Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

COMPANY REGISTRATION NUMBER: SC211429
CHARITY REGISTRATION NUMBER: SC032495

Argyll, Lomond and the Islands Energy Agency

Company Limited by Guarantee

Consolidated Financial Statements

31 March 2026

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

C

Argyll, Lomond and the Islands Energy Agency

Company Limited by Guarantee

Consolidated Financial Statements

Year ended 31 March 2026

Trustees' annual report (incorporating the director's report)	3-6
Trustees' responsibilities statement	7
Independent auditor’s report to the members	8-12
Statement of financial activities (including income and expenditure account)	13
Statement of consolidated financial position	14
Statement of company financial position	15
Statement of cash flows	16
Notes to the financial statements	17-31

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Argyll, Lomond and the Islands Energy Agency

Company Limited by Guarantee

Trustees' Annual Report (incorporating the Director's Report)

Year ended 31 March 2026

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2026.

Reference and administrative details

Registered charity name	Argyll, Lomond and the Islands Energy Agency
Charity registration number	SC032495
Company registration number	SC211429
Principal office and registered office	Suite 1 Malin House European Marine Science Park **OBAN** PA37 1SZ
The trustees	Ian Macfarlane Barbara Atterson D MacFadzean Ewan Jures Ailsa Close Martin Clayton Mandy Sheridan (appointed 8/12/25) Fergus Tickell (appointed 21/7/26) Di Alexander Mark Irvine
CEO	Dr L Mitchell
Auditor	bk plus Audit Limited Chartered, Certified Accountants and Statutory Auditors Grand Parade Brighton
Bankers	Virgin Money Poltalloch Street Lochgilphead

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Argyll, Lomond and the Islands Energy Agency

Company Limited by Guarantee

Trustees' Annual Report (incorporating the Director's Report)

Year ended 31 March 2026

The directors present their report and the financial statements for the year ended 31 March 2026. The directors, who are also trustees of Argyll, Lomond and the Islands Energy Agency for the purposes of charity law and who served during the year and up to the date of this report are set out on page 2.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 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 (effective January 2019).

Structure, governance and management

ALIenergy - working towards a sustainable future

Our vision is a world where everyone lives sustainably, carbon emissions have been cut to safe levels and no individuals live in fuel poverty without access to affordable energy.

Our mission is to develop and promote sustainable energy use and generation to the benefit of individuals, communities and the local economy, and to combat fuel poverty.

Our goal is to improve public knowledge of, and engagement in, renewable energy and energy efficiency issues, so that more people take action to increase energy saving, become involved with renewable energy initiatives and move towards a sustainable, low carbon future.

Governing Document
The organisation is a charitable company limited by guarantee, incorporated on 27/9/2000 and registered as a charity on 15/1/2001. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1. The Articles of Association were revised and updated in 2021.

Recruitment and appointment of Directors/Trustees
The directors of the company are also charity trustees for the purposes of charity law. All directors give their time voluntarily and receive no benefits from the charity.

All new directors receive a briefing from the Chairman followed by an induction session run by the management team on the responsibilities and obligations of directors; the main documents that set out the operational framework for the charity, including Memorandum & Articles; staff structure; resources and the current financial position; and the organisation's future plans and objectives.

Risk Management
It is the policy of the Board to minimise exposure by ensuring that the value of creditors does not exceed the value of debtors and funds at call or short notice. It is usual practice to ensure that funds in hand/overdraft

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

limit are, where possible, sufficient to pay at least the following six months payroll, tax, national insurance and direct debit payments.

The Directors have examined the major strategic, business and operational risks, which the charity faces and where appropriate, systems and procedures have been established to mitigate any risks identified.

Organisational structure

The Board of Directors is made up of members from a variety of professional and community backgrounds relevant to the work of the charity. The Directors meet quarterly and are responsible for the strategic direction and policy of the charity. A number of representatives from the charity's partner organisations and funders may be invited to sit on the Board as advisors, with no voting rights. Day to day operations and new project development activities are carried out by the staff team, managed by the CEO.

Objectives and activities

Our activities fall within three main areas:

Affordable Warmth and Alleviating Fuel Poverty
Education and Skills Development
Community Renewables and Local Energy Economy

Main projects during 2025-26 include:

***Argyll Energy Advice* Service** (2020-22, 2023-25, 2025-27) - funded by UK Energy Redress Scheme. Following on from similar work in previous years, this project aims to assist Argyll's most vulnerable households out of fuel poverty by providing a holistic home energy advice service, and offering training to other organisations on the causes, effects and mitigation of fuel poverty.

