

REGISTERED COMPANY NUMBER: SC096243 (Scotland)
REGISTERED CHARITY NUMBER: SC003794

**Report of the Trustees and
Financial Statements For The Year Ended 31 December 2023
for
The Iona Community**

Nelson Gilmour Smith
Chartered Accountants
Statutory Auditors
Mercantile Chambers
53 Bothwell Street
Glasgow
G2 1TB

The Iona Community

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For The Year Ended 31 December 2023**

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The Iona Community
Report of the Trustees
For The Year Ended 31 December 2023

The trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 December 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Throughout this report the trustees are collectively referred to interchangeably as the directors or as the trustees.

This report relates to The Iona Community and its subsidiary Iona Community Trading CIC (formerly Iona Community Trading Ltd). Throughout this report, references to the company are taken to include the subsidiary.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC096243 (Scotland)

Registered Charity number
SC003794

Registered office
Suite 9
Fairfield
1048 Govan Road
Glasgow
G51 4XS

Trustees

Trustees serving at the date of this report:

| <i>Name</i> | <i>Occupation</i> | |
|----------------------|--------------------------------|---------------------------|
| M J Scott (Convenor) | Chief Executive | |
| N J Bowry | Minister Of Religion | |
| N Dodman | Retired | |
| B Evans | Assistant Director | |
| F Fidgin | Learning & Development Officer | |
| D A Hughes | Retired Medical Practitioner | |
| P Ives | Retired | |
| A M Jackson | Retired | |
| M Jacobsen | Retired | Appointed 14 October 2023 |
| G Jarvie | University Professor | |
| J C Morling | Company Director | |
| R J Reid | Retired | |
| B Thomas | Conservationist | Appointed 14 October 2023 |
| D Van Der Hijden | Retired | Appointed 9 June 2023 |
| J Woodruff | Student | Appointed 14 October 2023 |

The following also served as trustees during the year:

| | | |
|----------|---------|----------------------|
| W Dunlop | Retired | Resigned 9 June 2023 |
|----------|---------|----------------------|

Company Secretary
R McLean

The Iona Community

**Report of the Trustees (continued)
For The Year Ended 31 December 2023**

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Auditors

Nelson Gilmour Smith
Chartered Accountants
Statutory Auditors
Mercantile Chambers
53 Bothwell Street
Glasgow
G2 6TB

Solicitors

TC Young
7 West George Street
Glasgow
G2 1BA

Key management personnel

| | |
|------------------------------|--------------|
| Leader | Ruth Harvey |
| Executive Director | Torsten Haak |
| Finance & Compliance Manager | Robin McLean |

Bankers

The Cooperative Bank
29 Gordon St
Glasgow
G1 3PF

Clydesdale Bank
30 St Vincent Place
Glasgow
G1 2HL

Triodos Bank
Deanery Road
Avon
Bristol
BS1 5AS

Investment managers

Rathbone Investment Management Limited
George House
50 George Square
Glasgow
G2 1EH

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2023

OBJECTIVES AND ACTIVITIES

Everything the charity is for and does is based around its four-fold Rule of Life. Members and Associates, to different extents, each commit individually and collectively to (1) daily prayer and regular engagement with the Bible, (2) working for justice and peace locally and globally (3) accounting to each other for the use of our time, talents and money and (4) sharing in the running of the organisation.

From The Rule flows the Iona Community's charitable objectives:

- The establishment of new forms of Christian worship, witness, prophecy, mission and service particularly but not exclusively for urban situations;
- The training of adults, lay and clerical, for the mission of the church today and in particular the organising, staffing and administration of such work on Iona, the remainder of the UK and overseas in accordance with the religious principles and teachings of the Iona Community;
- Work amongst young people on Iona, Mull and the remainder of the UK and in particular the organising, staffing and administration of centres under the auspices and in accordance with the religious principles and teachings of the Iona Community.

And from our charitable objectives flow our main strands of activity:

- At our Iona Centres, and at Camas, through worship and sharing the common life, renew and challenge people in their faith; enable people to experience a welcoming and diverse community that changes their vision of society; inspire people to live greener, simpler and less individualistic lives.
- Support development of a range of materials and activities to engage with adults around the concerns of the Iona Community.
- Through the Wild Goose Resource Group model liturgical possibilities and develop lay models of engagement with scripture.
- Through our Publishing Department promote knowledge of and action for the concerns of the Iona Community, and encourage an ecumenical, open-minded approach to Christianity and spirituality in general, by informing and resourcing people through print and other media.
- Support our Members, Associate Members, Friends, Young Adults Group and other supporters of the Community to pursue these objects in their personal lives and communally where they live.

ACHIEVEMENTS AND PERFORMANCE

Community Life: Membership and Belonging

As the name indicates, the primary function of the Iona Community is to foster and maintain a sense of community amongst those who belong to the organization and who share its values. People engage in community in different ways, and the Iona Community identifies participants as Members, Associate Members and Friends. Part of our consideration together over the past year has been what these roles mean and the extent to which we do (or wish to) mark them out. The most obvious marker for Members is the commitment to the four-fold Rule of the Community, through which Members promise to account to one another for their use of time and resources (including money). To become a Member of the Community involves a considerable degree of commitment and begins with becoming an Associate. Thereafter there is the possibility of joining the New Members programme when space is available. Details of how to go about engaging in all forms of association with the life of the Community are posted on the Iona Community website.

Associates are invited to keep the Rule and where possible to join a local Family Group as a first step. Most Associates will also want to explore involvement in one of the Common Concern Networks, through which key values and commitments of the Community are actively engaged. Later in this report, some of the prominent themes of the CCNs over the past year are outlined and further information about all the work of CCNs can be found on the website.

Friends also want to express their solidarity with the values and concerns of the Iona Community but are happy to do this through a looser connection. Often as Friends get to know the life and work of the Community in more depth, they will move on to be Associates and thence open up the possibility of membership in time. The Community welcomes the engagement of people of like mind at all levels. If you would like more information, the Membership Secretary is always glad to respond to enquiries (membership@iona.org.uk).

In 2023 we hallowed 12 New Members and welcomed a further 13 to our 2-year New Members programme from 4 different countries. The Iona Community is now made up of 267 Members and 2883 Associate Members and Friends scattered across world. A notable expansion of Associate Members from sub-Saharan Africa has been a feature of this year's changes in numbers. We look forward to deepening relationships with those who share our outlook and values across the continents.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2023

ACHIEVEMENTS AND PERFORMANCE (continued)

The Iona Community continues to strive towards being a more inclusive community. In particular, work is being done through our Committees and CCNs to increase the profile and participation of younger people in the 18 – 30 age group. Our Young Adults, who have committed to the Community's Rule of Life, now form a group numbering 40, with 20 actively engaged in the life and work of the Community through committees and representing us on various external bodies. We are also concerned to move towards being a much more multi-cultural and diverse community.

Community Life: Family Groups and Relating

The beating heart of the Iona Community is the system of local Family Groups. It is through the regular meeting of these Groups that members are most directly able to connect with one another, account for their use of time and money and discuss ways in which to support one another (and the wider Community) in fulfilling their commitment to the four-fold Rule of the Community. There is a high level of trust engendered amongst those who attend, which is reflected in the use of the word 'Family' to describe their function. Most Family Groups welcome the participation of Associate Members and consideration is regularly given to ways in which Family Groups can be sub-divided to ensure numbers are kept at an optimum level for good interaction. At the end of 2023 there were 48 Family Groups meeting worldwide.

The Community Life Committee supports the development of the Family Group structure and ensures that provision for the training of group leaders is made. The CLC is continuing to monitor the ways in which Family Groups can further develop as the international reach of the Community's membership widens.

Community Life: Common Concern Networks (CCNs) and Acting

One of the ways in which the Iona Community works out in practice its stated priorities is through our Common Concern Networks (CCNs). The Community has a dispersed membership ranging now across most continents of our world. Membership is expressed primarily through passionate local engagement in activity around these CCN, of which there are now nine – Environment; Faith and Spirituality; Israel/Palestine; LGBTQ+; Migration and Refugees; Poverty and Inequality; Reconciliation, Peace and Disarmament), Interfaith; Challenging Racism. It is inevitable that particular global issues will mean that one or other group has more to relate according to the political and economic pressures of the world. In this report, we will touch on some of the key inputs which have characterised the work of the past year. Through the Iona Community website up-to-date information about all of the CCNs can be found.

The Iona Community endeavours to relate across the traditional boundaries of the Church and indeed of faith communities, seeing itself as thoroughly ecumenical in its broadest terms. Because it grew initial out of the life of the Church of Scotland in particular, it has continued the practice of giving input to that denomination's annual Assembly. In reporting on the work of the CCNs, this Trustee report draws on the same material prepared for delivery to the General Assembly. We continue to seek ways in which as a Community we can become as accountable as possible to those with whom our daily life and work is most closely aligned. It is fundamentally important to the Iona Community to root life and work in the context of deep relationships where listening and dialogue are preeminent. The CCNs make this possible and real at a local level, feeding from there ultimately into regional, national and international partnerships. As last year's Trustees Report declared: "While the Iona Community continues to celebrate its Christian roots, it is a sign of the confidence of our faith that we are able to enter into positive relationships with those who express faith in different ways."

In many ways the dividing up of our work into different CCNs has a degree of artificiality, since their subject areas clearly overlap considerably and connections between them are made regularly which strengthens their effectiveness. Over 1,000 of our Members and Associate Members find expressions for their life and faith through the CCNs. They tend to meet online monthly and each is led by a volunteer moderator. The Community is deeply grateful to the many hours of dedicated leadership which make this possible in a world sorely in need of hope.

Unsurprisingly in the context of the conflict in Gaza during the latter part of the period covered by this report, the *Israel/Palestine* CCN has had a challenging year. It began with the production of a revised Position Statement for the Community. The group also brought their considerable talent and expertise to bear in leading a programme week at Iona Abbey in September 2023. This week included input from those who are observant members of Muslim, Jewish and Christian faiths. We listened to Palestinian voices (Muslim and Christian). We reflected with British analysts and activists (Jewish and Christian) and left informed, energized and grateful for the creative engagement of volunteers and staff. Less than a month later, however, we were traumatized by seeing the violence on and since October 7th, and by the bombardment in Gaza that has killed tens of thousands, including 21 family members of one of our guest speakers, Ahmed Alnaouq.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2023

ACHIEVEMENTS AND PERFORMANCE (continued)

Our *Environment CCN* is truly international, with active members in Australia, Kenya, Europe and North America. Both professionally and personally, their environmental action includes: local community gardening and food-growing, national campaigning and vigils on fossil-fuel divestment, biodiversity conservation and reforestation, and public speaking and preaching. It also includes action on the horrendous and utterly unaccountable ways in which conflict, militarism and the global arms trade devastate habitats. They share their experience and ideas, and bear witness to each other about the local impacts of the worldwide disaster that is still limply referred to as 'climate change.'

