

Charity number: SC032495  
Company number: SC211429

**Argyll, Lomond and the Islands Energy Agency  
(A company limited by guarantee)**

**Directors' report and financial statements  
for the year ended 31st March 2015**

WEDNESDAY



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**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Contents**

|                                      | <b>Page</b>    |
|--------------------------------------|----------------|
| Legal and administrative information | <b>1 - 2</b>   |
| Directors' report                    | <b>3 - 8</b>   |
| Directors' report (cont)             | <b>9</b>       |
| Auditors' report to the directors    | <b>10 - 11</b> |
| Statement of financial activities    | <b>12</b>      |
| Balance sheet                        | <b>13</b>      |
| Notes to the financial statements    | <b>14 - 20</b> |

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Legal and administrative information**

**Charity number** SC032495  
**Company registration number** SC211429

**Business address** Lorn House  
Albany Street  
Oban  
PA34 4AR

**Registered office** Lorn House  
Albany Street  
Oban  
PA34 4AR

**Directors**

|                    |                             |
|--------------------|-----------------------------|
| Alan McRaild       | Appointed October 2012      |
| John McLuckie      | Appointed October 2012      |
| Barbara Atterson   | Appointed 22nd January 2014 |
| Cllr Roddy McCuish | Appointed 23rd January 2014 |
| Ian MacFarlane     | Appointed 8 December 2014   |
| Penelope Cousins   | Resigned 9 July 2015        |
| Iain MacDonald     | Resigned 15 September 2014  |
| Cllr Vivien Dance  | Resigned 19 March 2015      |

**Secretary** Amanda Currie

**Chief executive** Amanda Currie

**Finance Sub Group** Amanda Currie  
Peter Cupples

**Auditors** R A Clement Associates  
Chartered Accountants & Statutory  
Auditors  
5 Argyll Square  
Oban  
Argyll  
PA34 4AZ

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Legal and administrative information**

**Bankers**

Clydesdale Bank  
Poltalloch Street  
Lochgilphead

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 March 2015**

The directors present their report and the financial statements for the year ended 31 March 2015. 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 1 - 2

**Structure, governance and management**

*Purposes and Aims*

ALEnergy's purpose is to promote renewable energy and energy efficiency to households, businesses, communities and public sector bodies throughout Argyll, Lomond and the Islands, in order to combat fuel poverty and so that public knowledge of these issues is improved and more people take action in their lives to increase energy efficiency and support renewable energy.

*Our aims are to*

*improve public knowledge and understanding of energy efficiency and renewable energy issues in Argyll*

*encourage more people to take action in their lives to combat fuel poverty, increase energy efficiency and support renewable energy proposals that benefit Argyll*

*support and develop renewable energy and energy efficiency projects and initiatives throughout Argyll*

*Our objectives are to*

*take a proactive and promotional role in securing renewable energy developments for Argyll - actively demonstrating renewable energy technologies where appropriate, whether owned by ALEnergy or not*

*Provide a proactive educational service to all members of the Argyll & Bute community (through presenting at events and providing lessons to schools)*

*Actively stimulate projects to increase uptake of national support measures for energy efficiency and fuel poverty actions in Argyll*

*Deliver a reactive service to the public needing local advice and information on household energy efficiency and renewable energy*

*Provide an informed development resource for commercial and public sector organisations, making this available on a commercial basis*

*Generate income to support the organisation and its activities*

*Inform policy and strategy at an Argyll and Bute, regional and national level by engaging with government and non-government agencies and representatives and ensure that our local circumstances in Argyll and Bute are taken into account*

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 March 2015**

***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

***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.

***Directors induction and training***

Most new directors are already familiar with the work of the charity, having been involved in its work in some way before joining the Board. All new directors receive a one to one 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 the Memorandum & Articles; resources and the current financial position; and the organisation's future plans and objectives. Directors are encouraged to participate in the City & Guilds 6176 Energy Awareness course and to gain certification - this provides a good grounding in energy issues.

***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 limit are sufficient to pay the following 3 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 have implemented a risk management strategy; which comprises

- \* An annual review of the risks which the charity may face;
- \* The establishment of systems and procedures to mitigate those risks identified in the plan
- \* The implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise

As part of the Risk Review, the Aims and Objectives of the Company as outlined in its Business Plan are reviewed annually as part of the Chair's annual report

***Organisational structure***

In the year to March 2015 the Board of Directors was made up of members from a variety of professional and community backgrounds relevant to the work of the charity, who meet quarterly and are responsible for the strategic direction and policy of the charity. The Manager, who is also the Company Secretary, sits on the board but has no voting rights.

