

Orkney Islands Church of Scotland

Congregational accounts for the year ended 31 December 2025

Congregation No: 311920

Scottish Charity No: SC003099

Orkney Islands Church of Scotland

Trustees' Report

Year ended 31 December 2025

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2025. The financial statements have been prepared under the historical cost convention in accordance with the accounting policies set out in the accounts and comply with the General Assembly Regulations for Congregational Finance, 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 effective from 1 January 2019.

Objectives and Activities

The Church of Scotland is Trinitarian in doctrine, Reformed in tradition and Presbyterian in polity. It exists to glorify God and to work for the advancement of Christ's Kingdom throughout the world. As a national Church, it acknowledges a distinctive call and duty to bring the ordinances of religion to the people in every parish of Scotland through a territorial ministry. It co-operates with other Churches in various ecumenical bodies in Scotland and beyond.

On 1 September 2025, Firth Church of Scotland entered into a union with Orkney Islands Church of Scotland. The enlarged parish now comprises 18 congregations serving almost the whole geographical extent of the historic county of Orkney. As at 31 December 2025, it was served by a team of 5 ministers (with a sixth expected to be inducted in January 2026) supplemented by an OLM (non-stipendiary minister), who have been learning to work together as a team throughout the parish. At that point the parish was in the process of recruiting a minister to serve primarily in St Magnus Cathedral (with Flotta and Rousay), a 0.25FTE ecumenical appointment to assist in one Area, and in due course another (0.5 FTE) to serve primarily in Stronsay and Eday. Its Kirk Session has representatives from each of the local worshipping communities, and has begun to learn how to operate effectively together.

The parish conducts worship for most of its local worshipping communities every Sunday, with some of those in the Outer Isles meeting less frequently and sometimes mid-week as suits local requirements, and from time to time local congregations hold services jointly with neighbouring local worshipping communities in the parish and with other denominations. Local worshipping communities host a variety of youth activities, fellowship meetings and social events as relevant to each locality.

Achievements and Performance

The union on 1 October 2024 was created in order to provide support to smaller congregations, in particular to share administrative burdens, and also to facilitate resource-sharing across the parish. This was designed to free up time for local congregations to concentrate on mission and outreach and serving their local community.

In terms of administration and governance, the united parish made a good start on consolidating and streamlining the management of buildings, the record-keeping and charity governance tasks of the constituent areas, and the fulfilment of Church and civil law safeguarding requirements. This work continued throughout 2025, with some change of personnel towards the end of the year (including the Session Clerk).

Towards the end of the year a Stewardship Programme was designed, for delivery in the first half of 2026, with a view to producing a major improvement in income, but also to engage members and supporters in understanding the overall work of the Church of Scotland in Orkney. An online newsletter was being designed, for launch early in 2026.

The parish liaised with the General Trustees of the Church of Scotland in the acquisition by them of a new manse in Burray to replace the one in St Margaret's Hope, which now provides better accommodation for a minister and meets the Church of Scotland's minimum standards.

The core missional and pastoral purposes of the congregation continued to be fulfilled with the support of these governance structures and resources of personnel, buildings and finance. Alongside the parish-based worship, community engagement and outreach, a highlight in 2025 was the provision of chaplaincy to the 20th International Island Games held in Orkney.

Financial Review

The results for the year reflect 12 months' activities for the 17 local worshipping communities within the parish at 1 January 2025 and 4 months' activities for Firth church which joined on 1 September 2025. Assets acquired from the incoming church are disclosed as Transfer of Union balances and totalled £120k. Excluding these amounts, income totalled £576k, including £28k specifically donated for the Malawi Partnership. Expenditure over the period totalled £629k including £21k remitted to the Malawi Partnership, indicating a net underlying deficit of income over expenditure, offset to a large degree by investment gains of £38k.

Investment Policy and Performance

The kirk session has approved an investment policy to achieve growth and income, aiming to generate sustainable returns whilst protecting the capital value of our investments and mitigating the effects of inflation. It has agreed to follow the risk appetite of the wider Church of Scotland by placing surplus funds into one or more of the following funds managed and administered by the Church of Scotland investors Trust:

- Investors Trust Growth fund – equity based and intended for long term investment, aiming to provide capital growth and managed by Newton Investment Management Limited
- Investors Trust Income fund – intended for medium-term investment, aiming to provide immediate high income with funds invested predominantly in fixed-interest securities and managed by Royal London Asset Management
- Investors Trust Deposit fund – intended for short-term investment and aiming to provide a high rate of interest and managed by Thomas Miller Investment Limited.

We have defined our liquidity needs as 6 months working capital which will be held in current bank accounts and the Investors Trust Deposit fund. The remainder will be split between Growth and Income investments in proportions determined by the Finance Committee based on a review of market expectations.

Risk Management

The charity trustees consider the principal risks facing the charity to be an ageing and declining membership, with community perceptions that the church at large is of limited relevance in a secular world. This is expected to lead to increasing pressure on finances and on ability to administer the work of the charity through increasing burden on fewer volunteers.

The union creating Orkney Islands Church of Scotland on 1 October 2024 (with Firth Church joining on 1 September 2025) is an attempt to address these risks, with the Church of Scotland congregations across Orkney now sharing resources and one kirk session replacing 18 separate ones.

Reserves Policy

The charity trustees have considered the reserves required and have taken into account their current and future liabilities. It is the Trustees' policy to hold reserves of approximately 6 months expenditure excluding designated funds. At the year end the Church held unrestricted funds of £2.8 million of which £714k was designated for the St Magnus Centre, £564k for King Street Halls, £108k for fabric purposes, £36k for the Cathedral choir and £39k for a variety of other purposes. The remaining balance of £1.4 million represents some 2 years of expenditure and while this is higher than would normally be expected, the Trustees are aware that this is likely to erode over time.

