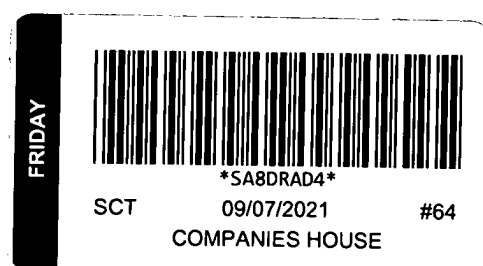


REGISTERED COMPANY NUMBER: SC096243 (Scotland)
REGISTERED CHARITY NUMBER: SC003794

**Report of the Trustees and
Financial Statements For The Year Ended 31 December 2020
for
The Iona Community**

Atkinson Donnelly LLP
Chartered Accountants
Statutory Auditors
1 Cambuslang Court
Cambuslang
Glasgow
G32 8FH



The Iona Community
Contents of the Financial Statements
For The Year Ended 31 December 2020

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 12
Statement of Financial Activities	13 to 14
Balance Sheet	15 to 16
Cash Flow Statement	17
Notes to the Cash Flow Statement	17
Notes to the Financial Statements	18 to 34

The Iona Community
Report of the Trustees
For The Year Ended 31 December 2020

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 2020 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	Appointed 8 August 2020
W Dunlop	Retired	Appointed 8 August 2020
B Evans	Assistant Director	Appointed 8 August 2020
F Fidgin	Learning & Development Officer	Appointed 8 August 2020
D A Hughes	Retired Medical Practitioner	
P Ives	Retired	Appointed 8 August 2020
A M Jackson	Retired	Appointed 8 August 2020
G Jarvie	University Professor	Appointed 8 August 2020
J C Morling	Company Director	Appointed 8 August 2020
R J Reid	Retired	
M J Scott	Chief Executive	Appointed 8 August 2020
A Taylor Aiken	Teacher	Appointed 8 August 2020

Others who served as trustees during the year:

B J Crosby	Retired Minister Of Religion	Resigned 8 August 2020
S E Dale	Psychotherapist	Resigned 8 August 2020
M H Jacobsen	Retired	Resigned 8 August 2020
P J Marshall	Retired Medical Practitioner	Resigned 28 February 2020
A R Mathieson	Senior Manager	Resigned 8 August 2020
D R Osborne	Retired Minister Of Religion	Resigned 8 August 2020
C M C Penney	Minister Of Religion	Resigned 31 May 2020
I Sarle	Counsellor	Resigned 8 August 2020

Company Secretary
P Clelland

The Iona Community

**Report of the Trustees (continued)
For The Year Ended 31 December 2020**

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Auditors

Atkinson Donnelly LLP
Chartered Accountants
Statutory Auditors
1 Cambuslang Court
Cambuslang
Glasgow
G32 8FH

Solicitors

TC Young
7 West George Street
Glasgow
G2 1BA

Key management personnel

Leaders

Kathy Galloway & Christian MacLean (until 31/5/2020)
Ruth Harvey & Caro Penney (from 1/6/2020 to 31/8/2020)
Ruth Harvey (from 1/9/20)

Executive Director

Sarah Metcalfe (from 1/9/20 to 30/6/21)

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 2020

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 a Programmes Development Worker to develop a range of materials and activities to engage with adults around the concerns of the Iona Community, in Glasgow and across Europe.
- 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 and other supporters of the Community to pursue these objects in their personal lives and communally where they live.

Achievements and performance

Community Life: The COVID-19 pandemic has, in the midst of so much pain, offered us the opportunity to reframe all that is familiar to us in the Iona Community. As an intentionally dispersed community in these last 12 months, we have discovered afresh 'how good and how lovely it is to live together in community.' At the end of our daily prayers we affirm: 'Gathered and scattered, God is with us.' We can sense God's presence guiding and inspiring us as we meet online for worship. We can notice what is essential, what is true, what is good as we continue to live this 'very common life' together, gathered around our Rule. Online and zoom have been miracles of the pandemic but we reaffirm, at the same time, this cannot take the place of deep, incarnational, human interaction, for which we long.

Membership: In a service of blessing in June we welcomed 7 New Members to full Membership of the Iona Community. We are now a community of 272 full Members, 1,851 Associate Members and 2,738 Friends and Supporters. We are delighted that in 2020, 12 young adults made a commitment to the Rule of Life by joining our Young Adults Group.

Loss: With the whole church we grieve the sudden loss in 2020 of our dearly beloved past Leader, Peter Macdonald. His presence, his humour, his passion and his gift in communicating the deep message of the justice and peace of Christ is sorely missed. We also grieve with the friends and family of Graham Maule, a prophetic voice in the life of this country and in the work of worship renewal with his colleagues in the Wild Goose Resource Group.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2020

Achievements and performance (continued)

Members' Month: 'Members' Week' our annual gathering of Members on Iona was cancelled in 2020 for the first time ever due to the ongoing pandemic. In one of many examples in 2020, we turned this disappointment into an opportunity and designated November 'Members' Month' with a series of 19 online events. This experience, of ceilidh and celebration, sharing Member stories, worship and youth events and hearing inspiring input from Rowan Williams and Kim Long, brought together over 100 people at most sessions and allowed our global movement to gather. We truly found, in the words of our daily prayer, 'new ways to touch the lives of all.'

The Abbey Living Quarters: The living quarters of Iona Abbey, long in need of renewal and renovation, were due to be reopened in April 2020. With only a few weeks of the build left to complete the site was locked down in March. A rescheduled formal opening will take place on 7th June 2021 coinciding with celebrations of the 1500th anniversary of the birth of St. Columba. This will take place alongside island celebrations on the completion of the new Iona Village Hall.