A Finance Sub Group, which comprises the Chair, the Manager, one other Director and a financial advisor from Argyll and Bute Council meets approximately every 4-6 weeks and all Directors are invited to attend these meetings if they wish. Since January 2013, a Finance Officer has been in post, who also attends the Sub Group meetings.

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 March 2015**

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Manager, who is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Manager also has responsibility for: managing the finances; the day to day operational management of the charity; individual supervision of the staff team; and ensuring that the team develop their skills and working practices in line with good practice

***Advisors to the Board of Directors***

A number of representatives from the charity's partner organisations and funders sit on the Board as advisors, with no voting rights. The organisations that were represented in this way during the period to the end of March 2015 were: Argyll and Bute Council, Forestry Commission Scotland and Scottish Power.

**Objectives and activities**

***Ensuring that our work delivers our aims***

We review our aims, objectives and activities each year in order to assess our achievements over the past 12 months and the outcomes of our work. We look at the success of our main activities and how these benefit the community of Argyll, Lomond and the Islands and how they impact on our stakeholders and the organisations that we work with in partnership.

The review helps us to ensure that our aims, objectives and activities are focused on our stated purposes; it also assists with our business planning process - in helping to identify and confirm our priorities for the following years. We have referred to the information contained in the OSCR and Charity Commission's guidance on public benefit when reviewing our aims and objectives; and in planning our future activities and ensuring that these planned activities will deliver our aims and objectives.

***How our activities deliver public benefit***

Our main activities and who we provide services to, and work with, are described below. All our charitable activities focus on the promotion of energy saving and renewable energy; the prevention and mitigation of climate change and the reduction of fuel poverty - and they are undertaken to further our charitable purposes for the public benefit.

***Who used and benefited from our services***

Communities in Argyll, Lomond and the Islands benefited from information, advice, education and training on energy issues, delivered via a number of projects. Argyll schools were offered education workshops and assistance with ongoing projects. Community groups were offered talks, presentations, advice and assistance with energy efficiency and renewable energy projects. Householders received insulation measures and energy advice; households experiencing fuel poverty received advice, support and mentoring. Groups and organisations that support vulnerable people benefited from training and mentoring to help people in fuel poverty.

Local renewable heat (including wood fuel) suppliers and installers received advice on improving the quality of their product. Households, businesses, public sector bodies, community groups and social enterprises received advice on planning and installing renewable heating and information on the value of wood fuel as a heating option.

Individual householders were given information and advice on energy efficiency and general renewables issues by phone and email and face to face at agricultural shows, highland games and other public events. 565 households received home energy advice visits and surveys, delivered through the Home Energy Efficiency Programme Scotland Area Based Scheme (HEEPSABS) and more than 2000 people were helped through our Affordable Warmth programmes.

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 March 2015**

**Achievements and Performance**

***School Energy Education Programme***

School visits and education activities on energy issues continued to be delivered by the Education and Development Officer

***Outreach energy education and awareness raising***

ALlenergy staff continued to take ALlenergy displays to a number of shows, public events and community meetings, and we delivered presentations, workshops and talks covering energy efficiency; renewable energy, renewable heat, climate change and fuel poverty issues. The Science of Energy project reached a total audience of 6745 people including delivering short workshops to 5451 people at public events, with 852 people attending community events and 192 people attending in-depth workshops at cascade events, where groups learned how to use the education toolkits. The project team attended 32 public events (agricultural shows, highland games etc) and 13 community events, and delivered six training sessions for community leaders.

***General energy saving advice and support***

ALlenergy offered information and advice on energy issues throughout the year, in response to requests by telephone and email and at public events.

***Affordable Warmth in Argyll Project***

In 2014/15, the Affordable Warmth in Argyll (AWA) programme included the Affordable Warmth for Sustainable Rural Communities project (funded by Big Lottery) and the Warm Homes for Healthy Futures project (funded by Energy Action Scotland). The programme provides in-depth advice and targeted support to the most vulnerable low income households throughout Argyll.

