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Company registration number SC225528 (Scotland)

Charity registration number SC023281 (Scotland)

ISLAND RETREATS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2025

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ISLAND RETREATS LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Very Rev'd Canon Margaret Campbell Rev'd Amanda Fairclough Mr Peter Mills Rev'd Rodrick Geddes The Right Rev'd David Railton	
Country of incorporation	United Kingdom (Scotland)	SC225528
Charity registration	Scotland	SC023281
Registered office	The Diocesan Centre Croft Avenue Oban Argyll PA34 5JJ	
Auditor	Wbg (Audit) Limited 168 Bath Street Glasgow G2 4TP	
Accountants	Ainsley Smith & Co. 21 Argyll Square Oban PA34 4AT	
Bankers	Royal Bank of Scotland 26 George Street Oban PA34 4AT	
Solicitors	Twin Deer Law Ben Nevis Auction Mart Torlundy Fort William PA66 6SW	

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ISLAND RETREATS LIMITED

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ISLAND RETREATS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 NOVEMBER 2025

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

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, the Companies Act 2006 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 forms part of this report.

Objectives and activities
The objects of the charity are to promote, in accordance with the Canons, Resolutions and constitution of the Scottish Episcopal Church, the advancement of religion, including through education, the provision of religious and spiritual renewal, and the provision of related services beneficial to the community as a whole.

In furtherance of these objectives, the Company operates a religious Retreat House at Bishop's House, Iona, which is leased from the Diocesan Trustees, the legal owners. The lease is currently subject to ongoing review.

In addition, it owns and operates a Diocesan Centre in Oban, where office administration and support functions are provided.

Significant activities
Bishop's House, Iona operated at strong capacity during the year, with bookings continuing to fill well in advance.

The Diocesan Centre continues to support the administrative and mission work of the Diocese, including the provision of office space supporting Diocesan administration and mission activity.

The tenants at the Diocesan Centre included Oban Pride and Healthy Options, who contribute both to the life of the Centre and to IRL's financial sustainability. Heartfelt Change ceased tenancy during the year.

Volunteers
Volunteers have given their time to support work at Bishop's House, Iona. The trustees are greatly indebted to these volunteers for their commitment and support.

Investment policy and objectives
An investment policy is in place setting out the criteria for selecting investments and objectives for the balance between capital growth and income. In general, the emphasis is on income, although capital growth is not ignored, thus avoiding unnecessary erosion of value.

The investments held by the charity are invested 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. The overall yield in the year under report was 5.2% (2024: 3.5%).

Achievements and performance
Significant activities and achievements against objectives
Island Retreats' main beneficiaries are those who attend retreats and courses, or who use the Diocesan Centre.

The activities of the Retreat House are, to an extent, seasonal, being busier from March to September and quieter during the winter months.

Financial review
The charity continued to operate within a challenging economic environment. The Statement of Financial Activities on page 9 shows total incoming resources for the year of £420,397 (2024: £362,822) and total expenditure of £384,572 (2024: £332,846). The charity also reported net gains on investments of £12,430 (2024: £60,267). The charity therefore reported net income for the year of £48,255 (2024: £90,243).

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Reserves policy
The long-term aim of the company is to maintain sufficient reserves to cover the winter period, meet short-term liabilities and hold approximately three months' operating cash. This would equate to approximately £96,072 based on current running costs.

The charity currently holds general reserves of £255,354. The trustees continue to work on ways to reduce operational costs and increase revenue to strengthen the reserves position.

Principal funding sources
The charity draws its cash requirements from a combination of operating and investment income. Income from all sources directly supports IRL's charitable objectives.

Major risks
The trustees manage risk by the following means:

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

The principal risk facing the charity remains the financial fragility inherent in an operation based in historic buildings whose clients are often not well off. The trustees recognise that risks are not limited to the use of historic buildings and will continue to monitor wider operational risks, including those arising from public health emergencies and external economic factors.

Detailed risks and plans for their management include:

- Failures in building infrastructure or other major external influences, leading to curtailed use. Regular condition surveys are carried out and every effort made to ensure that preventive repairs and maintenance are undertaken;
- Loss of bookings, especially repeat bookings as a result of public health emergencies or other external crises. The level of future bookings, as well as historic usage reports, are considered at every Board meeting and action taken promptly to minimise the implications of any changes in trend;
- Loss of confidence by the Diocese in the ability of the Company to contain costs. This is managed by regular reports to the Diocesan Standing Committee.