Camas: We managed partially to reopen Camas when lockdown eased in the summer of 2020 and developed additional activities around the Camas garden and engagement with local schools.

Reinventing worship online: Our daily worship is now shared online. We meet weekly for Prayers for Healing, and monthly for our Community Worship. These are patterns of prayer and gathering into which we will continue to lean and online has opened new paths of community for our longstanding global dimension. We gathered for Zoom worship with our Associates in the USA on the day of the presidential elections and again online in a Hogmanay vigil for the EU, hundreds of Members and Associates coming together across Europe to mark the moment the UK left the European Union.

Wild Goose Resource Group: Continues to enable and equip congregations and clergy in the shaping and creation of new forms of contextual and 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.

Wild Goose Publications: has continued to deepen and broaden access to radical, faith-filled publications in the face of the restrictions imposed by the COVID-19 pandemic, including staff furlough. In this last 12 months 10 books, 10 eBooks and 34 shorter downloads have been published. 'Columba: politician, penitent and pilgrim', by Ian Bradley, was produced in early 2021, a revised edition to mark the 1500th anniversary of the saint's birth.

Reframing the familiar – renewal and restructuring

Now in our ninth decade, the Iona Community has been engaged for some years in a process of refreshing and renewing our infrastructure, our finances and our spaces in order more fully to live out our calling, alone and in community, to respond to the call of God. In this COVID year we have benefitted from changes already made and been reminded of the urgency to continue with this process.

Governance: In 2019 the AGM of the Iona Community approved renewed Governance and Movement proposals. We now have two strategic committees (Community Life and Community Resources), delegating all operations to staff. In addition, a refreshed leadership model was approved, with new Trustees appointed, a Leader focussing on the life of the movement and communications and an Executive Director focussing on strategic and business planning and finance. The Board welcomed the appointment to these roles of Ruth Harvey and Sarah Metcalfe respectively, recognising the skills and experience they bring at this time of reframing.

The movement has been refreshed with seven new Common Concern Networks (Environment, Faith and Spirituality, Israel/Palestine, LGBTQ+, Migration and Refugees, Poverty and Inequality and Reconciliation, Peace and Disarmament), more robust regional structure and clearer routes for Associate Members to be engaged.

These refreshed structures, and the beautifully renovated living space at Iona Abbey, mean we are ready to respond to the increased call we recognise in society for spiritual renewal rooted in a life of justice and peace.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2020

Reframing the familiar – renewal and restructuring (continued)

Technology: The COVID-19 pandemic exposed the need for us to modernise and upgrade our technical infrastructure such as databases, IT, procedures, office space and equipment – projects that have long been in the pipeline. At the same time the pandemic made communications, renewal of equipment, finding alternative accommodation and staff team building more difficult.

The Community is indebted to its wonderful staff, who rose to the challenges of remote working, furlough and the universal stresses of living through the pandemic in a remarkable way delivering a number of remarkable achievements:

- Fast-tracked the move to Office 365 and Sharepoint to support home-working.
- Invested in new equipment to support home-working including laptops.
- Investigated and prepared to introduce Xero financial software to replace Opera, the longstanding previous system
- Upgraded the ThankQ member database software from version 8 to version 10. The upgrade created a number of teething problems and sorting these is a priority in 2021.

Financial Review

Historically, around a third of revenue (c £400k) comes from the Community's island centres, the biggest being Iona Abbey. The Abbey closed in 2018 for refurbishment scheduled for one year that eventually ran for two. The Community entered 2020 planning to reopen the Abbey at the end of March to welcome back guests to an extended (and fully booked) season. This would restart the most significant revenue stream and provide the springboard for a new era of activity on the islands and the mainland.

But the best laid plans gang aft aglae. Works were 4 days from completion in March 2020 when lockdown began. When lockdown eased, it took months to get the builders back, and in the end it was not possible to reopen the Abbey before the end of the season. For the third year in a row the Community was without one of its main sources of income.

Council, the wider Community and staff rose to the financial challenges of this difficult year with a number of major and sometimes painful decisions including:

- Making some posts redundant
- Placing other staff on furlough through the Jobs Retention Scheme.
- Giving up the Community's central Glasgow office and moving to smaller, cheaper accommodation

The capital appeal crossed the line in September 2020 when it exceeded its target of £3.7million to refurbish the Abbey. We were able to transfer £117k, given from the unrestricted Legacy Fund to start the appeal, back into the general fund. A further £40k was designated to Unlocked and Iona Way (now Iona Learn), two projects meeting objectives of Capital Appeal donors, and fundraising efforts switched to asking those in the movement for general support to assist Covid recovery. The budget for 2021 was approved by Council in December 2020 alongside a detailed deficit reduction plan. Current cashflow projections indicate the group will generate a surplus in 2021. Council is monitoring progress monthly against budget and cashflow projection, as recommended by the Institute of Chartered Accountants of Scotland.

Income and expenditure for the year is shown in the Consolidated Statement of Financial Activities. This shows that income decreased from £1.503m to £1.134m. While unrestricted donation and grant income increased, income in most other operational areas fell, largely due to the impact of COVID-19. The income of the trading subsidiary in particular was affected by the lack of tourist visitors to Iona. Investment income also decreased.

Expenditure decreased to £1.533m from £1.674m the previous year.

Fundraising costs reduced to £38,542 (2019: £55,749), most of which relates to fundraising activity directed towards the capital appeal fund. Income of £254,368 was generated for this fund (2019: £290,882).

The long term pension deficit liability has reduced from £96,899 to £80,818 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 2020

Future plans

Like so many small charities, the Iona Community's situation emerging from the COVID-19 pandemic remains delicate. The Community is deeply grateful to all its supporters who continue to give generously to ensure its survival. And the movement is in rude health. During this strange year, alongside restructuring and innovating to survive, the Community has had a chance to reflect and consider where it is trying to go.