***Home Energy Efficiency Programme Area Based Scheme (HEEPSABS)***

ALlenergy worked in partnership with Argyll and Bute Council, BCA Insulation, SSE, Scottish Power, Energy With Ltd, Argyll Community Housing Association and Home Energy Scotland to deliver HEEPSABS in Mid Argyll and Kintyre, Dunoon, Helensburgh and Oban, which delivered home energy advice to 565 households and free loft, cavity and internal solid wall insulation and draught proofing to 187 households. The scheme year continues beyond the financial year end until the end of September 2015.

***Renewable Energy Sources Co-operative (RESCoop)***

ALlenergy participates in this Intelligent Energy Europe funded project involving 12 partners in seven countries. The project aims to promote citizen involvement in renewable energy and community renewable energy co-operatives through education, information and knowledge exchange. Through the project, ALlenergy organised a study trip to Ireland for a community group from South Kintyre, as well as REScoop meetings in Dublin and Waterford.

***Argyll Woodfuel Forum***

ALlenergy established and provides Secretariat for AWF, funded by Forestry Commission Scotland. Activity includes organisation of two AWF meetings per year; maintenance of a database of interested parties; marketing of the Forum and distribution of relevant information to interested parties; management of database of wood fuel projects in Argyll and being the key contact point for woodfuel related advice queries in Argyll.



**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 March 2015**

***Renewable Energy Opportunities for Fishing Communities in Argyll***

This project, funded by Axis 4 of the European Fisheries Fund, started in December 2013. It aims to assist fishermen to diversify their skills base in order to enable them to participate in renewable energy and other key sectors, such as tourism and aquaculture. Surveys of developers and fishermen and a skills gap analysis were completed; work undertaken with Argyll College to develop longer term courses and a number of short courses were delivered by external bodies.

***Energy Education and Skills Development***

ALlenergy commenced a programme funded by Scottish Power, to promote careers and skills development opportunities in renewable energy to secondary school pupils in Argyll, as well as delivering energy education.

***Publicity and external relations***

ALlenergy was featured in articles in various local papers and ran adverts for the new projects and to promote events held on renewable heat, affordable warmth and energy awareness. Staff represented ALlenergy at various energy conferences, workshops and events held across the country.

***Who did we work with?***

Our key partners continue to be Argyll and Bute Council, who support ALlenergy's work financially and practically, and who provide in-kind support in terms of office accommodation and assistance with financial management. Other important partners are the Forestry Commission Scotland, who worked with, and funded, ALlenergy to deliver the woodfuel support and the Argyll Woodfuel Forum and Scottish Power. We also worked with Bute Advice Centre, Argyll and Bute CAB, West Highland Housing Association, Argyll Community Housing Association, BCA Insulation, SSE, Scottish Power, Energy With Limited, Home Energy Scotland, NHS Highlands/Argyll CHP, LORN and a wide range of other community groups and charities.

***Forward Planning and Short Term Priorities***

Our main priorities are to generate sufficient income in order to secure ongoing financial security for the organisation and to develop its resources in terms of staff complement and skills base. We continue to develop new projects and programmes on fuel poverty, energy education, energy efficiency and renewable energy issues and we are putting in place new funding streams when our current grant awards come to an end. Over the next year, delivery of area based energy efficiency schemes and development and support to local supply chains and markets will also be important.

**Financial review**

***Principal funding sources***

ALlenergy continues to receive a small amount of funding from Argyll and Bute Council's Private Sector Housing. A small amount of income was received from the Argyll Wind Farm Trust, for the SSE Tangy 2 development.

Key funding included Scottish Government and energy supplier funds for HEEPSABS; Big Lottery funding for Affordable Warmth work and EU funding for RESCoop and the Renewable Energy Opportunities for Fishing Communities projects.

As in previous years, ALlenergy needs to secure a substantial and sustainable income stream, as a priority. In the long term, substantial income could be received from community benefits funds - the Wind Farm Trust (provided that all the planned wind farms go ahead and become fully operational) and from new marine developments. Funding needs to be identified in the short to medium term and opportunities for generating income are being investigated.

Argyll & Bute Council has given an implicit guarantee to ALlenergy's short term cash flow requirements.