"The environmental crisis overshadows every other issue: The story here is of an insanely unbalanced account of human entitlement and human capacity that has consistently, in the last three centuries, ignored any sense of the interdependence of human life and the life of the organic order as a whole: the life that matters has been, explicitly or implicitly, defined as human life – and human life lived in a specific mode, that of expanding consumption." (Rowan Williams, Conference of European Churches General Assembly 2023)

Though members act locally, their deepest area of sharing is in the conviction that this is a profound spiritual and theological crisis, well-expressed in the words of Rowan Williams above. The CCN remains committed to amplifying the unlistened-to and unheard voices of the victims of environmental injustice, and to rekindling community in an expansive, inclusive Commonwealth of God that promotes thriving communion of our human, and nonhuman, siblings.

Members of our *Migration and Refugees CCN* have been active in protesting against the Illegal Migration Act as it passed through the British Parliament. They have also been challenging the current government's attitude towards asylum seekers and refugees – for example, in supporting refugees housed in hotels and other accommodation, including the barge at Portland; in providing clothing, toiletries and Christmas gifts to asylum seekers and refugees in various locations; in devoting some time to the needs of those at Calais; as well as in offering hospitality to Ukrainians.

Alison Phipps, an Iona Community Member and UNESCO Chair of Refugee Integration through Languages and the Arts (RILA) at Glasgow University, led a week at our Camas Centre with refugees marking World Refugee Day. She says: "Every World Refugee Day marks the loss of more protections and provisions. As political leadership in these lands is contested, using a barometer of cruelty, whilst many cannot feed themselves or their children, the past feels hauntingly close."

Through our *CCN on LGBTQ+*, the Community responded to the outcome of the Living in Love and Faith process of the Church of England. As an ecumenical movement working for justice and peace, we affirm the inherent goodness of people of all sexualities and genders and their loving relationships. We continue to uphold our commitment to "celebrate human diversity and work to combat discrimination on grounds of gender, sexual orientation or religion."

The Iona Community upholds the right of all loving couples to have their commitment acknowledged within the churches and commends those denominations that have made this possible by enabling ministers to marry same-sex couples. We remain concerned about the ongoing impact that homophobic and transphobic statements and exclusionary teachings have on LGBTQ+ people and the impact in wider society. We long for the day when all in the LGBTQ+ community are welcomed equally throughout the breadth of churches and we support our members in actions to promote this.

The *Interfaith Relations CCN* together with the *Peacemaking CCN* prepared daily prayers for the Week of Prayer for World Peace in 2023 together with leaders from eight different religious and spiritual traditions following the theme for the year: Praying with Hope in a Troubled World. 'Seeking peace and pursuing it' remains a primary objective of the Iona Community and this is especially apt in a world where perceived divisions between faith communities can easily be exploited by those of ill-will. The common work of these CCNs is an important symbol of our commitment to working in partnership with all people of goodwill.

The *Challenging Racism CCN* continued throughout the year to promote education tools aimed at raising awareness about the historic legacy of slavery. It has also been proactive in challenging the Community itself (members and structures) to examine our own commitment to challenging racism and to self-awareness of issue of white privilege both within the Community and in daily living beyond it.

Through the work of the *Poverty and Inequality CCN*, the Iona Community was able to add its voice to that of the Poverty Alliance in calling on the First Minister of Scotland to make good on his word and use the next Programme for Government to take meaningful action to rid Scotland of poverty.

From its foundation, the Iona Community has maintained a focus on the renewal of worship as a primary commitment. In the island centres there is a daily diet of worship and we seek to create and share in worship that embodies our radical commitment to justice, peace, and the integrity of creation. The Community is continually learning and growing and the work of the *Faith and Spirituality CCN* helps to support and encourage this on an ongoing basis.

The Iona Community website offers regular updates on the work of all the CCNs throughout the year.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2023

ACHIEVEMENTS AND PERFORMANCE (continued)

Commercial Activity

Iona Community Trading CIC

The Iona Trading Company Ltd is a Community Interest Company (CIC) set up carry out activities which benefit the Iona Community. The Company is independent of the Iona Community and submits its accounts separately to the Charity Regulator. It is part of its purpose to return to the Iona Community any profits from activities remaining at the financial year end. As anticipated in last year's report, the planned transfer of the Wild Goose Publishing work under the wing of the Iona Trading Company has been successfully accomplished in 2023. The Directors remain as before: Grant Jarvie, Jo Morling, Ron Reid and the Executive Director (Torsten Haak).

The Iona Community Shop is the other main activity which falls within the remit of the Trading Company. It is managed by full-time, part-time and volunteer staff who also contribute to the common life of the Community on Iona. The shop manager attends the Board of the Trading Company, as does the Wild Goose Publications Manager and their input is valued by the Directors. The shop also continues to host the Welcome Centre of the Iona Community.

The Iona Community as a whole and the Trading Company remain indebted to staff for their unfailing efforts to make our trading operations welcoming, efficient and profitable. It is notable that the Trading Company has been able to transfer just over £60,000 to the Iona Community from the proceeds of its activities.

The shop manager, Lyn Meier came to the end of her contract with the Community at the end of 2023 and the Directors of the Company, along with the Trustees, wish to place on record their thanks for Lynn for her outstanding work during her tenure. We wish her well for the future. A new shop manager will be appointed in time for the new season in 2024.

Programmes and Centres

Iona Community Learn

From its earliest days of its foundation, the Iona Community has been keen to support the process of mutual learning. While this initially focussed on the preparation of people for the Christian ministry (primarily within the Church of Scotland), the focus has widened over the years to a much more inclusive understand of the purpose and scope of learning together in community. This began to take new shape in 2022 through the creation of Iona Community Learn, as reported in last year's Trustee Report. This has brought together all aspects of equipping and resourcing which the Community seeks to undertake and in the first phase has been concentrated on work with three areas: New Members programme, the training of Volunteers and our formal Partnerships with Higher Education bodies (Glasgow and Edinburgh Universities; SCM).

In order to maximise the benefit of Iona Community Learn, the Council agreed to commit to a part-time appointment of a Learn Development Manager to help evaluate the data collected so far relating to learning through the Community. We were pleased to welcome Rolf Billes to this post in 2023 and his report and recommendations in 2024 will help guide thinking about the longer-term shape of Iona Community Learn and any programmes emerging from it.

The Unlocked Programme

The Unlocked programme was started in 2021 as a programme offering opportunities to individuals and families who are experiencing disadvantage, to have time and space, free of charge, in the Abbey Centre. In addition to such individuals and families, some space has been made available to carers, church or health professionals involved in support work of this kind.

After two years of the programme developing, the Community Life Committee has undertaken to review the work and see the extent to which it has met its goals and what changes might be recommended to increase its effectiveness going forward. In particular, issues like the use of the name 'Unlocked'; the criteria for eligibility, especially post-Covid; the input from funding partners; will be considered and recommendations brought for evaluation in 2024. A detailed update of the work undertaken throughout 2022 can be read in the interim at <https://iona.org.uk/unlocked-evaluation-report-2022>

In 2023 we welcomed 18 people, of whom 2 were children. While there are funding partners who share our goals, Community encourages gifts directly to the Unlocked programme in order to support those who have experienced disadvantage.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2023

ACHIEVEMENTS AND PERFORMANCE (continued)

The Abbey Centre

The Abbey centre remains at the heart of the work carried out by the Iona Community on Iona itself. Following the refurbishment and re-opening in 2021, the renewed Abbey was fully opened in 2022. During the past year the cycle of life has been fully restored in terms of the arrival of guest, hospitality offered, the 'common life' of the staff who support the work well established. What has not yet been able to get fully up to speed is the occupancy rate of the beds throughout the year and the Council has been seeking to tackle the issues underlying this. In 2023, the bed-night occupancy was around 62%, which is considerably below the anticipated 80% on which the budget for running the centre is based.

Giving a witness to the vision of community to which we aspire, lived out and practiced in the buildings we inhabit. This is a very 'demanding common task' and we thank our staff for committing so fully to it. Consideration is being given to measures which may improve this in 2024 and beyond, but some changes have already been initiated. Instead of only offering week-long programmes to guests, they can now opt for shorter breaks (part of a week) without commitment to any programme which may be on offer. Guests still enjoy the common life experience of eating together with the open invitation also to join in the rhythm of worship offered within the Abbey Church.

The Camas Centre

The Iona Community has for many years offered outdoor adventure activities and support for young people through the Camas Centre on the island of Mull. Much of this work is focussed on young people who come from situations of deprivation or exclusion. Over the season, our highly committed and trained staff team of 9 plus 6 volunteers, welcomed over 450 people. 60% of our groups were aged under 18, with most of the remainder primarily people aged under 30.

This year saw the end of Tom Wardle's outstanding period of 4 years of leadership as Camas Co-ordinator. We are glad that Tom's departure from Camas coincided with a new appointment which he has taken up on Iona as Estates Manager. His replacement as Co-ordinator, Fiona McFarlane, worked under Tom's leadership prior to taking up her new post, so we look forward to a period of stability and continuity in this important aspect of the Community's work.

Leader's Pilgrimage

A highlight of the year was the pilgrimage of the Leader, Ruth Harvey, to the lands we know as Australia and New Zealand, which took place in October and November 2023. Ruth had accepted an invitation from members of the Wellspring Community in Australia and was able participate with other leaders in a pilgrimage of encounter with First nations / Aboriginal leaders and communities, listening to and learning from their experience.

Ruth wrote a series of seven challenging and reflective 'Post Cards' during her visit, beginning the process of widening the listening and learning possibilities from the pilgrimage for the Community as a whole (and beyond). The Post Cards can be found on the website, beginning with the first card at Postcard 1: Wadjemup/Rottneest Island and Mooro Katta/Kings Park - Iona Community – we commend these to the reader.

