



St Ernan's by the Loch

Trustees' Annual Report

Period From 1 January 2025 to Period
End 31 December 2025

Charity contact information

St Ernan's by the Loch

Scottish Charity Number: SC051441

Red Bay Cottage, Deargphort, Fionnphort, Isle of Mull, PA66 6BP

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Charity Trustees

1. Mrs Diana Linda Cameron (chair)
2. Dr Eleanor Barbara Wagstaff (secretary)
3. Mrs Rhona Lindsay (treasurer)
4. Mr John Edward Cameron
5. Maj (retd) John Macdonald Wagstaff
6. Mr John George Noddings
7. Dr Andrew Todd (co-opted)
8. Mrs Gillian Morley
9. Rev Jennifer Earl (co-opted)

Objectives and activities

St Ernan's by the Loch (StEL) became a Scottish Charitable Incorporated Organisation (SC051441) on 8 December 2021. From the outset, its purpose was to acquire St Ernan's Church which was being sold by the Church of Scotland (CofS), and to develop the asset as a spiritual and cultural centre for members of the local community (that is, for anyone living within the postcode areas PA76, PA66, PA67, PA69 and PA70). Although StEL and the CofS agreed a price for St Ernan's in September 2023, it wasn't until the middle of this year that the acquisition process actually began. To our disappointment, this process was delayed while the Scottish Land Fund (SLF) considered a new 5-year standard security clause imposed on the sale by the CofS. Following lengthy consideration, SLF accepted the clause in early September and a draft Certificate of Title was drawn up. Following minor alterations, this was approved by all parties and signed by StEL Trustees in December. We anticipate an entry date in early 2026.

Meanwhile, we were pleased to learn in January 2025 that we had been granted extra support (funded by the Architectural Heritage Fund) from Rob Robinson, the heritage consultant who had advised us in the previous year. Over the following two months, Rob helped us to draw up a revised refurbishment plan in light of delays in acquisition, changes to funding and increased prices. This plan is based

on Option C in our Feasibility Study. While it is more modest than our preferred Option B, it nevertheless allows for further development at a later date.

As Trustees, we want St Ernan's to retain its essential character – the building is held in high regard locally, and we believe that any development should respect its age, history and heritage, and the beauty and tranquillity of its setting. At the same time, we want it to become a modern, safe and attractive place, welcoming people of all ages, faiths and backgrounds, and available for a wide range of cultural, spiritual and social activities. These might include all kinds of worship, meditation and spiritual reflection; small social gatherings; weddings, funerals and other ceremonies; practical support and conversation; hospitality; learning and cultural development; and programmes for health and well-being.

While waiting to acquire St Ernan's, we have continued to engage directly with members of the community through fund-raising and social events; at our Annual General Meeting (AGM); in the local press; and through our membership scheme, which is open to anyone living within the area defined above (associate membership is open to non-residents).

Throughout these activities, we seek to follow the principles set out in our governing document, these being the advancement of citizenship and community development; encouragement of the arts, heritage, culture and science; and the provision and/or organisation of social and recreational facilities for local people and others. We are especially concerned to bring people together through times of economic difficulty, and in an area defined as 'remote'.

Structure, governance and management

Type of governing document

St Ernan's by the Loch is a Scottish Charitable Incorporated Organisation (SCIO) and our governing document is a constitution. The Charity began as an informal committee called 'The Way Forward for St Ernan's' before changing its legal form to a SCIO on 8th December 2021. The fundraising cash held by The Way Forward for St Ernan's was donated to the SCIO at the same time. Additional funds raised by the original committee were lodged with the Trustees of The Church of Scotland (Parish of Kilfinichen and Kilvickeon and the Ross of Mull) and were transferred to St Ernan's by the Loch in 2023. Further fund-raising activities have since continued, grants have been received from various funding bodies, and other sources of funding are currently being explored.

Trustee recruitment and appointment

At the start of 2025, the members of our Board of Trustees were Linda Cameron (chair), Eleanor Wagstaff (secretary), Rhona Lindsay (treasurer), John Cameron, John Noddings, Andrew Todd (co-opted), John Wagstaff, Jenny Earl (co-opted) and Gill Morley. In accordance with our governing document, the Trustees stood

down at the AGM, which was held on 25 June 2025. All stood for election and were unanimously re-appointed, with office bearers retaining their roles. Andrew took on a new role as membership secretary.