***Highland Energy Advice* Service** (2024-26, 2026-28) - funded by UK Energy Redress Scheme. Running alongside the Argyll project, this project aims to assist Highland's most vulnerable households out of fuel poverty by providing a holistic home energy advice service, and offering training to other organisations on the causes, effects and mitigation of fuel poverty.

ALIenergy Affordable Warmth – Measuring Change (Energy Redress Oct25-Sept27): Social Return on Investment analysis of ALIenergy's ongoing services funded through the Energy Redress Scheme.

Argyll and Bute Council Flexible Food and Fuel Fund (Jan21-Mar26) - this project is in partnership with Argyll & Bute Council, Community Foodbanks and Bute Advice Centre, which offers welfare and benefits advice to clients alongside our affordable warmth advice, targeting the most vulnerable households.

Argyll & Bute Council Islands Cost Crisis Emergency Fund (2025-26): supporting low-income island households with energy advice and vouchers.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Bank of Scotland Reach (2023-25) – contributing towards Affordable Warmth Advice work assisting the most vulnerable households across all our areas.

Big Energy Saving Network (Oct25-Mar26)- funding for affordable warmth advice and training events across all our areas.

ALIenergy's Education and Skills Development Programme (funded by Scottish Power Renewables, Beinn an Tuirc Community Benefit Fund 'Regional Tranche'; providing long term funding assured to at least March 2029). This project encourages and facilitates young people to seek careers in STEM subjects and the renewable energy sector, providing activities, workshops, short films, and careers events in schools and communities, particularly in the areas of Mid Argyll and the Kintyre Peninsula.

STEM Energy Education and Affordable Warmth in Argyll (funded by Drax Foundation, 2024-27) – funds Education and Skills Development work in all areas of Argyll and Bute not covered by Scottish Power Renewables; and also contributes to Affordable Warmth advice work across Argyll and Bute.

SGN Safe and Warm Fund (2024-26) – contributes to Affordable Warmth service across all our areas.

Poverty Alliance - Taking Action on Rural Poverty (2025-26) - Test of Change: working with social tenants to analyse the impact of ASHP and PV retrofits on people's bills. Creating useful written resources for tenants and landlords to guide them through the process, alongside example case studies.

Scottish Government's Investing in Communities Fund - Oban Connected Communities Collective (2023-27) – collaborating with three other Oban based charities and creating the Re_Store shop (charity shop and food redistribution centre).

Financial review

Principal funding sources

ALIenergy no longer receives core funding from Argyll and Bute Council (this ended March 2017). Argyll and Bute Council continues to provide some in-kind support (eg payroll services).

Core funding is currently received from the Robertson Trust (2022-28). A small amount of core income is received from the Argyll Wind Farm Trust, for the SSE Tangy 2 development. These support the basic running costs of the charity. A small amount has also been received through public and corporate donations. Current project funders are as described above. Argyll & Bute Council has given an implicit guarantee to ALIenergy's short-term cash flow requirements.

In 2017 a wholly owned trading subsidiary, ALIenergy Ltd, was created to pursue income generating activities that can support our charitable purposes and activities. Although the trading subsidiary was not very active during the year, transactions in the year are included in these accounts.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Reserves policy

The current policy is to retain, where possible, sufficient funds to meet the cost of salaries, redundancy payments and sickness cover and other regular commitments for a minimum period of six months. In addition, it is the policy of the Directors to retain sufficient funds to allow for the development of the company and, in particular, to allow the company to pursue potential new income streams and develop new projects and programmes, to ensure future financial security.

Plans for future periods

We shall continue the activity areas outlined above, subject to funding. We intend to expand our services and activities to combat fuel poverty, to develop the charity's renewable energy expertise further and do more to promote renewable heat. We hope to develop more innovative, holistic approaches to local energy economy, and to facilitate community involvement, upskilling and empowerment, ownership and resilience.