The church also held £406k of restricted funds and £100k of endowment funds which have been provided for the purposes specified in Note 16.

Plans for future periods

Since 31 December 2025, the united parish has:

- continued recruitment of individuals to train as ministers, Readers and local preachers.
- welcomed Rev Alison Dickie as minister for East Mainland, Sanday and North Ronaldsay
- bid farewell to Rev Kerr and Moira Wintersgill as ministers for West Mainland churches
- continued its work on consolidating and streamlining management and administration
- liaised with the General Trustees of the Church of Scotland in marketing (and accepting an offer on) the disused manse in St Margaret's Hope, referred to above
- liaised with the General Trustees of the Church of Scotland in submitting (and having accepted) an offer to purchase a new manse for Stromness and Orphir churches
- carried out the stewardship campaign in Spring 2026
- launched the newsletter

It continues to meet with the Evie and Rendall Church of Scotland in the hope that agreement can be reached so that they too join the union.

In addition to ongoing attempts to recruit a new minister for Area 4 (St Magnus Cathedral, Flotta, and Rousay), the congregation has vacancies in two further areas (Area 1: Birsay, Harray and Sandwick, and Firth; and Area 6: Stromness, Orphir and Stenness) and is anticipating early permission from the Presbytery of the North East and Northern Isles to call a new minister for Area 8 (Stronsay and Eday), and is continuing refurbishment of the Cathedral and Stronsay manses in preparation for this. In addition, it is refurbishing the flat within the Kirkwall East church, which will allow it to recruit a replacement caretaker following the resignation of the former caretaker in early 2025. It has also started the process of liaising with the General Trustees of the Church of Scotland in the acquisition by them of a new manse for Area 6.

Structure, Governance and Management

The congregation is a registered charity, number SC003099 and is administered in accordance with the terms of the Deed of Constitution (Unitary Form) and is subject to the Acts and Regulations of the General Assembly of the Church of Scotland.

Members of the Kirk Session are the charity trustees. The Kirk Session members comprise the Church of Scotland ministers in the parish of Orkney together with up to two representative elders from each of the local worshipping communities within the parish which form part of the union. The Kirk Session is chaired by one of the ministers and meets at least once every two months as appropriate. Certain responsibilities are delegated to the Finance Committee, the Property Committee and the Safeguarding Committee as appropriate. The Kirk Session is responsible for spiritual affairs within the parish.

It plans to introduce a formal induction process for trustees in 2026.

Reference and Administrative Information

Trustees

Trustees who served at any time during the year and up to the date of signing the accounts are as follows

Janet Alexander
Robert Askey
Sally Bartkowiak
Alistair Bruce
Moira Cossar

Kenneth Meason
William Neish (appointed 01/09/2025)
Roger Neville-Smith
Yvonne Nicholson
Mary Omand

Elizabeth Drever (appointed 19/08/2025)
Catherine Edwards (appointed 01/09/2025)
Sheila Eunson
Marlyn Firth (appointed 4/12/25)
June Freeth
Sheila Garson
Neil Gordon
Alison Hawkins
Lorraine Littlejohn
Helen Lunsden
Iain MacDonald
Marjory MacLean
Fiona McNab
Alasdair McVicar (resigned 19/08/2025)
Julia Meason

Mike Partridge
Johan Robertson (resigned 15/07/2025)
Alan Sharp
Nicol Sclater
Alan Simpson
Isobel Smith
Myra Stockton
Margaret Sutherland
Olivia Tait
Moiria Taylor-Wintersgill (resigned 31/5/26)
Christopher Wallace (resigned 31/01/2025)
James Wallace (resigned 29/1/2026)
Kerr Wintersgill (resigned 31/5/2026)
Colin Delday (resigned 4/12/25)
Alison Dickie (appointed 13/1/26)

Principal Office-bearers

Moderator: Rev Julia Meason
Session Clerk: Marlyn Firth
Depute Clerk: Margaret Sutherland
Treasurer: Caroline Butterfield

Principal Office

c/o Rev J Meason, East Church Manse, Thoms Street, Kirkwall KW15 1PF
Charity No: SC003099

Auditor

A9 Accountancy
Elm House
Cradlehall Business Park
Inverness IV2 5GH

Principal Bankers

Bank of Scotland
Royal Bank of Scotland
Virgin Money

Parent charity

The charity's parent charity is Church of Scotland SC011353.

Trustees' Responsibilities in Relation to the Financial Statements

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

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which show a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the method and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 are responsible for the maintenance and integrity of the charity and financial information on the congregation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and signed on their behalf



Rev Julia Meason, Moderator

Date: 30 June 2026

Independent Auditor's Report to the Trustees of Orkney Islands Church of Scotland

Opinion

We have audited the financial statements of Orkney islands Church of Scotland for the year ended 31 December 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 presentation 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 2025 and of its incoming resources and application of resources, including its income and expenditure for the year 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

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 and Reports) Regulations 2008 requires 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
- sufficient 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 trustee' 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 decision of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- United Kingdom Generally Accepted Accounting Practice
- Charities and Trustee Investment (Scotland) Act 2005
- Charities Accounts (Scotland) Regulations 2006

We gained an understanding of how the charity is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence and board meeting minutes.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance
- Performing audit work procedures over the risk of management override of controls including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business
- Procedures to confirm the existence and completeness of income ensuring it was recognised in line with the charity's accounting policies.
- Enquiries with management regarding the compliance with laws and regulations.

