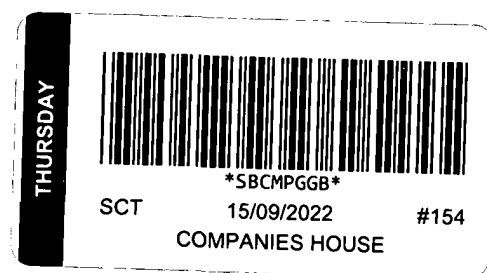


REGISTERED COMPANY NUMBER: SC096243 (Scotland)
REGISTERED CHARITY NUMBER: SC003794

**Report of the Trustees and
Financial Statements For The Year Ended 31 December 2021
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 2021**

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The Iona Community
Report of the Trustees
For The Year Ended 31 December 2021

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 2021 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 Limited. 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:

N J Bowry	Minister Of Religion
W Dunlop	Retired
B Evans	Assistant Director
F Fidgin	Learning & Development Officer
D A Hughes	Retired Medical Practitioner
P Ives	Retired
A M Jackson	Retired
G Jarvie	University Professor
J C Morling	Company Director
R J Reid	Retired
M J Scott	Chief Executive

Others who served as trustees during the year:

A Taylor Aiken Teacher

Resigned 9 December 2021

Company Secretary
R McLean

The Iona Community

**Report of the Trustees (continued)
For The Year Ended 31 December 2021**

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	Callum Orr (from 6/9/21) Sarah Metcalfe (to 30/6/21)
Finance & Compliance Manager	Robin McLean (from 18/10/21)
Support Services Manager	David Dugan (until 12/3/21)

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 2021

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: In common with all humanity, the life of the Iona Community over the past year has been dominated by the need to learn to live in a post-COVID world. With the ending of most restrictions imposed during lockdown periods, we have begun to trust ourselves again to meet face-to-face and to share in community in ways both familiar and strange. One positive effect of this has been to enable us to appreciate more than ever the value of all of life and the responsibility of both caring for one another and the environment, and respecting boundaries in our encounters. Whether resident in our centres or meeting in Family/Regional Groups, Plenary sessions and Community networks and events, we relish the chance to be in one another's company both on line and on site.

One of the very positive learning experiences of lockdown has been the benefits of online communication for enabling community. This is evident in all aspects of the life of the Community now. For example, from a governance perspective, throughout the entire COVID period, the Council has conducted all but one of its meetings via Zoom, enabling a geographically distant group of members to participate fully in the business and fulfil all its duties. The worship life of the Community has also been enhanced by the ability to join literally across the globe in a regular diet of online worship. This means that members from all parts of the world have got to know one another more easily than was previously possible in gathered meetings. The Iona Community owes a huge debt of gratitude to members and associate members who have volunteered their talents and expertise in hosting these online gatherings, preparing liturgies, and posting daily worship material for a global audience. Our publishing house has also hosted regular book launch events which have reached a wide public audience, and our online training and support sessions have enabled many otherwise unable to meet together to find community.

There is a great deal to be thankful for as we come to the end of the first season following the reopening of our islands centres. Our staff have given the highest levels of service in making it possible to operate, especially during the phase of opening up again. The care and attention which staff offered in terms of constantly cleaning and sanitising to ensure the safety of guests was exemplary. Our mainland centre was moved in this period, with staff working tirelessly to down-size and move years' worth of material and resources. The Community owes to its staff a deep sense of gratitude.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Membership: The Council took the decision to clarify the situation with regard to global membership of the Iona Community in 2021 agreeing that membership should be open to all. This has been welcomed and reflected in the New Members programme. In 2021 we hallowed 6 New Members and welcomed a further 14 to our New Members programme from 6 different countries. The Iona Community is now made up of 278 Members and 2,000+ Associate Members and Friends scattered across Europe, the United States of America, Canada, Australia and New Zealand, with Associate Members also in Ghana, Kenya, Malawi, Uganda, Cuba, the Philippines, Malaysia and Taiwan.

The Iona Community strives to be a genuinely global movement. We acknowledge, however, that our membership is made up largely of those in the north and west of the world, informed by the cultural norms of the wealthiest and most economically powerful nations. We confess the limitations of this dominant mind-set and will continue to do all we can to widen and broaden our membership and our programmes to reflect the deep diversity of a truly global movement.

Members continue to meet online and also on site through local Family Groups, Regionally, and through the work of our Common Concern Networks (CCNs). In addition, we hosted over 150 Members at the Abbey on Iona over the course of three Community Weeks. A youth event took place at Camas during one of these weeks for children of Members. Our Young Adults, who have committed to the Community's Rule of Life, now form a group numbering 16.

Reopening of the Abbey Living Quarters: The renovation of the living quarters of Iona Abbey was finally completed in the first half of 2021. We celebrated the reopening on Monday 7th June with a service of thanksgiving and a party. We were particularly delighted to be joined by children from the island community, including three pipers, who helped us tell the story of faith and community on the island over the centuries. We were also joined by HRH Princess Anne, Patron of the Capital Appeal, who spoke to us about the impact of a renewed Abbey on the lives of the most needy. It was gratifying to know as the reopening took place that the success of the fundraising meant that the cost of the renovations had been covered.

Special mention should also be made of the role played in the renovation by members and associate members. Christine Jones, Isabel Sarle and Phyllis Ives, with the support of staff, formed the fundraising team for the Capital Appeal project, and Raymond Young and Walter Dunlop spent countless hours in overseeing the building work. The quality of the finish and attention to detail reflects the care of their supervision and it will be appreciated by generations to come. Neil Squires led a team of members and staff who drafted a fresh vision for our work in and through Iona Abbey. The whole Community expresses again its deep gratitude to all involved in the Abbey Renovation project.

The reopening was an occasion for joint celebration with the islanders, since it provided an opportunity to celebrate the building of a new Village Hall on the island. This is a beautiful facility and has already been used to good effect by Community members during communal events in Community Weeks. We look forward to continuing fruitful partnerships with the island community.

