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Scottish Charity No. SC047937

Grace Church Orkney

Scottish Charitable Incorporated Organisation (SCIO)

Trustees' Report and Financial Statements

Year ended 31 March 2026

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Grace Church Orkney

Contents of the Financial Statements *for year ended 31 March 2026*

	Page
Report of the Trustees	1 - 3
Report of the Independent Examiner	4
Statement of Financial Activities	5
Statement of Balances	6
Notes to the Financial Statements	7 - 13

Docusign Envelope ID: 0CFF3069-3BCF-85E4-82E7-4439B4A0AC50

Grace Church Orkney

Report of the Trustees *for the year ended 31 March 2026*

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 31 March 2026.

Status of Charity and Governing Document
Grace Church Orkney, formed in November 2017 is an FIEC-approved church plant and Scottish Charitable Incorporated Organisation (SCIO). The Church is a registered Scottish Charity (No. SC047937).

Organisational Structure
The church operates in Stromness, Orkney and is independent of any affiliation. Its trustees are its elders who meet regularly to set policy, review activities and to monitor the financial position.

Aims and Affiliation
The principal objective of the church is to advance the Christian faith.

Trustees and Office Bearers
The Trustees who served during the year and to the date of this report are as set out below:

Mr G Scott	Treasurer
Mrs S Scott	Trustee
Dr A Wilkinson	Trustee
Mr M Sandison	Trustee
Mr M McConnell	Trustee *(appointed 22/08/24)*

Appointment of Trustees
As vacancies arise the existing elders may invite one or more church members to join the eldership and thus become trustees. The constitution stipulates a minimum of three trustees. All appointments of elders (trustees) are subject to the approval of the church membership. All trustees would have served in the church in various roles and would be familiar with the church's values, its aims and objectives, constitution and financial situation as well as its day-to-day operations. As part of the induction programme, new elders and deacons are required to understand their statutory responsibilities.

Achievements and Performance
We are grateful to still be able to continue to serve our community with the gospel and have seen some encouraging growth in the number of people attending worship. This led to the move for public worship from John Street Hall to Stromness Community Centre. Attendance by the year end would be approximately 30 adults and 10 children each week.

At 31st March 2026, our membership had grown to 24 with one baptism. Mez McConnell is pastor and Miriam McConnell our women's worker. Matt and Cee Kuhlmann are Gospel Workers and Silas Dowdy is Children's Worker. Our interns are Jason Cruickshank and Matt Lewis. Their employment is through 20schemes though working for the church. A second ministry house was purchased with a further generous donation, this time in Citadel Crescent, again to serve with the Grieveship house as an evangelistic ministry base.

With this has come the development of a number of outreach activities. Soup Group has continued with slightly lower numbers but a Drop In has been added Tuesday and Thursday with encouraging contacts being made, leading to fruitful discussions and gospel interest. The Harbour, an outreach for those struggling with addictions or mental health problems was started for Friday evenings and again seen much fruit in its short life so far. Kids Club started once a month on a Saturday night but is now fortnightly with a number of kids attending who don't come to church. Silas Dowdy has started a weekly poetry club in Stromness and the other church workers have joined various local organisations to develop community contacts.

We still visit Hamnavoe House Care Home one Sunday a month for a short service in rotation with other churches in the area. Stenness Songs of Praise which was run in conjunction with other churches, principally Stromness Baptist Church, has been mothballed for the moment.

Docusign Envelope ID: 0CFF3069-3BCF-85E4-82E7-4439B4A0AC50

Achievements and Performance (cont'd)

Our foreign mission partners remain Andrew and Shona Goodman (Thailand), Mark and Achele Nixon (Nigeria) and Daniel and Katrina Kocyan and family in Ukraine. We also support the work of Jonathan Parkinson and Caring for Life in Leeds.

We remain members of the Fellowship of Independent Evangelical Churches and committed to helping them achieve their goals for the gospel in the United Kingdom.

We remain supporters of Orkney Bible Festival with Mervyn Sandison (treasurer) and Tony Wilkinson still on the steering group. The 2025 Festival speaker was Paul Mallard who spoke from Paul's letter to the Philippians.

Mez McConnell has regular preaching engagements in the United States of America, while also raising awareness of the gospel need in Scotland. He continues to write ministry books the latest being *Addiction and the Local Church,* co-authored with Andy Constable of Niddrie Comminity Church.

Tony Wilkinson still contributes a column from time to time in the *Thursday Thought* section in the *Orcadian.*

Financial review

Principal sources of funding
The church receives its funding from those in the fellowship by way of weekly offerings and standing orders, many of which are Gift Aided and from general donations. The church has bought two properties to rent to church workers which is beginning to generate rental income.