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 March 2015**

***Reserves policy***

The current policy is to retain sufficient funds to meet the cost of salaries, redundancy payments and sickness cover and other regular commitments for a minimum period of three months. It is proposed that this equates to £96,000, plus a further small contingency of £4,000 and this is held in unrestricted funds. 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, which will ensure future financial security.

**Plans for future periods**

ALLenergy plans to continue the activities outlined above in the forthcoming years, subject to satisfactory funding arrangements. We want to expand our fuel poverty advice, support and advocacy and our education activity - and there are opportunities to tap into national funding streams for these. Other plans are to develop the charity's renewable energy expertise further, to consolidate our expertise and track record on renewable heat, particularly wood fuel and to offer advice/support services on a wider range of technologies.

We aim to continue to deliver Government funded area based insulation schemes and to develop new local schemes with partners, as well as developing action research projects focused on the impacts of changing Government policies on fuel poverty and finding innovative ways of funding projects that help low income people. We will also develop projects that promote local energy economies, community empowerment and resilience and deliver education on climate change. ALLenergy will seek more opportunities to tender for contracts and to identify and pursue other income generating activities that can support our charitable purposes and activities.

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Report of the directors (incorporating the trustees' report)**  
**for the year ended 31 March 2015**

**Statement of directors' responsibilities**

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 incoming resources and application of resources, including 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, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the trust deed. 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.

**Auditors**

R A Clement Associates are deemed to be re-appointed in accordance with Section 487(2) of the Companies Act 2006.

**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 20/12/15 and signed on its behalf by



**Amanda Currie**  
**Secretary**

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Independent auditor's report to the trustees and members of Argyll, Lomond and the Islands Energy Agency**

We have audited the financial statements of Argyll, Lomond and the Islands Energy Agency for the year ended 31 March 2015 which comprise the statement of financial activities, the balance sheet and the related notes. 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.)

This report is made exclusively to the members and to the directors of the company, as a body, who are the trustees of the charity, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, s44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and directors 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 company, the members and the directors as trustees of the charity, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors (trustees) and auditor**

As explained more fully in the Trustee's Responsibilities Statement in the Trustees' report, the trustees (who are also directors of the company for the purposes of company law), are responsible for the preparation of the financial statements and for being satisfied that the financial statements give a true and fair view.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material mis-statements or inconsistencies, we consider the implications for our report.

**Opinion on financial statements**

In our opinion, the financial statements:

give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

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

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

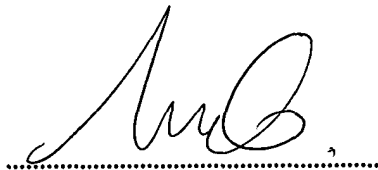
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

- the charitable company has 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 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 exemption from the requirement to prepare a strategic report.



**Fiona McGlynn**  
**Senior Statutory Auditor**

10/12/15

**5 Argyll Square**  
**Oban**  
**Argyll**

**For and on behalf of**  
**R A Clement Associates**  
**Chartered Accountants & Statutory Auditors**

**(Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006)**

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Statement of financial activities (incorporating the income and expenditure account)**

**For the year ended 31 March 2015**

|  | Notes | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2015<br>Total<br>£ | 2014<br>Total<br>£ |
|--|-------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Incoming resources</b>  |       |                            |                          |                    |                    |
| Incoming resources from generating funds:                          |       |                            |                          |                    |                    |
| Voluntary income   | 2     | 2,228,879                  | 220,539                  | 2,449,418          | 1,086,759          |
| Activities for generating funds                                    | 3     | 6,295                      | -                        | 6,295              | 11,859             |
| <b>Total incoming resources</b>                                    |       | <u>2,235,174</u>           | <u>220,539</u>           | <u>2,455,713</u>   | <u>1,098,618</u>   |
| <b>Resources expended</b>  |       |                            |                          |                    |                    |
| Charitable activities  | 4     | 2,273,971                  | 243,694                  | 2,517,665          | 1,021,831          |
| Governance costs   | 6     | 4,738                      | -                        | 4,738              | 5,913              |
| <b>Total resources expended</b>                                    |       | <u>2,278,709</u>           | <u>243,694</u>           | <u>2,522,403</u>   | <u>1,027,744</u>   |
| <b>Net incoming/(outgoing) resources before transfers</b>          |       | (43,535)                   | (23,155)                 | (66,690)           | 70,874             |
| Transfer between funds - management charges                        |       | <u>12,324</u>              | <u>(12,324)</u>          | <u>-</u>           | <u>-</u>           |
| <b>Net movement in funds/Net income/(expenditure) for the year</b> |       | (31,211)                   | (35,479)                 | (66,690)           | 70,874             |
| Total funds brought forward  |       | <u>163,618</u>             | <u>96,367</u>            | <u>259,985</u>     | <u>189,111</u>     |
| <b>Total funds carried forward</b>                                 |       | <u>132,407</u>             | <u>60,888</u>            | <u>193,295</u>     | <u>259,985</u>     |

The notes on pages 14 to 20 form an integral part of these financial statements.