Work is underway about what 'Model For Growth' the Community should adopt over the next ten years. How can it become more diverse? How should it respond to growing numbers of requests to join from overseas? How does it ensure that throughout it remains rooted in the Rule? These questions will inform the development of 4 strategic objectives that will shape the business plan for the next period.

The Iona Community extends its gratitude to its partners, supporters and to other communities of faith which continue to inspire and guide it. In the words of a Young Adult Group member, being part of the Iona Community 'helps me believe in humanity... It helps me live out an active faith focussed on justice.' Our prayer is that this same set of convictions may strengthen each one of us, and the whole Church, as together we follow Christ's call to unity, to justice and to peace.

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 280 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 one year. 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.

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2020

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

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. During 2020, the committee structure which oversees the work of the charity was updated. Two new committees - the Community Life Committee and the Community Resources Committee - were established to replace the previous committee structure. These new committees also meet every six to eight weeks. The Leadership team also changed, with the appointment of an Executive Director 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.

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.

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 now 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 £5,453 during the year and increased in market value by £35,580 (unrealised gain of £36,972 and realised loss of £1,392).

The Iona Community

Report of the Trustees (continued) For The Year Ended 31 December 2020

Reserves Policy

During normal times the Iona Community aims to hold in free reserves the equivalent of three months' expenditure from the general fund in case of emergency. It is the intention of the Trustees that this should remain the policy of the Iona Community but the Trustees also recognise that the global pandemic is the type of exceptional and emergency situation the reserves are intended for.

For these exceptional circumstances, the Iona Community will operate a temporary COVID Recovery reserves policy anticipating that it may need to make use of the full extent of the Community's free reserves throughout 2021 to manage cashflow. The Trustees see this as part of a wider package of measures to reduce costs, maximise income and restructure to deliver long term financial sustainability.

Total funds held at the end of the financial year amounted to £5,484,945. Restricted funds were £3,924,818 and unrestricted funds held in the form of fixed assets amounted to £1,383,501. The balance of £176,626 represents the free reserves of the charity. Based on expenditure in 2020, this represents between 1 and 2 months' expenditure on the general fund. The trustees are mindful that designated funds (including the legacy fund) hold £249,018 while the charity's general fund has a deficit balance of £72,392. In line with the recognition outlined above that the current circumstances are necessitating the temporary use of all free reserves, the trustees are of the view that a small deficit on the general fund can be tolerated in the short term.

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.

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

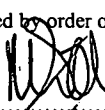
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures 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 3 June 2021 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 2020 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 2020 and of the group's 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

In auditing the financial statements, we have concluded that 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 appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 £80,818 as at 31st December 2020. 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 eight, 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.

We note that it can be harder to detect irregularities arising due to fraud as they may involve deliberate concealment or collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements including, but not limited to, 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.

Our procedures in relation to fraud and irregularities included but were not limited to:

- inquiries of management whether they have knowledge of any actual, suspected or alleged fraud
- gaining an understanding of the internal controls established to mitigate risk related to fraud
- identifying the principal risks where fraud could take place eg posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transaction
- addressing the risk of fraud through management override of controls by performing journal entry testing
- review of board minutes and relevant correspondence with regulators and legal advisors
- agreement of the financial statement disclosures to underlying supporting documentation

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management.

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In particular, the more removed from the financial transactions, the less likely it is that we would become aware of non-compliance with laws and regulations.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

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.

Atkinson Donnelly LLP

Fiona Struthers (Senior Statutory Auditor)
for and on behalf of Atkinson Donnelly LLP
Chartered Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
1 Cambuslang Court
Cambuslang
Glasgow
Strathclyde
G32 8FH

Date:

28th June 2021

The Iona Community

Consolidated Statement of Financial Activities
For The Year Ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME FROM					
Donations and legacies	2	523,920	358,426	882,346	936,874
Trading activities - Shop	3	47,483	-	47,483	226,605
Charitable activities	4	175,546	-	175,546	286,119
Investment income	5	26,949	2,634	29,583	57,326
Intra-group sales		(993)	-	(993)	(3,950)
Total		772,905	361,060	1,133,965	1,502,974
EXPENDITURE ON					
Raising funds	3	-	38,542	38,542	55,749
Trading activities - Shop		93,090	-	93,090	196,655
Charitable activities	6	1,092,324	309,897	1,402,221	1,425,529
Intra-group purchases		(993)	-	(993)	(3,950)
Total		1,184,421	348,439	1,532,860	1,673,983
Net gains / (losses) on investments		18,395	17,185	35,580	56,621
NET (EXPENDITURE) / INCOME		(393,121)	29,806	(363,315)	(114,388)
Transfers between funds	17	267,518	(267,518)	-	-
Net movement in funds		(125,603)	(237,712)	(363,315)	(114,388)
RECONCILIATION OF FUNDS					
Total funds brought forward		1,685,730	4,162,530	5,848,260	5,962,648
TOTAL FUNDS CARRIED FORWARD		1,560,127	3,924,818	5,484,945	5,848,260

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 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME FROM					
Donations and legacies	2	523,920	358,426	882,346	936,874
Charitable activities	4	175,546	-	175,546	286,119
Investment income	5	<u>26,949</u>	<u>2,634</u>	<u>29,583</u>	<u>57,326</u>
Total		726,415	361,060	1,087,475	1,280,319
EXPENDITURE ON					
Raising funds	3	-	38,542	38,542	55,748
Charitable activities	6	<u>1,092,324</u>	<u>309,897</u>	<u>1,402,221</u>	<u>1,425,530</u>
Total		1,092,324	348,439	1,440,763	1,481,278
Net gains / (losses) on investments		<u>18,395</u>	<u>17,185</u>	<u>35,580</u>	<u>56,621</u>
NET (EXPENDITURE) / INCOME		(347,514)	29,806	(317,708)	(144,338)
Transfers between funds	17	<u>267,518</u>	<u>(267,518)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(79,996)	(237,712)	(317,708)	(144,338)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,639,870</u>	<u>4,162,530</u>	<u>5,802,400</u>	<u>5,946,738</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,559,874</u>	<u>3,924,818</u>	<u>5,484,692</u>	<u>5,802,400</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The Iona Community

