



TRUSTEES' ANNUAL  
REPORT AND FINANCIAL  
STATEMENT

| APRIL 2023 TO 31 MARCH 2024

REGISTERED CHARITY NO. SC047510



# CHARITY INFORMATION

## CHARITY NAME

Iona Renewables (SCIO)

## TRUSTEES

Jane Martin (Chair)

Nat Baldwin (Treasurer)

Philip Ruhemann (Secretary)

Catherine Russon

Angus Richard Johnston

Mhairi Killin

## CHARITY NUMBER

SC047510

## PRINCIPAL ADDRESS

Fiuran

Isle of Iona

Argyll

PA76 6SP



# TRUSTEES REPORT

## FOR THE PERIOD ENDED 31 MARCH 2024

The Trustees are pleased to present their report and financial statements for the period from 1 April 2023 to 31 March 2024.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### **Constitution**

Iona Renewables (IR) is a Scottish Charitable Incorporated Organisation (SCIO).

It has been active continuously since formation in September 2015 and incorporated in its current legal form as a SCIO in June 2017. It has a two-tier structure consisting of the members and Board of Trustees. Iona Energy Ltd is IR's wholly owned trading subsidiary (company limited by shares).

### **Appointment of Trustees**

Trustees are appointed in accordance with the Constitution.

# OBJECTIVES AND ACTIVITIES

## Charitable purposes

Iona Renewables' purposes are to advance environmental protection and improvement and community development on the island of Iona. Iona Renewables pursues these purposes through:

- Feasibility work to identify opportunities to maximise renewable energy generation, storage and use;
- Securing funding and overseeing delivery of projects, e.g., for reduced energy demand and sustained carbon-saving behaviour change — or where projects involve development of an asset such as the ground source Iona Heat Network, progressing projects to an appropriate stage where they are taken over by the trading subsidiary, Iona Energy Ltd, and then overseeing the subsidiary;
- Maximising opportunities for community ownership and benefit;
- In due course, where community benefit is generated, reinvesting resources to support social, economic and environmental sustainability of the island;
- Ensuring excellent partnership-working and community engagement and support.

## CURRENT PRIORITIES

Since its creation in 2016, Iona Renewables has worked to advance its joint objectives through priorities including energy efficiency, low carbon behaviour change, and feasibility work to define and progress environmental and community development for the island. All of this work has led to Iona Renewables progressively focusing on the ground source Heat Network as the independently proven optimal and only viable option on any scale to address low carbon heat and energy efficiency in a phased approach. Heating buildings is the largest energy use on Iona, dominating energy expenditure with proportionally even greater climate impact, as confirmed by feasibility work in 2016-17 (heat ~55% and hot water ~15% respectively). Tackling heat is the most effective way to reduce carbon emissions and energy costs, and to increase energy resilience. IR's experience has proven that combining fabric improvements with low carbon heat is the most effective way of achieving energy efficiency measures. The network will also generate surpluses to be used by IR to advance its charitable purposes.

Resourcing, major work demands and available capacity are therefore currently focused in Iona Energy Ltd until the project is delivered. Where IR is the eligible body for grant funding, IR applies for and receives grants from third parties for the advancement of the heat network, which are subsequently granted from IR to IEL. If the heat network project does not proceed, Trustees will reassess the purpose of the charity.

The Iona Heat Network is a COVID-halted project that was fully funded in 2020, with Scottish Government as lead funder. Up to 2020, Iona Renewables and its trading subsidiary Iona Energy Ltd held the evidence and stood firm against multiple challenges to the project – including on Iona’s exceptional ‘island-off-an-island’ capital costs, viability of ground source technology, and non-availability of alternatives. The Heat Network is based on thorough feasibility work since 2016 which has twice ruled out the viability of alternatives. Both sets of feasibility exercises have been funded by Scottish Government, the second time through independent external assessment directly overseen by Scottish Government, validating IR’s original work and conclusions.

Low carbon connections for the entire island cannot be achieved in one single step and will have to be phased. The Heat Network immediately benefits the whole island community through: transforming >40% of Iona’s heat-load to be met renewably through a community-owned asset; retaining energy revenues on-island; producing sustained surpluses for community benefit; catalysing Iona’s energy transition and expansion of energy efficiency and low-carbon heat through a demonstrably effective model; increasing skills (including on-island maintenance) and creating some employment; and through participation of Iona’s major heat-loads as community-owned/ public buildings/ businesses (including as major island employers).