Plans for future periods
Reliability of ferry services remains an ongoing issue; however, the IRL Board and staff remain committed to the Company's aims and objectives and will continue to promote its work with energy and rigour.

Structure, governance and management

The charity trustees at present, together with any others who served in the year (unless otherwise stated) are:

Very Rev'd Canon Margaret Campbell
Rev'd Amanda Fairclough
Mr Peter Mills
Rev'd Rodrick Geddes
The Right Rev'd David Railton

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Recruitment and appointment of trustees

The trustees maintain an overview of the skills matrix of trustees and identify gaps in the skills available. They then use their contacts across the Diocese and elsewhere to identify potential new trustees. It is expected that trustees will have a strong understanding of the ethos and mission of the charity, and this internal process has worked well; if serious and unfillable gaps appear, the trustees would resort to advertisement. Trustees are appointed by the Diocesan Standing Committee in its capacity as the Members of the Company.

The Board is responsible for setting salaries and honoraria of key management personnel, who are considered to be the Managers of the Retreat House and of the Diocesan Centre. In the case of executive directors, 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 the Board on appointment and reviewed annually, typically using the Living Wage or Standard Stipend uplift as a guideline.

Organisational structure

The Board of Directors administers the charity. During the year under report the Board met on four occasions.

The charity operates a Retreat House and a Diocesan Centre. The Retreat House has a manager who lives locally. The Diocesan Centre houses the administration of the Diocese and is managed by the Diocesan Administrator on a day-to-day basis; excess accommodation is let on a medium-term lease.

The Retreat House Manager and the Diocesan Administrator each operate within a budget approved by the Board at the beginning of the year and are responsible for delivering the charity's objectives within those budgets. Any material expenditure outwith the approved budget requires prior approval by the Board.

Induction and training of trustees

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; all are provided at least with information on the applicability of the Companies Act, the company's Memorandum and Articles of Association, OSCR Trustee guidance, previous minutes and papers of Board meetings, the charity's purposes and objectives, and on the charity's financial performance and risk profile.

Relationship with wider network

The charity is the limited by guarantee operating company of the Diocese of Argyll and The Isles (Charity No. SC005375), which is itself an integral part of the Scottish Episcopal Church (Charity No. SC015962).

Relationship with related parties

There are related party transactions, which are disclosed in note 28.

Statement of trustees' responsibilities

The charity trustees (who are also directors of Island Retreats Limited for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in business.

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ISLAND RETREATS LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2025

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Disclosure of information to auditor

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 charitable company's auditors are aware of that information.

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

Signed by:
David Railton
C1607F722C2C49F...
The Right Rev'd David Railton
Trustee

15 July 2026

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ISLAND RETREATS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ISLAND RETREATS LIMITED

Opinion

We have audited the financial statements of Island Retreats Limited (the 'charitable company') for the year ended 30 November 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 charitable company's affairs as at 30 November 2025 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 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's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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.

Emphasis of matter - prior year restatement

As part of the current year audit procedures, it was identified that the charity held a bank account through which transactions relating to the year to 30th November 2024 had not been accounted for. These transactions are material and therefore the comparative figures have been restated to account for the omitted intercompany transactions, income & expenditure. Further details are provided in note 31. Our opinion is not modified in this regard.

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 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.

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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, 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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, 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 charitable company’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 charitable company or to cease operations, or have no realistic alternative but to do so.

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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 under the Companies Act 2006 and report in accordance with the Acts 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 noncompliance 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 Companies Act 2006, 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 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 and trustees concerning actual and potential litigation and claims; and
- Reading minutes of meetings of those charged with governance.

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

We scrutinised the journals listing for the following:

- Duplicate journal entries;
- Journals posted by unauthorised users;
- Journals posted at unusual times; and
- Journals with detail which included key phrases or words.

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: https://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company'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 charitable company's members and 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

Wbg (Audit) Limited

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Rory McCall BAcc CA (Senior Statutory Auditor)
For and on behalf of Wbg (Audit) Limited, Statutory Auditor
Accountants
168 Bath Street
Glasgow
G2 4TP
15 July 2026

Wbg (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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ISLAND RETREATS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 NOVEMBER 2025