Consolidated Balance Sheet
At 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	11	1,384,085	3,203,703	4,587,788	4,336,202
Investments	12	40,939	271,805	312,744	529,089
		<u>1,425,024</u>	<u>3,475,508</u>	<u>4,900,532</u>	<u>4,865,291</u>
CURRENT ASSETS					
Stocks	13	110,942	-	110,942	133,928
Debtors	14	190,315	-	190,315	205,025
Cash at bank		<u>176,522</u>	<u>449,310</u>	<u>625,832</u>	<u>920,135</u>
		<u>477,779</u>	<u>449,310</u>	<u>927,089</u>	<u>1,259,088</u>
CREDITORS					
Amounts falling due within one year	15	<u>(261,858)</u>	<u>-</u>	<u>(261,858)</u>	<u>(179,220)</u>
NET CURRENT ASSETS		<u>215,921</u>	<u>449,310</u>	<u>665,231</u>	<u>1,079,868</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,640,945</u>	<u>3,924,818</u>	<u>5,565,763</u>	<u>5,945,159</u>
PROVISIONS FOR LIABILITIES	16	<u>(80,818)</u>	<u>-</u>	<u>(80,818)</u>	<u>(96,899)</u>
NET ASSETS		<u>1,560,127</u>	<u>3,924,818</u>	<u>5,484,945</u>	<u>5,848,260</u>
FUNDS					
Unrestricted funds	17			1,560,127	1,685,730
Restricted funds				<u>3,924,818</u>	<u>4,162,530</u>
				<u>5,484,945</u>	<u>5,848,260</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 3 June 2021 and were signed on its behalf by:



.....
Martin Scott - Chair of Trustees

The Iona Community

Company Balance Sheet
At 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	11	1,383,501	3,203,703	4,587,204	4,335,036
Investments	12	<u>41,039</u>	<u>271,805</u>	<u>312,844</u>	<u>529,189</u>
		1,424,540	3,475,508	4,900,048	4,864,225
CURRENT ASSETS					
Stocks	13	54,468	-	54,468	64,363
Debtors	14	301,030	-	301,030	271,158
Cash at bank		<u>122,288</u>	<u>449,310</u>	<u>571,598</u>	<u>878,011</u>
		477,786	449,310	927,096	1,213,532
CREDITORS					
Amounts falling due within one year	15	<u>(261,634)</u>	<u>-</u>	<u>(261,634)</u>	<u>(178,458)</u>
NET CURRENT ASSETS		<u>216,152</u>	<u>449,310</u>	<u>665,462</u>	<u>1,035,074</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,640,692	3,924,818	5,565,510	5,899,299
PROVISIONS FOR LIABILITIES	16	<u>(80,818)</u>	<u>-</u>	<u>(80,818)</u>	<u>(96,899)</u>
NET ASSETS		<u>1,559,874</u>	<u>3,924,818</u>	<u>5,484,692</u>	<u>5,802,400</u>
FUNDS					
Unrestricted funds	17			1,559,874	1,639,870
Restricted funds				<u>3,924,818</u>	<u>4,162,530</u>
				<u>5,484,692</u>	<u>5,802,400</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 3 June 2021 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 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>11,293</u>	<u>78,218</u>
Net cash provided by operating activities		11,293	78,218
Cash flows from investing activities:			
Purchase of tangible fixed assets		(585,179)	(1,475,319)
Proceeds from disposal of tangible fixed assets		-	-
Proceeds from disposal of investment assets		250,000	100,000
Investment income received		<u>29,583</u>	<u>57,326</u>
Net cash (used in) investing activities		<u>(305,596)</u>	<u>(1,317,993)</u>
Change in cash and cash equivalents in the reporting period		(294,303)	(1,239,775)
Cash and cash equivalents at the beginning of the reporting period	2	<u>920,135</u>	<u>2,159,910</u>
Cash and cash equivalents at the end of the reporting period	2	<u>625,832</u>	<u>920,135</u>

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

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(363,315)	(114,388)
Adjustments for:		
Depreciation charges	333,593	290,214
(Gain) on investments	(35,580)	(56,621)
Movement in cash retained by investment manager	1,925	(1,923)
Investment income received	(29,583)	(57,326)
(Decrease) in provisions	(16,081)	(14,101)
Decrease in stocks	22,986	23,254
Decrease / (increase) in debtors	14,710	(60,083)
Increase in creditors	<u>82,638</u>	<u>69,192</u>
Net cash provided by operating activities	<u>11,293</u>	<u>78,218</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Notice deposits (less than 3 months)	<u>625,832</u>	<u>920,135</u>

The Iona Community

Notes to the Financial Statements For The Year Ended 31 December 2020

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 2020**

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.

The charity is registered for Value Added Tax (VAT) under a group registration which includes the trading subsidiary. Income and expenditure are shown net of payable and recoverable VAT as appropriate.

