in Scotland, formed the basis for the original capital for the Dunkeld Friendly Society.

Between 1879 and 1886 several modifications were made to the original rules and in 1904 the members of the clergy decided to forego any claim they had on the Quota Fund.

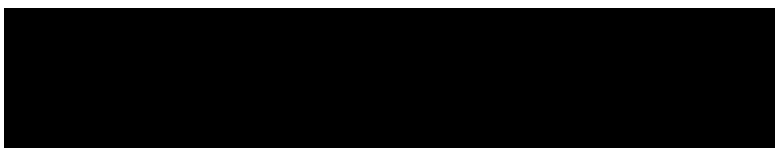
Membership is open to all members of the Diocesan Priesthood who are incardinated within the Diocese of Dunkeld. Newly ordained priests are asked if they wish to be members at the first Annual General Meeting after their Ordination to the Priesthood.

The Society is a Scottish Charity number SC003811.

Members of the Committee

The following were members of the Committee during the year:

Trustees



Managers:



Statement of Objectives and Activities

The objectives and activities of the Society are those specified in the Rules for the Management of the Dunkeld Friendly Society, Dunkeld Mission or Quota Fund and Dunkeld Clerical Accumulated Fund.

The purpose of the Society is to provide through grants and other charitable donations financial support to those priests who have retired or who are ill and find themselves in need. **No one member of the Society is entitled to a grant, and the level of any help given is entirely up to the discretion of the Trustees and Managers of the Society.** Levels of the grants are reviewed each year by the Trustees and Managers and are only changed with the agreement of those members of the Society attending the Annual General Meeting.

DUNKELD CLERICAL FRIENDLY SOCIETY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Appointment of Trustees and Managers

Members of the clergy of the Diocese of Dunkeld are elected by the members to serve as Trustees for as long as they wish or with the agreement of the members.

In addition, the members appoint members of the Clergy of the Diocese as Managers for an agreed period.

Procurator and Secretary

The Procurator and Secretary are elected from the members of the Society and serve an agreed period term of office. With the agreement of the members, they can be re-elected at the end of their terms of office.

Induction of Trustees and Managers

The induction procedure for a new Trustee or Manager includes the provision of Minutes of meetings and of the Annual Report and Accounts for the years prior to the appointment, a copy of the Society's Constitutions and information relating to their responsibilities. The Procurator also instructs new Managers regarding their role.

Administration

The Society is administered by the Procurator and the Secretary.

The Trustees, Managers and Procurator, together with the Secretary, meet regularly in any given year (at least three meetings) where they review the current financial state of the Society along with any other area of concern which may arise from time to time. While change to the method of bookkeeping can be changed with the agreement of the Committee, any changes to the Rules and regulations governing the Society can only be changed with the majority agreement of the members and only after any proposal has been "laid on the table" from one Annual General Meeting to the next.

Over the past year the Society met on several occasions with an Annual General Meeting (15/05/2024) followed by a meal for the members and invited guests. The Trustees continue to value the work done by our Financial Advisors and Bookkeepers and Accountants.

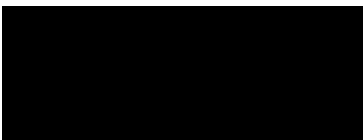
The office administrator is Eleanor McGourty.

Allocation of Grants:

After years of parish leadership, our retired clergy not only continue to serve but are able to enjoy a life of prayer and study thanks to the generosity of the grants. The grants are to ensure that the priests (in good standing) who have dedicated their lives to serving others and helping us live out our faith are cared for throughout their lives.

Weekly grant remained at £265
Summer grant remained at £700
Friendly grant remained at £200
Christmas grant remained at £600

Approved Grants:



Jubilarians:

None were marked this year.

DUNKELD CLERICAL FRIENDLY SOCIETY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Extraordinary Grant:

Members at the AGM awarded a grant of £3,357.48 to the Diocese of Dunkeld for the use of the Diocesan Poor Mission Fund, the said fund supports struggling parishes in the Diocese of Dunkeld, and therefore indirectly supports the clergy who have pastoral care of said parishes.

McCrea Financial Services

On behalf of the Dunkeld Clerical Friendly Societies the Trustees, as he stepped down, noted and thanked ██████████ ██████████ for his invaluable contribution and hard work over many years. Under his supervision, our investments have grown and we have every confidence this will continue in the future under the safe and capable hands of his successor, ██████████.

Statement of trustees' responsibilities

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

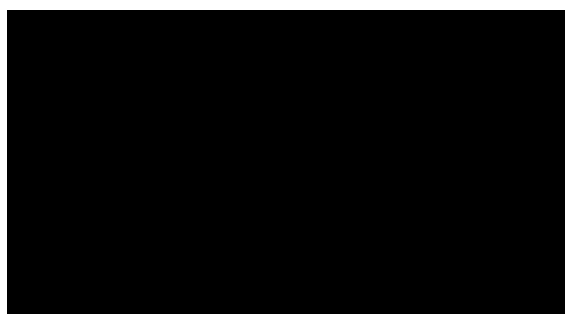
The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Dated: 08/04/25

DUNKELD CLERICAL FRIENDLY SOCIETY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF DUNKELD CLERICAL FRIENDLY SOCIETY

Opinion

We have audited the financial statements of Dunkeld Clerical Friendly Society (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and 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' (who are also the directors of the company for company law purposes) 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 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 the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 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.