We aim to expand the activities of the trading subsidiary in order to generate income to gift aid back to the charity. We seek to establish and develop further collaborations and partnerships with other organisations (technical; academic; public sector; industry; third sector) in Scotland, the UK, and elsewhere.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Board on 23 October 2026 and signed on its behalf by

Ian S Macfarlane

I Macfarlane
Director

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Argyll, Lomond and the Islands Energy Agency

Company Limited by Guarantee

Trustees' Responsibilities Report

Year ended 31 March 2026

Trustees' responsibilities in relation to the financial statements

The directors (who are also trustees of Argyll, Lomond and the Islands Energy Agency under charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors 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 income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities 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; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Argyll, Lomond and the Islands Energy Agency

Company Limited by Guarantee
Independent Auditor's Report to the Members of Argyll, Lomond and the Islands Energy Agency

Year ended 31 March 2026

Opinion

We have audited the financial statements of Argyll, Lomond and the Islands Energy Agency (the parent company) and its subsidiary for the year ended 31 March 2026 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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, 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 parent company's affairs as at 31 March 2026 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations (as amended).

Basis for opinion

We have been appointed as auditor under section 44(1) © of the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations (as amended) and under the Companies Act 2006 and report to you under those Acts and relevant regulations

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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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' 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

Opinions 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 trustees' report, which includes the directors' 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' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report 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:

Based on our understanding of the charity and its activities, and through discussion with the trustees and management, we identified the principal risks of material misstatement both at the financial statement level and at the assertion level.

We considered these risks in the light of various factors including the level of complexity, subjectivity, uncertainty, potential management bias, fraud, materiality and any other relevant factors. We considered the extent to which these would have a material impact on the financial statements and designed our audit work accordingly.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewed significant or unusual transactions to identify their underlying supporting rationale

- We inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity's policies and procedures relating to:

  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates were indicative of a potential bias and tested significant transactions that were unusual or those outside the normal course of business.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

We also

- discussed and reviewed the charity's business model and forward planning to assess going concern
- communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- Carried out substantive testing on income and expenditure
- Re-performed reconciliations of control accounts, and recalculated items such as depreciation

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation.

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

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.

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 section and to the charitable company's trustees, as a body, in accordance with Section 44(1) 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 auditor's 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's members as a body, and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

23 October 2026

Shona Wardrop

Shona Wardrop C.A.

Senior Statutory Auditor

For and on behalf of bk plus Audit Limited
Chartered, Certified Accountants & Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Argyll, Lomond and the Islands Energy Agency

Company Limited by Guarantee
Consolidated Statement of Financial Activities
(Including income and expenditure report)
Year ended 31 March 2026

	Notes	Unrestricted funds £	Restricted funds £	Total 2026 £	Total 2025 £
Income and endowments from:					
Donations, grants and legacies	2	221,431	761,525	982,956	726,953
Other income	3	14,696	-	14,696	10,595
Total Income and endowments		£ 236,127	£ 761,525	£ 997,652	£ 737,548
Expenditure On:					
Expenditure on charitable activities	4	121,469	750,895	872,364	683,392
Total expenditure		121,469	750,895	872,364	683,392
Net Income/(expenditure)		114,658	10,630	125,288	54,156
Transfers between funds		£ 10,630	£ (10,630)	-	-
Net movement in funds		125,288	-	125,288	54,156
Fund balances brought forward		£ 343,182	£ 6,460	£ 349,642	£ 295,486
Fund balances carried forward		£ 468,470	£ 6,460	£ 474,930	£ 349,642

The statement of financial activities also complies with the requirements for an income and expenditure accounts under the Companies Act 2006 and includes all gains and losses recognised in the year.
All of the above figures were derived from continuing activities.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Argyll, Lomond and the Islands Energy Agency

Company Limited by Guarantee

Statement of Financial Position

Year ended 31 March 2026

Consolidated Statement of Financial Position

	Notes	2026 £	2025 £
Current assets			
Debtors	**9**	**137,198**	45,409
Cash at bank and in hand		**724,375**	627,638
		861,573	673,047
Creditors: amounts falling due within one year	**10**	**386,643**	323,405
Net current assets		**474,930**	349,642
Total assets less current liabilities		**474,930**	349,642
Creditors: amounts falling due after more than one year		**-**	**-**
Net assets		**£ 474,930**	£ 349,642
Funds of the charity			
Restricted funds		**6,460**	6,460
Unrestricted funds	**13**	**468,470**	343,182
Total charity funds		**£ 474,930**	£ 349,642

The accounts were approved by the Board on 23 October 2026

The financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the the small companies regime