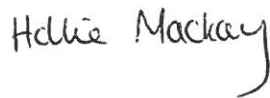
Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment,

forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 the opinions we have formed.



Hollie Mackay-Bungaroo BSc CA (Senior Statutory Auditor)
For and on behalf of A9 Accountancy Limited, Statutory Auditor

Elm House
Cradlehall Business Park
Inverness
IV2 5GH
United Kingdom

Date 17/2/2026

Orkney Islands Church of Scotland

Statement of Financial Activities including income and Expenditure Account

Year ended 31 December 2025	Note	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	1	282,899	76,520		359,419	116,292	21,602		137,894
Charitable activities	2	108,258	8,988		117,246	22,428	2,703		25,131
Other trading activities	3	25,452			25,452	9,223	483		9,706
Investments	4	37,766	5,435	2,558	45,759	13,541	2,207	395	16,143
Other	5	146,898	682		147,580	2,743,726	355,625	93,857	3,193,208
Total income		601,273	91,625	2,558	695,456	2,905,210	382,620	94,252	3,382,082
Expenditure on:									
Raising funds	6	234			234	167			167
Charitable activities		561,306	13,298		574,604	164,524	1,350		165,874
Grants and donations		8,333	24,645		32,978	1,084	17,430		18,514
Governance costs – audit fee		20,904			20,904	14,797			14,797
Other						13,952			13,952
Total expenditure		590,777	37,943		628,720	194,524	18,780		213,304
Net income/(expenditure) before gains and losses on investments		10,496	53,682	2,558	66,736	2,710,686	363,840	94,252	3,168,778
Net gains/(losses) on investments		32,219	661	4,931	37,811	10,710	201	1,381	12,292
Net income/(expenditure)		42,715	54,343	7,489	104,547	2,721,396	364,041	95,633	3,181,070
Transfers between Funds		8,980	(6,422)	(2,558)	0	6,188	(5,793)	(395)	0
Net movement in funds		51,695	47,921	4,931	104,547	2,727,584	358,248	95,238	3,181,070
Reconciliation of funds:									
Total funds brought forward		2,767,212	358,528	95,238	3,220,978	39,628	280		39,908
Total funds carried forward		2,818,907	406,449	100,169	3,325,525	2,767,212	358,528	95,238	3,220,978

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

Orkney Islands Church of Scotland

Balance Sheet

At 31 December 2025

	<u>Note</u>	Total Funds 2025 £	2024 £
Fixed Assets:			
Tangible assets	9	1,353,033	1,327,884
Investments	11	632,908	595,097
Total Fixed Assets		1,985,941	1,922,981
Current Assets			
Stock (all goods for resale)		9,362	7,818
Debtors	10	62,289	45,511
Cash at bank and in hand	12	1,391,546	1,297,854
Total Current Assets		1,463,197	1,351,183
Liabilities			
Creditors falling due within one year	13	(86,339)	(53,186)
Net Current Assets		1,376,858	1,297,997
Creditors falling due after more than one year		(37,274)	0
Net Assets		3,325,525	3,220,978
The funds of the charity:			
Endowment funds	16	100,169	95,238
Restricted income funds		406,449	358,528
Unrestricted income funds		2,818,907	2,767,212
Total charity funds	16	3,325,525	3,220,978

The financial statements were approved by the trustees on 30 June 2026:


 _____ Moderator


 _____ Treasurer

Orkney Islands Church of Scotland

Statement of cash flows

For the year ended 31 December 2025

	<u>Note</u>	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	18	131,325	1,323,975
Investing activities			
Purchase of tangible fixed assets		(83,392)	(57,503)
Investment income received		45,759	16,143
Net cash (used in)/generated from investing activities		(37,633)	(41,360)
Net cash generated from financing activities		0	0
Net increase in cash and cash equivalents		93,692	1,282,615
Cash and cash equivalents at beginning of year		1,297,854	15,239
Cash and cash equivalents at end of year		1,391,546	1,297,854

Orkney Islands Church of Scotland Year ended 31 December 2025

Accounting Policies

The principal accounting policies, which have been applied consistently in the current and preceding year in dealing with items which are considered material to the accounts, are set out below. The charity is a public benefit entity as defined by FRS102.

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions over the carrying amounts 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.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) effective from 1 January 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities accounts (Scotland) Regulations 2006 (as amended).

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

Fund accounting

Funds are classified as either restricted funds or unrestricted funds, defined as follows.

Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

Endowment funds are funds which have been given on the condition that the original capital sum is not reduced, but the income there from is used for the purpose defined in accordance with the objects of the charity.

Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the trustees for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the trustees' discretion to apply the fund.

Going concern

The Trustees consider that there are no material uncertainties about the ability of the charity to continue for the foreseeable future, and therefore have adopted the going concern basis in preparing these financial statements.

Recognition of income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In

accordance with the Charities SORP (FRS102) the general volunteer time of congregation members is not recognised.

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 as expenditure in the period of receipt.

Interest receivable

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.

Recognition and allocation of expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

Fixed Assets

The charity has the right to occupy and use for its charitable objects certain tangible fixed assets, including the Church, halls and manse, vested in the Church of Scotland General Trustees. No consideration is payable for the use of these assets. Expenditure incurred on the repair and maintenance of these assets is charged as resources expended in the Statement of Financial Activities in the period in which the liability arises.

All tangible fixed assets costing in excess of £1,000 having a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised. Depreciation is provided on a straight-line basis to write off the cost or initial value, less residual value, of tangible fixed assets over their estimated useful lives:

Buildings 50 years

Plant and machinery 4 to 10 years

Computer equipment 2 to 4 years

Fixtures and Fittings 2 to 5 years

Church and office equipment 2 to 10 years

Investments

Fixed asset investments are stated at market value at the balance sheet date. Unrealised gains and losses represent the difference between the market value at the beginning and end of the financial year or, if purchased in the year, the difference between cost and market value at the end of the year. Realised gains and losses represent the difference between the proceeds on disposal and the market value at the start of the year or cost if purchased in the year.