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 2020**

2. DONATIONS AND LEGACIES	Unrestricted funds	Restricted funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Donations	461,033	358,426	819,459	904,656
Legacies	11,100	-	11,100	23,018
Grants	55,191	-	55,191	9,200
	<u>527,324</u>	<u>358,426</u>	<u>885,750</u>	<u>936,874</u>
Grants received, included in the above, as follows:				
Other grants	<u>55,191</u>	<u>-</u>	<u>55,191</u>	<u>9,200</u>

3. RAISING FUNDS

Raising donations and legacies	£	£	£	£
Fundraising costs	<u>-</u>	<u>38,542</u>	<u>38,542</u>	<u>55,749</u>

Trading fundraising

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

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

	2020	2019
	£	£
Turnover	44,079	226,605
Other operating income	3,404	-
Cost of sales and administrative costs	(93,090)	(195,637)
Interest receivable	-	-
Net (loss) / profit	<u>(45,607)</u>	<u>30,968</u>
Retained in the subsidiary	<u>(45,607)</u>	<u>30,968</u>

The assets and liabilities of the subsidiary were:

Fixed assets	583	1,166
Current assets	110,957	111,689
Current liabilities	<u>(223)</u>	<u>(762)</u>
	<u>111,317</u>	<u>112,093</u>
Less: Parent company loan	<u>(110,964)</u>	<u>(66,133)</u>
Carried forward	<u>353</u>	<u>45,960</u>

4. INCOME FROM CHARITABLE ACTIVITIES

Activity	£	£	£	£
Resource work & projects	7,538	-	7,538	51,697
Publication sales & royalties	157,944	-	157,944	174,910
Guest charges	10,064	-	10,064	59,512
	<u>175,546</u>	<u>-</u>	<u>175,546</u>	<u>286,119</u>
Island Guest Charges:				
Iona Abbey (donated charges)	9,914	-	9,914	-
St Columba Hotel programme	-	-	-	11,415
Camas (donated charges in 2020)	150	-	150	48,097
	<u>10,064</u>	<u>-</u>	<u>10,064</u>	<u>59,512</u>

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020**

5. INVESTMENT INCOME	Unrestricted funds	Restricted funds	Total Funds 2020	Total Funds 2019
	£	£	£	£
Dividend income	2,819	2,634	5,453	10,375
Property rental income	17,774	-	17,774	36,128
Interest	6,356	-	6,356	10,823
	<u>26,949</u>	<u>2,634</u>	<u>29,583</u>	<u>57,326</u>
6. CHARITABLE ACTIVITIES COST	£	£	£	£
Resource work and projects	293,812	20,328	314,140	353,665
Island centres	452,638	288,528	741,166	731,131
Movement support	144,900	1,041	145,941	135,023
Publications	200,974	-	200,974	205,710
	<u>1,092,324</u>	<u>309,897</u>	<u>1,402,221</u>	<u>1,425,529</u>

Analysis of support costs included in above

	£	£	£	£
Resource work and projects	111,622	-	111,622	78,342
Island centres	111,470	-	111,470	77,707
Movement support	144,900	-	144,900	123,339
Publications	19,219	-	19,219	13,398
	<u>387,211</u>	<u>-</u>	<u>387,211</u>	<u>292,786</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):

	2020	2019
	£	£
Depreciation	<u>333,593</u>	<u>290,214</u>
Operating lease payments	<u>80,772</u>	<u>80,211</u>
Auditor's remuneration:		
Audit services	<u>10,000</u>	<u>8,840</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

A total of £834 was reimbursed to 5 trustees (2019 - £2,573 to 8 trustees) in respect of travel expenses during the year.

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020**

9. STAFF COSTS

	2020	2019
	£	£
Salaries and wages	505,479	526,870
Social security costs	38,729	38,499
Pension costs	33,742	39,463
Termination payments	-	3,600
	<u>577,950</u>	<u>608,432</u>

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

	2020	2019
Staff	<u>28</u>	<u>32</u>

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

Key management personnel remuneration totalling £96,691 (2019 - £77,435) 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	457,203	479,671	936,874
Trading activities - Shop	226,605	-	226,605
Charitable activities	286,119	-	286,119
Investment income	43,930	13,396	57,326
Intra-group sales	(3,950)	-	(3,950)
Total	<u>1,009,907</u>	<u>493,067</u>	<u>1,502,974</u>
EXPENDITURE ON			
Raising funds	-	55,749	55,749
Trading activities - Shop	196,655	-	196,655
Charitable activities	1,151,145	274,384	1,425,529
Intra-group purchases	(3,950)	-	(3,950)
Total	<u>1,343,850</u>	<u>330,133</u>	<u>1,673,983</u>
Net gains on investments	<u>29,273</u>	<u>27,348</u>	<u>56,621</u>
NET INCOME/(EXPENDITURE)	<u>(304,670)</u>	<u>190,282</u>	<u>(114,388)</u>
Transfers between funds	<u>35,190</u>	<u>(35,190)</u>	<u>-</u>
Net movement in funds	<u>(269,480)</u>	<u>155,092</u>	<u>(114,388)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,955,210</u>	<u>4,007,438</u>	<u>5,962,648</u>
TOTAL FUNDS CARRIED FORWARD	<u>1,685,730</u>	<u>4,162,530</u>	<u>5,848,260</u>