Ian S Macfarlane

I Macfarlane, Trustee

Argyll, Lomond and the Islands Energy Agency, is a company limited by guarantee. Registered in Scotland, no. SC211429
Registered as a charity No. SC032495

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Argyll, Lomond and the Islands Energy Agency

Company Limited by Guarantee

Statement of Financial Position

Year ended 31 March 2026

Company Statement of Financial Position

	Notes	2026 £	2025 £
Fixed assets			
Investments	8	**100**	100
Current assets			
Debtors	9	**302,784**	182,868
Cash at bank and in hand		**646,844**	559,882
		949,628	742,750
Creditors: amounts falling due within one year	10	**507,674**	417,986
Net current assets		**441,954**	324,764
Total assets less current liabilities		**442,054**	324,864
Creditors: amounts falling due after more than one year		**-**	**-**
Net assets		**£ 442,054**	£ 324,864
Funds of the charity			
Restricted funds		**6,460**	6,460
Unrestricted funds		**435,594**	318,404
Total charity funds		**£ 442,054**	£ 324,864

The accounts were approved by the Board on 23 October 2026

Ian S Macfarlane

I Macfarlane, Trustee

Argyll, Lomond and the Islands Energy Agency, is a company limited by guarantee. Registered in Scotland, no. SC211429
Registered as a charity No. SC032495

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

Argyll, Lomond and the Islands Energy Agency

Company Limited by Guarantee

Consolidated Statement of Cash

Year ended 31 March 2026

	2026 £	2025 £
Cash flows from operating activities:		
Net Income/(expenditure)	**125,288**	54,156
Adjustments for:		
Accrued expenses	**19,431**	17,794
Other interest receivable	**-**	-
(Increase)/Decrease in Debtors	**(91,789)**	32,563
Increase/(Decrease) in Creditors	**43,807**	(30,181)
Net cash generated from operating activities	**96,737**	74,332
Cash flows from Financing activities:		
Interest received	**-**	-
Net cash used in financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	**96,737**	74,332
Cash and cash equivalents at beginning of year	**627,638**	553,306
Cash and cash equivalents at end of year	**724,375**	627,638

Analysis of changes in net funds

	At 1/4/25	Cash flow	At 31/3/26
Net cash			
Cash at bank and in hand	627,638	96,737	**724,375**

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

1.1 Accounting policies

Basis of preparation

The charity is a company limited by guarantee and is a recognized charity in Scotland, registered number SC032495. It is governed by the rules of its Memorandum and Articles of Association.

The financial statements have been prepared on the historical cost basis

The financial statements are prepared in sterling, which is the functional currency of the entity and are rounded to the nearest pound. The charity meets the definition of a public entity as defined by FRS102.

Going concern

The directors, who are the trustees of the charity under charity law, consider that there are no material uncertainties about the charity's ability to continue, and have considered a period of at least 12 months from the signing of the accounts.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the group financial statements of Argyll Lomond and the Isles Energy Agency, which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

a) Disclosures in respect of financial instruments have not been presented.
b) Exemption from including a statement of financial activities for the parent company. The movement of funds of the parent charity was a surplus of £118,949.
c) Exemption from including a separate statement of cash flows for the parent company.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

1.1 Accounting policies *(continued)*

Income

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

1.1 Accounting policies *(continued)*

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Taxation

The charity is considered to pass the test set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Taxes Act 2010 or s256 of the Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes. Any taxation charge in these accounts therefore relates solely to the trading subsidiary.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

1.1 Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

1.1 Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship (see hedge accounting policy).

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

The charitable company operates a defined contribution pension scheme. Contributions to defined contribution plans are recognised as an expense in the period in which ~~the rel~~ated s~~ervice is~~ provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

1.1 Accounting policies *(continued)*

Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

1.2 Limited by guarantee

Argyll, Lomond and the Islands Energy Agency is a company limited by guarantee and accordingly does not have a share capital. Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