Results for the year
The financial statements for the year are set out on pages 5 to 8. The Statement of Financial Activites on page 5 reflects net incoming resources of £201,051 (2025 restated: £202,119), Resulting in total funds carried forward of £608,417 (2025 restated: £407,366), which was made up of unrestricted general funds of £30,511 (2025 restated: £71,824) and unrestricted designated funds of £577,906 (2025 restated: £335,542).

Reserves
It is the policy of the Church to maintain unrestricted funds at a level which equates to approximately three months unrestricted expenditure. The General fund and total reserves on page 5 at 31 March 2026 amounted to £30,511 (2025: £71,823).

Docusign Envelope ID: 0CFF3069-3BCF-85E4-82E7-4439B4A0AC50

Report of the Trustees *for the year ended 31 March 2026*

Reference and administrative details

Correspondence Address

John Street Hall
Stromness
Orkney
KW16 3AD

Bankers

Bank of Scotland
56 Albert Street
Kirkwall
KW15 1HJ

Independent Examiners

Jonathan N Innes FCCA
EQ Accountants
Chartered Certified Accountants
9 Ardross Street
Inverness
IV3 5NN

On behalf of the Trustees

Signed by:
61F3F44C9CF247E...

……..
Mr G Scott
Treasurer

29-10-2026 | 00:59 GMT
Dated: …….

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Independent Examiners Report *for the year ended 31 March 2026*

I report on the accounts of the Church for the year ended 31 March 2026 which are set out on pages 5 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts 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 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning 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 accounts.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
   - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations (as amended), and
   - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations (as amended)

   have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Jonathan N Innes FCCA
Partner

EQ Accountants
Chartered Certified Accountants

9 Ardross Street
Inverness
IV3 5NN

Date: ……

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Grace Church Orkney

Statement of Financial Activities for the year ended 31 March 2026

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2026	Total Funds 2025 Restated
		£	£	£	£	£
Income						
Donations and Legacies	**3**	275,019	-	-	275,019	240,964
Total Income		**275,019**	**-**	**-**	**275,019**	**240,964**
Expenditure						
Charitable Expenditure	**4**	72,234	1,734	-	73,968	38,845
Total Expenditure		**72,234**	**1,734**	**-**	**73,968**	**38,845**
Net income/(expenditure) before gains/(losses) on investments		202,785	(1,734)	-	201,051	202,119
Transfers between funds		(244,098)	244,098	-	-	-
Net Movement in Funds		(41,313)	242,364	-	201,051	202,119
Reconciliation of Funds						
Total Funds Brought Forward		71,824	335,542	-	407,366	205,247
Total Funds Carried Forward	**9**	**30,511**	**577,906**	**-**	**608,417**	**407,366**

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 7 to 13 form part of these accounts

Docusign Envelope ID: 0CFF3069-3BCF-85E4-82E7-4439B4A0AC50

Grace Church Orkney

Balance Sheet as at 31 March 2026

	Note	Unrestricted Funds	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2026	Total Funds 2025 Restated
		£	£	£	£	£	£
Fixed Assets							
Intangible assets		-		-	-	-	-
Tangible assets	**6**	-	577,906	-	-	577,906	335,542
Heritage assets						-	-
Total Fixed Assets		**-**	**577,906**	**-**	**-**	**577,906**	**335,542**
Current Assets							
Debtors	**7**	7,445	-	-	-	7,445	6,188
Cash at Bank and in Hand		25,386	-	-		25,386	66,200
Total Current Assets		**32,831**	**-**	**-**	**-**	**32,831**	**72,388**
Liabilities							
Creditors falling due within one year	**8**	2,320	-	-	-	2,320	564
Net Current Assets/(Liabilities)		**30,511**	**-**	**-**	**-**	**30,511**	**71,824**
Total Assets less Current Liabilities		**30,511**	**577,906**	**-**	**-**	**608,417**	**407,366**
Net Assets	**9**	**30,511**	**577,906**	**-**	**-**	**608,417**	**407,366**
The Funds of the Charity							
Restricted Income Funds		-		-		-	-
Unrestricted Funds		30,511	577,906	-		608,417	407,366
Total Charity Funds	**10**	**30,511**	**577,906**	**-**	**-**	**608,417**	**407,366**

The notes on pages 7 to 13 form part of these accounts

30-10-2026 | 00:06 GMT

Approved by the trustees on …..... and signed on their behalf by:

Signed by:
0827473F0D18442...
Tony Wilkinson
Trustee

Signed by:
Mervyn Sandison
4745FC4671024C0...
Mervyn Sandison
Trustee

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1. Accounting Policies

Basis of Preparation and Assessment of Going Concern

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Funds Structure

Unrestricted funds – are available for use at the discretion of the trustees to further any of the charity's purposes.
Designated funds – are unrestricted funds earmarked by the trustees for particular future project or commitment.
Restricted funds – are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds.