	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
Income and endowments from:									
Donations and legacies	**3**	4,332	-	-	4,332	8,558	-	-	8,558
Charitable activities	**4**	399,636	-	-	399,636	336,273	-	-	336,273
Other trading activities	**5**	1,685	-	-	1,685	1,559	-	-	1,559
Investments	**6**	14,744	-	-	14,744	12,043	-	-	12,043
Other income	**7**	-	-	-	-	4,389	-	-	4,389
Total income		420,397	-	-	420,397	362,822	-	-	362,822
Expenditure on:									
Raising funds	**8**	4,278	-	-	4,278	2,962	-	-	2,962
Charitable activities	**9**	380,294	-	-	380,294	329,884	-	-	329,884
Total expenditure		384,572	-	-	384,572	332,846	-	-	332,846
Net gains on investments	**13**	5,357	-	7,073	12,430	19,200	-	41,067	60,267
Net income and movement in funds		41,182	-	7,073	48,255	49,176	-	41,067	90,243
Reconciliation of funds:									
Fund balances at 1 December 2024		214,172	30,000	285,837	530,009	164,996	30,000	244,770	439,766
Fund balances at 30 November 2025		255,354	30,000	292,910	578,264	214,172	30,000	285,837	530,009

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

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ISLAND RETREATS LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	**14**		199,952		209,601
Investments	**15**		292,910		285,837
			492,862		495,438
Current assets					
Stocks	**16**	665		684	
Debtors	**17**	40,073		13,100	
Investments	**18**	228,259		162,902	
Cash at bank and in hand		98,245		146,105	
		367,242		322,791	
Creditors: amounts falling due within one year	**20**	(253,302)		(242,050)	
Net current assets			113,940		80,741
Total assets less current liabilities			606,802		576,179
Creditors: amounts falling due after more than one year	**21**		(28,538)		(46,170)
Net assets			578,264		530,009
The funds of the charitable company					
Endowment funds	**23**		292,910		285,837
Restricted income funds	**24**		30,000		30,000
Unrestricted funds	**25**		255,354		214,172
			578,264		530,009

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

The financial statements were approved by the trustees on 15 July 2026

Signed by:
David Railton
C1607F722C2C49F...
The Right Rev'd David Railton
Trustee
Company No: SC225528

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ISLAND RETREATS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash generated from operations	**29**		7,004		63,534
Investing activities					
Purchase of tangible fixed assets		-		(11,605)	
Proceeds from disposal of tangible fixed assets		-		4,000	
Purchase of investments		(60,000)		(50,000)	
Investment income received		14,744		12,043	
Net cash used in investing activities			(45,256)		(45,562)
Financing activities					
Repayment of bank loans		(9,608)		(10,648)	
Net cash used in financing activities			(9,608)		(10,648)
Net (decrease)/increase in cash and cash equivalents			(47,860)		7,324
Cash and cash equivalents at beginning of year			146,105		138,781
Cash and cash equivalents at end of year			98,245		146,105

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ISLAND RETREATS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2025

1 Accounting policies

Charity information

Island Retreats Limited is a private company limited by guarantee incorporated in Scotland. The registered office is The Diocesan Centre, Croft Avenue, Oban, Argyll, PA34 5JJ.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. 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 charitable company 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 charitable company.

1.4 Income

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.

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.

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1 Accounting policies **(Continued)**

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. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the trustees' annual report for more information about their contribution.

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.

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.

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 received in advance of the provision of a specified service deferred until the criteria for income recognition are met.

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 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.

- Costs of raising funds comprise the costs of commercial trading including 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;

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

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 external scrutiny 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 time spent.

1.6 Tangible fixed assets

All assets costing more than £2,000 are capitalised and valued at historical cost.

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1 Accounting policies **(Continued)**

Depreciation is charged as follows:

Freehold Buildings	Over 50 years, following year of purchase
Leasehold Improvements	20% on cost or over term of lease
Fixtures and Fittings	15% on reducing balance
Motor vehicles	25% on reducing balance

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 and current asset 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.

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

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

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.

1.8 Stocks

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

1.9 Cash and cash equivalents

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.

1.10 Financial instruments

The charitable company 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 charitable company's balance sheet when the charitable company 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.

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1 Accounting policies **(Continued)**

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 charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company 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.

1.12 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 Critical accounting estimates and judgements

In the application of the charitable company'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.

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2 Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty

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 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.