Taxation

Orkney Islands Church of Scotland is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. The charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at various High Street banks and with the Church of Scotland Investors Trust.

Debtors

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

Stock

Stock is measured at the lower of cost and net realisable value.

Creditors

Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Employee benefits and retirement benefits

Unused holiday entitlements are recognised in the period the employee 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. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

Orkney Islands Church of Scotland

Notes forming part of the financial statements

For the year ended 31 December 2025

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Endowment Funds 2025 £	Total 2025 £	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total 2024 £
1. Donations and Legacies								
Offerings	212,611	1,015		213,626	67,099	1,633		68,732
Tax recovered on Gift Aid	51,308	5,473		56,781	43,845	4,181		48,026
Candles	6,110			6,110	996			996
Legacy		47,948		47,948				
Other	12,870	22,084		34,954	4,352	15,788		20,140
	<u>282,899</u>	<u>76,520</u>		<u>359,419</u>	<u>116,292</u>	<u>21,602</u>	<u>0</u>	<u>137,894</u>
2. Income from charitable activities								
Weddings and Funerals	10,360			10,360	3,720			3,720
Mums and Toddlers	1,415			1,415	277			277
Guild events		8,988		8,988		2,703		2,703
St Magnus Centre	68,369			68,369	11,759			11,759
King Street Halls	28,114			28,114	6,672			6,672
	<u>108,258</u>	<u>8,988</u>		<u>117,246</u>	<u>22,428</u>	<u>2,703</u>	<u>0</u>	<u>25,131</u>
3. Income from other trading activities								
Rent Received from Hall Lets	6,887			6,887	3,139			3,139
Fundraising events	13,458			13,458	4,642	483		5,125
Other income	5,109			5,109	1,442			1,442
	<u>25,452</u>			<u>25,452</u>	<u>9,223</u>	<u>483</u>	<u>0</u>	<u>9,706</u>
4. Investment Income								
Dividends received	16,437	1,202	1,331	18,970	2,569		395	2,964
Deposit interest	21,329	4,233	1,227	26,789	10,972	2,207		13,179
	<u>37,766</u>	<u>5,435</u>	<u>2,558</u>	<u>45,759</u>	<u>13,541</u>	<u>2,207</u>	<u>395</u>	<u>16,143</u>
5. Other Income								
Receipts from General Trustees					2,400			2,400
Transfer of Union Balance	119,858			119,858	2,685,813	355,625	93,857	3,135,295
Transfer of Orkney Guilds Together balance		682		682				
Wind turbine FIT/RHI	22,921			22,921	12,696			12,696
Grants received	4,119			4,119	42,817			42,817
	<u>146,898</u>	<u>682</u>		<u>147,580</u>	<u>2,743,726</u>	<u>355,625</u>	<u>93,857</u>	<u>3,193,208</u>

Orkney Islands Church of Scotland

Notes forming part of the financial statements

For the year ended 31 December 2025

6. Analysis of Expenditure

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Endowment Funds 2025 £	Total 2025 £	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total 2024 £
Raising Funds	234			234	167			167
Sundry fundraising costs								
Offering Envelopes	234			234	167	0	0	167
Charitable Activities	176,761			176,761	49,496			49,496
Giving to Grow Allocation	13,664			13,664	2,292			2,292
Presbytery Dues	803			803	7,419			7,419
Locum	13,322			13,322	5,676			5,676
Ministers' Expenses	2,619			2,619	1,068			1,068
Pulpit Supply	34,297			34,297	13,358			13,358
Other salary costs incl organist fees	89,952			89,952	22,405			22,405
St Magnus Centre	34,586			34,586	11,765			11,765
King Street Halls	32,337	9,300		41,637	10,247			10,247
Fabric Repairs & Maintenance	57,888			57,888	16,991			16,991
Other Church property costs	18,348			18,348	3,705			3,705
Other Manse costs	6,764			6,764	606			606
Church Office Expenses	3,972			3,972	925			925
Organ & Music & audio visual	43,345	591		43,936	8,507			8,507
Depreciation	6,566			6,566	4,963			4,963
Wind turbine	6,420			6,420				
Hire of premises	6,001			6,001				
Relocation expenses		1,888		1,888				
Guild expenses		1,519		1,519				
Other Expenses	13,661			13,661	5,101	1,350		6,451
Governance costs	561,306	13,298		574,604	164,524	1,350	0	165,874
Audit fee	20,904			20,904	14,797			14,797

Support costs have not been separately identified as the trustees consider there is only one charitable activity. Therefore support costs relate wholly to that activity and have not been separately identified.