In August 2021, after the capital-ready project had been halted by COVID, Scottish Government confirmed renewed support in principle to install a ground source Heat Network on Iona. This commitment was to directly fund the project, subject to confirmation of long-term financial viability following closure of the Renewable Heat Incentive subsidy (subsequently confirmed by Ernst & Young in May 2022), and support IEL to secure full funding. Through this reporting year, IR and IEL have continued to do everything possible to progress the project and SG's commitments.

## ACTIVITIES

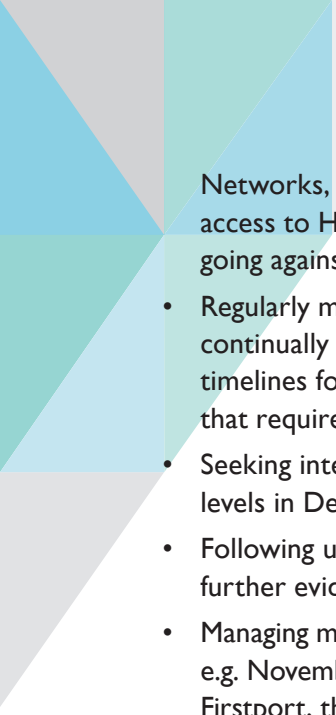
Throughout this financial year, IEL has been funded by Firstport through winning the national Social Innovation Challenge (SIC) award. In conferring this award in November 2022, Shona Robison (Deputy First Minister) stated that the Iona Heat Network's "innovative use of heat technology addresses carbon emissions and at a time of rising energy costs and bills, it also creates a sustainable solution to help tackle the energy issues faced by this rural community. It's a model that can be shared across other rural areas". SIC award funding has primarily resourced the small core IEL project team and external technical expertise through Natural Power.

### Primary activities included:

- Extensive work to secure SG grant and loan funding – the core issue from this financial year (as in 2021 and 2022) was repeated missed opportunities to secure the full funding package due to the gap between: the lead (SG) funder requiring all other resources in place before commencing its funding process; whereas critical additional funders require firm support from the lead funder before they can commit significant resources. We were finally permitted to submit an application for SG grant and loan funding in June 2023, having proven the case that for community projects (unlike e.g. large heavily resourced local authorities) the lead funder needs to be the first mover;
- Sustained work on all types of fundraising including: IEL team completing fundraising training; and with support from Development Trust Association Scotland (DTAS) Green Shoots, securing specialist fundraising analysis of large capital funding options, which validated IEL's work to date and is also a policy input for SG;
- Working intensively with Natural Power to adapt the project (financial models, funding mix, risk frameworks etc) in response to repeated external challenges and delays, including: eligibility changes (e.g., funder policy on contingency, energy efficiency, heat network

designation), and effects of high inflation and other drivers of cost increases due to delays;

- Engagement with the market, following loss of the previous incoming lead contractor due to the pandemic, including getting more clarity on capital costs;
- Successfully responding to very extensive due diligence from a consortium of organisations led by Ernst & Young for SG which interrogated all of the project's history and conclusions back to 2016. The outcome of this scrutiny was one single obstacle concerning eligibility of one building for funding SG's main grant funding vehicle, which in November 2023 officials described as "administrative" and anticipated would be solvable (still pending after 31 March 2024);
- Extensive work on major non-SG grant funding applications – obstructed by the delay in SG conclusion to its funding process due to its "administrative issue";
- Setting out the frontline evidence and experience on why officials' administrative decision – based on a choice of interpretation of legislation – needs urgent re-consideration (it would not achieve its ostensible aim but it will: severely disadvantage remote/ island projects, increase costs to the public purse, undermine innovation, force many committed customers out of Heat




Networks, and deny many non-urban areas access to Heat Networks and their benefits, going against growing practice across the UK);

- Regularly meeting with SG officials and continually communicating the real-world timelines for upcoming funding opportunities that required their decision making;
- Seeking intervention again at MSP and Ministerial levels in December following 2.5 years of delays;
- Following up on Ministerial involvement with further evidence to progress the project;
- Managing media interest and external comms – e.g. November 2023 session at the Gathering with Firstport, the UK’s largest voluntary sector event;
- Working with the Council and Home Energy Scotland to address energy efficiency (EE), following lead funder advice on ineligibility of funding for EE (versus previous SG funding in place for a bespoke approach to EE, in response to independent SG-commissioned evidence and advice)
- Communicating and engaging effectively with customers and stakeholder organisations.