3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Donations and gifts	4,332	8,378
Grants	-	180
	4,332	8,558

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Accomodation		
Accomodation	399,636	336,273

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5 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Goods for resale	1,685	1,559

6 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from unlisted investments	14,660	11,868
Interest receivable	84	175
	14,744	12,043

7 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Net gain on disposal of tangible fixed assets	-	1,589
Other income	-	2,800
	-	4,389

8 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Trading costs		
Other trading activities	4,278	2,962

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9 Expenditure on charitable activities

	Accomodation 2025 £	Accomodation 2024 £
Direct costs		
Staff costs	165,752	157,926
Depreciation and impairment	9,649	10,335
Property costs	59,326	51,991
Office costs	8,868	8,454
Travel costs	3,135	1,891
Food purchases	56,469	45,351
Loan interest	1,040	1,250
Repairs and maintenance	61,191	28,781
Other costs	3,881	7,967
	369,311	313,946
Share of support and governance costs (see note 10)		
Governance	10,983	15,938
	380,294	329,884
Analysis by fund		
Unrestricted funds	380,294	329,884

10 Support costs allocated to activities

	2025 £	2024 £
Governance costs	10,983	15,938
Analysed between:		
Accomodation	10,983	15,938

11 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	7,290	6,945
Depreciation of owned tangible fixed assets	9,649	10,335
Loss/(profit) on disposal of tangible fixed assets	-	(1,589)

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12 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	5	5

Employment costs	2025 £	2024 £
Wages and salaries	145,625	143,190
Social security costs	17,593	12,622
Other pension costs	2,534	2,114
	165,752	157,926

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

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025 £	2024 £
Aggregate compensation	40,663	38,933

13 Gains and losses on investments

Gains/(losses) arising on:	Unrestricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
Revaluation of investments	5,357	7,073	12,430	19,200	41,067	60,267

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14 Tangible fixed assets

	Freehold Buildings	Leasehold Improvements	Fixtures and Fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 December 2024	299,065	180,121	191,824	5,000	676,010
At 30 November 2025	299,065	180,121	191,824	5,000	676,010
Depreciation and impairment					
At 1 December 2024	115,786	180,121	165,791	4,711	466,409
Depreciation charged in the year	5,981	-	3,596	72	9,649
At 30 November 2025	121,767	180,121	169,387	4,783	476,058
Carrying amount					
At 30 November 2025	177,298	-	22,437	217	199,952
At 30 November 2024	183,279	-	26,033	289	209,601

15 Fixed asset investments

	Unlisted investments
	£
Cost or valuation	
At 1 December 2024	285,837
Valuation changes	7,073
At 30 November 2025	292,910
Carrying amount	
At 30 November 2025	292,910
At 30 November 2024	285,837

All investments are carried at their fair value. Holdings in common investment funds, unit trusts and openended 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.

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16 Stocks

	2025	2024
	£	£
Finished goods and goods for resale	665	684

17 Debtors

	2025	2024
Amounts falling due within one year:	£	£
Amount owed by parent undertaking	32,725	-
Other debtors	7,348	13,100
	40,073	13,100

18 Current asset investments

	2025	2024
	£	£
Unlisted investments	228,259	162,902

Net cash invested in the year was £60,000 (2024: Net cash invested of £50,000).

All investments are carried at their fair value. 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.

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19 Loans and overdrafts

	2025	2024
	£	£
Bank loans	8,732	18,340
Payable within one year	8,732	10,000
Payable after one year	-	8,340

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20 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Bank loans	**19**	8,732	10,000
Other taxation and social security		15,897	17,963
Deferred income	**22**	214,140	191,807
Trade creditors		1,189	6,628
Amount owed to parent undertaking		-	2,947
Other creditors		13,344	12,705
		253,302	242,050

21 Creditors: amounts falling due after more than one year

	Notes	2025 £	2024 £
Bank loans	**19**	-	8,340
Deferred income	**22**	28,538	37,830
		28,538	46,170

22 Deferred income

	2025 £	2024 £
Other deferred income	242,678	229,637

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Deferred income is included within:		
Current liabilities	214,140	191,807
Non-current liabilities	28,538	37,830
	242,678	229,637

	2025 £	2024 £
Movements in the year:		
Deferred income at 1 December 2024	229,637	170,530
Released from previous periods	(191,807)	(147,515)
Resources deferred in the year	204,848	206,622
Deferred income at 30 November 2025	242,678	229,637

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22 Deferred income **(Continued)**

Deferred income comprises deposits received by the retreat house for future periods.

23 Endowment funds

The Endowment 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 respect of maintenance, repairs and insurance premiums.

	At 1 December 2024 £	Gains and losses £	At 30 November 2025 £
Permanent endowments			
Ivor Ramsey Grant	285,837	7,073	292,910

Previous year:	At 1 December 2023 £	Gains and losses £	At 30 November 2024 £
Permanent endowments			
Ivor Ramsey Grant	244,770	41,067	285,837

24 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 December 2024 £	At 30 November 2025 £
Bishops House, Iona - Roof	30,000	30,000

Previous year:	At 1 December 2023 £	At 30 November 2024 £
Bishops House, Iona - Roof	30,000	30,000

Restricted funds comprise:

Bishops House, Iona - Roof
This fund represents a donation provided to repair the roof of Bishops House in Iona.