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Balance sheet**  
**as at 31 March 2015**

SC211429

|   | Notes | £                | 2015<br>£      | £              | 2014<br>£      |
|---|-------|------------------|----------------|----------------|----------------|
| <b>Current assets</b>                                 |       |                  |                |                |                |
| Debtors   | 11    | 117,846          |                | 35,024         |                |
| Cash at bank and in hand                              |       | 969,822          |                | 805,121        |                |
|   |       | <u>1,087,668</u> |                | <u>840,145</u> |                |
| <b>Creditors: amounts falling due within one year</b> | 12    | (811,939)        |                | (580,160)      |                |
| <b>Net current assets</b>                             |       |                  | <u>275,729</u> |                | <u>259,985</u> |
| <b>Total assets less current liabilities</b>          |       |                  | 275,729        |                | 259,985        |
| <b>Provisions for liabilities</b>                     | 13    |                  | (82,434)       |                | -              |
| <b>Net assets</b>                                     |       |                  | <u>193,295</u> |                | <u>259,985</u> |
| <b>Funds</b>  | 14    |                  |                |                |                |
| Restricted income funds                               |       |                  | 60,888         |                | 96,367         |
| Unrestricted income funds                             |       |                  | 132,407        |                | 163,618        |
| <b>Total funds</b>                                    |       |                  | <u>193,295</u> |                | <u>259,985</u> |

The financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on

10/12/15

and signed on its behalf by



.....  
**Ian MacFarlane**  
**Director**

The notes on pages 14 to 20 form an integral part of these financial statements.

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2015**

**1. Accounting policies**

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

**1.1. Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

**1.2. Fund accounting**

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Directors for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

**1.3. Incoming resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Incoming resources from grants, where related to performance and specific deliverables are accounted for as the charity earns the right to consideration by its performance. Grants for the purchase of fixed assets are recognised in full in the statement of financial activities in the year in which they are receivable.



**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2015**

**1.4. Resources expended**

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

**1.5. Defined contribution pension schemes**

The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

**2. Voluntary income**

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2015<br>Total<br>£ | 2014<br>Total<br>£ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Argyll & Bute Council Private Housing Sector | 10,000                     | -                        | 10,000             | 10,000             |
| Argyll & Bute Council Development Services   | -                          | -                        | -                  | 5,000              |
| Scottish Power                               | -                          | -                        | -                  | 10,000             |
| EAS Fuel Poverty Alleviation                 | -                          | 5,000                    | 5,000              | -                  |
| UHS  | -                          | 42,412                   | 42,412             | -                  |
| SSE - Tangy                                  | 9,237                      | -                        | 9,237              | 5,296              |
| SPEPT  | -                          | -                        | -                  | 25,000             |
| FLAG   | -                          | -                        | -                  | 7,081              |
| HEEPSABS                                     | 2,209,642                  | -                        | 2,209,642          | 798,051            |
| Big Lottery                                  | -                          | 146,761                  | 146,761            | 153,982            |
| Warm Homes/Warm & Well                       | -                          | -                        | -                  | 17,500             |
| IEE Rescoop                                  | -                          | 23,866                   | 23,866             | 24,349             |
| Robertson Trust                              | -                          | 2,500                    | 2,500              | 30,500             |
|  | <u>2,228,879</u>           | <u>220,539</u>           | <u>2,449,418</u>   | <u>1,086,759</u>   |

**3. Activities for generating funds**

|                 | Unrestricted<br>funds<br>£ | 2015<br>Total<br>£ | 2014<br>Total<br>£ |
|-----------------|----------------------------|--------------------|--------------------|
| Contract income | 6,295                      | 6,295              | 11,859             |
|                 | <u>6,295</u>               | <u>6,295</u>       | <u>11,859</u>      |