2 Income from Donations, Grants and Legacies

	Unrestricted funds £	Restricted funds £	Total 2026 £	Total 2025 £
Donations, grants and legacies	**£221,431**	**£ 761,525**	**£ 982,956**	£ 726,953
Included in the above were the following grants				
Scottish Power	-	68,501	**68,501**	60,699
SSE - Tangy	11,205	-	**11,205**	10,440
Drax Education	-	49,889	**49,889**	16,185
Drax Affordable Warmth	-	69,994	**69,994**	20,810
Scottish Gas Networks	-	37,378	**37,378**	34,334
Affordable warmth fund	-	84,000	**84,000**	84,000
Bank of Scotland	-	23,640	**23,640**	26,360
Big Energy Savings Network	-	12,736	**12,736**	16,320
LACER	-	-	-	7,729
Energy Redress Impact	-	4,261	**4,261**	-
ICCEF	120,000	-	**120,000**	-
Robertson Trust	38,000	-	**38,000**	35,200
SFHA LSHA	-	8,255	**8,255**	11,703
Energy Redress Argyll (2)	-	157,388	**157,388**	133,286
Highland Council	-	165,155	**165,155**	124,175
Crisis Intervention Funds	45,026	-	**45,026**	62,674
CARES	-	1,125	**1,125**	7,000
Lorn Healthy Options	-	-	-	10,000
Hope Kitchen	7,200	-	**7,200**	10,000
Poverty Alliance - TARP	-	35,000	**35,000**	-
Oban Investing in Communities	-	10,300	**10,300**	-
Inspiralba PESF	-	18,699	**18,699**	16,500
Community Energy for Energy Solidarity (CEES)	-	-	-	5,909
Smart Energy GB	-	10,000	**10,000**	-
HIE/Inspiralba Graduate programmes	-	5,204	**5,204**	33,629
	221,431	761,525	**982,956**	726,953

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

3 Income from Investments

Other Income

	Unrestricted Funds	**Total Funds 2026**	Unrestricted Funds	Total Funds 2025
	£	£	£	£
Other income	14,696	**14,696**	10,595	10,595

4 Expenditure on charitable activities

By Fund Type	**Unrestricted funds**	**Restricted funds**	**Total 2026**
	£	**£**	**£**
Management	**(70,671)**	**-**	**(70,671)**
Education,Awareness, Affordable Warmth	**183,640**	**750,895**	**934,535**
Support Costs	**8,500**	**-**	**8,500**
	121,469	**750,895**	**872,364**

	Unrestricted funds	Restricted Funds funds	Total 2025
	£	£	£
Management	21,869	-	21,869
Education, Awareness, Affordable Warmth	52,597	600,426	653,023
Support Costs	8,500	-	8,500
	82,966	600,426	683,392

Expenditure on charitable activities by activity

	Direct Activities	**Support Activities**	**Total 2026**	Total 2025
	£	**£**	**£**	£
Management	**(70,671)**	**-**	**(70,671)**	21,869
Education, Awareness, Affordable Warmth	**934,535**	**-**	**934,535**	653,023
Governance costs	**-**	**8,500**	**8,500**	8,500
	863,864	**8,500**	**872,364**	**683,392**

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

5 Auditors remuneration

	2026	2025
	£	£
Fees payable for the audit of the financial statements	**8,500**	8,500
Fees payable for independent examination	**-**	-

6 Employees

Number of employees

The average head count of employees during the year was 15 (2025; 14). There were 16 employees at 31 March 2026
The average number of full-time equivalent employees during the year is analysed as follows:

	2026	2025
	Number	Number
Full time	**10**	10
Part time	**5**	4
TOTAL	**15**	14

Employment costs

	2026	2025
	£	£
Wages and salaries	**458,557**	396,048
Social security costs	**55,027**	36,328
Other pension costs	**80,349**	74,104
	593,933	**506,480**

There were no employees whose annual emoluments were £60,000 or more.

Key Management Personnel

The total remuneration of the 3 key management personnel of the charity was as follows;

	2026	2025
	£	£
Salaries	**99,668**	93,768
Car Allowance	**822**	822
Employer's NI	**13,039**	10,112
Pension	**18,140**	20,151
	131,669	**124,853**

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

7 Trustees

The charity trustees, who are the directors of the company, were not paid and did not receive any remuneration or benefits in kind in their capacity as trustee during the year. No trustee received payment for professional or other services supplied to the charity. One trustee received expenses in the year amounting to £252 (2025: £153)

8 Trading Subsidiary

Name of Subsidiary	Country of Registration	Percentage of Share Capital
ALIenergy Limited	Scotland	100%

	2026	2025
	£	£
Turnover	**34,662**	35,841
Expenditure	**(26,564)**	(25,827)
Net surplus	**8,098**	10,014

The assets and liabilities of Alienergy are;