DUNKELD CLERICAL FRIENDLY SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DUNKELD CLERICAL FRIENDLY SOCIETY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (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 trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

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

- We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the company through discussions with directors and management and from our knowledge of the regulatory environment relevant to the company.
- We assessed the extent of compliance with laws and regulations through making enquiries of management and inspecting legal correspondence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud.
- To address the risk of fraud through management bias and override of controls, we tested journal entries to identify unusual transactions, we assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and we investigated the rationale behind significant or unusual transactions.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

DUNKELD CLERICAL FRIENDLY SOCIETY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF DUNKELD CLERICAL FRIENDLY SOCIETY

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.



 (Senior Statutory Auditor)
for and on behalf of Consilium Audit Limited

Statutory Auditor
169 West George Street
Glasgow
Scotland
G2 2LB

Date: 08/04/2025

Consilium 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.

DUNKELD CLERICAL FRIENDLY SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	2	8,806	750
Investments	3	77,822	66,088
Total income		<u>86,628</u>	<u>66,838</u>
Expenditure on:			
Raising funds	4	35,966	24,709
Charitable activities	5	80,972	78,034
Total expenditure		<u>116,938</u>	<u>102,743</u>
Net gains on investments	10	308,589	390,875
Net income and movement in funds		<u>278,279</u>	<u>354,970</u>
Reconciliation of funds:			
Fund balances at 1 January 2024		<u>5,241,599</u>	<u>4,886,629</u>
Fund balances at 31 December 2024		<u><u>5,519,878</u></u>	<u><u>5,241,599</u></u>

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

The notes on pages 10 to 17 form part of these financial statements.

DUNKELD CLERICAL FRIENDLY SOCIETY

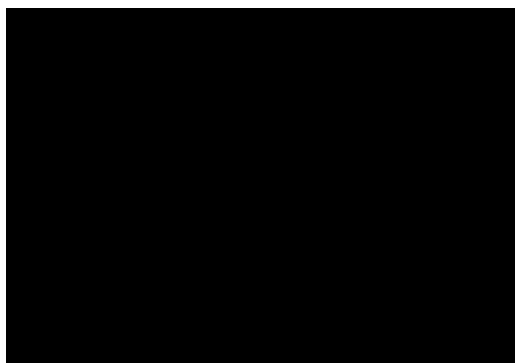
BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Investments	12		4,981,288		4,690,767
Current assets					
Debtors	13	500,000		500,000	
Cash at bank and in hand		49,746		61,924	
		<u>549,746</u>		<u>561,924</u>	
Creditors: amounts falling due within one year	14	<u>(11,156)</u>		<u>(11,092)</u>	
Net current assets			<u>538,590</u>		<u>550,832</u>
Total assets less current liabilities			<u><u>5,519,878</u></u>		<u><u>5,241,599</u></u>
Income funds					
Unrestricted funds	15		<u>5,519,878</u>		<u>5,241,599</u>
			<u><u>5,519,878</u></u>		<u><u>5,241,599</u></u>

The notes on pages 10 to 17 form part of these financial statements.

The financial statements were approved by the Trustees on 08/04/2025



DUNKELD CLERICAL FRIENDLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Dunkeld Clerical Friendly Society is an unincorporated charity registered in Scotland and registered with the Office of Scottish Charity Regulator with charity number SC003811. The registered office is St John's, 20 Melville Street, Perth, PH1 5PY.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, 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)". The charity is a Public Benefit Entity as defined by FRS 102.

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. 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.

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.

Income from investments is included in the SOFA in the year in which it is receivable.

DUNKELD CLERICAL FRIENDLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Expenditure

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

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure. 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 grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant, and any unfulfilled condition attaching to that grant is outside of the control of the Society. 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 the grant payable.

1.6 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.

1.7 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.

1.8 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.

DUNKELD CLERICAL FRIENDLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

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.

1.9 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.10 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 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Diocesan collections	8,806	750

3 Investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Dividend income	72,397	60,684
Loan interest (Wellburn)	5,000	5,000
Interest receivable	425	404
	<u>77,822</u>	<u>66,088</u>

DUNKELD CLERICAL FRIENDLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

4 Raising funds

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Investment management costs	35,966	24,709
	<u>35,966</u>	<u>24,709</u>

5 Charitable activities

	2024	2023
	£	£
Donations	8,806	5,568
Grant funding of activities (see note 6)	60,260	57,400
Share of support costs (see note 7)	3,363	1,376
Share of governance costs (see note 7)	8,543	13,690
	<u>80,972</u>	<u>78,034</u>