While there is much to be gleaned from the postcards themselves, the Community looks forward to the fruits of further engagement with the outcomes and the relationships formed during Ruth's visit.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2023

FINANCIAL REVIEW

Income and expenditure for the year is shown in the Consolidated Statement of Financial Activities. This shows that income decreased from £2.024m to £1.824m. The prior year included an unusually large amount of legacy income. Allowing for this, the underlying increase in income was around £169k, with donations, guest charges and trading income all increasing on the previous year.

Expenditure increased from £1.698 to £2.176m, reflecting the increased activity and more complete staff complement required to run the island centres in particular.

The long-term pension deficit liability has reduced from £11,496 to £6,112 as a result of ongoing deficit contributions being made throughout the year. Deficit contributions will continue at the level set by the Trustee of the pension scheme, as set out in note 21.

NEW DEVELOPMENTS AND FUTURE PLANS

The Macleod Centre

Probably the question which has been most on the minds of Iona Community Members, Staff and Trustees throughout the period covered by this report is what the future of the MacLeod Centre (Mac) is going to be? Much work has been undertaken by the Mac Advisory Group (MAG).

Consultation with the membership in the mid-part of 2023 led the Council to the decision to undertake research into the viability and business case for developing the Mac as a centre for Environmental Sustainability and for work with Young People. As we go to print with this Report, that research is reaching a point where greater clarity may be achieved, but it is already clear that making a positive business case for developing the centre in this direction is far from straightforward.

Throughout 2023 the Mac had been used for various purposes, including some limited accommodation for staff. The Council asked for an assessment of the continuing viability of this particularly from the angle of health and safety of staff (and visitors). In the light of the advice received from that, the decision was taken to close the Mac to any use from the end of December 2023. This raises further the urgency of taking decisions about the permanent future of the Mac and the Trustees will be reporting on this in 2024. In the meantime, care is being taken to ensure that the premises are kept wind and watertight to deter any more deterioration in condition.

Staffing

This has been a year in which there have been limited changes to the staffing structure and complement – a welcome respite from a number of years in which changes particularly in senior staff had been a feature. For the first time since the appointment of Ruth Harvey as Leader and Torsten Haak as Executive Director those key positions have been occupied throughout the year by the same staff. This has allowed for a growing sense of continuity, together with the development of the staff team overall. The situation on the islands has been similar, where the Abbey Warden, Caro Penney, and the Operations Manager, Bénédicte Scholefield have provided consistent leadership. We have also recently appointed Tom Wardle to a new key role of Island Estates Manager. We are fortunate to have such dedicated and able senior staff heading up our operations on the mainland and islands.

The Iona Community remains deeply indebted to all its staff for the consistency and quality of their ongoing work. The challenges of running the centres on the islands of Mull and Iona, together with a busy, often dispersed staff group in Glasgow are not inconsiderable and the Trustees place on record their thanks to staff for all their work on behalf of the Community throughout the year.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its Memorandum and Articles of Association dated 4th December 1985 and amended August 2020 and June 2023, and constitutes a limited company, limited by guarantee, as defined by Companies Act 2006. It is registered as a charity with the Office of the Scottish Charity Regulator. Membership is open to any individual who supports the objects of the Community and who subscribes to The Rule of The Iona Community; currently there are 267 members, each of whom agrees to contribute £1 in the event of the charity winding up.

The subsidiary Iona Community Trading CIC is a community interest company, limited by shares.

Appointment of trustees (company directors)

As set out in the Articles of Association as amended in August 2020 and June 2023, there are fifteen directors of the Community, the majority of whom shall be a Member. The directors shall not receive any remuneration for their services as directors, but they shall be entitled to reimbursement of any expenditure reasonably incurred by them in carrying out their duties.

Unless otherwise approved by an annual general meeting, directors shall be elected for a period of four years after which they are eligible for re-election at an annual general meeting for a further period of four years. After this period they shall retire and shall not be eligible for re-election for a further period of one year.

All Members shall be asked for nominations for the posts of director when they become vacant and not later than four weeks before the date of any Annual General Meeting at which they are due to retire from office. The voting for all office-bearers shall be by simple majority among all Members present and entitled to vote. New directors will take up office immediately after the annual general meeting.

Trustee induction and training

New trustees undergo a period of orientation to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, and recent financial performance of the charity.

Organisation

As noted above, the governance of the charity is exercised by the Council of the Iona Community, which comprises the charity's trustees. Council meets every six to eight weeks. The Council is supported in its work by two committees - the Community Life Committee and the Community Resources Committee. These committees also meet every six to eight weeks. The Leadership team of the Community comprises the Executive Director, who is responsible for operational matters including finance, employment and operational activity, working alongside the Leader who is responsible for developing the common life of the Community. Between them, the Executive Director and Leader have delegated responsibility for the day-to-day operation of the charity. Both receive management support from the Convener of Council and are in regular contact with the Convener on matters relating to the policies of the charity.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Key Management Personnel

The key management personnel are those listed on page 2. The total remuneration costs for these personnel are shown in note 9. Members of key management personnel are placed on the charity's employment salary scale at a point level commensurate with their role. Thereafter, their salary level is agreed on an annual basis along with the approval of the organisation's salary scales for all employees.

Related parties

The charity's wholly owned subsidiary Iona Community Trading CIC (formerly Iona Community Trading Ltd) was established to generate income for the organisation, at present solely through the sale of crafts, gifts and books from premises on Iona. Iona Community Trading CIC donates its profits to the charity. In the past year, this amounted to £61,930.

Risk management

The principal risks and uncertainties facing the charity are the generation of sufficient income for general operational purposes, the control of expenditure across a range of activities and the recent impact of the COVID-19 pandemic.

The trustees have a risk management strategy which is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. This includes:

- The establishment of systems and procedures to mitigate those risks identified in the plan; with a risk assessment that the Council reviews each spring.
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.
- Annual budgets approved by Council and overseen by operational committees.
- Regular consideration by Council of financial result variances from budget and non-financial indicators.
- Delegation of authority and segregation of duties.

A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees.

Investment powers and policy

Under the Memorandum and Articles, the charity has a general power to invest. The trustees have an ethical investment policy, and hold over £280,000 under this ethical mandate. In the environment of continued very low interest rates the aim of this investment is a balance of income and capital growth over the medium term. The investments generated income of £6,471 during the year and increased in market value by £13,766.

Reserves Policy

The policy of the trustees is to hold 3 months' expenditure on the general fund as reserves. Total funds held at the end of the financial year amounted to £5,548,163. Restricted funds were £3,249,222 and unrestricted funds held in the form of fixed assets amounted to £1,374,949. The balance of £923,992 represents the free reserves of the charity. Based on expenditure in 2023, this represents around 6 months' expenditure on the general fund. The trustees are mindful that designated funds (including the legacy fund) hold £806,090 while the charity's general fund has a balance of £117,902. The trustees are satisfied with the level of reserves held.

Volunteers

In common with many charities, the charity benefits from the contribution of many volunteers in a range of roles across a wide range of charitable activities. The trustees continue to be appreciative of the immense contribution made to the life of the Community through the dedication and commitment of these volunteers. Given the diverse range of contexts and roles in which volunteers serve, it is not readily possible to place a financial value on their input and accordingly no adjustments are made to the financial statements in respect of volunteer time.

The Iona Community

**Report of the Trustees (continued)
For The Year Ended 31 December 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITY

The trustees (who are also the directors of Iona Community for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 23 May 2024 and signed on its behalf by:



.....
Martin Scott – Convener of Council

**Report of the Independent Auditors to the Trustees and Members of
The Iona Community**

Opinion

We have audited the financial statements of Iona Community (the 'charitable company') and its subsidiary company (the group) for the year ended 31 December 2023 which comprise a Consolidated Statement of Financial Activities, Company Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 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 group's and of the charitable company's affairs as at 31 December 2023 and of the group's 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;
- 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

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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' (who are also the directors of the company for the purposes of company law) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the parent charitable company's and its subsidiary's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of Matter

We draw attention to note 16 and note 21 to the financial statements. The charity has been advised by the Pensions Regulator that a pension fund previously treated as a defined contributions scheme has been reclassified as a defined benefits scheme.

In accordance with FRS 102, the deficit on a defined benefits scheme should be shown on the balance sheet as a liability or at the present value of the agreed future contributions to the deficit. We note that there is a significant uncertainty regarding this matter as the deficit can be recovered over a period of time based on investment performance. While the ultimate outcome of the matter cannot presently be determined, a provision has been made for £6,112 as at 31st December 2023. The provision is calculated on additional contributions for the period to 2025. Our opinion is not modified in this respect.

**Report of the Independent Auditors to the Trustees and Members of
The Iona Community (continued)**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included within the trustees' annual 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 subsidiary and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company and subsidiary have not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's and its subsidiary's 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 directors' report, included within the trustee' annual report, and from the requirements to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page 12, the trustees (who are also the directors of the charitable company for the purposes 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 group's and 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.

**Report of the Independent Auditors to the Trustees and Members of
The Iona Community (continued)**

Our 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 a Report of the Independent Auditors 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.

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

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

The key factors impacting the detection of irregularities are the inherent difficulty in detecting irregularities, the effectiveness of the company's controls and the nature, timing and extent of the audit procedures performed.

Based on our understanding of the company, we identified the principal risks of non-compliance with laws and regulations and the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities and Trustee Investment (Scotland) Act 2005 and significant regulations relating to the sector in which the company operates.