## ACHIEVEMENTS AND PERFORMANCE

Ongoing persistence, resilience and success at keeping the Iona project in play and progressing – continually addressing major strategic obstacles and working through challenges towards delivering a high profile, exemplar, replicable low carbon heat project:

- Continually building viable pathways to construction, navigating challenges and repeated delays
- Securing strong interest from leading heat pump manufacturers/ heat pump installers to deliver the project, including for its “reputational value” and as “a breakthrough project for decarbonization UK-wide; it shows what can be done through delivering in the most remote and challenging context”
- Securing Scottish Government lead funder agreement to change its model in order to confirm a funding position in advance of other funders
- Repeated preparation of excellent CAPEX funding applications in a context of shifting eligibilities and costs
- Providing robust evidence and analysis to complete extremely extensive due diligence scrutiny
- Fully disproving the single obstacle to funding



resulting from all of this scrutiny and articulating the damage for remote/ island projects

- Successfully escalating the Iona project above the level of officials to secure interest and direct involvement of MSP, Ministers and special advisers
- Identifying, pursuing and securing new funding options, including extremely competitive development funding through Crown Estate Scotland
- Ensuring through communications and engagement that all customers/ parties to the project have remained steadfastly committed despite uncertainties and delays
- Continually finding new avenues for advocacy, influence and progress, e.g. securing highly effective pro bono strategic comms/ public affairs advice from leading agency; working with new organisations e.g. on energy efficiency/ domestic heat pump grants

Overall, throughout a challenging period, continually progressing and proving the case for the Iona ground source project as the repeatedly-proven right solution for this remote coastal context, a model for other remote areas, and – in the context of SG’s entirely top down delivery approach for heat networks, focused on Local Authorities – a very rare, valuable ‘bottom up’ community-led model.

## RESERVES

There was very little financial activity in the charity this year because the main focus has continued to be progressing a ground source heat network for the Isle of Iona in the subsidiary company IE Ltd. No unrestricted revenue was received in the year and the only unrestricted costs incurred were those of independent examination and accounts preparation fees, domain name renewals, a membership subscription cost, minimal printing and postage, AGM hall hire and accounting software. Due to limited activity in the charity this year and with no immediate plans to increase the level of funding and subsequent spend for the charity the reserves need to cover basic overhead costs only, including the annual independent examination and minimal administration costs. The trustees believe that three years worth of costs is required to be held in reserves, totalling approximately £1,500.

Given the currently limited demands in the charity, the Trustees deemed its best use of resources is to provide the majority of unrestricted reserves totalling £5,760 as a loan, on a commercial basis, to IEL to address the immediate needs of the company. The reserves are therefore currently held by IEL, with repayment arrangements agreed by Trustees. IEL will repay the amount of annual running costs of the charity as and when required by the charity, with the loan and accruing interest repaid in full by the 31st March 2030. The reserves policy will be reviewed by the trustees next year once future plans have been solidified and the reserves policy will be adjusted accordingly. The charity currently holds no designated funds.

## ORGANISATIONAL CAPACITY DEVELOPMENT

Iona Renewables had funding 2018-21 from Scottish Government Investing in Communities Fund (ICF — previously Strengthening Communities Programme) administered via Development Trusts Association Scotland (DTAS). The purpose of the funding was to strengthen organisational capacity of the charity and trading subsidiary, including the Boards. This was an invaluable resource, which has helped IR/IEL in its performance as well as readiness to install, own, operate and maintain a major community asset. IR/IEL have repeatedly passed external due diligence scrutiny in terms of capability and governance.

Organisations that have supported IR/IEL (earlier or current collaborators/ funders) include: Local Energy Scotland/ CARES, Esmee Fairbairn Foundation, Social Investment Scotland, DTAS, Investing in Communities Fund/ Strengthening Communities Programme, Firstport/ Social Innovation Challenge Prize, Scottish Government Low Carbon Infrastructure Transition Programme/ Low Carbon Team, Energy Redress Scheme, Energy Saving Trust, District Heating Loan Fund, Ability Energy, Locogen, Scene Connect, Natural Power, Russell Trust, Pebble Trust, Waterfall Fund, Home Energy Scotland, Resource Efficient Scotland, Changeworks, Scottish Energy Efficiency Programme, Keep Scotland Beautiful/ Climate Challenge Fund, Argyll & Bute Climate Action Network hub.