The reopening of the Abbey living quarters was the final stage in the opening up again of all the work of our islands centres. Camas, our Adventure Centre on Mull welcomed 133 guests from a range of urban and rural settings during 2021, weathering the storm of the Covid-19 pandemic which limited our numbers, while at the same time focussing on the physical and spiritual well-being of young people. Tribute should be paid to those who have sustained and developed the work at Camas through two years of uncertainty. Members of our Young Adults Group made a pilgrimage across Mull in June 2021, to mark the reopening of the renovated living space at Iona Abbey.

During 2021, The MacLeod Centre played a vital role in accommodating staff and providing a meeting and arts space for guests; it will be used more extensively but in a similar manner in 2022. Significant work is required before it can be fully opened once again and the Council is currently considering options for its long-term future, both in terms of function and purpose and for environmentally responsible refurbishment. Our intention is that the future MacLeod Centre should benefit the Iona Community, the wider community of Iona and the world.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Governance and infrastructure: 2020-2021 saw the first full year of functioning of the new governance structures agreed by the Community in 2019. For the Council, a huge part of the year was spent in seeking to establish the financial viability of the organisation. For some time it seemed likely that we would need to obtain a loan of several hundred thousands of pounds in order to meet our responsibilities. Thankfully, in the end, this was not necessary. We are glad to report that through hard work on a deficit reduction plan, the dedication and commitment of staff and the remarkable generosity of our members and friends across the world, the Community was not only able to survive, but to see signs of flourishing towards the end of 2021. We owe a huge debt of gratitude to all who have given generously of money and time in making this possible.

Alongside the Council, two committees, drawing largely from council members, were established in 2019: Community Life Committee (CLC) and Community Resources Committee (CRC). Each reports directly to the Council. They have covered a wide range of issues over the year, with the CRC particularly exercised in enabling the turn-around of the financial situation. It has also helped in beginning the consideration of the future of the MacLeod Centre. The CLC has enabled broader thinking about the nature of our Community and brought proposals, among other things, on membership (eligibility; New Members Programme), the Unlocked programme and Iona Community Learn. These committees considerably strengthen the work of the Council and in particular the quality of its decision making.

The Council also carried out a review of its three main agencies: [1] Wild Goose Resource Group (WGRG); [2] Wild Goose Publications (WGP); [3] Iona Community Trading which directs the Iona Shop.

WGRG continues to enable and equip congregations and clergy in the shaping and creation of new forms of contextually relevant, participative worship. The limitations of this last year may have curtailed their ability to travel, but not the energy and commitment to the work. The review noted that John L Bell, who has been at the heart of the WGRG work for well over 30 years, will step back in September 2022. The Community and the Church at large are indebted to John for his artistry, musical gifts and poetic genius (for long in partnership with the late, much-missed Graham Maule) and wish him well. The Council is considering the question of how the work of WGRG continues into the future.

WGP continues to deepen and broaden access to radical, faith-filled publications reflecting the values and concerns of the Iona Community. In this last 12 months, 10 books, 10 eBooks and 34 shorter downloads have been published. The review again thanked the staff for their long-serving commitment to this work and for the quality of the products. Ways are being sought to strengthen the editorial support, given that the Publications Committee no longer exists. There is also a desire to work more closely with the Iona Community Shop to ensure efficient and effective supply and demand.

Our magazine, Coracle, which has been in print continuously since 1938, was published in print once in these last twelve months, with monthly eCoracle newsletters being sent to all in membership. This magazine continues to be a source of inspirational writing and reflection, information and news sharing, and dissemination of reflective material.

Like all parts of the work, the Iona Community Shop has gone through tough times but has shown remarkable resilience over the past two years. The Iona Community Trading Company is working with the management to maximise the returns from the Iona Community Shop, whose primary function is one of bringing a return in profit to the Community. It is likely that one additional effort in 2022 will be to run a small coffee shop alongside the wider sales in the shop. This will enhance the shop's other key role, which is to act as a welcoming place on behalf of the Iona Community to visitors to the island of Iona.

In the course of handling the financial situation and conducting a wide-ranging review of our IT systems, a number of key infrastructure investments were made. These were aimed at improving efficiency and overcoming long-standing problems, particularly around communications. The improvements included the following:

- Complete redesign and launch of the Iona Community Website, including enabling direct access to a wide range of communications
- New online booking system aimed at improving and simplifying access to our centres
- New database, fully integrated with the website, providing improved communication with and between members, associate members and friends

While we recognise that there are still some teething problems to iron out with some of the new systems, they represent a significant step forward in improving our communications.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2021

ACHIEVEMENTS AND PERFORMANCE (continued)

Common Concern Networks (CCNs): the Common Concern Networks offer the opportunity for members and associate members to focus their attention on areas of mutual interest and concern which reflect the priorities of the Iona Community. There are now 7 such CCNs – Environment; Faith and Spirituality; Israel/Palestine; LGBTQ+; Migration and Refugees; Poverty and Inequality; Reconciliation, Peace and Disarmament. Each of these roots us in shared passions and concerns inspired by our faith.

CCNs tend to meet on a monthly basis and primarily currently online, which allows access and contributions from participants around the world. This is an important feature of developing our common knowledge of the issues arising out of each concern. Like all of the work of the Iona Community, the key questions arising in each CCN are around justice and peacemaking. Their primary purpose is to support one another in living out their faith through prayer and reflection, and through actions and campaigns in relation to this specific concern.

Our CCN on Israel/Palestine, building on the Iona Community's statement of December 2017, has continued to promote discussion within the Iona Community and more widely, in supporting Kairos Palestine, Sabeel-Kairos UK and other organisations seeking justice for the Palestinians, and opposing the policies of the Israeli government which, in defiance of international law and repeated United Nations resolutions, continues to approve the development of illegal settlements on the occupied territory of the West Bank. Meanwhile Palestinians have their homes arbitrarily demolished or possessed by settlers and their olive trees and vines vandalized and destroyed. In Gaza around 2 million people live under siege with unemployment running at well over 50% and the social infrastructure, not least health and education services, and water and electricity supplies, close to collapsing.

In 2020 the Iona Community, along with others, endorsed an initiative by Palestinian Christian leaders, who in their quest for justice, peace and an end to the occupation, invited churches, congregations and other supporters worldwide to back their 'Cry For Hope', urgently seeking decisive action through study and reflection, political engagement (including economic measures), and supporting and visiting local projects and initiatives. In November 2021 the World Council of Churches released an unprecedented statement expressing grave concern over the deteriorating situation in Palestine and Israel and appealed to the "conscience of the world" concerning "the unrelenting military occupation of the Palestinian territories and the ongoing marginalization and obstruction of legitimate Palestinian aspirations for equal human dignity and rights."