We evaluated management's incentives and opportunities for the fraudulent manipulation of the financial statements, including the risk of override of controls. Based on our assessment we adopted a substantive approach to our audit testing. Audit procedures performed included:

- Testing a sample of transactions to source documentation. We select sample sizes having regard to the inherent risk (specific and general), the quality of the internal controls and the risk that our Testing might not detect possible misstatements.
- Making enquiries of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims. Identifying legislation of particular relevance to the entity and obtaining audit evidence regarding compliance with that legislation.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. Also, 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 deliberate concealment by, for example forgery or concealment.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Trustees and Members of
The Iona Community (continued)**

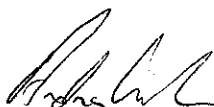
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and 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 auditors' 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 and its subsidiary and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wilson (Senior Statutory Auditor)
for and on behalf of Nelson Gilmour Smith
Chartered Accountants

Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Mercantile Chambers

53 Bothwell Street

Glasgow

G2 6TB

Date: 29/1/24

The Iona Community

Consolidated Statement of Financial Activities (including Income & Expenditure Account)
For The Year Ended 31 December 2023

| | Notes | Unrestricted funds £ | Restricted funds £ | 2023 Total funds £ | 2022 Total funds £ |
|------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOME FROM | | | | | |
| Donations and legacies | 2 | 545,657 | 197,366 | 743,023 | 1,076,203 |
| Trading activities - Shop | 3 | 285,236 | - | 285,236 | 239,399 |
| Trading activities - Publications | 3 | 168,067 | - | 168,067 | - |
| Charitable activities | 4 | 644,006 | - | 644,006 | 724,541 |
| Investment income | 5 | 14,004 | 6,615 | 20,619 | 18,086 |
| Intra-group sales | | (36,477) | - | (36,477) | (34,218) |
| Total | | 1,620,493 | 203,981 | 1,824,474 | 2,024,011 |
| EXPENDITURE ON | | | | | |
| Raising funds | 3 | 163 | - | 163 | 4,014 |
| Trading activities - Shop | | 212,103 | - | 212,103 | 217,842 |
| Trading activities - Publications | | 190,287 | - | 190,287 | - |
| Charitable activities | 6 | 1,501,972 | 308,030 | 1,810,002 | 1,510,790 |
| Intra-group purchases | | (36,477) | - | (36,477) | (34,218) |
| Total | | 1,868,048 | 308,030 | 2,176,078 | 1,698,428 |
| Net gains on investments | | 1,802 | 11,964 | 13,766 | (63,800) |
| NET (EXPENDITURE) / INCOME | | (245,753) | (92,085) | (337,838) | 261,783 |
| Transfers between funds | 17 | 159,317 | (159,317) | - | - |
| Net movement in funds | | (86,436) | (251,402) | (337,838) | 261,783 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 2,385,377 | 3,500,624 | 5,886,001 | 5,624,218 |
| TOTAL FUNDS CARRIED FORWARD | | 2,298,941 | 3,249,222 | 5,548,163 | 5,886,001 |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The Iona Community

Company Statement of Financial Activities (including Income & Expenditure Account)
For The Year Ended 31 December 2023

| | Notes | Unrestricted funds £ | Restricted funds £ | 2023 Total funds £ | 2022 Total funds £ |
|------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOME FROM | | | | | |
| Donations and legacies | 2 | 534,639 | 197,366 | 732,005 | 1,076,203 |
| Charitable activities | 4 | 644,006 | - | 644,006 | 724,541 |
| Investment income | 5 | 14,004 | 6,615 | 20,619 | 18,086 |
| Total | | 1,192,649 | 203,981 | 1,396,630 | 1,818,830 |
| EXPENDITURE ON | | | | | |
| Raising funds | 3 | 163 | - | 163 | 4,014 |
| Charitable activities | 6 | 1,501,972 | 308,030 | 1,810,002 | 1,510,790 |
| Total | | 1,502,135 | 308,030 | 1,810,165 | 1,514,804 |
| Net gains on investments | | 1,802 | 11,964 | 13,766 | (63,800) |
| NET (EXPENDITURE) / INCOME | | (307,684) | (92,085) | (399,769) | 240,226 |
| Transfers between funds | 17 | 159,317 | (159,317) | - | - |
| Net movement in funds | | (148,367) | (251,402) | (399,769) | 240,226 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 2,352,414 | 3,500,624 | 5,853,038 | 5,612,812 |
| TOTAL FUNDS CARRIED FORWARD | | 2,204,047 | 3,249,222 | 5,453,269 | 5,853,038 |

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.


The Iona Community

Consolidated Statement of Financial Position (including Balance Sheet)
At 31 December 2023

| | Notes | Unrestricted funds £ | Restricted funds £ | 2023 Total funds £ | 2022 Total funds £ |
|--|--------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 11 | 1,375,709 | 2,514,424 | 3,890,133 | 4,125,339 |
| Investments | 12 | 78,434 | 202,290 | 280,724 | 269,956 |
| | | <u>1,454,143</u> | <u>2,716,714</u> | <u>4,170,857</u> | <u>4,395,295</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 13 | 160,205 | - | 160,205 | 131,150 |
| Debtors | 14 | 154,667 | 17,160 | 171,827 | 624,735 |
| Cash at bank | | 740,500 | 535,231 | 1,275,731 | 918,109 |
| | | <u>1,055,372</u> | <u>552,391</u> | <u>1,607,763</u> | <u>1,673,994</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 15 | (204,462) | (19,883) | (224,345) | (171,792) |
| NET CURRENT ASSETS | | <u>850,910</u> | <u>532,508</u> | <u>1,383,418</u> | <u>1,502,202</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,305,053 | 3,249,222 | 5,554,275 | 5,897,497 |
| PROVISIONS FOR LIABILITIES | 16 | (6,112) | - | (6,112) | (11,496) |
| NET ASSETS | | <u>2,298,941</u> | <u>3,249,222</u> | <u>5,548,163</u> | <u>5,886,001</u> |
| FUNDS | | | | | |
| | 17, 18 | | | | |
| Unrestricted funds | | | | 2,298,941 | 2,385,377 |
| Restricted funds | | | | 3,249,222 | 3,500,624 |
| | | | | <u>5,548,163</u> | <u>5,886,001</u> |

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005. 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 members of the company.

The financial statements were approved by the Board of Trustees on 23 May 2024 and were signed on its behalf by:


.....
Martin Scott - Chair of Trustees

The Iona Community

**Company Statement of Financial Position (including Balance Sheet)
At 31 December 2023**

| | | Unrestricted funds £ | Restricted funds £ | 2023 Total funds £ | 2022 Total funds £ |
|--|--------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Notes | | | | |
| FIXED ASSETS | | | | | |
| Tangible assets | 11 | 1,374,949 | 2,514,424 | 3,889,373 | 4,125,339 |
| Investments | 12 | <u>78,534</u> | <u>202,290</u> | <u>280,824</u> | <u>270,056</u> |
| | | 1,453,483 | 2,716,714 | 4,170,197 | 4,395,395 |
| CURRENT ASSETS | | | | | |
| Stocks | 13 | 602 | - | 602 | 54,510 |
| Debtors | 14 | 383,147 | 17,160 | 400,307 | 717,384 |
| Cash at bank | | <u>526,094</u> | <u>535,231</u> | <u>1,061,325</u> | <u>866,946</u> |
| | | 909,843 | 552,391 | 1,462,234 | 1,638,840 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 15 | <u>(153,167)</u> | <u>(19,883)</u> | <u>(173,050)</u> | <u>(169,701)</u> |
| NET CURRENT ASSETS | | <u>756,676</u> | <u>532,508</u> | <u>1,289,184</u> | <u>1,469,139</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,210,159 | 3,249,222 | 5,459,381 | 5,864,534 |
| PROVISIONS FOR LIABILITIES | 16 | <u>(6,112)</u> | - | <u>(6,112)</u> | <u>(11,496)</u> |
| NET ASSETS | | <u><u>2,204,047</u></u> | <u><u>3,249,222</u></u> | <u><u>5,453,269</u></u> | <u><u>5,853,038</u></u> |
| FUNDS | | | | | |
| | 17, 18 | | | | |
| Unrestricted funds | | | | 2,204,047 | 2,352,414 |
| Restricted funds | | | | <u>3,249,222</u> | <u>3,500,624</u> |
| | | | | <u>5,453,269</u> | <u>5,853,038</u> |

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005. 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 members of the company.

The financial statements were approved by the Board of Trustees on 23 May 2024 and were signed on its behalf by:



.....
Martin Scott - Chair of Trustees

The Iona Community

**Consolidated Statement of Cash Flows
For The Year Ended 31 December 2023**

| | Notes | 2023 £ | 2022 £ |
|---|-------|-------------------------|-----------------------|
| Cash flows from operating activities: | | | |
| Cash generated from operations | 1 | <u>393,685</u> | <u>127,145</u> |
| Net cash provided by operating activities | | 393,685 | 127,145 |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (64,201) | (129,198) |
| Purchase of investment assets | | (56,014) | - |
| Proceeds from disposal of investment assets | | 63,533 | 3,233 |
| Investment income received | | <u>20,619</u> | <u>18,086</u> |
| Net cash (used in) investing activities | | <u>(36,063)</u> | <u>(107,879)</u> |
| Change in cash and cash equivalents in the reporting period | | 357,622 | 19,266 |
| Cash and cash equivalents at the beginning of the reporting period | 2 | <u>918,109</u> | <u>898,843</u> |
| Cash and cash equivalents at the end of the reporting period | 2 | <u><u>1,275,731</u></u> | <u><u>918,109</u></u> |

1. RECONCILIATION OF NET INCOME/EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2023 £ | 2022 £ |
|--|-----------------------|-----------------------|
| Net (expenditure)/income for the reporting period (as per the statement of financial activities) | (337,838) | 261,783 |
| Adjustments for: | | |
| Depreciation charges | 299,407 | 292,670 |
| (Gain) / loss on investments | (13,766) | 63,800 |
| Movement in cash retained by investment manager | (4,521) | (226) |
| Investment income received | (20,619) | (18,086) |
| (Decrease) in provisions | (5,384) | (9,380) |
| (Increase) in stocks | (29,055) | (24,765) |
| Decrease / (increase) in debtors | 452,908 | (418,807) |
| Increase / (decrease) in creditors | <u>52,553</u> | <u>(19,844)</u> |
| Net cash provided by operating activities | <u><u>393,685</u></u> | <u><u>127,145</u></u> |

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2023 £ | 2022 £ |
|--------------------------------------|-------------------------|-----------------------|
| Notice deposits (less than 3 months) | <u><u>1,275,731</u></u> | <u><u>918,109</u></u> |

The Iona Community

Notes to the Financial Statements For The Year Ended 31 December 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, and tangible fixed assets which are included at deemed cost on transition to FRS 102, less accumulated depreciation and adjustments for impairment.

The Trustees consider that there are no material uncertainties about the ability of the charity to continue as a going concern for the foreseeable future. Accordingly, the accounts have been prepared on a going concern basis.