Assets	**83,796**	70,373
Liabilities	**(50,821)**	(45,496)
Net Assets	**32,975**	24,877

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

9 Debtors

Consolidated	2026 £	2025 £
Trade debtors	**21,150**	2,450
Tax and Social Security	**3,865**	217
Other debtors	**112,183**	42,742
	137,198	45,409

Company	£	£
Trade debtors	**29,535**	10,835
Amounts due from subsidiary company	**161,066**	129,291
Other debtors	**112,183**	42,742
	302,784	182,868

10 Creditors: amounts falling due within one year

Consolidated	2026 £	2025 £
Trade creditors	**9,378**	7,683
Accruals and deferred income	**188,918**	169,487
Company credit card	**24**	**-**
Other creditors	**188,323**	146,235
	£ 386,643	£ 323,405

Company	£	£
Trade creditors	**9,378**	7,683
Amounts due to subsidiary company	**115,383**	91,383
Accruals and deferred income	**194,566**	172,685
Company credit card	**24**	**-**
Other creditors	**188,323**	146,235
	£ 507,674	£ 417,986

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

11 Pensions and other post retirement benefits

Defined Contribution Plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £80,349 (2025: £74,104). There were no pension contributions outstanding at the year end (2025: £0)

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

12 Analysis of Group Charitable Funds

Unrestricted Funds

		Movement of funds			
	Balance at 1st April 2025	**Income**	**Expenditure**	**Transfers**	**Balance at 31 March 2026**
	£	**£**	**£**	**£**	**£**
General Funds	**343,182**	**236,127**	**(121,469)**	**10,630**	**468,470**

		Movement of funds			
	Balance at 1st April 2024	Income	Expenditure	Transfers	Balance at 31 March 2025
	£	£	£	£	£
General Funds	280,568	118,909	(82,966)	26,671	343,182

Restricted Funds

		Movement of funds			
	Balance at 1st April 2025	**Income**	**Expenditure**	**Transfers**	**Balance at 31 March 2026**
	£	**£**	**£**	**£**	**£**
Education,Renewables, Affordable Warmth	**5,643**	**677,525**	**(666,895)**	**(10,630)**	**5,643**
Affordable Warmth & Food	**817**	**84,000**	**(84,000)**	**-**	**817**
	6,460	**761,525**	**(750,895)**	**(10,630)**	**6,460**

		Movement of funds			
	Balance at 1st April 2024	Income	Expenditure	Transfers	Balance at 31 March 2025
	£	£	£	£	£
Affordable Warmth	-	-	-	-	-
Education, Renewables, Affordable Warmth	14,101	534,639	(515,871)	(27,226)	5,643
Affordable Warmth & Food	817	84,000	(84,555)	555	817
	14,918	618,639	(600,426)	(27,226)	6,460

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

13 Analysis of group net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2026 are represented by:			
Current assets	**855,113**	**6,460**	**861,573**
Creditors: amounts falling due within one year	**(386,643)**	**-**	**(386,643)**
Creditors: amounts falling due after more than one year	**-**	**-**	**-**
	468,470	**6,460**	**474,930**
Fund balances at 31 March 2025 are represented by:			
Current assets	666,587	6,460	673,047
Creditors: amounts falling due within one year	(323,405)	-	(323,405)
Creditors: amounts falling due after more than one year	-	-	-
	343,182	6,460	349,642

14 Related party transactions

Company trade debtors includes an amount of £10,785 (2025: £10,785) and other debtors includes £161,066 (2025: £129,291) due from ALIenergy Limited, a wholly owned subsidiary of the company

Rent, services charges and insurance of £23,647 (2025: £22,872) was paid to ALIenergy Limited during the year.

Company Other creditors includes an amount of £115,349 (2025: £91,703) owed to ALIenergy Limited in respect of rent.

Conflict of Interest

Argyll, Lomond and the Islands Energy Agency operates a policy to deal with conflicts of interest. This includes maintaining a register of interests for all board members/directors and semior managers, which details any contractual or financial relationship or position of authority with outside companies, firms,

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697

15 Commitments Under Operating Leases

At 31 March 2026, the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods;

	2026	2025
	£	£
Within one year	**11,500**	11,500
Within 2 to 5 years	**6,708**	18,208

Docusign Envelope ID: 3CD377BD-A0DC-8365-8331-8C8A6BFB2697