Orkney Islands Church of Scotland **Notes forming part of the financial statements**

For the year ended 31 December 2025

6. Analysis of Expenditure cont'd

	Unrestricted Funds 2025 £	Restricted Funds 2025 £	Endowment Funds 2025 £	Total 2025 £	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total 2024 £
<u>Grants and donations</u>								
Malawi Partnership		21,385		21,385		16,690		16,690
Christian Aid					230			230
Blythswood					500			500
RNLJ					99			99
Farm Aid					55			55
Orkney Blide Trust		50		50		50		50
Mary:s Meals		100		100	200			200
Clan Cancer Support		350		350		100		100
Crossroads Carers Orkney	1,000	293		1,350		50		50
The Peedie Retreat		1,076		1,076		200		200
Guild projects		100		100		50		50
Leprosy Mission Scotland		200		200		100		100
Project Vine trust		81		81		40		40
Fellowship of Least Coin		150		150		50		50
Malawi Music Fund						50		50
Age Concern		50		50		50		50
Samaritans Orkney								
Orkney Foodbank	3			3				
Scottish Churches Trust	50			50				
Orkney Street Pastors	600			600				
1 st Kirkwall Coy Boys Brigade	1,600	100		1,700				
Scottish Pilgrim Routes Forum	60			60				
Kirkwall Council of Churches	20			20				
Alzheimers Research	1,000			1,000				
Disasters Emergency Committee	2,000			2,000				
CrossReach	1,000			1,000				
MindOn	1,000			1,000				
Talking Newspaper		100		100				
Orkney Heart Support Group		100		100				
E-Pap Feeding South Africa		50		50				
Age Scotland Orkney		50		50				
St Andrews Primary School		170		170				
Salvation Army		100		100				
Scottish Bible Society		140		140				
	8,333	24,645		32,978	1,084	17,430	0	18,514

**Notes forming part of the financial statements
for the year ended 31 December 2025**

	2025	2024
	£	£
7. Staff costs and numbers		
Salaries and wages	85,920	26,059
Social security costs	0	0
Pensions	1,168	331
Total	87,088	26,390

The average number of employees during the year was as follows:

	2025	2024
	Number	Number
Ministerial support	0	0
St Magnus Centre	2	1
Music staff	5	1
Premises maintenance	4	1
	11	3

No employee had employee benefits in excess of £60,000 (2024 nil). The charity operates a defined contributions pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

All Church of Scotland congregations contribute to the National Stipend Fund which bears the costs of all ministers' stipends and employer's contributions for national insurance, pension and housing and loan fund. Ministers' stipends are paid in accordance with the national stipend scale, which is related to years of service. For the year under review the minimum stipend was £32,433 and the maximum stipend (in the tenth and subsequent years) £39,856.

8. Trustee Remuneration and Related Party Transactions

No trustee received any remuneration for services provided (2024: 2 trustees paid a total of £678 for organist/pulpit supply duties).

5 trustees received reimbursement of expenses incurred (mileage, manse expenses, garage door repairs, worship materials, postage, and sundry expenses) totalling £7,142 (2024: 11 trustees reimbursed a total of £1,263).

No trustee or a person related to a trustee had any personal interest in any contract or transaction entered into by the charity during the year (2024: none).

During the year a total of £17,517 was donated to the congregation by trustees (2024: £10,919).

**Notes forming part of the financial statements
for the year ended 31 December 2025**

9. Tangible Fixed Assets

	Buildings	Plant and machinery	Computer Equipment	Church and Office equipment	Fixtures & fittings	Assets under construction	Total
Cost	£	£	£	£	£	£	£
At 1 January 2025	1,211,700	69,169	5,795	44,696	4,579	4,415	1,340,354
Additions	44,029			1,676	27,426	10,261	83,392
Disposals							
Transfers	4,415					(4,415)	
At 31 December 2025	1,260,144	69,169	5,795	46,372	32,005	10,261	1,423,746
Accumulated Depreciation							
At 1 January 2025	8,208	2,147	449	1,411	255	0	12,470
Charge for year	37,495	10,350	1,801	6,359	2,238		58,243
Eliminated on Disposals							
At 31 December 2025	45,703	12,497	2,250	7,770	2,493	0	70,713
Net Book Value							
At 31 December 2024	1,203,492	67,022	5,346	43,285	4,324	4,415	1,327,884
At 31 December 2025	1,214,441	56,672	3,545	38,602	29,512	10,261	1,353,033

Kirkwall East Manse has not been recognized in the financial statements as its original cost cannot be reliably measured.

10. Debtors

	2025	2024
	£	£
Gift Aid Tax Refund Due	39,381	24,884
Invoiced letting income	3,593	3,197
Prepayments	5,360	10,544
Accrued income	13,955	6,886
	<u>62,289</u>	<u>45,511</u>

11. Investments

	2025	2024
	£	£
Market value at 31 December 2024/2023	595,097	22,480
Investments transferred in on union	0	560,325
Unrealised gain / (loss) on investments	37,811	12,292
Market value at 31 December 2025/2024	<u>632,908</u>	<u>595,097</u>
Investments at cost	<u>402,744</u>	<u>402,744</u>

**Notes forming part of the financial statements
for the year ended 31 December 2025**

11 Cont'd

The following investments are held:

64,931 units in Church of Scotland Investors Trust Growth Fund
16,199 units in Church of Scotland Investors Trust Income Fund
£1,676 in National Savings and Investments

12. Cash at bank and in hand

	2025	2024
	£	£
Bank balances	902,095	826,885
Short term deposits with Church of Scotland Investors Trust	487,859	469,053
Cash in hand	1,592	1,916
	<u>1,391,546</u>	<u>1,297,854</u>

13. Creditors

	2025	2024
	£	£
Due within one year:		
Trade creditors	37,781	24,003
Accruals	27,526	17,031
Deferred income	16,124	9,090
Other	4,908	3,062
	<u>86,339</u>	<u>53,186</u>
Due after one year:		
Deferred income	<u>37,274</u>	<u>0</u>

Deferred income all arose during the year and comprises wedding deposits received and prepaid rent for the St Magnus Centre.