Income Recognition

All voluntary income and bank interest is accounted for when received apart from income tax recoveries on Gift Aid which are accounted for on an accrual's basis. Grants which are not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Debtors and creditors receivable / payable within one year

Debtors and creditors receivable or payable within one year are recorded at transaction price.

Expenditure Recognition and Irrecoverable VAT

Expenditure is recognised on an accruals basis when a liability is incurred. Expenditure includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates.

Charitable Activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Docusign Envelope ID: 0CFF3069-3BCF-85E4-82E7-4439B4A0AC50

1. Accounting Policies (cont'd)

Tangible Fixed Assets and Depreciation

Fixed assets are capitalised at cost. Depreciation on tangible fixed assets is provided as follows :

Furniture and Equipment - 20% per annum straight line

2. Related Party Transactions and Trustee Remuneration

The Trustees did not receive any renumeration or expenses for their services in the year (2025: £nil), in their capacity as trustees.

3. Donations and Legacies

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2026	Total Funds 2025 Restated
	£	£	£	£	£
Offerings	30,301	-	-	30,301	19,418
Other donation Income	-	-	-	-	770
Rental Income	6,000	-	-	6,000	-
Gift Aid recovered	6,042	-	-	6,042	9,699
Grants and loans	231,355	-	-	231,355	209,258
Sundry Income	1,321	-	-	1,321	1,819
	275,019	**-**	**-**	**275,019**	**240,964**

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2025 Restated
	£	£	£	£
Offerings	19,418	-	-	19,418
Other donation Income	770	-	-	770
Gift Aid recovered	9,699	-	-	9,699
Grants and loans	209,258	-	-	209,258
Sundry Income	1,819	-	-	1,819
	240,964	**-**	**-**	**240,964**

Docusign Envelope ID: 0CFF3069-3BCF-85E4-82E7-4439B4A0AC50

4. Analysis of Expenditure

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2026	Total Funds 2025 Restated
	£	£	£	£	£
Charitable Expenditure					
Church Insurance	838	-	-	838	814
Church Light and Heat	190	-	-	190	1,241
Church Building Maintenance	10,700	-	-	10,700	673
Equipment	1,575	-	-	1,575	489
Light and Heat	958	-	-	958	150
Council Tax	308	-	-	308	-
Legal Fees	1,322	-	-	1,322	-
Community Hall hire	2,219	-	-	2,219	-
Ministry	2,883	-	-	2,883	406
TLG	525	-	-	525	-
Missions	84	-	-	84	300
Travel and Mileage	2,567	-	-	2,567	-
Hospitality	200	-	-	200	-
Conferences	11,557	-	-	11,557	2,152
Training	750	-	-	750	204
Donations and Gifts	2,777	-	-	2,777	22,050
20 Schemes	24,300	-	-	24,300	3,750
Books and Stationery	1,541	-	-	1,541	284
Advertising	340	-	-	340	105
Bank Charges	19	-	-	19	-
Cleaning	85	-	-	85	32
Sundry Expenses	997	-	-	997	3,630
Independent Examination	1,320	-	-	1,320	636
IT	3,911	-	-	3,911	364
Insurance	268	-	-	268	18
Rental Deposit	-	-	-	-	-
Depreciation	-	1,734	-	1,734	1,547
	72,234	**1,734**	**-**	**73,968**	**38,845**
Total	**72,234**	**1,734**	**-**	**73,968**	**38,845**

Docusign Envelope ID: 0CFF3069-3BCF-85E4-82E7-4439B4A0AC50

4. Analysis of Expenditure (cont'd)

Charitable Expenditure

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2025 Restated
	£	£	£	£
Church Insurance	814	-	-	814
Church Light and Heat	1,241	-	-	1,241
Church Building Maintenance	673	-	-	673
Equipment	489	-	-	489
Renovation Expenses	-	-	-	-
Light and Heat	150	-	-	150
Council Tax	-	-	-	-
Legal Fees	-	-	-	-
Community Hall hire	-	-	-	-
Ministry	406	-	-	406
TLG	-	-	-	-
Missions	300	-	-	300
Travel and Mileage	-	-	-	-
Hospitality	-	-	-	-
Conferences	2,152	-	-	2,152
Training	204	-	-	204
Donations and Gifts	22,050	-	-	22,050
20 Schemes	3,750	-	-	3,750
Books and Stationery	284	-	-	284
Advertising	105	-	-	105
Bank Charges	-	-	-	-
Cleaning	32	-	-	32
Sundry Expenses	3,630	-	-	3,630
Independent Examination	636	-	-	636
IT	364	-	-	364
Rental Deposit	-	-	-	-
Depreciation	-	1,547	-	1,547
	37,280	**1,547**	**-**	**38,827**