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25 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.

	At 1 December 2024	Incoming resources	Resources expended	Gains and losses	At 30 November 2025
	£	£	£	£	£
General funds	214,172	420,397	(384,572)	5,357	255,354

Previous year:	At 1 December 2023	Incoming resources	Resources expended	Gains and losses	At 30 November 2024
	£	£	£	£	£
General funds	164,996	362,822	(332,846)	19,200	214,172

26 Analysis of net assets between funds

	Unrestricted funds 2025	Restricted funds 2025	Endowment funds 2025	Total 2025
	£	£	£	£
At 30 November 2025:				
Tangible assets	199,952	-	-	199,952
Investments	-	-	292,910	292,910
Current assets/(liabilities)	83,940	30,000	-	113,940
Long term liabilities	(28,538)	-	-	(28,538)
	255,354	30,000	292,910	578,264

	Unrestricted funds 2024	Restricted funds 2024	Endowment funds 2024	Total 2024
	£	£	£	£
At 30 November 2024:				
Tangible assets	209,601	-	-	209,601
Investments	-	-	285,837	285,837
Current assets/(liabilities)	50,741	30,000	-	80,741
Long term liabilities	(46,170)	-	-	(46,170)
	214,172	30,000	285,837	530,009

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27 Operating lease commitments

Lessee

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	526	526
Between two and five years	788	1,314
	1,314	1,840

28 Related party transactions

Transactions with related parties

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2024: £nil). No expenses were paid to trustees in the year (2024: £Nil). There were no waived expenses in the year (2024: £nil). There were no amounts donated to the charity by the Trustees in the year (2024: £nil).

The charity paid its parent charity, Diocese of Argyll & the Isles, £5,000 (2024: £5,000) in staff costs recharges and £5,000 (2024: £5,000) in rent charges. They also received £10,000 (2024: £10,000) for management charges from the Diocese of Argyll & the Isles. At the year end, the charity was owed £32,725 by the Diocese of Argyll & the Isles (2024: £5,354 owed by Diocese of Argyll & the Isles). These amounts are included within debtors in both the current and comparative years.

Other than as stated above, no Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the period (2024: Nil).

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29 Cash generated from operations

	2025	2024
	£	£
Surplus for the year	48,255	90,243
Adjustments for:		
Investment income recognised in statement of financial activities	(14,744)	(12,043)
Gain on disposal of tangible fixed assets	-	(1,589)
Fair value gains and losses on investments	(12,430)	(60,267)
Depreciation and impairment of tangible fixed assets	9,649	10,335
Movements in working capital:		
Decrease/(increase) in stocks	19	(19)
(Increase) in debtors	(26,973)	(7,249)
(Decrease) in creditors	(9,813)	(14,984)
Increase in deferred income	13,041	59,107
Cash generated from operations	7,004	63,534

30 Analysis of changes in net funds

	At 1 December 2024	Cash flows	At 30 November 2025
	£	£	£
Cash at bank and in hand	146,105	(47,860)	98,245
Loans falling due within one year	(10,000)	1,268	(8,732)
Loans falling due after more than one year	(8,340)	8,340	-
	127,765	(38,252)	89,513

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31 Prior period adjustment

Changes to the balance sheet

	At 30 November 2024		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Debtors due within one year	18,454	(5,354)	13,100
Bank and cash	137,982	8,123	146,105
Creditors due within one year			
Other creditors	(19,333)	(2,947)	(22,280)
Net assets	530,187	(178)	530,009
Capital funds			
Endowment funds	285,837	-	285,837
Income funds			
Restricted funds	30,000	-	30,000
Unrestricted funds	214,350	(178)	214,172
Total equity	530,187	(178)	530,009

Changes to the profit and loss account

	Period ended 30 November 2024		
	As previously reported	Adjustment	As restated
	£	£	£
Investments	11,868	175	12,043
Charitable activities	329,531	353	329,884
Net movement in funds	90,421	(178)	90,243

As part of the current year audit procedures, it was identified that the charity held a bank account through which transactions relating to the year to 30th November 2024 had not been accounted for. These transactions are material and therefore the comparative figures have been restated to account for the omitted intercompany transactions, income & expenditure.