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020**

11. TANGIBLE FIXED ASSETS

GROUP	Freehold Property £	Leasehold Property £	Furniture & Equipment £	Totals £
COST				
At 1 January 2020	2,015,113	3,545,102	203,100	5,763,315
Additions	-	543,181	41,998	585,179
At 31 December 2020	2,015,113	4,088,283	245,098	6,348,494
DEPRECIATION				
At 1 January 2020	222,021	1,028,103	176,989	1,427,113
Charge for year	31,049	272,642	29,902	333,593
At 31 December 2020	253,070	1,300,745	206,891	1,760,706
NET BOOK VALUE				
At 31 December 2020	<u>1,762,043</u>	<u>2,787,538</u>	<u>38,207</u>	<u>4,587,788</u>
At 31 December 2019	<u>1,793,092</u>	<u>2,516,999</u>	<u>26,111</u>	<u>4,336,202</u>
COMPANY				
COST				
At 1 January 2020	2,015,113	3,545,102	195,165	5,755,380
Additions	-	543,181	41,997	585,178
At 31 December 2020	2,015,113	4,088,283	237,162	6,340,558
DEPRECIATION				
At 1 January 2020	222,021	1,028,103	170,220	1,420,344
Charge for year	31,049	272,642	29,319	333,010
At 31 December 2020	253,070	1,300,745	199,539	1,753,354
NET BOOK VALUE				
At 31 December 2020	<u>1,762,043</u>	<u>2,787,538</u>	<u>37,623</u>	<u>4,587,204</u>
At 31 December 2019	<u>1,793,092</u>	<u>2,516,999</u>	<u>24,945</u>	<u>4,335,036</u>

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

12. FIXED ASSET INVESTMENTS

GROUP	Shares in group undertakings 2020 £	Listed Investments 2020 £	Total 2020 £	Total 2019 £
Market value at 1 January	-	425,065	425,065	464,989
Acquisitions at cost	-	57,050	57,050	11,789
Less: disposals at opening market value	-	(207,046)	(207,046)	(100,693)
Net gains / (losses) on revaluation	-	36,972	36,972	48,980
	<u>-</u>	<u>312,041</u>	<u>312,041</u>	<u>425,065</u>
Cash held awaiting reinvestment			703	104,024
Market value at 31 December			<u>312,744</u>	<u>529,089</u>

COMPANY	Shares in group undertakings* £	Listed Investments £	Total 2020 £	Total 2019 £
Market value at 1 January	100	425,065	425,165	465,089
Acquisitions at cost	-	57,050	57,050	11,789
Less: disposals at opening market value	-	(207,046)	(207,046)	(100,693)
Net gains / (losses) on revaluation	-	36,972	36,972	48,980
	<u>100</u>	<u>312,041</u>	<u>312,141</u>	<u>425,165</u>
Cash held awaiting reinvestment			703	104,024
Market value at 31 December			<u>312,844</u>	<u>529,189</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	2020 £	2019 £
Stocks	<u>110,942</u>	<u>133,928</u>
COMPANY	2020 £	2019 £
Stocks	<u>54,468</u>	<u>64,363</u>

14. DEBTORS

GROUP	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,917	10,296
VAT recoverable	-	62,500
Other debtors	98,710	39,542
Prepayments and accrued income	88,688	92,687
	<u>190,315</u>	<u>205,025</u>

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020**

14. DEBTORS (continued)

	2020	2019
	£	£
COMPANY		
Amounts falling due within one year:		
Trade debtors	2,917	10,296
Amounts owed by group undertakings	60,964	16,133
VAT recoverable	-	62,500
Other debtors	98,461	39,542
Prepayments and accrued income	88,688	92,687
	<u>251,030</u>	<u>221,158</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	50,000	50,000
Aggregate amounts	<u>301,030</u>	<u>271,158</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, £60,964 (2019 - £16,133), is of a short term nature and will be paid in 2021.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
GROUP		
Trade creditors	14,703	16,647
Social security and other taxes	9,016	11,926
Pension creditor	3,573	4,852
Other creditors	50,596	48,685
Accrued expenses	183,970	97,110
	<u>261,858</u>	<u>179,220</u>
COMPANY		
Trade creditors	13,102	15,046
Social security and other taxes	9,016	11,926
Pension creditor	3,573	4,852
Other creditors	52,106	49,657
Accrued expenses	183,837	96,977
	<u>261,634</u>	<u>178,458</u>

16. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
GROUP & COMPANY		
Provisions	<u>80,818</u>	<u>96,899</u>

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

17. MOVEMENT IN FUNDS

	Note	At 01.01.20 £	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	(b)	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	(c)	220,408	19,922	(31,312)	209,018
Unlocked fund	(d)	-	-	10,000	10,000
Iona Way fund	(e)	-	-	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		<u>1,685,730</u>	<u>(393,121)</u>	<u>267,518</u>	<u>1,560,127</u>
Restricted funds					
<i>Restricted funds - fixed assets</i>					
Iona Abbey asset reserve	(f)	2,360,926	(225,548)	577,422	2,712,800
Camas asset reserve	(g)	87,395	(40,698)	-	46,697
Dunsmeorach asset reserve	(a)	393,763	(3,650)	-	390,113
Welcome Centre asset reserve	(h)	72,049	(17,956)	-	54,093
		<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	(i)	228,823	14,361	-	243,184
Camas travel fund	(j)	6,547	-	-	6,547
Capital appeal fund	(k)	613,602	215,827	(734,429)	95,000
Dame Flora MacLeod fund	(l)	22,479	(677)	-	21,802
Ecumenical training fund	(m)	4,033	-	-	4,033
Islands access fund	(n)	131,385	5,457	-	136,842
Islands youth fund	(o)	20,000	-	-	20,000
Music books fund	(p)	666	-	-	666
Members' travel pool	(q)	24,205	(1,041)	-	23,164
Wild Goose Resource Group fund	(r)	186,657	83,731	(110,511)	159,877
Youth work fund	(s)	10,000	-	-	10,000
Total restricted funds		<u>4,162,530</u>	<u>29,806</u>	<u>(267,518)</u>	<u>3,924,818</u>
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 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>				
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 Way 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	<u>772,905</u>	<u>(1,184,421)</u>	<u>18,395</u>	<u>(393,121)</u>