5. Governance costs

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2026	Total Funds 2025 Restated
	£	£	£	£	£
Independent examination	1,320	**-**	**-**	1,320	564
	1,320	**-**	**-**	**1,320**	**564**

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6. Tangible Fixed Assets

	Church	Investment Property	Furniture & Equipment	Office Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2025	160,000	169,352	7,737	-	337,089
Additions	-	243,164	935	-	244,099
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
As at 31 March 2026	**160,000**	**412,516**	**8,672**	**-**	**581,187**
Depreciation					
As at 1 April 2025	-	-	1,547	-	1,547
Charge for the year	-	-	1,734	-	1,734
Eliminated on Disposal	-	-	-	-	-
Impairment / Revaluation					-
As at 31 March 2026	**-**	**-**	**3,281**	**-**	**3,281**
Net Book Value					
As at 31 March 2025	160,000	169,352	6,190	-	335,542
As at 31 March 2026	**160,000**	**412,516**	**5,391**	**-**	**577,906**

7. Analysis of Debtors

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2026	Total Funds 2025 Restated
	£	£	£	£	£
Gift aid debtor	6,000	-	-	6,000	5,930
Prepayments and accrued income	1,445	-	-	1,445	258
	7,445	**-**	**-**	**7,445**	**6,188**

8. Analysis of current labilities and long term creditors

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2026	Total Funds 2025 Restated
	£	£	£	£	£
Due within 1 year					
Other Creditors	1,000			1,000	-
Accruals	1,320	-	-	1,320	564
	2,320	**-**	**-**	**2,320**	**564**

Docusign Envelope ID: 0CFF3069-3BCF-85E4-82E7-4439B4A0AC50

Notes to the Financial Statements for the year ended 31 March 2026

9. Analysis of Net Assets Between Funds

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2026
	£	£	£	£
Fixed Assets	-	577,906	-	577,906
Investments				-
Current Assets	32,831	-	-	32,831
Current Liabilities	(2,320)	-	-	(2,320)
Long Term Liabilities				-
Net Assets as at 31 March 2026	**30,511**	**577,906**	**-**	**608,417**

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2025 Restated
	£	£	£	£
Fixed Assets	-	335,542	-	335,542
Investments				
Current Assets	72,388	-	-	72,388
Current Liabilities	(564)	-	-	(564)
Long Term Liabilities				
Net Assets as at 31 March 2025	**71,824**	**335,542**	**-**	**407,366**

10. Movement in Funds

	As at 01.04.2025	Incoming Resources	Outgoing Resources	Transfers	As at 31.03.2026
	£	£	£	£	£
Unrestricted Funds					
General	71,824	275,019	(72,234)	(244,098)	30,511
Designated Funds					
Asset Fund	335,542	-	(1,734)	244,098	577,906
	335,542	**-**	**(1,734)**	**244,098**	**577,906**
	407,366	**275,019**	**(73,968)**	**-**	**608,417**
Total Funds	**407,366**	**275,019**	**(73,968)**	**-**	**608,417**

Docusign Envelope ID: 0CFF3069-3BCF-85E4-82E7-4439B4A0AC50

10. Movement in Funds (cont'd)

	As at 01.04.2024 Restated £	Incoming Resources Restated £	Outgoing Resources Restated £	Transfers Restated £	As at 31.03.2025 Restated £
Unrestricted Funds					
General	41,342	240,964	(37,298)	(173,184)	71,824
Designated Funds					
Asset Fund	163,905	-	(1,547)	173,184	335,542
	205,247	**240,964**	**(38,845)**	**-**	**407,366**
Total Funds	**205,247**	**240,964**	**(38,845)**	**-**	**407,366**

Explanation of funds

The General Fund encompasses all income and expenditure relating to the primary focus activities of the charity, other than those for which funding is restricted.

The Asset Fund was created for the purposesof buying and developing a Church Building and properties which can be rented out to church workers to generate small profits for the charity.

11. Restatement of Comparatives

We have restated the figures for 2025 as the Charity has changed its accounting policy and has adopted the Accruals accounting method in the current year.

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2025 £
Balance at 31 March 2025 (as previously stated)	66,200	-	-	66,200
income as debtors 2025	6,188		-	6,188
expenditure as creditor 2025	(564)		-	(564)
Reclassification of Youth and Development Fund	-	335,542	-	335,542
Balance as at 31 March 2025 (as restated)	**71,824**	**335,542**	**-**	**407,366**