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2015**

**4. Costs of charitable activities - by fund type**

|                                   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2015<br>Total<br>£ | 2014<br>Total<br>£ |
|-----------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Core activities - management      | 102,265                    | -                        | 102,265            | 93,334             |
| Affordable Warmth                 | -                          | 15,987                   | 15,987             | 22,615             |
| Big Lottery                       | -                          | 136,929                  | 136,929            | 105,945            |
| HEEPSABS                          | 2,163,532                  | -                        | 2,163,532          | 713,727            |
| Education, Awareness & Renewables | 8,174                      | 90,778                   | 98,952             | 86,210             |
|                                   | <u>2,273,971</u>           | <u>243,694</u>           | <u>2,517,665</u>   | <u>1,021,831</u>   |

**5. Costs of charitable activities - by activity**

|                                   | Activities<br>undertaken<br>directly<br>£ | 2015<br>Total<br>£ | 2014<br>Total<br>£ |
|-----------------------------------|---|--------------------|--------------------|
| Core activities - management      | 102,265                                   | 102,265            | 93,334             |
| Affordable Warmth                 | 15,987                                    | 15,987             | 22,615             |
| Big Lottery                       | 136,929                                   | 136,929            | 105,945            |
| HEEPSABS                          | 2,163,532                                 | 2,163,532          | 713,727            |
| Education, Awareness & Renewables | 98,952                                    | 98,952             | 86,210             |
|                                   | <u>2,517,665</u>                          | <u>2,517,665</u>   | <u>1,021,831</u>   |

**6. Governance costs**

|                                     | Unrestricted<br>funds<br>£ | 2015<br>Total<br>£ | 2014<br>Total<br>£ |
|-------------------------------------|----------------------------|--------------------|--------------------|
| Professional - Auditor remuneration | 3,500                      | 3,500              | 5,000              |
| Professional - Other                | 63                         | 63                 | -                  |
| Cost of trustees' meetings          | 1,175                      | 1,175              | 913                |
|                                     | <u>4,738</u>               | <u>4,738</u>       | <u>5,913</u>       |

**7. Net (outgoing)/incoming resources for the year**

|   | 2015<br>£    | 2014<br>£    |
|---|--------------|--------------|
| Net (outgoing)/incoming resources is stated after charging: |              |              |
| Auditors' remuneration                                      | <u>3,500</u> | <u>5,000</u> |

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2015**

**8. Employees**

| <b>Employment costs</b>                                 | <b>2015</b>    | <b>2014</b>    |
|---|----------------|----------------|
|   | <b>£</b>       | <b>£</b>       |
| Wages and salaries                                      | 293,032        | 221,956        |
| Social security costs                                   | 23,674         | 18,306         |
| Pension costs   | 50,075         | 51,076         |
| Other costs, training, recruitment, travel, subsistence | 60,671         | 59,762         |
|   | <u>427,452</u> | <u>351,100</u> |

No employee received emoluments of more than £60,000 (2014 : None).

**Number of employees**

The numbers of employees by headcount (excluding the directors) during the year, was as follows:

|           | <b>2015</b>   | <b>2014</b>   |
|-----------|---------------|---------------|
|           | <b>Number</b> | <b>Number</b> |
| Full Time | 10            | 7             |
| Part Time | 13            | 11            |
|           | <u>23</u>     | <u>18</u>     |

No director received any remuneration or benefits in kind during the year. Rembursement of travel expenses during the year amounted to £72 (2014; £290).

**9. Pension costs**

The company operates a defined contribution pension scheme which is available to all staff. Staff may alternatively opt for contributions to be made to a personal pension scheme. Two members of staff are members of the company scheme and contributions are being made for 4 other staff to personal schemes. The company scheme and its assets are held by independent managers. The pension charge for the year represents the normal annual contributions due from the company in respect of all schemes, together with a provision for amounts which may become payable, and was as follows:

|                | <b>2015</b>   | <b>2014</b>   |
|----------------|---------------|---------------|
|                | <b>£</b>      | <b>£</b>      |
| Pension charge | <u>50,075</u> | <u>72,389</u> |

**10. Taxation**

The charity's activities fall within the exemptions afforded by the provisions of the Corporation Taxes Act 2010. Accordingly, there is no taxation charge in these accounts.