6 Grants payable

	2024	2023
	£	£
Monthly and holiday grants	60,060	57,400
Emergency grants	200	-
	<u>60,260</u>	<u>57,400</u>

DUNKELD CLERICAL FRIENDLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

7 Support costs

	Support costs	Governance costs	2024 Support costs	Governance costs	2023
	£	£	£	£	£
Staff costs	3,363	-	3,363	1,376	1,376
Other resources expended	-	8,543	8,543	-	13,690
	<u>3,363</u>	<u>8,543</u>	<u>11,906</u>	<u>1,376</u>	<u>15,066</u>
Analysed between Charitable activities	<u>3,363</u>	<u>8,543</u>	<u>11,906</u>	<u>1,376</u>	<u>15,066</u>

Governance costs includes payments to the auditors of £5,400 (2023- £5,500) for audit fees.

8 Trustees

Trustees Remuneration and benefits

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Trustees' expenses

None of the trustees (or any persons connected with them) received any expenses from the charity during the year.

9 Employees

There were no employees during the current year or the prior year.

10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Gain/(loss) on sale of investments	<u>308,589</u>	<u>390,875</u>

11 Taxation

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

DUNKELD CLERICAL FRIENDLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

12 Fixed asset investments

	Investment Portfolio £
Cost or valuation	
At 1 January 2024	4,690,767
Additions	1,241,159
Valuation changes	314,484
Disposals	(1,265,122)
At 31 December 2024	<u>4,981,288</u>
Carrying amount	
At 31 December 2024	<u>4,981,288</u>
At 31 December 2023	<u>4,690,767</u>

The investment portfolio was managed by McCrea Financial Services Ltd.

The Society manages the investment risk associated with an investment portfolio by retaining expert advisors and operating an investment policy that provides a high degree of diversification.

The investments are common investment funds are valued at market value at the balance sheet date. The market value is deemed to be equal to the fair value.

Risk overview

Risk within the portfolio is viewed from the angle of the sensitivity to losing capital as opposed to simply being averse to taking risk in the form of volatility. The portfolio manager seeks to understand and limit all unintended risks to the portfolio; however, investing in and across stock markets via collective investment schemes is never without risk. Investors should be aware that the prices of investments and the income derived from them can go down as well as up and you may not get back the amount that you initially invested. There are multiple sources of risk within the portfolio although the principal sources of risk are highlighted below:

Equity market risk

Equity market risk will be reduced through diversification; however, the portfolios will exhibit a degree of volatility, which is associated with the equity content. If investments are sold during times of market difficulty, there is a potential for permanent capital loss. The manager believes their investment selection process will smooth returns over time, and reduce the risk of permanent loss of capital, however short-term market movements can be significant.

Currency risk

The investment manager's investment preference is to invest globally; this has the benefit of gaining exposure to different growth rates, economic cycles, rates of interest, and investment opportunities. Foreign currencies can fluctuate which may affect the value of the portfolios. This risk is closely monitored and is an intended consequence of investing globally.

Return risk

The current low interest rate, low growth and increased volatility environment requires the careful management of assets which the manager believes will allow them to outpace inflation over time. The manager aims to provide a diversified portfolio that will deliver a real outcome over time.

DUNKELD CLERICAL FRIENDLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Fixed asset investments

(Continued)

Style risk

The manager's fund selection process is designed to identify assets that focus on global businesses with resilient revenues and free cash flows. In addition, they endeavour to avoid companies that are globally geared either financially or operationally. As a result, this concentration can result in divergence of performance relative to the broader market. This can be especially true in markets which are led by cyclical companies such as banks or energy companies which are generally avoided in the portfolio.

Liquidity risk

This risk is considered to be relatively low given the investment manager's preference is for assets with high liquidity. All investments in the portfolio deal daily and 100% of the portfolio be realisable within two and six working days in normal market conditions. The manager monitors the funds underlying positions using a liquidity waterfall. Based on this, they require all of the underlying positions held within a fund to be realisable within the usual settlement time for that fund.

13 Debtors

	2024	2023
	£	£
Amounts falling due after more than one year:		
Trade debtors	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

The above loan represents a loan given to RC Diocese of Dunkeld. There are no fixed terms for the repayment of this loan, with interest being charged at 1% per annum.

14 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other creditors	11,156	11,092
	<u>11,156</u>	<u>11,092</u>

15 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 January 2024	Incoming resources	Resources expended	Gains and losses	At 31 December 2024
	£	£	£	£	£
General funds	5,241,599	86,628	(116,938)	308,589	5,519,878
	<u>5,241,599</u>	<u>86,628</u>	<u>(116,938)</u>	<u>308,589</u>	<u>5,519,878</u>
Previous year:	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General funds	4,886,629	66,838	(102,743)	390,875	5,241,599
	<u>4,886,629</u>	<u>66,838</u>	<u>(102,743)</u>	<u>390,875</u>	<u>5,241,599</u>

DUNKELD CLERICAL FRIENDLY SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

16 Related party transactions

During the year the Society's Trustee, Very Rev. K McBride was paid grants of £5,300 (2023: £15,700).