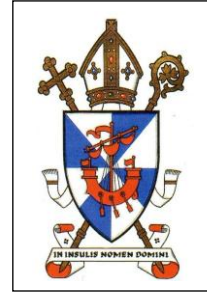


Diocesan Finance Report for the Quarter Ended 28th February 2026



1 General Finance Update

➤ External Audit and Statutory Accounts – 2025

The processing of the diocesan 2025 year end and parish returns is now complete. The audit fieldwork week being the 2nd – 6th March 2026, with all requested evidence having been received and submitted within the week. The audit close out meeting is scheduled for 5th May with draft accounts expected early May. Full accounts for approval and signature are expected to be presented on the date of the Q2 finance board.

➤ Diocesan Budget 2026 – a budget has been prepared and approved and is shared below

➤ Parish Finance meetings - meetings will be held in the next quarter with the parishes of Kingussie and Glencoe to discuss the ongoing challenges faced by the parishes.

➤ Financial Controls review - review of the parish and diocesan financial controls and policies will be carried out over the next quarter with suggested revision or updates presented at the next Finance board meeting

2 Diocesan Budget for 2026

Currently the Diocesan finances are materially stable and well controlled, excepting unforeseen circumstances. As a result the budget for the financial year 2026 is largely unchanged from 2025. Forecast increase in costs being in relation to inflation, fiscal budgetary and estimated supplier increases.

In calculating the Levy income, applying the reduced 2025 levy percentage rates results in an overall decrease of 3% levy income. This is sufficient to achieve a breakeven position for 2026. (Total levy 2025 - £218,331 **budgeted levy 2026 £211,727**).

Offertory incomes as a whole have remained static from 2024 - £672,423 to 2025 £670,696 – a decrease of 0.26%. However, this is not a uniform change across all parishes, **some of whose offertory income fell and some whose rose significantly** over this period due to a variety of local factors.

The range of variation being from **-30%** to **+31%**.

A further factor that allowed the reduction of the levy for 2026 was the unexpected receipt of a generous donation of **£12,000** from the Aged and Infirm Priests Fund. This donation will be used entirely towards the costs of the Sick and Retired priests in 2026.

RC Diocese of Argyll and the Isles
Charity Registration number SC002876

	2025		2026		
	Y.E.		Y.E.	Change	
	30.11.2025		30.11.2026	vs	
	Budget		Budget	Prior Year	
<u>Income</u>	£		£	£	%
Levy Income	218,331		211,727	(6,604)	-3.02%
BCOS Collections	11,500		12,000	500	4%
Diocesan Collections	22,100		19,200	(2,900)	-13%
Dividends from Investments	7,200		8,000	800	11%
Diocesan Gift Aid	4,220		3,560	(660)	-16%
Donations	5,000		17,000	12,000	240%
Other	1,200		1,200	0	0%
Total Income	269,551		272,687	3,136	2%
Expenditure					
ESF costs					
Parish Support	16,000		16,000	0	0%
Auditor's fees	18,000		18,500	500	3%
Clergy Provision	108,952		109,070	117	0.11%
BCOS Expenditure	15,915		14,175	(1,740)	-11%
Safeguarding	7,500		7,960	460	6%
Bishop's Administration	11,058		11,500	442	4%
Diocesan Administration	86,394		89,159	2,765	3%
Total Expenditure	263,819		266,364	2,545	3%
Surplus / (Deficit)	5,732		6,323		
Interest Expense					
Deposits from Parishes	8,055		7,694		
Debentures	1,183		1,252		
Total Loan Interest Payable	9,238		8,946		
Interest Received					
Loans to Parishes	(3,506)		(3,124)		
Total Interest Received	(3,506)		(3,124)		
Total Interest Expense	5,732		5,822		
Retained Earnings	(0)		501		

Diocesan Management Accounts for quarter ended 28.2.2026

Key points :

Income

- **Total Income** for the quarter - **£82,059** representing 30% of the annual budgeted income (£272,687).
- **Levy income for the quarter £52,729** as budgeted.
- **BCOS second collections, income for the quarter - £3,484** representing 29% of the annual budgeted income (£12,000).

The SCES £131 is in respect of the November 2025 collection. The current year collection being scheduled for November 2026

	<u>COMMUNICATIONS</u>	<u>J&P</u>	<u>SCES</u>		<u>2026</u>
<u>BUDGET</u>	4,200	3,800	4,000		12,000
<u>ACTUAL</u>		3,353	131		3,484
		88%	3%		29%

- **Diocesan Collections, income for the quarter - £3,573** representing 19% of the annual budgeted income (£19,200).
 - FEB – PASTORAL FORMATION - Budget **£3.8K** – actual **£3,558k**, representing 94% of the budgeted income
 - JUL – BISHOP’S ADMIN FUND - Budget **£4.5K**
 - AUG – SRP - Budget **£5.2K**
 - SEP – ESF - Budget **£4.5K** - collected as a contribution towards Temporary provision expenses for priests

- **Investment Dividend £1,680** - 21% of the annual budgeted income (£8,000)
- **Donations and Grants - £19,925 in the quarter, 117%** of the annual budgeted income (£17,000).

Key donations received

£5,000 – Corroul Trust

£12,000 – Aged and Infirm Priests Fund

The budgeted amount being the Corroul Trust award - £5,000 and the £12,000, as received in December.

Expenditure

- **Total Expenses** for the quarter **£55,352** representing 21% of the annual budgeted expenditure (£266,364).
- **Parish Support – budget £16,000** - £5,911 expenditure in the quarter
- **Clergy Provision - £24,415** for the quarter – **22%** of budgeted (£109,070)
- **Safeguarding** expenditure in the quarter **£1,770**, 22% of budget (£7,960)
- **Diocesan administration expenses £20,109 in the quarter**, representing 23% of the budgeted expenditure (£89,159).

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Summary Income & Expenditure for the Quarter ended 28.2.2026							
	Actual			Actual	YTD		Annual Budget
	Dec-25 £	Jan-26 £	Feb-26 £	Q1 £	Total £	Var %	Total £
Income							
Levy income	17,531	17,531	17,667	52,729	52,729	25%	211,727
BCOS collections	131	3,067	286	3,484	3,484	29%	12,000
Diocesan Collections	-	-	3,573	3,573	3,573	19%	19,200
Dividends from Investments	-	1,680	-	1,680	1,680	21%	8,000
Diocesan Gift Aid	-	-	-	-	-	0%	3,560
Donations	17,420	2,215	290	19,925	19,925	117%	17,000
Other	368	-	-	368	368	31%	1,200
OLAATI Donations	-	-	-	-	-		-
Bishop's Capital Fund	270	20	10	300	300		-
Total Income	35,720	24,513	21,826	82,059	82,059	30%	272,687
Expenditure							
Parish Support	1,979	3,479	453	5,911	5,911	37%	16,000
Audit & Accountancy Fees	0	-	-	0	0	0%	18,500
Clergy provision	9,834	7,290	7,290	24,415	24,415	22%	109,070
CNET (BCOS) expenditure	1,745	-	-	1,745	1,745	24%	7,125
Safeguarding	1,484	14	272	1,770	1,770	22%	7,960
Bishop's Administration	728	327	347	1,402	1,402	12%	11,500
Diocesan Administration	6,308	7,431	6,370	20,109	20,109	23%	89,159
Total Expenditure	22,078	18,542	14,732	55,352	55,352	21%	259,314
SURPLUS / (DEFICIT)	13,641	5,972	7,094	26,707	26,707	200%	13,373