The trustees declare that they have approved the trustees' report above: Signed on behalf of the charity's trustees:

*Jane D. Martin*

29th August 2024

Jane Martin

*Chair*

The remaining funds held by the charity at the 31st March 2023 are all unrestricted.

An adjustment has been made this year to transfer remaining restricted funds to unrestricted funds due to confirmation that, following a reconciliation of funding stream spend, the trustees agree that all funds remaining on the Strengthening Communities Program and Investing in Communities Fund have been correctly spent to date and in line with the grant conditions. The remaining funds held by the charity at the 31st March 2023 are all unrestricted.

# APPENDIXES

## SECTION A – STATEMENT OF RECEIPTS AND PAYMENTS

	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	Permanent Endowment Funds	Total funds current period	Total funds last period
	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £
<b>A1 Receipts</b>						
Donations	-	-	-	-	-	-
Legacies	-	-	-	-	-	-
Grants	-	9,792	-	-	9,792	-
Receipts from fundraising activities	-	-	-	-	-	-
Gross trading receipts	-	-	-	-	-	-
Income from investments other than land and buildings	-	-	-	-	-	-
Rents from land & buildings	-	-	-	-	-	-
Gross receipts from other charitable activities	-	-	-	-	-	-
Short term loan from Iona Energy Ltd (subsidiary)	-	-	-	-	-	240
<b>A1 Sub total</b>	-	<b>9,792</b>	-	-	<b>9,792</b>	<b>240</b>
<b>A2 Receipts from asset &amp; investment sales</b>						
Proceeds from sale of fixed assets	-	-	-	-	-	-
Proceeds from sale of investments	-	-	-	-	-	-

	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	Permanent Endowment Funds	Total funds current period	Total funds last period
<b>A2 Sub total</b>	-	-	-	-	-	-
<b>Total receipts</b>	-	9,792	-	-	9,792	240
<b>A3 Payments</b>						
Expenses for fundraising activities	-	-	-	-	-	-
Gross trading payments	-	-	-	-	-	-
Investment management costs	-	-	-	-	-	-
Payments relating directly to charitable activities	317	792	-	-	1,109	413
Grants and donations	-	-	-	-	-	-
Governance costs:	-	-	-	-	-	-
Audit / independent examination	180	-	-	-	180	915
Legal costs	-	-	-	-	-	-
Other – hall hire for the AGM	8	-	-	-	8	15
Other – repayment of short term loan from Iona Energy Ltd (subsidiary)	240	-	-	-	240	-
Other – loan to Iona Energy Ltd	5,253	-	-	-	5,253	-
<b>A3 Sub total</b>	<b>5,998</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,790</b>	<b>1,343</b>
<b>A4 Payments relating to asset and investment movements</b>						
Purchases of fixed assets	-	-	-	-	-	-
Purchase of investments	-	-	-	-	-	-
<b>A4 Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total payments</b>	<b>5,998</b>	<b>792</b>	<b>-</b>	<b>-</b>	<b>6,790</b>	<b>1,343</b>
<b>Net receipts / (payments)</b>	<b>(5,998)</b>	<b>9,000</b>	<b>-</b>	<b>-</b>	<b>3,002</b>	<b>(1,103)</b>
<b>A5 Transfers to / (from) funds</b>						
<b>Surplus / (deficit) for year</b>	<b>(5,998)</b>	<b>9,000</b>	<b>-</b>	<b>-</b>	<b>3,002</b>	<b>(1,103)</b>