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

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	-	(225,548)	-	(225,548)
Camas asset reserve	-	(40,698)	-	(40,698)
Dunsmeorach asset reserve	-	(3,650)	-	(3,650)
Welcome Centre asset reserve	-	(17,956)	-	(17,956)
	-	(287,852)	-	(287,852)
<i>Restricted funds - other</i>				
Alastair Crerar fund	1,908	-	12,453	14,361
Camas travel fund	-	-	-	-
Capital appeal fund	254,368	(38,541)	-	215,827
Dame Flora MacLeod fund	-	(677)	-	(677)
Islands access fund	725	-	4,732	5,457
Islands youth fund	-	-	-	-
Members' travel pool	-	(1,041)	-	(1,041)
Wild Goose Resource Group fund	104,059	(20,328)	-	83,731
Youth work fund	-	-	-	-
Total restricted funds	361,060	(348,439)	17,185	29,806
TOTAL FUNDS	<u>1,133,965</u>	<u>(1,532,860)</u>	<u>35,580</u>	<u>(363,315)</u>

Unrestricted Funds includes net expenditure of £45,607 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 Way 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 for the development of online and in-person learning and engagement resources and activities, to be publicised as 'Iona 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 2020**

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 2021. The opening balance included over £200,000 of unrestricted legacy income previously designated by the trustees to the capital appeal. As the appeal work has now been completed, a portion of this designated amount has been released as all costs were met by other fundraising. Two new designated funds have been established (Unlocked and The Iona Way, total £40,000), and a transfer of £117,007 was made to the general fund.

(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 2020

18. MOVEMENT IN FUNDS - COMPARATIVE INFORMATION FOR PRIOR YEAR

	At 1.1.19 £	Movement in funds £	Transfers between funds £	At 31.12.19 £
Unrestricted funds				
<i>Designated funds - fixed assets</i>				
Dunsmeorach designated reserve	14,927	(9,289)	-	5,638
Fixed asset reserve	1,459,215	(39,200)	(4,751)	1,415,264
	<u>1,474,142</u>	<u>(48,489)</u>	<u>(4,751)</u>	<u>1,420,902</u>
<i>Designated funds - other</i>				
Legacy fund	443,675	17,423	(240,690)	220,408
<i>General fund</i>	<u>37,393</u>	<u>(273,604)</u>	<u>280,631</u>	<u>44,420</u>
Total unrestricted funds	<u>1,955,210</u>	<u>(304,670)</u>	<u>35,190</u>	<u>1,685,730</u>
Restricted funds				
<i>Restricted funds - fixed assets</i>				
Iona Abbey asset reserve	1,066,933	(182,488)	1,476,481	2,360,926
Camas asset reserve	123,919	(40,698)	4,174	87,395
Dunsmeorach asset reserve	393,763	-	-	393,763
Welcome Centre asset reserve	90,590	(17,956)	(585)	72,049
	<u>1,675,205</u>	<u>(241,142)</u>	<u>1,480,070</u>	<u>2,914,133</u>
<i>Restricted funds - other</i>				
Alastair Crerar fund	225,657	24,126	(20,960)	228,823
Associates' common fund	3,287	(1,800)	(1,487)	-
Camas travel fund	6,520	27	-	6,547
Camas tree planting fund	11,367	-	(11,367)	-
Capital appeal fund	1,644,309	235,133	(1,265,840)	613,602
Dame Flora MacLeod fund	22,479	-	-	22,479
Ecumenical training fund	4,033	-	-	4,033
Islands access fund	122,475	8,910	-	131,385
Islands youth work fund	-	20,000	-	20,000
Macleod Centre options study	7,756	(15,258)	7,502	-
Music books fund	666	-	-	666
Members' travel pool	35,889	(11,684)	-	24,205
Wild Goose Resource Group fund	247,795	161,970	(223,108)	186,657
Youth work fund	-	10,000	-	10,000
	<u>4,007,438</u>	<u>190,282</u>	<u>(35,190)</u>	<u>4,162,530</u>
Total restricted funds	<u>4,007,438</u>	<u>190,282</u>	<u>(35,190)</u>	<u>4,162,530</u>
TOTAL FUNDS	<u>5,962,648</u>	<u>(114,388)</u>	<u>-</u>	<u>5,848,260</u>

Unrestricted funds includes brought forward reserves of £14,992 and net income of £30,968 relating to the subsidiary.

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

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

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

	Income	Expenditure	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
<i>Designated funds - fixed assets</i>				
Dunsmeorach designated reserve	-	(9,289)	-	(9,289)
Fixed asset reserve	-	(39,200)	-	(39,200)
	-	(48,489)	-	(48,489)
<i>Designated funds - other</i>				
Legacy fund	5,249	-	12,174	17,423
General fund	1,004,658	(1,295,361)	17,099	(273,604)
Total unrestricted funds	1,009,907	(1,343,850)	29,273	(304,670)
Restricted funds				
<i>Restricted funds - fixed assets</i>				
Iona Abbey asset reserve	-	(182,488)	-	(182,488)
Camas asset reserve	-	(40,698)	-	(40,698)
Welcome Centre asset reserve	-	(17,956)	-	(17,956)
	-	(241,142)	-	(241,142)
<i>Restricted funds - other</i>				
Alastair Crerar fund	4,308	-	19,818	24,126
Associates' common fund	1,600	(3,400)	-	(1,800)
Camas travel fund	27	-	-	27
Capital appeal fund	290,882	(55,749)	-	235,133
Islands access fund	1,380	-	7,530	8,910
Islands youth fund	20,000	-	-	20,000
Macleod Centre options study	2,800	(18,058)	-	(15,258)
Members' travel pool	-	(11,684)	-	(11,684)
Wild Goose Resource Group fund	162,070	(100)	-	161,970
Youth work fund	10,000	-	-	10,000
Total restricted funds	493,067	(330,133)	27,348	190,282
TOTAL FUNDS	<u>1,502,974</u>	<u>(1,673,983)</u>	<u>56,621</u>	<u>(114,388)</u>

Unrestricted Funds includes net income of £30,968 relating to the subsidiary.