Our CCN on LGBTQ+ concerns campaigned against conversion therapy and continues to press for the inclusion of trans people within this ban. Our CCN on Refugees and Migration joined with other church and faith communities in campaigning against the brutal Nationality and Immigration Laws proposed by the Westminster parliament – just two further examples of the direct action, rooted in reflection, in which our Members and Associate members engage.

Financial Review

Income and expenditure for the year is shown in the Consolidated Statement of Financial Activities. This shows that income increased from £1.134m to £1.500m. Donation and legacy income continued at a similar level to the previous year, despite the end of the Abbey Capital Appeal, as members and others responded generously to an appeal for financial support through the continuing COVID-19 lockdown periods. Accommodation income grew significantly as the Abbey was eventually able to be re-opened for some of the year. The community shop also saw a 3-fold increase in income due to a return of visitors to the island, while investment income fell as holdings had been reduced in the previous period.

Expenditure decreased to £1.387m from £1.533m the previous year, as the cost reduction measures undertaken during the previous year led to a lower cost base.

Fundraising costs reduced to £14,450 (2020: £38,542), as most of this related to fundraising activity directed towards the capital appeal fund which closed in 2020.

The long term pension deficit liability has reduced from £80,818 to £20,876 as a result of ongoing deficit contributions being made throughout the year, and remeasurements following the most recent scheme valuation. Deficit contributions will continue at the level set by the Trustee of the pension scheme, as set out in note 21.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2021

FUTURE PLANS

Iona Community Learn: Plans for Iona Community Learn, an online learning platform and focus for our training, resourcing and programme work were agreed in 2021 and will come to fruition in the next year and beyond. Through our islands centres programmes, our volunteering opportunities, our New Members Programme, our resources and publications and online training opportunities, and in collaboration with higher education institutions we will continue to inspire and galvanise to action all who seek justice and peace. Memoranda of Understanding signed with the Universities of Glasgow and Edinburgh, and with the Student Christian Movement, provide an additional focus to this programme of learning and equipping. Further partnerships will be sought with educational institutes in the global south to reflect our commitment to become a genuinely global community.

Iona Community Learn aims to:

- Deepen dialogue and influence in partnership with policy makers and others.
- Expand opportunities for experiential learning and knowledge exchange.
- Resource church and community workers for personal and professional development.
- Augment understanding of the significance of faith in the context of community development.
- Integrate reflective learning into all aspects of Iona Community structures, policies and practice.

One of the first events to take place under the auspices of Iona Community Learn is the Iona Community Lecture, to be delivered by Professor Alison Phipps, a member of the Iona Community, and her team from Glasgow University, on the theme of refugee integration through the arts.

Unlocked: our Unlocked programme began in 2021 and offers, free of charge, rooms in the Abbey Centre or one of our cottages on Iona to those who have been particularly adversely affected by the recent pandemic (e.g. exacerbated mental illness, isolation, poverty, abuse) and to carers, church or health professionals. The programme offers an opportunity for individuals or families who have been disadvantaged to experience time and space on Iona with the Iona Community. Unlocked is run in partnership with Church Action on Poverty, the Poverty Truth Network, Faith in Community Scotland and the Church of Scotland Priority Areas Team. In 2021 we were delighted to welcome 63 people (in 29 households) under the Unlocked programme, all supported by our Partners. The Iona Community encourages gifts directly to the Unlocked programme in order to support those who have experienced disadvantage. Feedback from guests (www.iona.org.uk/unlocked) on this programme confirmed that the need for such free, open space remains great, and hugely appreciated.

Renewal of the MacLeod Centre: the MacLeod Centre (The Mac) on Iona was built in 1988 on land owned by the Iona Community. Throughout the 1990s and into the 21st century, young people and families enjoyed staying at the Mac and discovering the wonders of Iona. Weekly programmes often mirrored what was happening at Iona Abbey. Stories abound of groups and individuals having fabulous, often transformative experiences at the Mac. Many of those were people living with disadvantage. Unfortunately, the past decade has seen accelerated deterioration of The Mac roof, woodwork and heating system. This coupled with an absence of insulation has led to an increasingly cold building subject to dampness. Radical action is required. A working group consulted widely and presented a range of options for the building and its potential uses, which were presented to the Iona Community Council in 2019. Covid inevitably led to a hiatus but by spring 2022, with additional advice from specialist architects and input from Iona Community Members, Associates and staff, Council approved the “retrofit” of the Mac to Passivhaus standard as an example of environmentally responsible building and a focus of community action for justice, peace and sustainability.

The project will be a twenty-first century version of George MacLeod’s original “We shall rebuild” vision for Iona Abbey. A focused team will articulate a clear vision and purpose for the Mac; establish a sound base for a major capital appeal to fund the project; and develop plans and cost estimates for retrofitting the Mac in partnership with the island, experts, membership and apprentices with a particular emphasis on sustainability.

Through the retrofitting itself, through the programmes and flexible spaces we offer at the Mac, and through the actions that the Mac inspires in the wider world we will present a radical programme of learning about justice, peace and sustainable living, and engagement with the practice of sustainable living. A just world includes food justice, eco-justice, economic justice, access to education for all. Without justice there cannot be peace.

Our primary audience will be young people who seek wisdom, passion and experience in the art of sustainable living. We will present flexible programmes that can be experienced at the Mac, and throughout the world, that weave spiritual insight with sustainable living.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2021

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 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 278 members, each of whom agrees to contribute £1 in the event of the charity winding up.

The subsidiary Iona Community Trading Ltd is a company, limited by shares.

Appointment of trustees (company directors)

As set out in the Articles of Association as amended in August 2020, there are twelve 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. These committees also meet every six to eight weeks. The Leadership team of the Community comprises the Leader and 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.

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 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 Ltd donates its profits to the charity.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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 currently hold over £300,000 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 net income of £3,744 during the year and increased in market value by £27,013 (unrealised gain of £25,514 and realised gain of £1,499).