Group Accounts

The financial statements consolidate the results of the charity and its wholly owned subsidiary Iona Community Trading Ltd on a line-by-line basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Voluntary income includes donations, gifts and grants that provide core funding or are of a general nature, and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Legacy income is recognised in the same manner, but by policy is taken to a Designated Reserve and from which a set amount is transferred each year into the general fund.

Voluntary income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or the donor has imposed conditions that must be met before the charity has unconditional entitlement.

Income from commercial trading activities is recognised as earned (as the related goods and services are provided). It is stated after trade discounts and is net of VAT where applicable.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income received under contract and is recognised as earned as the related goods and services are provided.

Income is deferred when deposits are taken for accommodation in advance of the financial period under consideration.

Expenditure

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

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

Charitable activities

Charitable activities include expenditure associated with the delivery of the charitable activities of the Iona Community and include both the direct and indirect costs associated with the delivery of these activities.

Support costs are allocated to charitable activities on a direct basis where relevant. Where this is not appropriate, these costs are allocated 39% membership, 30% islands support, 2% publications and 29% resource work and projects. This is based on an estimate of staff time in these areas.

The Iona Community

Notes to the Financial Statements (continued) For The Year Ended 31 December 2023

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Depreciation is charged based on expected useful life and estimated residual values. Freehold property is depreciated on a straight line basis over fifty years. Property improvements of a major nature are depreciated over fifteen years, or the length of the lease if shorter. All other tangible fixed assets are depreciated on a straight line basis over five years.

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of financial activities.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of financial activities.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Cash at bank and in hand

Cash at bank and 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 of similar account.

Debtors

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

Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

The group operates a defined contribution pension scheme under NEST. Contributions payable to the pension scheme are charged to the statement of financial activities in the period to which they relate.

Previously, employees of the charity were entitled to join a scheme administered by TPT Retirement Solutions. The accounting policy for employees within that scheme is outlined under note 21.

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023**

| 2. DONATIONS AND LEGACIES | Unrestricted funds £ | Restricted funds £ | Total Funds 2023 £ | Total Funds 2022 £ |
|---|----------------------------|--------------------------|--------------------------|--------------------------|
| Donations | 401,458 | 197,366 | 598,824 | 557,490 |
| Legacies | 133,181 | - | 133,181 | 501,613 |
| Grants | - | - | - | 17,100 |
| Total donations and legacies - Company | <u>534,639</u> | <u>197,366</u> | <u>732,005</u> | 1,076,203 |
| Donations - trading subsidiary | <u>11,018</u> | - | <u>11,018</u> | - |
| Total donations and legacies - Group | <u><u>545,657</u></u> | <u><u>197,366</u></u> | <u><u>743,023</u></u> | <u><u>1,076,203</u></u> |
| Grants received, included in the above, as follows: | | | | |
| Other grants | <u>-</u> | <u>-</u> | <u>-</u> | <u>17,100</u> |

3. RAISING FUNDS

| Raising donations and legacies | £ | £ | £ | £ |
|--------------------------------|------------|----------|------------|--------------|
| Fundraising costs | <u>163</u> | <u>-</u> | <u>163</u> | <u>4,014</u> |

Trading fundraising

The financial activities shown in the consolidation statement includes those of the charity's wholly owned trading subsidiary, Iona Community Trading Ltd, which donates its profits to the charity.

A summary of the financial activities undertaken by the subsidiary is set out below.

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Turnover | 453,303 | 239,399 |
| Other operating income | 11,018 | - |
| Cost of sales and administrative costs | <u>(402,391)</u> | <u>(217,842)</u> |
| Net profit | 61,930 | 21,557 |
| Retained in the subsidiary | 61,930 | 21,557 |

The assets and liabilities of the subsidiary were:

| | | |
|---------------------------|----------------------|----------------------|
| Fixed assets | 760 | - |
| Current assets | 387,653 | 128,933 |
| Current liabilities | <u>(52,878)</u> | <u>(2,857)</u> |
| | 335,535 | 126,076 |
| Less: Parent company loan | <u>(240,542)</u> | <u>(93,013)</u> |
| Carried forward | <u><u>94,993</u></u> | <u><u>33,063</u></u> |

4. INCOME FROM CHARITABLE ACTIVITIES

| Activity | £ | £ | £ | £ |
|-------------------------------|-----------------------|-----------------|-----------------------|-----------------------|
| Resource work & projects | 11,212 | - | 11,212 | 35,923 |
| Publication sales & royalties | 5,051 | - | 5,051 | 170,063 |
| Guest charges | <u>627,743</u> | <u>-</u> | <u>627,743</u> | <u>518,555</u> |
| | <u>644,006</u> | <u>-</u> | <u>644,006</u> | <u>724,541</u> |
| Island Guest Charges: | | | | |
| Iona Abbey | 568,966 | - | 568,966 | 462,513 |
| Camas | <u>58,777</u> | <u>-</u> | <u>58,777</u> | <u>56,042</u> |
| | <u><u>627,743</u></u> | <u><u>-</u></u> | <u><u>627,743</u></u> | <u><u>518,555</u></u> |

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023

| 5. INVESTMENT INCOME | Unrestricted | Restricted | Total Funds | Total Funds |
|------------------------|---------------|--------------|---------------|---------------|
| | funds | funds | 2023 | 2022 |
| | £ | £ | £ | £ |
| Dividend income | 2,099 | 5,622 | 7,721 | 8,072 |
| Property rental income | 11,889 | - | 11,889 | 10,000 |
| Interest | 16 | 993 | 1,009 | 14 |
| | <u>14,004</u> | <u>6,615</u> | <u>20,619</u> | <u>18,086</u> |

6. CHARITABLE ACTIVITIES COST

| | £ | £ | £ | £ |
|----------------------------|------------------|----------------|------------------|------------------|
| Resource work and projects | 286,486 | 13,946 | 300,432 | 257,561 |
| Island centres | 915,720 | 285,888 | 1,201,608 | 880,148 |
| Movement support | 271,628 | 8,196 | 279,824 | 184,709 |
| Publications | 28,138 | - | 28,138 | 188,372 |
| | <u>1,501,972</u> | <u>308,030</u> | <u>1,810,002</u> | <u>1,510,790</u> |

Analysis of support costs included in above

| | £ | £ | £ | £ |
|----------------------------|----------------|----------|----------------|----------------|
| Resource work and projects | 186,128 | - | 186,128 | 130,611 |
| Island centres | 188,251 | - | 188,251 | 126,861 |
| Movement support | 271,629 | - | 271,629 | 181,040 |
| Publications | 23,323 | - | 23,323 | 21,873 |
| | <u>669,331</u> | <u>-</u> | <u>669,331</u> | <u>460,385</u> |

Support costs include the governance costs in relation to audit fees as outlined in note 7 below. These are allocated between areas in the proportions described in the accounting policies.

Publications costs in 2023 relate solely to operations of WGRG within the charitable company. In 2022 these costs also included Wild Goose Publications, who were operating within the charitable company in that year but within the trading subsidiary in 2023.

7. NET EXPENDITURE/INCOME

Net (expenditure)/income is stated after charging/(crediting):

| | 2023 | 2023 | 2022 | 2022 |
|--------------------------|----------------|----------------|----------------|----------------|
| | Group | Company | Group | Company |
| | £ | £ | £ | £ |
| Depreciation | <u>299,407</u> | <u>299,217</u> | <u>292,670</u> | <u>292,670</u> |
| Operating lease payments | <u>43,715</u> | <u>36,715</u> | <u>37,540</u> | <u>30,540</u> |
| Auditor's remuneration | <u>10,000</u> | <u>7,900</u> | <u>9,500</u> | <u>7,500</u> |

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

A total of £3,250 was reimbursed to 7 trustees (2022 - £544 to 3 trustees) in respect of travel and other expenses during the year.

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023**

9. STAFF COSTS

| | 2023 | 2022 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Salaries and wages | 829,434 | 588,117 |
| Social security costs | 59,077 | 42,636 |
| Pension costs | 64,430 | 45,870 |
| | 952,941 | 676,623 |
| | 952,941 | 676,623 |

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

| | 2023 | 2022 |
|-------|-------------|-------------|
| Staff | 40 | 31 |
| | 40 | 31 |

The emoluments, not including employer pension contributions, of two members of staff are within the range of £60,000 to £69,999 (2022 – none above £60,000).

Key management personnel remuneration totalling £202,114 (2022 - £120,152) was paid during the year comprising salary, employer's National Insurance contributions and employer's pension contributions.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Funds | Restricted Funds | Total Funds |
|------------------------------------|-------------------------------|-----------------------------|------------------------|
| | £ | £ | £ |
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 886,328 | 189,875 | 1,076,203 |
| Trading activities - Shop | 239,399 | - | 239,399 |
| Charitable activities | 724,541 | - | 724,541 |
| Investment income | 12,816 | 5,270 | 18,086 |
| Intra-group sales | (34,218) | - | (34,218) |
| Total | 1,828,866 | 195,145 | 2,024,011 |
| EXPENDITURE ON | | | |
| Raising funds | 164 | 3,850 | 4,014 |
| Trading activities - Shop | 217,842 | - | 217,842 |
| Charitable activities | 1,230,317 | 280,473 | 1,510,790 |
| Intra-group purchases | (34,218) | - | (34,218) |
| Total | 1,414,105 | 284,323 | 1,698,428 |
| Net (losses) on investments | (8,351) | (55,449) | (63,800) |
| NET INCOME/(EXPENDITURE) | 406,410 | (144,627) | 261,783 |
| Transfers between funds | 58,512 | (58,512) | - |
| Net movement in funds | 464,922 | (203,139) | 261,783 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 1,920,455 | 3,703,763 | 5,624,218 |
| TOTAL FUNDS CARRIED FORWARD | 2,385,377 | 3,500,624 | 5,886,001 |