## SECTION B – STATEMENT OF BALANCES

Categories	Details	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	Permanent Endowment Funds	Total current period	Total last period
		to nearest £	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £
<b>B1 Cash funds</b>	Cash and bank balances at start of year	6,051	-	-	-	6,051	7,154
	Surplus / (deficit) shown on receipts and payments account	(5,998)	9,000	-	-	3,002	(1,103)
	<b>Cash and bank balances at end of year</b>	<b>53</b>	<b>9,000</b>	<b>-</b>	<b>-</b>	<b>9,053</b>	<b>6,051</b>
		Fund to which asset belongs			Market valuation		Last year
	Details					to nearest £	to nearest £
<b>B2 Investments</b>	100% share ownership in Iona Energy Ltd (trading subsidiary) – including loan write off					10,181	10,181
					<b>Total</b>	<b>10,181</b>	<b>10,181</b>
		Fund to which asset belongs			Cost (if available)	Current value (if available)	Last year
	Details				to nearest £	to nearest £	to nearest £
<b>B3 Other assets</b>	Equipment assets		Restricted		618	200	265
	Loan to Iona Energy Ltd inc. interest @ 5.5% pa (interest is accruing and has not been received to date)		Unrestricted		5,760	5,460	-
				<b>Total</b>	<b>618</b>	<b>200</b>	<b>265</b>

Categories	Details	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	Permanent Endowment Funds	Total current period	Total last period
Details		Fund to which liability relates			Amount due	Last year	
					to nearest £	to nearest £	
<b>B4 Liabilities</b>	Independent examination fee accrual					180	180
	Xero subscription accrual					-	14
	Short term loan owed to Iona Energy Ltd (subsidiary) repaid post year end					-	240
					<b>Total</b>	<b>180</b>	<b>434</b>
Details		Fund to which liability relates			Amount due (estimate)	Last year	
					to nearest £	to nearest £	
<b>B5 Contingent liabilities</b>						-	-
					<b>Total</b>	<b>-</b>	<b>-</b>

Signed by one or two trustees on behalf of all the trustees

*Jane Martin*

Jane Martin, Chair

29 August 2024

# SECTION C – NOTES TO THE ACCOUNTS

C1 Nature and purpose of funds (may be stated on analysis of funds worksheets)				
	All funds received are used to further the environmental and community development aims of the charity, to take forward the Iona roadmap, and to build capacity within the charity and subsidiary.			
C2 Grants	Type of activity or project supported	Individual / institution	Number of grants made	£
	-	-	-	-
			Total	-
C3a Trustee remuneration				
	If no remuneration was paid during the period to any charity trustee or person connected to a trustee cross this box (otherwise complete section 3b)			X
C3b Trustee remuneration – details				
	Authority under which paid			£
	-			-
C4a Trustee expenses				
	If no expenses were paid to any charity trustee during the period then cross this box (otherwise complete section 4b)			X
C4b Trustee expenses – details				
	Number of trustees			£
	-			-
C5 Transactions with trustees and connected persons				
	Nature of relationship	Nature of transaction	Transaction amount (£)	Balance outstanding at period end (£)
	Partner of Trustee	Salary (inc. employer's pension contributions).	1,505	-

## C6 Other information

Iona Energy Ltd (SC577246) is wholly owned by Iona Renewables. The subsidiary was incorporated on the 26th September 2017. Iona Renewables repaid a short term loan of £240 in the year to Iona Energy Ltd, that was loaned to the charity by it's subsidiary in the year ending 31st March 2023. Iona Renewables loaned Iona Energy Ltd £5,760 in the year from unrestricted funds (2023: £Nil). This loan has been made on commercial terms as agreed by the trustees of Iona Renewables. The interest rate charged to Iona Energy Ltd by Iona Renewables is 5.5% per annum, the loan is repayable by the 31st March 2030 and can be repaid as and when funds are available during the term of the loan, there are no set installment terms. Iona Energy Ltd repaid £507 of this loan in the year and incurred £207 of interest, which has been added to the loan balance and is also repayable in line with the terms of the loan. The balance of the loan at the 31st March 2024 was £5,460. This loan is aligned with the charity's aims and objectives and will hopefully assist in taking forward the development of Iona's ground source heat network. A lot of the activities in this financial year have been carried out by the company subsidiary Iona Energy Ltd, and not Iona Renewables, resulting in minimal banking transactions for the charity parent this year. The primary focus has been to get the island's community energy project back on track following major Covid-19 driven impacts in 2020, which would otherwise have been installed and operational in the year ending 31st March 2021.