14. Analysis of Net Assets Among Funds

	General	Designated	Restricted	Endowment	Total
	£	£	£	£	£
Fixed Assets	742,645	1,150,944	24,502	67,850	1,985,941
Current Assets	719,219	329,706	381,953	32,319	1,463,197
Current Liabilities	(67,017)	(19,316)	(6)		(86,339)
Non current Liabilities	(37,274)				(37,274)
Net assets at 31 Dec 2025	<u>1,357,573</u>	<u>1,461,334</u>	<u>406,449</u>	<u>100,169</u>	<u>3,325,525</u>

	General	Designated	Restricted	Endowment	Total
	£	£	£	£	£
Fixed Assets	647,489	1,188,731	23,841	62,920	1,922,981
Current Assets	641,001	343,177	334,687	32,318	1,351,183
Current Liabilities	(46,984)	(6,202)			(53,186)
Net assets at 31 Dec 2024	<u>1,241,506</u>	<u>1,525,706</u>	<u>358,528</u>	<u>95,238</u>	<u>3,220,978</u>

**Notes forming part of the financial statements
for the year ended 31 December 2025**

15. Volunteers

In common with all congregations of the Church of Scotland the congregation benefits from the contribution made by volunteers who give their time and talents willingly for the benefit of the Church. The areas of congregational life which rely on the contribution of volunteers are many and varied and much of the activity would be unable to continue were it not for the commitment shown.

16. Movements in Funds

	At 1 Jan 2025 £	Income £	Expenditure £	Transfers £	At 31 Dec 2025 £
Endowment funds					
East Mainland Brechin	5,500	243		(243)	5,500
East Mainland Gorn	22,240	983		(983)	22,240
Cathedral Meil bequest	4,279				4,279
Eday Cpt J Swan memorial	300				300
Stronsay – Cooper, Chalmers	23,089	2,298		(489)	24,898
Stronsay–Moncur, Spence, Shearer	39,830	3,965		(843)	42,952
	<u>95,238</u>	<u>7,489</u>		<u>(2,558)</u>	<u>100,169</u>
Restricted funds					
Cathedral Guild	1,084	1,756	(718)	(100)	2,022
East Mainland fabric fund	30,294	2,223	(3,737)		28,780
East Mainland Guild	1,092	1,156	(769)	(750)	729
East Mainland organ fund	2,024	90		(189)	1,925
East Mainland Parishioners Fund	1,236	55			1,291
Eday Stewart bequest	28,362				28,362
Kirkwall East maintenance	81,300	3,910		(3,916)	81,294
Malawi Partnership	5,213	28,165	(21,416)	348	12,310
Milestone Guild	2,184	2,365	(1,020)	(1,000)	2,529
Milestone messy kirk	406				406
Milestone Scarth memorial	171				171
North Ronaldsay Stewart bequest	28,008		(1,725)		26,283
Orkney Guilds Together	0	1,317	(423)		894
Papa Westray Stewart bequest	28,461				28,461
Rousay Stewart bequest	28,461			(114)	28,347
Sanday Guild	387	3	(64)		326
Sanday music	1,542				1,542
Sanday Stewart bequest	21,862				21,862
Shapinsay Flower	61			(61)	0
Shapinsay Reflective Routes	0				
Shapinsay reflective Space maintenance	3,149				3,149
Shapinsay Stewart bequest	23,076				23,076
South Ronaldsay & Burray guild	363	1,429	(862)	(500)	430
South Ronaldsay & Burray bible	109				109
South Ronaldsay & Burray youth	679				679
Stromness guild	321	1,265	(671)	(450)	465
Stronsay music	2,293				2,293
Stronsay property maintenance	5,850		(5,822)	843	871
Stronsay Stewart bequest	28,462				28,462
Westray guild	3,506	419	(716)	(348)	2,861
Westray Paterson bequest	0	47,948			47,948
Westray Stewart bequest	28,572	185		(185)	28,572
	<u>358,528</u>	<u>92,286</u>	<u>(37,943)</u>	<u>(6,422)</u>	<u>406,449</u>

**Notes forming part of the financial statements
for the year ended 31 December 2025**

16. Cont'd

	At 1 Jan 2025 £	Income £	Expenditure £	Transfers £	At 31 Dec 2025 £
Unrestricted funds					
Cathedral candle	996	6,111	(6,000)		1,107
Cathedral Choir	37,307	329	(1,325)		36,311
Cathedral Toddlers	1,838	1,415	(579)		2,674
St Magnus Centre	752,917	71,488	(110,682)	100	713,823
Eday designated fabric	14,538				14,538
King Street Halls	567,242	28,114	(48,035)	16,267	563,588
Kirkwall East designated fabric	4,904	218	(2,042)		3,080
Kirkwall East designated outreach	6,046	91	(60)		6,077
Kirkwall East designated social committee	3,526	1,375	(356)		4,545
Milestone designated management committee	8,156			(8,156)	0
Milestone designated mission	126				126
Milestone designated Traidcraft	215	454	(420)		249
Orphir designated fabric	0	50			50
Orphir designated reserve	16,714	384			17,098
Papay designated fabric	2,200		(2,200)		0
Papay designated turbine	7,977		(588)		7,389
Shapinsay designated fabric	3,534	30	(1,392)		2,172
Stronsay designated fabric	40,827	2,331	(1,308)		41,850
Westray designated fabric	56,643	1,732	(11,718)		46,657
General Fund	1,241,506	519,371	(404,072)	768	1,357,573
	<u>2,767,212</u>	<u>633,493</u>	<u>(590,777)</u>	<u>8,979</u>	<u>2,818,907</u>
Total funds	<u>3,220,978</u>	<u>733,267</u>	<u>(628,720)</u>	<u>0</u>	<u>3,325,525</u>