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023

11. TANGIBLE FIXED ASSETS

| GROUP | Leasehold Property £ | Freehold Property £ | Furniture & Equipment £ | Totals £ |
|-----------------------|----------------------------|---------------------------|-------------------------------|------------------|
| COST | | | | |
| At 1 January 2023 | 4,201,959 | 2,015,113 | 278,319 | 6,495,391 |
| Additions | - | - | 64,201 | 64,201 |
| Disposals | - | - | (5,362) | (5,362) |
| At 31 December 2023 | <u>4,201,959</u> | <u>2,015,113</u> | <u>337,158</u> | <u>6,554,230</u> |
| DEPRECIATION | | | | |
| At 1 January 2023 | 1,817,359 | 315,169 | 237,524 | 2,370,052 |
| Charge for year | 239,431 | 31,049 | 28,927 | 299,407 |
| On disposals | - | - | (5,362) | (5,362) |
| At 31 December 2023 | <u>2,056,790</u> | <u>346,218</u> | <u>261,089</u> | <u>2,664,097</u> |
| NET BOOK VALUE | | | | |
| At 31 December 2023 | <u>2,145,169</u> | <u>1,668,895</u> | <u>76,069</u> | <u>3,890,133</u> |
| At 31 December 2022 | <u>2,384,600</u> | <u>1,699,944</u> | <u>40,795</u> | <u>4,125,339</u> |
| COMPANY | | | | |
| | Leasehold Property £ | Freehold Property £ | Furniture & Equipment £ | Totals £ |
| COST | | | | |
| At 1 January 2023 | 4,201,959 | 2,015,113 | 270,383 | 6,487,455 |
| Additions | - | - | 63,251 | 63,251 |
| Disposals | - | - | (5,362) | (5,362) |
| At 31 December 2023 | <u>4,201,959</u> | <u>2,015,113</u> | <u>328,272</u> | <u>6,545,344</u> |
| DEPRECIATION | | | | |
| At 1 January 2023 | 1,817,359 | 315,169 | 229,588 | 2,362,116 |
| Charge for year | 239,431 | 31,049 | 28,737 | 299,217 |
| On disposals | - | - | (5,362) | (5,362) |
| At 31 December 2023 | <u>2,056,790</u> | <u>346,218</u> | <u>252,963</u> | <u>2,655,971</u> |
| NET BOOK VALUE | | | | |
| At 31 December 2023 | <u>2,145,169</u> | <u>1,668,895</u> | <u>75,309</u> | <u>3,889,373</u> |
| At 31 December 2022 | <u>2,384,600</u> | <u>1,699,944</u> | <u>40,795</u> | <u>4,125,339</u> |

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023

12. FIXED ASSET INVESTMENTS

| GROUP | Shares in | Listed | Total | Total |
|---|--------------|----------------|----------------|----------------|
| | group | Investments | 2023 | 2022 |
| | undertakings | 2023 | 2023 | 2022 |
| | 2023 | 2023 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Market value at 1 January | - | 268,945 | 268,945 | 335,978 |
| Acquisitions at cost | - | 56,014 | 56,014 | - |
| Less: disposals at opening market value | - | (69,058) | (69,058) | (3,878) |
| Net gains / (losses) on revaluation | - | 19,291 | 19,291 | (63,155) |
| | <u>-</u> | <u>275,192</u> | <u>275,192</u> | <u>268,945</u> |
| Cash held awaiting reinvestment | | | 5,532 | 1,011 |
| Market value at 31 December | | | <u>280,724</u> | <u>269,956</u> |

| COMPANY | Shares in | Listed | Total | Total |
|---|---------------|----------------|----------------|----------------|
| | group | Investments | 2023 | 2022 |
| | undertakings* | 2023 | 2023 | 2022 |
| | £ | £ | £ | £ |
| Market value at 1 January | 100 | 268,945 | 269,045 | 336,078 |
| Acquisitions at cost | - | 56,014 | 56,014 | - |
| Less: disposals at opening market value | - | (69,058) | (69,058) | (3,878) |
| Net gains / (losses) on revaluation | - | 19,291 | 19,291 | (63,155) |
| | <u>100</u> | <u>275,192</u> | <u>275,292</u> | <u>269,045</u> |
| Cash held awaiting reinvestment | | | 5,532 | 1,011 |
| Market value at 31 December | | | <u>280,824</u> | <u>270,056</u> |

* Shares in group undertakings represent a 100% holding in the equity share capital of Iona Community Trading Limited, a company registered in Scotland with number SC156678, having its registered address at Suite 9, Fairfield, 1048 Govan Road, Glasgow, G51 4XS.

13. STOCKS

| GROUP | 2023 | 2022 |
|---------|----------------|----------------|
| | £ | £ |
| Stocks | <u>160,205</u> | <u>131,150</u> |
| COMPANY | 2023 | 2022 |
| | £ | £ |
| Stocks | <u>602</u> | <u>54,510</u> |

14. DEBTORS

| GROUP | 2023 | 2022 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 21,004 | 17,721 |
| VAT recoverable | - | 7,732 |
| Prepayments and accrued income | 58,294 | 483,834 |
| Other debtors | 92,529 | 115,448 |
| | <u>171,827</u> | <u>624,735</u> |

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023**

14. DEBTORS (continued)

| | 2023 | 2022 |
|--|----------------|----------------|
| COMPANY | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 9,475 | 17,698 |
| Amounts owed by group undertakings | 190,542 | 43,013 |
| VAT recoverable | - | 7,732 |
| Prepayments and accrued income | 57,774 | 483,506 |
| Other debtors | 92,516 | 115,435 |
| | 350,307 | 667,384 |
| | 350,307 | 667,384 |
| Amounts falling due after more than one year: | | |
| Amounts owed by group undertakings | 50,000 | 50,000 |
| | 50,000 | 50,000 |
| | 400,307 | 717,384 |

The Iona Community has provided its subsidiary Iona Community Trading Ltd (ICT Ltd) with a long term loan of £50,000. This loan is granted to provide working capital for ICT Ltd. It was granted on the strict understanding that all profits earned by ICT Ltd are donated to the Iona Community. Interest is charged at the rate of 2.50% annually. The loan and any other sums outstanding to the Iona Community are guaranteed on the assets of ICT Ltd. The status of the loan is reviewed annually after the annual accounts have been produced and the viability of ICT Ltd assessed. The remainder of the debtor, £190,542 (2022 - £43,013), is of a short term nature and will be paid in 2024.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|------------------|----------------|----------------|
| GROUP | £ | £ |
| Trade creditors | 23,256 | 15,428 |
| VAT | 10,315 | - |
| Deferred income | 79,289 | 66,054 |
| Accrued expenses | 41,102 | 36,770 |
| Other creditors | 70,383 | 53,540 |
| | 224,345 | 171,792 |
| | 224,345 | 171,792 |
| COMPANY | | |
| Trade creditors | 16,272 | 15,632 |
| VAT | 10,315 | - |
| Deferred income | 79,289 | 66,054 |
| Accrued expenses | 36,981 | 34,474 |
| Other creditors | 30,193 | 53,541 |
| | 173,050 | 169,701 |
| | 173,050 | 169,701 |

16. PROVISIONS FOR LIABILITIES

| | 2023 | 2022 |
|----------------------------|--------------|---------------|
| GROUP & COMPANY | £ | £ |
| Provisions | 6,112 | 11,496 |
| | 6,112 | 11,496 |
| | 6,112 | 11,496 |

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023

17. MOVEMENT IN FUNDS

| | Note | At 01.01.23 £ | Movement in funds £ | Transfers between funds £ | At 31.12.23 £ |
|--|------|------------------|---------------------------|---------------------------------|------------------|
| Unrestricted funds | | | | | |
| <i>Designated funds - fixed assets</i> | | | | | |
| Fixed asset reserve | (a) | 1,355,267 | (43,569) | 63,251 | 1,374,949 |
| | | <u>1,355,267</u> | <u>(43,569)</u> | <u>63,251</u> | <u>1,374,949</u> |
| <i>Designated funds - other</i> | | | | | |
| Legacy fund | (b) | 661,907 | 133,618 | (79,081) | 716,444 |
| Unlocked fund | (c) | 17,995 | (1,151) | (11,424) | 5,420 |
| Iona Community Learn fund | (d) | 30,000 | - | (11,847) | 18,153 |
| Maintenance fund | (e) | 65,000 | (33,919) | 34,992 | 66,073 |
| <i>General fund</i> | | <u>255,208</u> | <u>(300,732)</u> | <u>163,426</u> | <u>117,902</u> |
| Total unrestricted funds | | <u>2,385,377</u> | <u>(245,753)</u> | <u>159,317</u> | <u>2,298,941</u> |
| Restricted funds | | | | | |
| <i>Restricted funds - fixed assets</i> | | | | | |
| Iona Abbey asset reserve | (f) | 2,380,355 | (228,405) | - | 2,151,950 |
| Dunsmeorach asset reserve | (g) | 371,536 | (9,288) | - | 362,248 |
| Welcome Centre asset reserve | (h) | 18,182 | (17,956) | - | 226 |
| | | <u>2,770,073</u> | <u>(255,649)</u> | <u>-</u> | <u>2,514,424</u> |
| <i>Restricted funds - other</i> | | | | | |
| Alastair Crerar fund | (i) | 176,266 | 10,746 | (41,674) | 145,338 |
| Camas travel fund | (j) | 6,547 | - | - | 6,547 |
| Dame Flora MacLeod fund | (k) | 17,012 | (6,081) | - | 10,931 |
| Ecumenical training fund | (l) | 4,033 | - | - | 4,033 |
| Islands access fund | (m) | 126,174 | 4,124 | (40,087) | 90,211 |
| Islands youth fund | (n) | 20,000 | (2,295) | (8,400) | 9,305 |
| Macleod Centre redevelopment | (o) | 50,199 | 7,990 | - | 58,189 |
| Members' travel pool | (p) | 17,012 | (7,325) | - | 9,687 |
| Music books fund | (q) | 666 | - | - | 666 |
| Wild Goose Resource Group fund | (r) | 302,533 | 106,398 | (69,156) | 339,775 |
| Youth work fund | (s) | 10,109 | 50,007 | - | 60,116 |
| Total restricted funds | | <u>3,500,624</u> | <u>(92,085)</u> | <u>(159,317)</u> | <u>3,249,222</u> |
| TOTAL FUNDS | | <u>5,886,001</u> | <u>(337,838)</u> | <u>-</u> | <u>5,548,163</u> |

Unrestricted funds includes brought forward reserves of £32,863 and net income of £61,930 relating to the subsidiary.