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 £5,624,218. Restricted funds were £3,703,763 and unrestricted funds held in the form of fixed assets amounted to £1,371,182. The balance of £549,273 represents the free reserves of the charity. Based on expenditure in 2021, this represents around 6 months' expenditure on the general fund. The trustees are mindful that designated funds (including the legacy fund) hold £236,831 while the charity's general fund has a balance of £312,442. This figure is around 3 months' general fund expenditure. 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 2021**

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 26 May 2022 and signed on its behalf by:



.....
Martin Scott - Chair of Trustees

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 2021 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 2021 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 £20,876 as at 31st December 2021. 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 ten, 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)**

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: 1/9/22

The Iona Community

**Consolidated Statement of Financial Activities
For The Year Ended 31 December 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME FROM					
Donations and legacies	2	762,548	150,394	912,942	882,346
Trading activities - Shop	3	148,511	-	148,511	47,483
Charitable activities	4	436,938	-	436,938	175,546
Investment income	5	12,671	3,523	16,194	29,583
Intra-group sales		(14,953)	-	(14,953)	(993)
Total		1,345,715	153,917	1,499,632	1,133,965
EXPENDITURE ON					
Raising funds	3	163	14,287	14,450	38,542
Trading activities - Shop		138,253	-	138,253	93,090
Charitable activities	6	947,658	301,964	1,249,622	1,402,221
Intra-group purchases		(14,953)	-	(14,953)	(993)
Total		1,071,121	316,251	1,387,372	1,532,860
Net gains on investments		3,536	23,477	27,013	35,580
NET INCOME / (EXPENDITURE)		278,130	(138,857)	139,273	(363,315)
Transfers between funds	17	82,198	(82,198)	-	-
Net movement in funds		360,328	(221,055)	139,273	(363,315)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,560,127	3,924,818	5,484,945	5,848,260
TOTAL FUNDS CARRIED FORWARD		1,920,455	3,703,763	5,624,218	5,484,945

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The Iona Community

**Company Statement of Financial Activities
For The Year Ended 31 December 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME FROM					
Donations and legacies	2	761,653	150,394	912,047	882,346
Charitable activities	4	436,938	-	436,938	175,546
Investment income	5	<u>12,671</u>	<u>3,523</u>	<u>16,194</u>	<u>29,583</u>
Total		1,211,262	153,917	1,365,179	1,087,475
EXPENDITURE ON					
Raising funds	3	163	14,287	14,450	38,542
Charitable activities	6	<u>947,658</u>	<u>301,964</u>	<u>1,249,622</u>	<u>1,402,221</u>
Total		947,821	316,251	1,264,072	1,440,763
Net gains on investments		<u>3,536</u>	<u>23,477</u>	<u>27,013</u>	<u>35,580</u>
NET INCOME / (EXPENDITURE)		266,977	(138,857)	128,120	(317,708)
Transfers between funds	17	<u>82,198</u>	<u>(82,198)</u>	<u>-</u>	<u>-</u>
Net movement in funds		349,175	(221,055)	128,120	(317,708)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,559,874</u>	<u>3,924,818</u>	<u>5,484,692</u>	<u>5,802,400</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,909,049</u>	<u>3,703,763</u>	<u>5,612,812</u>	<u>5,484,692</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The Iona Community
Consolidated Balance Sheet
At 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	11	1,371,182	2,917,629	4,288,811	4,587,788
Investments	12	<u>44,082</u>	<u>292,681</u>	<u>336,763</u>	<u>312,744</u>
		1,415,264	3,210,310	4,625,574	4,900,532
CURRENT ASSETS					
Stocks	13	106,385	-	106,385	110,942
Debtors	14	205,928	-	205,928	190,315
Cash at bank		<u>405,390</u>	<u>493,453</u>	<u>898,843</u>	<u>625,832</u>
		717,703	493,453	1,211,156	927,089
CREDITORS					
Amounts falling due within one year	15	<u>(191,636)</u>	<u>-</u>	<u>(191,636)</u>	<u>(261,858)</u>
NET CURRENT ASSETS		<u>526,067</u>	<u>493,453</u>	<u>1,019,520</u>	<u>665,231</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,941,331	3,703,763	5,645,094	5,565,763
PROVISIONS FOR LIABILITIES	16	<u>(20,876)</u>	<u>-</u>	<u>(20,876)</u>	<u>(80,818)</u>
NET ASSETS		<u>1,920,455</u>	<u>3,703,763</u>	<u>5,624,218</u>	<u>5,484,945</u>
FUNDS					
Unrestricted funds	17			1,920,455	1,560,127
Restricted funds				<u>3,703,763</u>	<u>3,924,818</u>
				<u>5,624,218</u>	<u>5,484,945</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 26 May 2022 and were signed on its behalf by:



.....
Martin Scott - Chair of Trustees

The Iona Community

Company Balance Sheet
At 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	11	1,371,182	2,917,629	4,288,811	4,587,204
Investments	12	<u>44,182</u>	<u>292,681</u>	<u>336,863</u>	<u>312,844</u>
		1,415,364	3,210,310	4,625,674	4,900,048
CURRENT ASSETS					
Stocks	13	45,166	-	45,166	54,468
Debtors	14	370,753	-	370,753	301,030
Cash at bank		<u>288,607</u>	<u>493,453</u>	<u>782,060</u>	<u>571,598</u>
		704,526	493,453	1,197,979	927,096
CREDITORS					
Amounts falling due within one year	15	<u>(189,965)</u>	<u>-</u>	<u>(189,965)</u>	<u>(261,634)</u>
NET CURRENT ASSETS		<u>514,561</u>	<u>493,453</u>	<u>1,008,014</u>	<u>665,462</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,929,925	3,703,763	5,633,688	5,565,510
PROVISIONS FOR LIABILITIES	16	<u>(20,876)</u>	<u>-</u>	<u>(20,876)</u>	<u>(80,818)</u>
NET ASSETS		<u>1,909,049</u>	<u>3,703,763</u>	<u>5,612,812</u>	<u>5,484,692</u>
FUNDS					
Unrestricted funds	17			1,909,049	1,559,874
Restricted funds				<u>3,703,763</u>	<u>3,924,818</u>
				<u>5,612,812</u>	<u>5,484,692</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 26 May 2022 and were signed on its behalf by:



.....
Martin Scott - Chair of Trustees

The Iona Community
Consolidated Cash Flow Statement
For The Year Ended 31 December 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>277,197</u>	<u>11,293</u>
Net cash provided by operating activities		277,197	11,293
Cash flows from investing activities:			
Purchase of tangible fixed assets		(20,380)	(585,179)
Proceeds from disposal of tangible fixed assets		-	-
Proceeds from disposal of investment assets		-	250,000
Investment income received		<u>16,194</u>	<u>29,583</u>
Net cash (used in) investing activities		<u>(4,186)</u>	<u>(305,596)</u>
Change in cash and cash equivalents in the reporting period		273,011	(294,303)
Cash and cash equivalents at the beginning of the reporting period	2	<u>625,832</u>	<u>920,135</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>898,843</u></u>	<u><u>625,832</u></u>

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

	2021 £	2020 £
Net expenditure for the reporting period (as per the statement of financial activities)	139,273	(363,315)
Adjustments for:		
Depreciation charges	319,357	333,593
(Gain) on investments	(27,013)	(35,580)
Movement in cash retained by investment manager	2,994	1,925
Investment income received	(16,194)	(29,583)
(Decrease) in provisions	(59,942)	(16,081)
Decrease in stocks	4,557	22,986
Decrease in debtors	(15,613)	14,710
Increase in creditors	<u>(70,222)</u>	<u>82,638</u>
Net cash provided by operating activities	<u><u>277,197</u></u>	<u><u>11,293</u></u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Notice deposits (less than 3 months)	<u><u>898,843</u></u>	<u><u>625,832</u></u>

The Iona Community
Notes to the Financial Statements
For The Year Ended 31 December 2021

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 37% membership, 29% islands support, 5% 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 2021

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 2021**

2. DONATIONS AND LEGACIES	Unrestricted funds	Restricted funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Donations	521,858	150,394	672,252	819,459
Legacies	26,833	-	26,833	11,100
Grants	212,962	-	212,962	51,787
Total donations and legacies - Company	761,653	150,394	912,047	882,346
Grants - trading subsidiary	895	-	895	3,404
Total donations and legacies - Group	762,548	150,394	912,942	885,750
Grants received, included in the above, as follows:				
Other grants	895	-	213,857	55,191

3. RAISING FUNDS

Raising donations and legacies	£	£	£	£
Fundraising costs	163	14,287	14,450	38,542

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.

	2021	2020
	£	£
Turnover	148,511	44,079
Other operating income	895	3,404
Cost of sales and administrative costs	(138,253)	(93,090)
Interest receivable	-	-
Net profit / (loss)	11,153	(45,607)
Retained in the subsidiary	11,153	(45,607)
The assets and liabilities of the subsidiary were:		
Fixed assets	-	583
Current assets	178,836	110,957
Current liabilities	(1,671)	(223)
	177,165	111,317
Less: Parent company loan	(165,659)	(110,964)
Carried forward	11,506	353

4. INCOME FROM CHARITABLE ACTIVITIES

Activity	£	£	£	£
Resource work & projects	13,759	-	13,759	7,538
Publication sales & royalties	186,951	-	186,951	157,944
Guest charges	236,228	-	236,228	10,064
	436,938	-	436,938	175,546
Island Guest Charges:				
Iona Abbey	202,072	-	202,072	9,914
Camas	34,156	-	34,156	150
	236,228	-	236,228	10,064

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2021**

5. INVESTMENT INCOME	Unrestricted funds	Restricted funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Dividend income	537	3,523	4,060	5,453
Property rental income	10,884	-	10,884	17,774
Interest	1,250	-	1,250	6,356
	<u>12,671</u>	<u>3,523</u>	<u>16,194</u>	<u>29,583</u>

6. CHARITABLE ACTIVITIES COST	£	£	£	£
Resource work and projects	201,293	8,116	209,409	314,140
Island centres	432,074	291,347	723,421	741,166
Movement support	130,913	2,500	133,413	145,941
Publications	183,379	-	183,379	200,974
	<u>947,659</u>	<u>301,963</u>	<u>1,249,622</u>	<u>1,402,221</u>

Analysis of support costs included in above

	£	£	£	£
Resource work and projects	91,329	-	91,329	111,622
Island centres	93,940	-	93,940	111,470
Movement support	130,913	-	130,913	144,900
Publications	15,679	-	15,679	19,219
	<u>331,861</u>	<u>-</u>	<u>331,861</u>	<u>387,211</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

7. NET INCOME/EXPENDITURE

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

	2021	2020
	£	£
Depreciation	<u>319,357</u>	<u>333,593</u>
Operating lease payments	<u>37,636</u>	<u>80,772</u>
Auditor's remuneration: Audit services	<u>9,500</u>	<u>10,000</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

A total of £730 was reimbursed to 2 trustees (2020 - £834 to 5 trustees) in respect of travel expenses during the year.

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2021**

9. STAFF COSTS

	2021	2020
	£	£
Salaries and wages	404,708	505,479
Social security costs	29,844	38,729
Pension costs	29,158	33,742
	<u>463,710</u>	<u>577,950</u>

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

	2021	2020
Staff	<u>19</u>	<u>28</u>

No employees received emoluments in excess of £60,000.