# ADDITIONAL ANALYSIS (I)

## Analysis of receipts and payments

### 1 Donations

	Unrestricted Funds	Restricted Funds	Expendable Endowment Funds	Permanent Endowment Funds	Total current period	Total last period
	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £
	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

### 2 Grants

	Unrestricted funds	Restricted funds			Total current period	Total last period
	to nearest £	to nearest £			to nearest £	to nearest £
Development Trusts Association Scotland (DTAS)	-	9,792	-	-	9,792	-
<b>Total</b>	-	<b>9,792</b>	-	-	<b>9,792</b>	-

### 3 Gross receipts from other charitable activities

	Unrestricted funds	Restricted funds	Expendable endowment funds	Permanent endowment funds	Total current period	Total last period
	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £
	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-



## Analysis of receipts and payments

### 4 Payments relating directly to charitable activities

	Unrestricted funds	Restricted funds	Expendable endowment funds	Permanent endowment funds	Total current period	Total last period
	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £	to nearest £
IT software & consumables (Xero accounting software)	160	-	-	-	-	323
Development Trusts Association Scotland (DTAS) annual membership subscription	90	-	-	-	-	90
Advertising & marketing	50	-	-	-	-	-
Postage & printing	17	-	-	-	-	-
Lime Green Consulting & Training Ltd	-	792	-	-	-	-
<b>Total</b>	<b>317</b>	<b>792</b>	<b>-</b>	<b>-</b>	<b>1,109</b>	<b>413</b>

## ADDITIONAL ANALYSIS (2)

### 5 Breakdown of unrestricted funds

	Unrestricted Funds	Total Unrestricted Funds	Total Unrestricted Funds last period
<b>Receipts</b>			
Donations	-	-	-
Legacies	-	-	-
Grants	-	-	-
Receipts from fundraising activities	-	-	-
Gross trading receipts	-	-	-
Income from investments other than land and buildings	-	-	-
Rents from land & buildings	-	-	-
Gross receipts from other charitable activities	-	-	-
Short term loan from Iona Energy Ltd (subsidiary)	-	-	240
<b>Sub total</b>	-	-	<b>240</b>
Proceeds from sale of fixed assets	-	-	-
Proceeds from sale of investments	-	-	-
<b>Sub total</b>	-	-	-
<b>Total receipts</b>	-	-	<b>240</b>
<b>Payments</b>			
Expenses for fundraising activities	-	-	-
Gross trading payments	-	-	-

### 5 Breakdown of unrestricted funds

	Unrestricted Funds	Total Unrestricted Funds	Total Unrestricted Funds last period
Investment management costs	-	-	-
Payments relating directly to charitable activities	317	317	413
Grants and donations	-	-	-
Governance costs:	-	-	-
Independent examination (inc. preparation of annual accounts)	180	180	915
Legal costs	-	-	-
Other – Hall Hire for the AGM	8	8	15
Other – repayment of short term loan from Iona Energy Ltd (subsidiary)	240	240	-
Other – loan to Iona Energy Ltd	5,253	5,253	-
<b>Sub total</b>	<b>5,998</b>	<b>5,998</b>	<b>1,343</b>
Payments relating to asset and investment movements			
Purchases of fixed assets	-	-	-
Purchase of investments	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total payments</b>	<b>5,998</b>	<b>5,998</b>	<b>1,343</b>
Net receipts / (payments)	(5,998)	(5,998)	(1,103)
Transfers to / (from) funds	-	-	-
<b>Surplus / (deficit) for year</b>	<b>(5,998)</b>	<b>(5,998)</b>	<b>(1,103)</b>

## **Nature and purpose of funds**

All funds received are used to further the environmental and community development aims of the charity, to take forward the Iona roadmap, and to build organisation capacity of the charity and subsidiary. No unrestricted income was received in the year. Iona Renewables repaid a short term loan of £240 in the year to Iona Energy Ltd, that was loaned to the charity by its subsidiary in the year ending 31st March 2023. Iona Renewables loaned Iona Energy Ltd £5,760 in the year from unrestricted funds (2023: £Nil). This loan has been made on commercial terms as agreed by the trustees of Iona Renewables. The interest rate charged to Iona Energy Ltd by Iona Renewables is 5.5% per annum, the loan is repayable by the 31st March 2030 and can be repaid as and when funds are available during the term of the loan, there are no set installment terms. Iona Energy Ltd repaid £507 of this loan in the year and incurred £207 of interest, which has been added to the loan balance and is also repayable in line with the terms of the loan. The balance of the loan at the 31st March 2024 was £5,460. This loan is aligned with the charity's aims and objectives and will hopefully assist in taking forward the development of Iona's ground source heat network.