Net movements in funds, included in the above, are as follows:

| | Income £ | Expenditure £ | Gains and losses £ | Movement in funds £ |
|--|------------------|--------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| <i>Designated funds - fixed assets</i> | | | | |
| Fixed asset reserve | - | (43,569) | - | (43,569) |
| | - | <u>(43,569)</u> | - | <u>(43,569)</u> |
| <i>Designated funds - other</i> | | | | |
| Legacy fund | 133,032 | (163) | 749 | 133,618 |
| Unlocked fund | - | (1,151) | - | (1,151) |
| Iona Community Learn fund | - | - | - | - |
| Maintenance fund | 6,700 | (40,619) | - | (33,919) |
| <i>General fund</i> | <u>1,480,761</u> | <u>(1,782,546)</u> | <u>1,053</u> | <u>(300,732)</u> |
| Total unrestricted funds | <u>1,620,493</u> | <u>(1,868,048)</u> | <u>1,802</u> | <u>(245,753)</u> |

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023

17. MOVEMENT IN FUNDS (continued)

| | Income | Expenditure | Gains and losses | Movement in funds |
|--|------------------|--------------------|------------------|-------------------|
| | £ | £ | £ | £ |
| Restricted funds | | | | |
| <i>Restricted funds - fixed assets</i> | | | | |
| Iona Abbey asset reserve | - | (228,405) | - | (228,405) |
| Camas asset reserve | - | - | - | - |
| Dunsmeorach asset reserve | - | (9,288) | - | (9,288) |
| Welcome Centre asset reserve | - | (17,956) | - | (17,956) |
| | <u>-</u> | <u>(255,649)</u> | <u>-</u> | <u>(255,649)</u> |
| <i>Restricted funds - other</i> | | | | |
| Alastair Crerar fund | 4,074 | (1,998) | 8,670 | 10,746 |
| Camas travel fund | - | - | - | - |
| Dame Flora MacLeod fund | - | (6,081) | - | (6,081) |
| Ecumenical training fund | - | - | - | - |
| Islands access fund | 1,548 | (718) | 3,294 | 4,124 |
| Islands youth fund | - | (2,295) | - | (2,295) |
| Macleod Centre redevelopment | 27,136 | (19,146) | - | 7,990 |
| Members' travel pool | 872 | (8,197) | - | (7,325) |
| Music books fund | - | - | - | - |
| Wild Goose Resource Group fund | 120,344 | (13,946) | - | 106,398 |
| Youth work fund | 50,007 | - | - | 50,007 |
| | <u>203,981</u> | <u>(308,030)</u> | <u>11,964</u> | <u>(92,085)</u> |
| Total restricted funds | | | | |
| TOTAL FUNDS | <u>1,824,474</u> | <u>(2,176,078)</u> | <u>13,766</u> | <u>(337,838)</u> |

Unrestricted funds includes net income of £61,930 relating to the subsidiary.

Notes on funds

(a) Fixed Asset Reserve

This fund represents the net book value of all assets which are not held within any of the other designated or restricted asset reserve funds. Depreciation on these assets is charged to this fund, and the additions or disposals are adjusted to this fund by way of transfers.

(b) Legacy Fund

All unrestricted legacies received by the Iona Community are taken into this reserve, which is released on a basis authorised by the Council of the Iona Community to be applied to charitable activities.

(c) Unlocked Fund

This fund has been created from funds set aside by the trustees from the surplus of funds raised from the Capital Appeal fund. This fund is used to support and subsidise travel to and accommodation at our island centres for those particularly affected by lockdown whether through home, work or personal circumstances.

(d) Iona Community Learn Fund

This fund was created from funds set aside by the trustees from the surplus of funds raised from the Capital Appeal fund. This fund is used for the development of online and in-person learning and engagement resources and activities, publicised as 'Iona Community Learn'.

(e) Maintenance Fund

This fund was created by setting aside budget underspends on maintenance expenditure in previous years. The fund is applied to maintenance expenditure at the island centres and is topped up each year out of current maintenance budgets.

The Iona Community

Notes to the Financial Statements (continued) For The Year Ended 31 December 2023

17. MOVEMENT IN FUNDS (continued)

(f) Iona Abbey Asset Reserve

This represents costs of capital improvements on Iona other than those included in other asset reserve funds. These costs are being depreciated over 15 years with the depreciation being charged to this fund.

(g) Dunsmeorach Asset Reserve

This fund represents the contribution from the Growing Hope appeal towards the costs of rebuilding staff accommodation at Dunsmeorach on Iona which was completed in 2011. Depreciation on this property is being charged to this fund.

(h) Welcome Centre Asset Reserve

This fund represents the contribution from the Growing Hope Fund towards the costs of the creation of a Welcome Centre on Iona which was completed in 2009. The fund will be used to offset the annual depreciation cost of the project over 15 years.

(i) Alastair Crerar Fund

On the winding up of the Crerar Trust, the trustees gave the balance of funds of the Trust to the Iona Community, under restricted purposes as laid out below. Council will decide as appropriate specifically how to apply these funds: to enable greater numbers of single poor people to access our Centres on Iona and Mull or similar residential facilities as appropriate, by meeting travel and accommodation costs; to support social care and outreach initiatives in Glasgow; and to encourage partnerships with other agencies working with the single poor in Glasgow and elsewhere.

(j) Camas Travel Fund

This represents gifts to assist groups as required with the costs of travelling to Camas.

(k) Dame Flora MacLeod Fund

This fund arose from historical donations from the Dunvegan Trust in the USA. The purpose is to provide travel grants to overseas volunteers to the Island centres.

(l) Ecumenical Training Fund

The fund represents the closing assets of the Scottish Churches Open College which will be applied for an appropriate lay training project when one arises.

(m) Islands Access Fund

This fund receives donations and interest on the cash invested on behalf of the fund. Its purpose is to provide reduced price places at the Islands Centres.

(n) Islands Youth Fund

This fund arose from a legacy which was given for the purposes of supporting youth work at the charity's Islands Centres.

(o) Macleod Centre Redevelopment

Donations were received during the year in anticipation of an appeal for funds to redevelop the Macleod Centre on Iona.

(p) Members' Travel Pool

This fund is available to make contributions to Members to meet costs of attending Meetings.

(q) Music Books Fund

This fund is from a donation to cover the costs of creating and piloting the new Abbey Music Book.

(r) Wild Goose Resource Group Fund

This represents income generated personally by members of the Wild Goose Resource Group which they donate to The Iona Community, mainly used to subsidise the costs of running the Wild Goose Resource Group project of the Community, but also for other projects as directed by the donors.

(s) Youth Work Fund

This fund arose from a donation to support youth work.

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023

18. MOVEMENT IN FUNDS - COMPARATIVE INFORMATION FOR PRIOR YEAR

| | Note | At 1.1.22 £ | Movement in funds £ | Transfers between funds £ | At 31.12.22 £ |
|--|------|-------------------------|---------------------------|---------------------------------|-------------------------|
| Unrestricted funds | | | | | |
| <i>Designated funds - fixed assets</i> | | | | | |
| Fixed asset reserve | | 1,371,182 | (31,023) | 15,108 | 1,355,267 |
| | | <u>1,371,182</u> | <u>(31,023)</u> | <u>15,108</u> | <u>1,355,267</u> |
| <i>Designated funds - other</i> | | | | | |
| Legacy fund | | 206,831 | 488,305 | (33,229) | 661,907 |
| Unlocked fund | | - | 52,928 | (34,933) | 17,995 |
| Iona Community Learn fund | | 30,000 | - | - | 30,000 |
| Maintenance fund | | - | - | 65,000 | 65,000 |
| <i>General fund</i> | | <u>312,442</u> | <u>(103,800)</u> | <u>46,566</u> | <u>255,208</u> |
| Total unrestricted funds | | 1,920,455 | 406,410 | 58,512 | 2,385,377 |
| Restricted funds | | | | | |
| <i>Restricted funds - fixed assets</i> | | | | | |
| Iona Abbey asset reserve | | 2,494,669 | (228,404) | 114,090 | 2,380,355 |
| Camas asset reserve | (a) | 5,998 | (5,998) | - | - |
| Dunsmeorach asset reserve | | 380,825 | (9,289) | - | 371,536 |
| Welcome Centre asset reserve | | 36,137 | (17,956) | - | 18,181 |
| | | <u>2,917,629</u> | <u>(261,647)</u> | <u>114,090</u> | <u>2,770,072</u> |
| <i>Restricted funds - other</i> | | | | | |
| Alastair Crerar fund | | 236,989 | (38,269) | (22,454) | 176,266 |
| Camas travel fund | | 6,547 | - | - | 6,547 |
| Capital appeal fund | (b) | 91,042 | (3,851) | (87,191) | - |
| Dame Flora MacLeod fund | | 21,802 | (4,790) | - | 17,012 |
| Ecumenical training fund | | 4,033 | - | - | 4,033 |
| Islands access fund | | 140,824 | (14,650) | - | 126,174 |
| Islands youth work fund | | 20,000 | - | - | 20,000 |
| Macleod Centre redevelopment | | - | 50,199 | - | 50,199 |
| Members' travel pool | | 20,682 | (3,670) | - | 17,012 |
| Music books fund | | 666 | - | - | 666 |
| Wild Goose Resource Group fund | | 233,446 | 132,045 | (62,957) | 302,534 |
| Youth work fund | | 10,103 | 6 | - | 10,109 |
| | | <u>3,703,763</u> | <u>(144,627)</u> | <u>(58,512)</u> | <u>3,500,624</u> |
| Total restricted funds | | 3,703,763 | (144,627) | (58,512) | 3,500,624 |
| TOTAL FUNDS | | <u>5,624,218</u> | <u>261,783</u> | <u>-</u> | <u>5,886,001</u> |

Unrestricted funds includes brought forward reserves of £11,306 and net income of £21,557 relating to the subsidiary.