**Notes forming part of the financial statements
for the year ended 31 December 2025**

16. Cont'd

	At 1 Jan 2024 £	Income £	Expenditure £	Transfers £	At 31 Dec 2024 £
Endowment funds					
East Mainland Brechin		5,500			5,500
East Mainland Gorn		22,240			22,240
Cathedral Meil bequest		4,279			4,279
Eday Cpt J Swan memorial		300			300
Stronsay – Cooper, Chalmers		23,234		(145)	23,089
Stronsay–Moncur, Spence, Shearer		40,080		(250)	39,830
	<u>0</u>	<u>95,633</u>	<u>0</u>	<u>(395)</u>	<u>95,238</u>
Restricted funds					
Cathedral Guild		1,444	(360)		1,084
East Mainland Carpeting fund		17	0	(17)	0
East Mainland disabled access		51	0	(51)	0
East Mainland fabric fund		30,226	0	68	30,294
East Mainland Guild		1,804	(212)	(500)	1,092
East Mainland organ fund		2,024			2,024
East Mainland Parishioners Fund		1,236			1,236
Eday Stewart bequest		28,362			28,362
Kirkwall East maintenance		84,430		(3,130)	81,300
Malawi Partnership		21,853	(16,690)	50	5,213
Milestone Guild		2,290	(106)		2,184
Milestone messy kirk		406			406
Milestone Scarth memorial		171			171
North isles		313		(313)	0
North Ronaldsay Stewart bequest		28,462	(454)		28,008
Papa Westray Stewart bequest		28,461			28,461
Rousay Stewart bequest		28,461			28,461
Sanday Guild		397	(10)		387
Sanday music		1,542			1,542
Sanday Stewart bequest		23,462		(1,600)	21,862
Shapinsay Flower		61			61
Shapinsay Reflective Routes		1,315	(166)	(1,149)	0
Shapinsay reflective Space maintenance		2,000		1,149	3,149
Shapinsay Stewart bequest		23,076			23,076
South Ronaldsay & Burray guild		405	(42)		363
South Ronaldsay & Burray bible		109			109
South Ronaldsay & Burray youth		679			679
Stromness guild	280	1,301	(710)	(550)	321
Stronsay music		2,293			2,293
Stronsay property maintenance		5,600		250	5,850
Stronsay Stewart bequest		28,462			28,462
Westray guild		3,536	(30)		3,506
Westray Stewart bequest		28,572			28,572
	<u>280</u>	<u>382,821</u>	<u>(18,780)</u>	<u>(5,793)</u>	<u>358,528</u>

**Notes forming part of the financial statements
for the year ended 31 December 2025**

16. Cont'd

	At 1 Jan				At 31 Dec
	2024	Income	Expenditure	Transfers	2024
	£	£	£	£	£
Unrestricted funds					
Cathedral candle		996			996
Cathedral Choir		37,484	(177)		37,307
Cathedral Toddlers		2,280	(442)		1,838
St Magnus Centre		779,570	(26,653)		752,917
Eday designated fabric		14,538			14,538
Hoy & Walls designated fabric		139		(139)	0
King Street Halls		577,020	(14,707)	4,929	567,242
Kirkwall East designated fabric		4,904			4,904
Kirkwall East designated outreach		6,046			6,046
Kirkwall East designated social committee		3,526			3,526
Milestone designated management committee		8,806	(650)		8,156
Milestone designated mission		126			126
Milestone designated Traidcraft		911	(696)		215
Orphir designated fabric		1,747		(1,747)	0
Orphir designated memorial		4,424		(4,424)	0
Orphir designated organ		1,438		(1,438)	0
Orphir designated reserve		16,714			16,714
Papay designated fabric		2,200			2,200
Papay designated turbine		10,000	(2,023)		7,977
Rousay designated fabric		4,487		(4,487)	0
Rousay designated fabric Guild		3,732		(3,732)	0
Sanday designated fabric		131,400		(131,400)	0
Shapinsay designated fabric		3,534			3,534
Stronsay designated fabric		40,827			40,827
Westray designated fabric		56,643			56,643
General fund Stromness	39,628	25,304	(27,644)	(37,288)	0
General Fund		1,177,124	(121,532)	185,914	1,241,506
	<u>39,628</u>	<u>2,915,920</u>	<u>(194,524)</u>	<u>6,188</u>	<u>2,767,212</u>
Total funds	<u>39,908</u>	<u>3,394,374</u>	<u>(213,304)</u>	<u>0</u>	<u>3,220,978</u>

Notes forming part of the financial statements for the year ended 31 December 2025

16. Cont'd

Transfers from the Endowment funds represent interest received used for Stronsay buildings upkeep and general congregational purposes which was spent by the General Fund.

Transfers from the Restricted funds represent Guild donations (£1,050) to the General fund together with reimbursement of the General fund for fabric maintenance (Kirkwall East maintenance) and general congregational purposes within Sanday church (Sanday Stewart bequest).

Purposes of Endowment Funds

Income from the East Mainland Brechin Bequest is to be used for general running costs.

Income from the East Mainland Gorn bequest is to be used for general running costs.

Income from the Captain John Swan Memorial bequest is to be used for the benefit of the parish in Eday.

Income from the Meil bequest may be used for general purposes.

Income from the Cooper, Chalmers, Groat, Smith, Spence, Peace and Twatt Bequests is to be used for general Stronsay congregational purposes.

Income from the Moncur, Spence and Shearer Bequest is to be used for the upkeep of the Stronsay church, hall, manse and grounds.

Purposes of Restricted Funds

The Guild funds are to be used for the purposes of the relevant guild.

The Stewart Bequests are to be used for the furtherance of the gospel, pastoral care, Christian education and missionary outreach within the respective parishes of Eday, Westray, Papa Westray, Rousay, Sanday, Stronsay, Shapinsay and North Ronaldsay.