# ADDITIONAL ANALYSIS (3)

6 Breakdown of restricted funds			
Restricted fund			
	Development Trusts Association Scotland (DTAS)	Total Restricted Funds	Total Restricted Funds last period
<b>Receipts</b>			
Donations	-	-	-
Legacies	-	-	-
Grants	9,792	9,792	-
Receipts from fundraising activities	-	-	-
Gross trading receipts	-	-	-
Income from investments other than land and buildings	-	-	-
Rents from land & buildings	-	-	-
Gross receipts from other charitable activities	-	-	-
<b>Sub total</b>	<b>9,792</b>	<b>9,792</b>	-
Receipts from asset & investment sales			
Proceeds from sale of fixed assets	-	-	-
Proceeds from sale of investments	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total receipts</b>	<b>9,792</b>	<b>9,792</b>	<b>-</b>

## 6 Breakdown of restricted funds

Restricted fund			
	Development Trusts Association Scotland (DTAS)	Total Restricted Funds	Total Restricted Funds last period
<b>Payments</b>			
Expenses for fundraising activities	-	-	-
Gross trading payments	-	-	-
Investment management costs	-	-	-
Payments relating directly to charitable activities	792	792	-
Grants and donations	-	-	-
Governance costs:	-	-	-
Audit / independent examination	-	-	-
Preparation of annual accounts	-	-	-
Legal costs	-	-	-
<b>Sub total</b>	<b>792</b>	<b>792</b>	<b>-</b>
Payments relating to asset and investment movements			
Purchases of fixed assets	-	-	-
Purchase of investments	-	-	-
<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total payments	792	792	-
Net receipts / (payments)	9,000	9,000	-
Transfers to / (from) funds	-	-	-
<b>Surplus / (deficit) for year</b>	<b>9,000</b>	<b>9,000</b>	<b>-</b>

## Nature and purpose of funds

The restricted grants received from Development Trusts Association Scotland were to cover two particular costs: The grant of £792 was received to spend on accessing subject experts to assess grant funding options for both Iona Renewables and its subsidiary Iona Energy Ltd and provide sector-specialist guidance on and identification of any other options for securing the full funding package, including clarity on where to focus resources. This work will also aid the Scottish Government in its commitment to support both entities to secure the full package, providing independent evidence of the capital funding landscape and to inform the Scottish Government's maximum backing of any funding applications. This work was completed in the year by Lime Green Consulting & Training Ltd, fundraising and strategy consultants, on behalf of Iona Renewables. The grant of £9,000 is part-funding for the potential incoming lead contractor to carry out full surveys of every room of every building in the heat network, providing the fundamental data to finalise design, confirm capital costs and unlock all further progress on the project (data inform renewed Heat Supply Agreements, renewal of planning, consents etc). This work would be reinstating and updating data that was in place pre-COVID-19; it's important that this work is carried out by the lead contractor directly in order for them to assume project liability. The grant of £9,000 will be regranted to Iona Energy Limited by the trustees of Iona Renewables, to take forward the heat network development once the grant related work commences and is scheduled for payment. This has been agreed with the grant funder and the grant spending will be monitored by all parties.

# INDEPENDENT EXAMINATION

APPENDIX 3

**OSCR**

Scottish Charity Regulator

## Independent examiner's report on the accounts v2

Report to the trustees/members of

Charity name  
**Iona Renewables**

Registered charity number  
On the accounts of the charity for the period

**SC047510**

Period start date			Period end date			
Day	Month	Year	to	Day	Month	Year
01	04	2023	to	31	03	2024

Set out on pages

6 to 11

(remember to include the page numbers of additional sheets)

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) 2005 Act and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

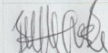
In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
  - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Signed:



Date:

21/08/2024

Name:

Rebecca Adams of Arle Accounting Ltd

Relevant professional qualification(s) or body (if any):

BSc MSc ACA DChA BFP

Address:

Arle Beag, Aros, Isle of Mull, Argyll & Bute, PA72 6JS

\*Please delete the words in the brackets if they do not apply. If the words do apply, set out those matters which have come to your attention on the following page.