Key management personnel remuneration totalling £89,066 (2020 - £96,691) 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	527,324	358,426	885,750
Trading activities - Shop	44,079	-	44,079
Charitable activities	175,546	-	175,546
Investment income	26,949	2,634	29,583
Intra-group sales	(993)	-	(993)
Total	<u>772,905</u>	<u>361,060</u>	<u>1,133,965</u>
EXPENDITURE ON			
Raising funds	-	38,542	38,542
Trading activities - Shop	93,090	-	93,090
Charitable activities	1,092,324	309,897	1,402,221
Intra-group purchases	(993)	-	(993)
Total	<u>1,184,421</u>	<u>348,439</u>	<u>1,532,860</u>
Net gains on investments	<u>18,395</u>	<u>17,185</u>	<u>35,580</u>
NET INCOME/(EXPENDITURE)	<u>(393,121)</u>	<u>29,806</u>	<u>(363,315)</u>
Transfers between funds	<u>267,518</u>	<u>(267,518)</u>	<u>-</u>
Net movement in funds	<u>(125,603)</u>	<u>(237,712)</u>	<u>(363,315)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,685,730</u>	<u>4,162,530</u>	<u>5,848,260</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,560,127</u>	<u>3,924,818</u>	<u>5,484,945</u>

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2021**

11. TANGIBLE FIXED ASSETS

GROUP	Leasehold Property £	Freehold Property £	Furniture & Equipment £	Totals £
COST				
At 1 January 2021	4,088,283	2,015,113	245,098	6,348,494
Additions	2,267	-	18,113	20,380
Disposals	(2,681)	-	-	(2,681)
At 31 December 2021	<u>4,087,869</u>	<u>2,015,113</u>	<u>263,211</u>	<u>6,366,193</u>
DEPRECIATION				
At 1 January 2021	1,300,745	253,070	206,891	1,760,706
Charge for year	273,865	31,050	14,442	319,357
On disposals	(2,681)	-	-	(2,681)
At 31 December 2021	<u>1,571,929</u>	<u>284,120</u>	<u>221,333</u>	<u>2,077,382</u>
NET BOOK VALUE				
At 31 December 2021	<u>2,515,940</u>	<u>1,730,993</u>	<u>41,878</u>	<u>4,288,811</u>
At 31 December 2020	<u>2,787,538</u>	<u>1,762,043</u>	<u>38,207</u>	<u>4,587,788</u>
COMPANY				
COST				
At 1 January 2021	4,088,283	2,015,113	237,162	6,340,558
Additions	2,267	-	18,113	20,380
Disposals	(2,681)	-	-	(2,681)
At 31 December 2021	<u>4,087,869</u>	<u>2,015,113</u>	<u>255,275</u>	<u>6,358,257</u>
DEPRECIATION				
At 1 January 2021	1,300,745	253,070	199,539	1,753,354
Charge for year	273,865	31,049	13,859	318,773
On disposals	(2,681)	-	-	(2,681)
At 31 December 2021	<u>1,571,929</u>	<u>284,119</u>	<u>213,398</u>	<u>2,069,446</u>
NET BOOK VALUE				
At 31 December 2021	<u>2,515,940</u>	<u>1,730,994</u>	<u>41,877</u>	<u>4,288,811</u>
At 31 December 2020	<u>2,787,538</u>	<u>1,762,043</u>	<u>37,623</u>	<u>4,587,204</u>

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2021**

12. FIXED ASSET INVESTMENTS

GROUP	Shares in group undertakings 2021 £	Listed Investments 2021 £	Total 2021 £	Total 2020 £
Market value at 1 January	-	312,041	312,041	425,065
Acquisitions at cost	-	50,370	50,370	57,050
Less: disposals at opening market value	-	(51,947)	(51,947)	(207,046)
Net gains / (losses) on revaluation	-	25,514	25,514	36,972
	<u>-</u>	<u>335,978</u>	<u>335,978</u>	<u>312,041</u>
Cash held awaiting reinvestment			785	703
Market value at 31 December			<u>336,763</u>	<u>312,744</u>

COMPANY	Shares in group undertakings* £	Listed Investments £	Total 2021 £	Total 2020 £
Market value at 1 January	100	312,041	312,141	425,165
Acquisitions at cost	-	50,370	50,370	57,050
Less: disposals at opening market value	-	(51,947)	(51,947)	(207,046)
Net gains / (losses) on revaluation	-	25,514	25,514	36,972
	<u>100</u>	<u>335,978</u>	<u>336,078</u>	<u>312,141</u>
Cash held awaiting reinvestment			785	703
Market value at 31 December			<u>336,863</u>	<u>312,844</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	2021 £	2020 £
Stocks	<u>106,385</u>	<u>110,942</u>
COMPANY	2021 £	2020 £
Stocks	<u>45,166</u>	<u>54,468</u>

14. DEBTORS

GROUP	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	34,618	2,917
Prepayments and accrued income	28,727	88,688
Other debtors	142,583	98,710
	<u>205,928</u>	<u>190,315</u>

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2021**

14. DEBTORS (continued)

COMPANY	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	33,797	2,917
Amounts owed by group undertakings	115,659	60,964
Prepayments and accrued income	28,727	88,688
Other debtors	142,570	98,461
	<u>320,753</u>	<u>251,030</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>50,000</u>	<u>50,000</u>
Aggregate amounts	<u>370,753</u>	<u>301,030</u>

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, £115,659 (2020 - £60,964), is of a short term nature and will be paid in 2021.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

GROUP	2021	2020
	£	£
Trade creditors	15,233	14,703
Social security and other taxes	-	9,016
Pension creditor	-	3,573
VAT	66	-
Deferred income	83,102	83,468
Accrued expenses	33,934	100,502
Other creditors	59,301	50,596
	<u>191,636</u>	<u>261,858</u>

COMPANY	2021	2020
	£	£
Trade creditors	13,562	13,102
Social security and other taxes	-	9,016
Pension creditor	-	3,573
VAT	66	-
Deferred income	83,102	83,468
Accrued expenses	33,934	100,369
Other creditors	59,301	52,106
	<u>189,965</u>	<u>261,634</u>