All our Trustees share a strong affection for St Ernan's and believe it has a vital part to play in community life both now and in the future.

No external organisations are permitted to appoint charity trustees.

Achievements and performance

During the early months of 2025, and with the support of Rob Robinson, we worked hard on our revised business plan. This identifies the costs of a phased project of improvement and refurbishment, and outlines the recommended priority funds for StEL to target moving forwards. It is also seen as part of the scope of works for a future paid Development Officer post.

As the acquisition process unfolded, we liaised with both our solicitor, at McLean and Stewart, Dunblane, and Laura Preston, our Funding Officer at SLF, on the preparation and completion of the draft Certificate of Title.

Throughout the year, we continued with fund-raising activities, these including the sale of cards and merchandise and the running of the popular second-hand book stall. We held our annual Torchlight Procession on the evening of Sunday 21st December – in addition to the procession itself, we enjoyed singing carols in celebration of Christmas, and getting together over a supper of mince and tatties. All stages of the event were well-supported by members of the community.

Our membership scheme has remained steady, with 100 full members and 33 associates. We were pleased to see some of our members (and others) at the AGM in May and to have an opportunity to share news and discuss ideas with them at a social gathering afterwards.

Financial Review

Income

Total income in 2025 was £470, raised through donations (£22), the Celebration of Christmas Torchlight Procession (£175) and the sale of merchandise and second-hand books (£273).

The Trustees are extremely grateful to all donors for their support.

Expenditure

Our only expenditure in 2025 was £141 for the annual charge for hosting our website (www.sternansbytheloch.co.uk) and the associated email address.

This gave us a net surplus of £329 at year end.

All of the income and expenditure in 2025 was from our unrestricted funds and by the end of the year we had £9,708 remaining in unrestricted funds.

Our restricted funds were unchanged from 2024 with £1,736 remaining in our grant from Rural & Islands Communities grant, £2,201 from the Faith in Community Scotland grant and £1,000 from the Waterfall Fund.

We have allocated future spend from our restricted funds as follows:

Rural & Island Communities

- £1,460 towards legal costs for the purchase of the building. This was committed as part of our Scottish Land Fund application.
- £250 for hall hire and materials for future fundraising events

Faith in Community Scotland:

- £1,840 towards a planning application and ground condition survey. Again, this was committed as part of our Scottish Land Fund application.

Waterfall Fund:

- £1,000 towards the cost of a water connection

At the end of December our combined restricted and unrestricted funds balance was £14,645, an increase of £329 on the previous year.

Statement of the charity's policy on reserves

The Trustees' policy will be to hold reserves equivalent to 6 months of normal running costs. Until such time as we acquire St Ernan's, our costs will be restricted to planned expenditure which will only be approved when we have the funds in place. Our reserves policy will be reviewed annually to ensure that sufficient reserves are in place to honour all our financial commitments.

Donated facilities and services

Our charity bookstall is located within St Ernan's Church and we are grateful to the Trustees of the Church of Scotland Parish of Iona and the Ross of Mull for the use of this space.

Future Plans

Our next major step is to take ownership of St Ernan's and to start work on necessary repairs to the building. We plan to do this in small stages and using a range of funding bodies. Our Scottish Land Fund Stage 2 award includes funding

for a Project Officer who will be tasked with updating and initiating our business plan, identifying grants to fund initial repair and refurbishment work, co-ordinating the first phase of refurbishment, liaising with stakeholders and engaging with the local community. We look forward to appointing the Project Officer as soon as possible after the transfer of St Ernan's has taken place.

We also continue to fund-raise locally through community events, sale of merchandise and the ever-popular bookstall. One of our first steps on acquiring the building will be to introduce refreshment facilities for users of the Loch Pottie Footpath. Other proposed activities include community meals and an art competition.