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023

18. MOVEMENT IN FUNDS - COMPARATIVE INFORMATION FOR PRIOR YEAR (continued)

Net movement in funds, included in the above are as follows:

| | Income | Expenditure | Gains and losses | Movement in funds |
|--|------------------|--------------------|------------------|-------------------|
| | £ | £ | £ | £ |
| Unrestricted funds | | | | |
| <i>Designated funds - fixed assets</i> | | | | |
| Fixed asset reserve | - | (31,023) | - | (31,023) |
| | - | (31,023) | - | (31,023) |
| <i>Designated funds - other</i> | | | | |
| Legacy fund | 491,940 | (164) | (3,471) | 488,305 |
| Unlocked fund | 54,750 | (1,822) | - | 52,928 |
| Iona Community Learn fund | - | - | - | - |
| Maintenance fund | - | - | - | - |
| General fund | 1,282,176 | (1,381,096) | (4,880) | (103,800) |
| Total unrestricted funds | 1,828,866 | (1,414,105) | (8,351) | 406,410 |
| Restricted funds | | | | |
| <i>Restricted funds - fixed assets</i> | | | | |
| Iona Abbey asset reserve | - | (228,404) | - | (228,404) |
| Camas asset reserve | - | (5,998) | - | (5,998) |
| Dunsmeorach asset reserve | - | (9,289) | - | (9,289) |
| Welcome Centre asset reserve | - | (17,956) | - | (17,956) |
| | - | (261,647) | - | (261,647) |
| <i>Restricted funds - other</i> | | | | |
| Alastair Crerar fund | 3,807 | (1,894) | (40,182) | (38,269) |
| Camas travel fund | - | - | - | - |
| Capital appeal fund | - | (3,851) | - | (3,851) |
| Dame Flora MacLeod fund | - | (4,790) | - | (4,790) |
| Ecumenical training fund | - | - | - | - |
| Islands access fund | 1,437 | (820) | (15,267) | (14,650) |
| Islands youth fund | - | - | - | - |
| Macleod Centre redevelopment | 50,199 | - | - | 50,199 |
| Members' travel pool | - | (3,670) | - | (3,670) |
| Music books fund | - | - | - | - |
| Wild Goose Resource Group fund | 139,696 | (7,651) | - | 132,045 |
| Youth work fund | 6 | - | - | 6 |
| Total restricted funds | 195,145 | (284,323) | (55,449) | (144,627) |
| TOTAL FUNDS | 2,024,011 | (1,698,428) | (63,800) | 261,783 |

Unrestricted funds includes net income of £21,557 relating to the subsidiary.

Notes on funds - prior year

(a) Camas Asset Reserve

The total cost of the upgrade of the Camas facilities on the Island of Mull was financed from the Growing Hope Appeal and completed in 2007. The upgrade is being depreciated over 15 years with the cost of the depreciation negated by the same amount taken from the reserve account created from the Growing Hope Appeal Fund. This fund also includes the capital cost of other improvements to facilities at Camas undertaken more recently.

(b) Capital Appeal Fund

The capital appeal fund related to major capital works to upgrade accommodation at the Abbey, carried out between 2017 and 2021. Retentions were settled during 2022, which completed this project and the fund is now closed.

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023

19. SUMMARY OF ASSETS AND LIABILITIES OF EACH FUND

| | Fixed Assets £ | Investments £ | Current Assets less Liabilities £ | Total £ |
|--|-------------------------|-----------------------|---|-------------------------|
| Unrestricted funds | | | | |
| <i>Designated funds - fixed assets</i> | | | | |
| Fixed asset reserve | 1,374,949 | - | - | 1,374,949 |
| | <u>1,374,949</u> | <u>-</u> | <u>-</u> | <u>1,374,949</u> |
| <i>Designated funds - other</i> | | | | |
| Legacy fund | - | 15,271 | 701,173 | 716,444 |
| Unlocked fund | - | - | 5,420 | 5,420 |
| Iona Community Learn fund | - | - | 18,153 | 18,153 |
| Maintenance fund | - | - | 66,073 | 66,073 |
| <i>General fund</i> | <u>760</u> | <u>63,163</u> | <u>53,979</u> | <u>117,902</u> |
| Total unrestricted funds | 1,375,709 | 78,434 | 844,798 | 2,298,941 |
| Restricted funds | | | | |
| <i>Restricted funds - fixed assets</i> | | | | |
| Iona abbey asset reserve | 2,151,950 | - | - | 2,151,950 |
| Dunsmeorach asset reserve | 362,248 | - | - | 362,248 |
| Welcome centre asset reserve | 226 | - | - | 226 |
| | <u>2,514,424</u> | <u>-</u> | <u>-</u> | <u>2,514,424</u> |
| <i>Restricted funds - other</i> | | | | |
| Alastair Crerar fund | - | 135,112 | 10,226 | 145,338 |
| Camas travel fund | - | - | 6,547 | 6,547 |
| Dame Flora MacLeod fund | - | - | 10,931 | 10,931 |
| Ecumenical training fund | - | - | 4,033 | 4,033 |
| Islands access fund | - | 67,177 | 23,034 | 90,211 |
| Islands youth fund | - | - | 9,305 | 9,305 |
| Macleod Centre redevelopment | - | - | 58,189 | 58,189 |
| Members' travel pool | - | - | 9,687 | 9,687 |
| Music books fund | - | - | 666 | 666 |
| Wild Goose Resource Group fund | - | - | 339,775 | 339,775 |
| Youth work fund | - | - | 60,116 | 60,116 |
| | <u>-</u> | <u>-</u> | <u>60,116</u> | <u>60,116</u> |
| Total restricted funds | 2,514,424 | 202,289 | 532,509 | 3,249,222 |
| Total as at 31 December 2023 | <u>3,890,133</u> | <u>280,723</u> | <u>1,377,307</u> | <u>5,548,163</u> |

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023

20. SUMMARY OF ASSETS AND LIABILITIES OF EACH FUND - COMPARATIVE INFORMATION FOR PRIOR YEAR

| | Fixed Assets £ | Investments £ | Current Assets less Liabilities £ | Total £ |
|--|-------------------|------------------|---|------------------|
| Unrestricted funds | | | | |
| Fixed asset reserve | 1,355,267 | - | - | 1,355,267 |
| | <u>1,355,267</u> | <u>-</u> | <u>-</u> | <u>1,355,267</u> |
| <i>Designated funds - other</i> | | | | |
| Legacy fund | - | 14,685 | 647,222 | 661,907 |
| Unlocked fund | - | - | 17,995 | 17,995 |
| Iona Community Learn fund | - | - | 30,000 | 30,000 |
| Maintenance fund | - | - | 65,000 | 65,000 |
| <i>General fund</i> | <u>-</u> | <u>20,652</u> | <u>234,556</u> | <u>255,208</u> |
| Total unrestricted funds | <u>1,355,267</u> | <u>35,337</u> | <u>994,773</u> | <u>2,385,377</u> |
| Restricted funds | | | | |
| <i>Restricted funds - fixed assets</i> | | | | |
| Iona abbey asset reserve | 2,380,355 | - | - | 2,380,355 |
| Dunsmeorach asset reserve | 371,536 | - | - | 371,536 |
| Welcome centre asset reserve | 18,181 | - | - | 18,181 |
| | <u>2,770,072</u> | <u>-</u> | <u>-</u> | <u>2,770,072</u> |
| <i>Restricted funds - other</i> | | | | |
| Alastair Crerar fund | - | 170,019 | 6,248 | 176,267 |
| Camas travel fund | - | - | 6,547 | 6,547 |
| Dame Flora MacLeod fund | - | - | 17,012 | 17,012 |
| Ecumenical training fund | - | - | 4,033 | 4,033 |
| Islands access fund | - | 64,600 | 61,574 | 126,174 |
| Islands youth fund | - | - | 20,000 | 20,000 |
| Macleod Centre redevelopment | - | - | 50,199 | 50,199 |
| Members' travel pool | - | - | 17,012 | 17,012 |
| Music books fund | - | - | 666 | 666 |
| Wild Goose Resource Group fund | - | - | 302,533 | 302,533 |
| Youth work fund | - | - | 10,109 | 10,109 |
| | <u>2,770,072</u> | <u>234,619</u> | <u>495,933</u> | <u>3,500,624</u> |
| Total restricted funds | <u>2,770,072</u> | <u>234,619</u> | <u>495,933</u> | <u>3,500,624</u> |
| Total as at 31 December 2022 | <u>4,125,339</u> | <u>269,956</u> | <u>1,490,706</u> | <u>5,886,001</u> |

21. PENSION COMMITMENTS

The company participates in the TPT Retirement Solutions Growth Plan ('the scheme'), a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2023

21. PENSION COMMITMENTS (continued)

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

| | | |
|---------------------------------------|----------------------|--|
| From 1 April 2022 to 31 January 2025: | £3,312,000 per annum | (payable monthly and increasing by 3% each on 1st April) |
|---------------------------------------|----------------------|--|

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

| | | |
|---------------------------------------|-----------------------|--|
| From 1 April 2019 to 31 January 2025: | £11,243,000 per annum | (payable monthly and increasing by 3% each on 1st April) |
|---------------------------------------|-----------------------|--|

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision

| | 2023 £ | 2022 £ |
|----------------------------|--------------|---------------|
| Present value of provision | <u>6,112</u> | <u>11,496</u> |

Reconciliation of opening and closing provisions

| | Period ending 2023 | Period ending 2022 |
|--|-----------------------|-----------------------|
| Provision at start of period | 11,496 | 20,876 |
| Unwinding of the discount factor (interest expense) | 415 | 174 |
| Deficit contribution paid | (5,789) | (9,129) |
| Remeasurements - impact of any change in assumptions | (10) | (425) |
| Remeasurements - amendments to the contribution schedule | - | - |
| | <u>6,112</u> | <u>11,496</u> |

Assumptions

| | 2023 % per annum | 2022 % per annum |
|------------------|---------------------|---------------------|
| Rate of discount | <u>5.31</u> | <u>4.96</u> |

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The Iona Community

Notes to the Financial Statements (continued) For The Year Ended 31 December 2023

22. OPERATING LEASE COMMITMENTS

At the balance sheet date, the group had future minimum payments under non-cancellable operating leases for rental of premises as follows:

- for rental of office premises, £17,616 payable in one year (2022: £17,516) and £27,036 payable in 2 to 5 years (2022: £2,936).

- for properties on Iona, market rent is payable on leases running until 2 April 2075, with the level of rent to be reviewed every 5 years. Current market rent payable is a total of £39,500 per annum.

- for properties on Mull, £1,370 per annum on a lease running until November 2039.

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2023 other than the transactions with the subsidiary.

The amounts outstanding between the charity and the subsidiary at the year end are disclosed in note 14.