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

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>				
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 Way 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	54,093	-	-	54,093
	<u>3,203,703</u>	<u>-</u>	<u>-</u>	<u>3,203,703</u>
<i>Restricted funds - other</i>				
Alastair Crerar fund	-	196,961	46,223	243,184
Associates' common fund	-	-	-	-
Camas travel fund	-	-	6,547	6,547
Camas tree planting fund	-	-	-	-
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
Macleod Centre options study	-	-	-	-
Music books fund	-	-	666	666
Members' travel pool	-	-	23,164	23,164
Wild Goose Resource Group fund	-	-	159,877	159,877
Youth work fund	-	-	10,000	10,000
	<u>3,203,703</u>	<u>271,806</u>	<u>449,309</u>	<u>3,924,818</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>

The Iona Community

Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

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	5,638	-	-	5,638
Fixed asset reserve	1,415,264	-	-	1,415,264
	<u>1,420,902</u>	<u>-</u>	<u>-</u>	<u>1,420,902</u>
<i>Designated funds - other</i>				
Legacy fund	-	113,754	106,654	220,408
<i>General fund</i>	<u>1,167</u>	<u>159,785</u>	<u>(116,532)</u>	<u>44,420</u>
Total unrestricted funds	1,422,069	273,539	(9,878)	1,685,730
Restricted funds				
<i>Restricted funds - fixed assets</i>				
Iona abbey asset reserve	2,360,926	-	-	2,360,926
Camas asset reserve	87,395	-	-	87,395
Dunsmeorach asset reserve	393,763	-	-	393,763
Welcome centre asset reserve	72,049	-	-	72,049
	<u>2,914,133</u>	<u>-</u>	<u>-</u>	<u>2,914,133</u>
<i>Restricted funds - other</i>				
Alastair Crerar fund	-	185,181	43,642	228,823
Associates' common fund	-	-	-	-
Camas travel fund	-	-	6,547	6,547
Camas tree planting fund	-	-	-	-
Capital appeal fund	-	-	613,602	613,602
Dame Flora MacLeod fund	-	-	22,479	22,479
Ecumenical training fund	-	-	4,033	4,033
Islands access fund	-	70,369	61,016	131,385
Islands youth fund	-	-	20,000	20,000
Macleod Centre options study	-	-	-	-
Music books fund	-	-	666	666
Members' travel pool	-	-	24,205	24,205
Wild Goose Resource Group fund	-	-	186,657	186,657
Youth work fund	-	-	10,000	10,000
	<u>2,914,133</u>	<u>255,550</u>	<u>992,847</u>	<u>4,162,530</u>
Total restricted funds	2,914,133	255,550	992,847	4,162,530
Total as at 31 December 2019	<u>4,336,202</u>	<u>529,089</u>	<u>982,969</u>	<u>5,848,260</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 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

The Iona Community

**Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020**

21. PENSION COMMITMENTS (continued)

A full actuarial valuation for the scheme was carried out at 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)
---------------------------------------	-----------------------	--

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 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. 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 2016 to 30 September 2025:	£12,945,440 per annum	(payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum	(payable monthly and increasing by 3% each on 1st April)

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

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

Present values of provision

	2020 £	2019 £
Present value of provision	<u>80,818</u>	<u>96,899</u>

Reconciliation of opening and closing provisions

	Period ending 2020	Period ending 2019
Provision at start of period	96,899	111,000
Unwinding of the discount factor (interest expense)	983	1,784
Deficit contribution paid	(18,454)	(17,846)
Remeasurements - impact of any change in assumptions	1,390	1,961
Remeasurements - amendments to the contribution schedule	-	-
	<u>80,818</u>	<u>96,899</u>

Assumptions

	2020 % per annum	2019 % per annum
Rate of discount	<u>0.27</u>	<u>1.13</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 2020**

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:

	2020	2019
	£	£
Payable in less than one year	35,166	80,507
Payable between 2 and 5 years	<u>100,450</u>	<u>121,616</u>
	<u>135,616</u>	<u>202,123</u>

23. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020 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.

24. CAPITAL COMMITMENTS

At the balance sheet date, there were capital commitments identified of £66,505 in relation to building works.

25. POST BALANCE SHEET EVENTS AND GOING CONCERN

Last year trustees recorded a material uncertainty about the charity's ability to continue as a going concern beyond 12 months in light of the restrictions imposed by the COVID-19 pandemic. In response, trustees concentrated effort in 2020 on reducing costs and maximising income, including pulling back from all work not considered essential. The government's job retention scheme (furloughing of staff) has also been an important part of this.

The 2020 balance sheet shows the impact of that work. The trustees minimised the deficit and the charity finished the year without drawing upon either the loan or overdraft arrangements anticipated in the 2019 accounts.

Since the date of the balance sheet, trustees have continued to implement a detailed financial plan monitored monthly as per ICAS guidance, against budget and cashflow projection, now on a rolling 12 month basis.

The charity is performing better than expected for the year to date, providing a solid foundation for work underway to restructure the organisation's business long-term. While the future of tourism post-pandemic remains uncertain, this was factored into the 2021 budget, with a conservative target set for income from guests. Even if international cancellations rise during the summer because of travel restrictions, the Abbey and Camas are on track to hit their income targets for the year.

Adjusting Post Balance Sheet Event

The charity vacated its premises at 21 Carlton Court, Glasgow in February 2021, exercising a break option in the lease. This resulted in costs to reinstate dilapidations on the premises amounting to £63,245 including associated professional fees. These costs have been accrued in full in the 2020 accounts.