Statement of receipts and payments

	Unrestricted funds	Restricted funds	Total funds current period	Total funds last period
	to nearest £	to nearest £	to nearest £	to nearest £
Receipts				
Donations	22		22	100
Grants			-	-
Receipts from fundraising activities	175		175	157
Gross trading receipts	273		273	279
Gross receipts from other charitable activities			-	-
Total Receipts	470	-	470	536
Payments				
Expenses for fundraising activities			-	-
Gross trading payments			-	-
Payments relating directly to charitable activities	141		141	491
Governance costs				-
Total Payments	141	-	141	491
Net receipts / (payments)	329	-	329	45
Surplus / (deficit) for year	329	-	329	45

Statement of balances as at 31 December 2025

	Unrestricted funds	Restricted funds	Total current period	Total last period
	to nearest £	to nearest £	to nearest £	to nearest £
Bank and Cash				
Cash and bank balances at start of year	9,379	4,937	14,316	14,271
Surplus / (deficit) shown on receipts and payments account	329	-	329	45
Cash and bank balances at end of year	9,708	4,937	14,645	14,316

Signed by two trustees on behalf of all the trustees

Signature

Print Name

Date of approval

Notes to the Accounts

1. Nature and purpose of funds

Unrestricted funds are those that may be used at the discretion of the trustees in furtherance of the objects of the charity.

Restricted funds may only be used for the purposes detailed in our grant applications and are:

FiCS: Faith in Community Scotland William Grant Foundation - grant to cover hall hire, secretarial expenses and contribute towards cost of consultants to enable purchase of St Ernan's Church.

RIC: Rural & Island Communities Ideas into Action Fund - grant to contribute towards cost of consultants/architects to enable purchase of St. Ernan's Church.

Waterfall Fund - awarded to The Way Forward group to cover the cost of connecting St Ernan's to the water supply. This was passed on to St Ernan's by the Loch in 2023 from Church of Scotland.

2. Trustee remuneration

No trustees received any remuneration during the year.

3. Trustee expenses

No trustees received any expenses during the year.

4. Transactions with trustees and connected persons

There were no transactions with trustees and connected persons.

5. Donations

	Unrestricted funds to nearest £	Restricted funds to nearest £	Total current period to nearest £	Total last period to nearest £
Individual donations	22		22	100
Total	22	-	22	100

6. Receipts from fundraising activities

	Unrestricted funds to nearest £	Restricted funds to nearest £	Total current period to nearest £	Total last period to nearest £
Torchlight Procession on 21st Dec 2025	175		175	157
Total	175	-	175	157

For the period from 01/01/2025 to 31/12/2025

7. Gross Trading Receipts

	Unrestricted funds	Restricted funds	Total current period	Total last period
	to nearest £	to nearest £	to nearest £	to nearest £
Sale of walking sticks	130		130	120
Second hand book stall sales	86		86	124
Sales of books, cards and merchandise	57		57	35
Total	273	-	273	279

8. Payments relating directly to charitable activities

	Unrestricted funds	Restricted funds	Total current period	Total last period
	to nearest £	to nearest £	to nearest £	to nearest £
Preparation of revised trades budget cost	-		-	350
Website hosting 19/5/25 to 19/5/26 - Oban Web Design	141		141	141
Total	141	-	141	491

Additional analysis

Breakdown of restricted funds

	Faith in Community Scotland	Rural & Island Communities	Waterfall Fund	Total restricted funds	Total restricted funds last period
Balance at start of year	2,201	1,736	1,000	4,937	4,937
<i>Receipts</i>				-	-
<i>Payments</i>				-	-
Balance at end of year	2,201	1,736	1,000	4,937	4,937

APPENDIX 3



Report to the trustees/members of

Registered charity number

On the accounts of the charity for the period

Set out on pages

Respective responsibilities of trustees and examiner

Basis of independent examiner's statement

Independent examiner's statement

Signed**:

Name:

Relevant professional qualification(s) or body (if any):

Address:

Independent examiner's report on the accounts

v2

Charity name

St Ernan's by the Loch

SC 051441

Period start date

Day

Month

Year

to

Period end date

Day

Month

Year

01

Jan

2025

31

Dec

2025

1 to 3

(remember to include the page numbers of additional sheets)

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

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

In the course of my examination, no matter has come to my attention [other than the disclosure in the attached page]

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

have not been met, or

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

Martin Caldwell

Date:

9.6.26.

MARTIN CALDWELL

Institute of Consulting

Taigh Ghal,
Fionnphort
Gle of Mull PA66 6BL.

*Please delete the words in the brackets if they do not apply. If the words do apply, set out those matters which have come to your attention on the following page.

**OSCR will accept digital or typed signatures.

APPENDIX 3

Disclosure section

Only complete if the examiner needs to highlight material problems.

**Give here brief details of
any items that the
examiner wishes to
disclose**