The East Mainland fabric fund is for upkeep of the kirk and manse.

The East Mainland organ fund is for purchase and maintenance of all aspects of music related to worship.

The East Mainland Parishioners fund is for distribution to parishioners at Christmas.

The Kirkwall East Fair Trade fund is for promotion of fair trade practices.

The Kirkwall East maintenance fund is a fund administered to a "Life Cycle Works" scheme for King Street Halls

The Malawi Partnership fund is for supporting Thyolo Presbytery in Malawi with various charitable projects under a partnership agreement

The Milestone messy kirk fund is for Messy kirk use.

The Scarth Memorial fund is for provision of flowers in Milestone church.

The north isles fund is for supporting the mission work of Westray, Stronsay and other Outer North Isles churches.

The Sanday music fund is for upkeep of the organ and purchase of music.

The Shapinsay Flower Fund is to provide flowers for display during worship.

The Shapinsay Reflective Routes fund is for a wellbeing project producing a booklet of walks, which has been completed.

The Shapinsay Reflective Space maintenance fund is for maintenance of the space.

South Ronaldsay & Burray bible fund is for the purchase of new bibles.

South Ronaldsay & Burray youth fund is for youth projects.

The Stronsay music fund is for providing music resources and to contribute towards the cost of a replacement organ.

The Stronsay property maintenance fund is for the maintenance of the Stronsay Church and manse.

**Notes forming part of the financial statements
for the year ended 31 December 2025**

16. Cont'd

Purposes of Designated Funds

Fabric: The Trustees have set aside funds for the maintenance of the respective church properties.

Cathedral Candle fund is for distribution to good causes.

Cathedral choir fund is for the use of the Cathedral choir.

Cathedral Toddlers is for the mothers and toddlers group.

St Magnus Centre is for the operation of the Centre as outreach into the community.

Kirkwall East social committee fund is for involving the wider congregation in social and charitable activities.

Kirkwall East designated outreach is for outreach activities.

King Street Halls is for the operation of the King Street Halls as outreach into the community.

Milestone mission fund is for mission.

Milestone Traidcraft fund is for Traidcraft West.

Milestone management committee fund is for the committee's use in relation to the church building.

Orphir memorial fund is for memorials.

Orphir organ fund is for maintenance of Orphir's organ.

Orphir reserve fund is set aside for unforeseen requirements.

Papay turbine fund is for maintenance of the turbine for Papa Westray's church.

17. Collections for Third Parties

	2025	2024
	£	£
Christian Aid	3,186	1,532
Orkney Foodbank	2,018	1,789
Farm Africa	50	65
RSAIB		232
Blythswood	1,223	30
Poppy Scotland		57
Royal British Legion Scotland	504	429
GoGo Olive	955	80
Soma's Light		410
Westray Inter-kirk Ecumenical Fund		464
Christian Blind Mission		130
Water Aid	65	201
Westray & Papay pastoral fund	65	70
Kirkwall East hall manager	655	
Malawi Music Fund	65	
World Day of Prayer	380	
RNLI	128	
Firth Bible Festival	155	
Womens Aid orkney	112	
Salvation Army	159	
Shelter	137	
UNICEF	315	
	<u>10,172</u>	<u>5,489</u>

**Notes forming part of the financial statements
for the year ended 31 December 2025**

18. Cash generated from operations

	2025	2024
	£	£
Surplus/(deficit) for the year	104,547	3,181,070
Adjustments for:		
Depreciation	58,243	12,470
Non cash balances transferred on union	0	(1,837,827)
Investment income recognized in statement of financial activities	(45,759)	(16,143)
Increase in market value of investments	(38,711)	(12,292)
Movements in working capital:		
(Increase)/decrease in stocks	(1,544)	(694)
(Increase) in debtors	(16,778)	(39,418)
(Decrease) in creditors	70,427	36,809
Cash generated from operations	<u>131,325</u>	<u>1,323,975</u>

19. Analysis of net assets acquired on union

	Assets acquired at 1/9/25	Assets acquired at 1/10/24
		£
Fixed assets		1,282,851
Current assets	119,858	1,852,445
Current liabilities		0
Total net assets acquired on union	<u>119,858</u>	<u>3,135,296</u>

20. Capital and other commitments

As at 31 December 2025, the charity had entered into capital commitments as follows: £8,640 to purchase a storage shed for Hoy and Walls church, £56,181 for roofing repairs and paint works on Westray church, £5,414 for purchase and installation of a new stove for Kirkwall East manse and £4,500 for the Cathedral manse kitchen installation (2024: solar PV panels for Birsay Harray and Sandwick church totalling £44,029).

21. John Tait Trust SC013706

The trustees of the John Tait Trust have notified the charity that OSCR has given permission to the John Tait Trust to wind up its affairs and accordingly approx £44,000 will be transferred to the charity in due course to be applied in the advancement of religion and/or relief of the poor. The trustees deem this to be a non-adjusting event occurring after the reporting date, therefore no amount has been recognised in these financial statements.

**FUNDS HELD ON BEHALF OF THE CONGREGATION
BY THE CHURCH OF SCOTLAND GENERAL TRUSTEES**

	2025 £	2024 £
<u>CAPITAL ACCOUNT</u>		
Credit Balances held at 31 December at cost	<u>1,323,153</u>	<u>1,078,302</u>
Market Value of Balances at 31 December	<u>1,351,101</u>	<u>1,096,974</u>
 <u>REVENUE ACCOUNT</u>		
Credit Balance at 31 December	<u>339,056</u>	<u>233,505</u>
 <u>TEMPORARY ACCOUNT</u>		
Credit Balance at 31 December	<u>(1,003)</u>	<u>341,172</u>