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2015**

**11. Debtors**

|               | <b>2015</b>    | <b>2014</b>   |
|---------------|----------------|---------------|
|               | <b>£</b>       | <b>£</b>      |
| Trade debtors | 26,921         | 12,150        |
| Other debtors | 90,925         | 22,874        |
|               | <u>117,846</u> | <u>35,024</u> |

**12. Creditors: amounts falling due within one year**

|                              | <b>2015</b>    | <b>2014</b>    |
|------------------------------|----------------|----------------|
|                              | <b>£</b>       | <b>£</b>       |
| Trade creditors              | 27,639         | 116,560        |
| Other creditors              | 762,833        | 390,660        |
| Accruals and deferred income | 21,467         | 72,940         |
|                              | <u>811,939</u> | <u>580,160</u> |

**13. Provisions for liabilities**

|                             | <b>Pensions and similar obligations</b> |
|-----------------------------|---|
|                             | <b>£</b>                                |
| Prior year adjustment       | (61,378)                                |
| At 31 March 2014 (restated) | (61,378)                                |
| Increase for the year       | (34,550)                                |
| Utilised in the year        | 13,494                                  |
| At 31 March 2015            | <u>(82,434)</u>                         |

The provision made for pension contributions in 2014 was included in accruals and has been reclassified in 2015 as a separate liability. A further provision was made in 2015 amounting to £34,550 of which £13,494 was actually contributed to pension funds.

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2015**

**14. Analysis of net assets between funds**

|   | Unrestricted funds<br>£ | Restricted funds<br>£ | Total funds<br>£ |
|---|-------------------------|-----------------------|------------------|
| Fund balances at 31 March 2015 as represented by: |                         |                       |                  |
| Current assets                                    | 1,026,780               | 60,888                | 1,087,668        |
| Current liabilities                               | (811,939)               | -                     | (811,939)        |
| Long-term liabilities                             | (82,434)                | -                     | (82,434)         |
|   | <u>132,407</u>          | <u>60,888</u>         | <u>193,295</u>   |

**15. Unrestricted funds**

|                    | At<br>1 April<br>2014<br>£ | Incoming<br>resources<br>£ | Outgoing<br>resources<br>£ | Transfers<br>£ | At<br>31 March<br>2015<br>£ |
|--------------------|----------------------------|----------------------------|----------------------------|----------------|-----------------------------|
| Unrestricted Funds | 148,780                    | 25,532                     | (122,250)                  | 74,564         | 126,626                     |
| HEEPSABS           | 14,838                     | 2,209,642                  | (2,156,459)                | (62,240)       | 5,781                       |
|                    | <u>163,618</u>             | <u>2,235,174</u>           | <u>(2,278,709)</u>         | <u>12,324</u>  | <u>132,407</u>              |

**Purposes of unrestricted funds**

Incoming transfers represents the contributions of various projects to the management costs of the projects.

Although unrestricted in nature the Home Energy Efficiency Scotland Area Based Scheme is a significant proportion of the income and expenditure of the charity and is therefore disclosed separately.

**16. Restricted funds**

|                       | At<br>1 April<br>2014<br>£ | Incoming<br>resources<br>£ | Outgoing<br>resources<br>£ | Transfers<br>£  | At<br>31 March<br>2015<br>£ |
|-----------------------|----------------------------|----------------------------|----------------------------|-----------------|-----------------------------|
| Renewables            | (928)                      | 23,866                     | (19,402)                   | -               | 3,536                       |
| Big Lottery Project   | 37,793                     | 146,761                    | (136,929)                  | (10,449)        | 37,176                      |
| Affordable Warmth     | 18,599                     | 5,000                      | (15,987)                   | -               | 7,612                       |
| Education & Awareness | 24,365                     | 2,500                      | (25,696)                   | (1,875)         | (706)                       |
| Skills Development    | 16,538                     | 42,412                     | (45,680)                   | -               | 13,270                      |
|                       | <u>96,367</u>              | <u>220,539</u>             | <u>(243,694)</u>           | <u>(12,324)</u> | <u>60,888</u>               |

**Argyll, Lomond and the Islands Energy Agency**  
**(A company limited by guarantee)**

**Notes to financial statements**  
**for the year ended 31 March 2015**

**17. Company 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.