16. PROVISIONS FOR LIABILITIES

GROUP & COMPANY	2021	2020
	£	£
Provisions	<u>20,876</u>	<u>80,818</u>

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2021**

17. MOVEMENT IN FUNDS

	Note	At 01.01.21 £	Movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds					
<i>Designated funds - fixed assets</i>					
Fixed asset reserve	(b)	1,383,501	(30,033)	17,714	1,371,182
		1,383,501	(30,033)	17,714	1,371,182
<i>Designated funds - other</i>					
Legacy fund	(c)	209,018	28,359	(30,546)	206,831
Unlocked fund	(d)	10,000	(967)	(9,033)	-
Iona Community Learn fund	(e)	30,000	-	-	30,000
<i>General fund</i>		(72,392)	280,771	104,063	312,442
Total unrestricted funds		1,560,127	278,130	82,198	1,920,455
Restricted funds					
<i>Restricted funds - fixed assets</i>					
Iona Abbey asset reserve	(f)	2,712,800	(220,798)	2,667	2,494,669
Camas asset reserve	(g)	46,697	(40,699)	-	5,998
Dunsmeorach asset reserve	(a)	390,113	(9,288)	-	380,825
Welcome Centre asset reserve	(h)	54,093	(17,956)	-	36,137
		3,203,703	(288,741)	2,667	2,917,629
<i>Restricted funds - other</i>					
Alastair Crerar fund	(i)	243,184	17,676	(23,871)	236,989
Camas travel fund	(j)	6,547	-	-	6,547
Capital appeal fund	(k)	95,000	(1,292)	(2,666)	91,042
Dame Flora MacLeod fund	(l)	21,802	-	-	21,802
Ecumenical training fund	(m)	4,033	-	-	4,033
Islands access fund	(n)	136,842	6,717	(2,735)	140,824
Islands youth fund	(o)	20,000	-	-	20,000
Members' travel pool	(q)	23,164	(2,172)	(310)	20,682
Music books fund	(p)	666	-	-	666
Wild Goose Resource Group fund	(r)	159,877	128,852	(55,283)	233,446
Youth work fund	(s)	10,000	103	-	10,103
Total restricted funds		3,924,818	(138,857)	(82,198)	3,703,763
TOTAL FUNDS		<u>5,484,945</u>	<u>139,273</u>	<u>-</u>	<u>5,624,218</u>

Unrestricted funds includes brought forward reserves of £253 and net income of £11,153 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	-	(30,033)	-	(30,033)
	-	(30,033)	-	(30,033)
<i>Designated funds - other</i>				
Legacy fund	27,053	(163)	1,469	28,359
Unlocked fund	1,410	(2,377)	-	(967)
Iona Community Learn fund	-	-	-	-
<i>General fund</i>	1,317,252	(1,038,548)	2,067	280,771
Total unrestricted funds	1,345,715	(1,071,121)	3,536	278,130

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2021**

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	-	(220,798)	-	(220,798)
Camas asset reserve	-	(40,699)	-	(40,699)
Dunsmeorach asset reserve	-	(9,288)	-	(9,288)
Welcome Centre asset reserve	-	(17,956)	-	(17,956)
	-	(288,741)	-	(288,741)
<i>Restricted funds - other</i>				
Alastair Crerar fund	2,553	(1,889)	17,012	17,676
Camas travel fund	-	-	-	-
Capital appeal fund	12,995	(14,287)	-	(1,292)
Dame Flora MacLeod fund	-	-	-	-
Ecumenical training fund	-	-	-	-
Islands access fund	970	(718)	6,465	6,717
Islands youth fund	-	-	-	-
Members' travel pool	328	(2,500)	-	(2,172)
Music books fund	-	-	-	-
Wild Goose Resource Group fund	136,968	(8,116)	-	128,852
Youth work fund	103	-	-	103
Total restricted funds	153,917	(316,251)	23,477	(138,857)
TOTAL FUNDS	1,499,632	(1,387,372)	27,013	139,273

Unrestricted Funds includes net income of £11,153 relating to the subsidiary.

(a) Dunsmeorach Designated and Restricted Asset Reserves

These funds represent the costs of rebuilding staff accommodation at Dunsmeorach on Iona which was completed in 2011. The restricted fund represents the contribution from the Growing Hope fund towards these costs. The designated fund represents the costs which were not funded from the Growing Hope fund. Depreciation on this property is being charged to these funds, initially against the designated fund and thereafter against the restricted fund.

(b) 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.

(c) Legacy Fund

All 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.

(d) 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 will be 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.

(e) Iona Community Learn Fund

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

(f) Iona Abbey Asset Reserve

This represents costs of capital improvements on Iona other than those included in other asset reserve funds. The costs incurred to date have been financed from the Capital Appeal Fund and certain amounts from the Legacy fund. These costs are being depreciated over 15 years with the depreciation being charged to this fund.

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2021**

17. MOVEMENT IN FUNDS (continued)

(g) 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.

(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) Capital Appeal Fund

The capital appeal fund represents donations received towards the cost of major capital works to upgrade accommodation at the Abbey. Phase 1 of the works was completed in 2018 and the capital cost has been transferred from the capital appeal fund into the relevant asset reserve funds. Phase 2 was completed in 2020 with further transfers of capital cost to asset reserve funds. The balance retained in the fund represents retentions due to be paid out in 2022.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) Music Books Fund

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

(q) Members' Travel Pool

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

(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 2021

18. MOVEMENT IN FUNDS - COMPARATIVE INFORMATION FOR PRIOR YEAR

	Note	At 1.1.20 £	Movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds					
<i>Designated funds - fixed assets</i>					
Dunsmeorach designated reserve	(a)	5,638	(5,638)	-	-
Fixed asset reserve		1,415,264	(39,520)	7,757	1,383,501
		<u>1,420,902</u>	<u>(45,158)</u>	<u>7,757</u>	<u>1,383,501</u>
<i>Designated funds - other</i>					
Legacy fund		220,408	19,922	(31,312)	209,018
Unlocked fund		-	-	10,000	10,000
Iona Community Learn fund		-	-	30,000	30,000
<i>General fund</i>		<u>44,420</u>	<u>(367,885)</u>	<u>251,073</u>	<u>(72,392)</u>
Total unrestricted funds		1,685,730	(393,121)	267,518	1,560,127
Restricted funds					
<i>Restricted funds - fixed assets</i>					
Iona Abbey asset reserve		2,360,926	(225,548)	577,422	2,712,800
Camas asset reserve		87,395	(40,698)	-	46,697
Dunsmeorach asset reserve		393,763	(3,650)	-	390,113
Welcome Centre asset reserve		<u>72,049</u>	<u>(17,956)</u>	<u>-</u>	<u>54,093</u>
		<u>2,914,133</u>	<u>(287,852)</u>	<u>577,422</u>	<u>3,203,703</u>
<i>Restricted funds - other</i>					
Alastair Crerar fund		228,823	14,361	-	243,184
Camas travel fund		6,547	-	-	6,547
Capital appeal fund		613,602	215,827	(734,429)	95,000
Dame Flora MacLeod fund		22,479	(677)	-	21,802
Ecumenical training fund		4,033	-	-	4,033
Islands access fund		131,385	5,457	-	136,842
Islands youth work fund		20,000	-	-	20,000
Members' travel pool		24,205	(1,041)	-	23,164
Music books fund		666	-	-	666
Wild Goose Resource Group fund		186,657	83,731	(110,511)	159,877
Youth work fund		<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total restricted funds		4,162,530	29,806	(267,518)	3,924,818
TOTAL FUNDS		<u>5,848,260</u>	<u>(363,315)</u>	<u>-</u>	<u>5,484,945</u>

Unrestricted funds includes brought forward reserves of £45,960 and net expenditure of £45,607 relating to the subsidiary.

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>				
Dunsmeorach designated reserve	-	(5,638)	-	(5,638)
Fixed asset reserve	-	(39,520)	-	(39,520)
	-	<u>(45,158)</u>	-	<u>(45,158)</u>
<i>Designated funds - other</i>				
Legacy fund	12,272	-	7,650	19,922
Unlocked fund	-	-	-	-
Iona Community Learn fund	-	-	-	-
<i>General fund</i>	<u>760,633</u>	<u>(1,139,263)</u>	<u>10,745</u>	<u>(367,885)</u>
Total unrestricted funds	772,905	(1,184,421)	18,395	(393,121)

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2021

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	1,371,182	-	-	1,371,182
	<u>1,371,182</u>	<u>-</u>	<u>-</u>	<u>1,371,182</u>
<i>Designated funds - other</i>				
Legacy fund	-	18,320	188,511	206,831
Unlocked fund	-	-	-	-
Iona Community Learn fund	-	-	30,000	30,000
<i>General fund</i>	<u>-</u>	<u>25,762</u>	<u>286,680</u>	<u>312,442</u>
Total unrestricted funds	1,371,182	44,082	505,191	1,920,455
Restricted funds				
<i>Restricted funds - fixed assets</i>				
Iona abbey asset reserve	2,494,669	-	-	2,494,669
Camas asset reserve	5,998	-	-	5,998
Dunsmeorach asset reserve	380,825	-	-	380,825
Welcome centre asset reserve	36,137	-	-	36,137
	<u>2,917,629</u>	<u>-</u>	<u>-</u>	<u>2,917,629</u>
<i>Restricted funds - other</i>				
Alastair Crerar fund	-	212,094	24,895	236,989
Camas travel fund	-	-	6,547	6,547
Capital appeal fund	-	-	91,042	91,042
Dame Flora MacLeod fund	-	-	21,802	21,802
Ecumenical training fund	-	-	4,033	4,033
Islands access fund	-	80,587	60,237	140,824
Islands youth fund	-	-	20,000	20,000
Members' travel pool	-	-	20,682	20,682
Music books fund	-	-	666	666
Wild Goose Resource Group fund	-	-	233,446	233,446
Youth work fund	-	-	10,103	10,103
	<u>-</u>	<u>-</u>	<u>10,103</u>	<u>10,103</u>
Total restricted funds	2,917,629	292,681	493,453	3,703,763
Total as at 31 December 2021	<u>4,288,811</u>	<u>336,763</u>	<u>998,644</u>	<u>5,624,218</u>

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2021**

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

	Fixed Assets £	Investments £	Current Assets less Liabilities £	Total £
Unrestricted funds				
Dunsmeorach designated reserve	-	-	-	-
Fixed asset reserve	1,383,501	-	-	1,383,501
	<u>1,383,501</u>	<u>-</u>	<u>-</u>	<u>1,383,501</u>
<i>Designated funds - other</i>				
Legacy fund	-	17,025	191,993	209,018
Unlocked fund	-	-	10,000	10,000
Iona Community Learn fund	-	-	30,000	30,000
<i>General fund</i>	<u>584</u>	<u>23,914</u>	<u>(96,890)</u>	<u>(72,392)</u>
Total unrestricted funds	1,384,085	40,939	135,103	1,560,127
Restricted funds				
<i>Restricted funds - fixed assets</i>				
Iona abbey asset reserve	2,712,800	-	-	2,712,800
Camas asset reserve	46,697	-	-	46,697
Dunsmeorach asset reserve	390,113	-	-	390,113
Welcome centre asset reserve	<u>54,093</u>	<u>-</u>	<u>-</u>	<u>54,093</u>
	3,203,703	-	-	3,203,703
<i>Restricted funds - other</i>				
Alastair Crerar fund	-	196,961	46,223	243,184
Camas travel fund	-	-	6,547	6,547
Capital appeal fund	-	-	95,000	95,000
Dame Flora MacLeod fund	-	-	21,802	21,802
Ecumenical training fund	-	-	4,033	4,033
Islands access fund	-	74,845	61,997	136,842
Islands youth fund	-	-	20,000	20,000
Members' travel pool	-	-	666	666
Music books fund	-	-	23,164	23,164
Wild Goose Resource Group fund	-	-	159,877	159,877
Youth work fund	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total restricted funds	3,203,703	271,806	449,309	3,924,818
Total as at 31 December 2020	<u>4,587,788</u>	<u>312,745</u>	<u>584,412</u>	<u>5,484,945</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.

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**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2021**

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)
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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)
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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

	2021 £	2020 £
Present value of provision	<u>20,876</u>	<u>80,818</u>

Reconciliation of opening and closing provisions

	Period ending 2021	Period ending 2020
Provision at start of period	80,818	96,899
Unwinding of the discount factor (interest expense)	193	983
Deficit contribution paid	(19,007)	(18,454)
Remeasurements - impact of any change in assumptions	(241)	1,390
Remeasurements - amendments to the contribution schedule	<u>(40,887)</u>	<u>-</u>
	<u>20,876</u>	<u>80,818</u>

Assumptions

	2021 % per annum	2020 % per annum
Rate of discount	<u>1.18</u>	<u>0.27</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 2021**

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, £16,920 payable in one year (2020: £8,566) and £20,452 payable in 2 to 5 years (2020: nil).
- 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. There is an agreed discount of £15,750 in place for 2022 and £11,500 for 2023.
- for properties on Mull, £1,200 per annum on a lease running until December 2039.

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021 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.