Registered number: SC277345
Charity number: SC029947

ARGYLL & BUTE THIRD SECTOR INTERFACE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

ArmstrongWatson®

Accountants, Business & Financial Advisers

ARGYLL & BUTE THIRD SECTOR INTERFACE
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its Trustees and advisers	1
Trustees' report	2 - 11
Independent auditors' report on the financial statements	12 - 15
Statement of financial activities	16
Balance sheet	17 - 18
Statement of cash flows	19
Notes to the financial statements	20 - 38

ARGYLL & BUTE THIRD SECTOR INTERFACE

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2026

Trustees	N A Porciani A Gildea M Mundie L A J Winter N Hackett A Coburn (21/07/2026)
Company registered number	SC277345
Charity registered number	SC029947
Registered office	27a Front Street Inveraray Scotland PA32 8UY
Company secretary	A Gildea
Independent auditors	Armstrong Watson Audit Limited Chartered Accountants & Statutory Auditors 89 Seaward Street Glasgow G41 1HJ

ARGYLL & BUTE THIRD SECTOR INTERFACE

(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2026

The Trustees present their annual report together with the audited financial statements of the charity for the year 1 April 2025 to 31 March 2026. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

During 2025–2026, ABTSI combined practical support for community organisations, charities, volunteers and social enterprises with a stronger collective voice on the future of local services. The year brought continuing pressure from insecure funding, rising demand, volunteer fatigue and the additional costs of working across rural and island communities. Our response focused on sustaining local capacity, developing a better understanding of the sector and strengthening its influence over decisions affecting communities.

Three strands were particularly important: research and engagement to inform our 2026–2031 strategy; the Our Voices Matter campaign to protect preventative health and social care services; and Communities Working Together, which developed walking initiatives, participatory leadership and shared learning about prevention. Alongside this work, our staff continued to provide funding, governance, organisational and volunteering support.

Our operational records show over 2,000 support interactions across a wide range of issues, developments and concerns. Our digital services supported access to community information and funding, and communications reached wider audiences.

Objectives and activities

ABTSI supports the third sector to achieve positive change for people and communities in Argyll and Bute. Our work is organised around the Scottish Government’s four areas of TSI delivery:

Area	Purpose
Knowledge	Provide local sector intelligence and explain policy developments and their implications for communities.
Voice	Ensure that the third sector has a strong voice in local strategic planning and national policy.
Capacity	Develop the capacity of volunteers, community groups, voluntary organisations and social enterprises.
Connect	Provide leadership and coordination, bringing organisations together around local priorities.

Across these areas, we work with communities, statutory partners and the Scottish Government on the cost of living, prevention, early intervention and public service reform. Our public benefit lies in helping local organisations sustain services, enabling participation and volunteering, and ensuring that community experience informs decisions.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

Objectives and activities (continued)

a. Knowledge and strategy development

Building the evidence for our next strategy

During the year we progressed the strategy development process begun in February 2025, supported by consultants SKS under a campaign banner of Community Voices. Its purpose was to establish a baseline of the sector's health, develop a shared vision for the sector, and use that evidence to shape ABTSI's next five-year strategy and business planning. The approach involved local practitioners and community organisations in engagement, connecting the research process with local capacity building.

The sector survey undertaken in autumn 2025, concluding in November, received 181 responses. Community development and health and wellbeing organisations accounted for half of responses. The findings showed the sector's contribution to community wellbeing, health, social care, employability and the local economy, alongside recurring concerns about funding insecurity, volunteer shortages and fatigue, limited capacity, increasing demand, geography and relationships with statutory partners.

Survey findings were explored through four focus groups in January 2026 and wider workshop and follow-up discussions. This process linked the experience of organisations with decisions about ABTSI's own role, priorities and resources. It reinforced the need for leadership and advocacy, shared information, networking, practical operational support, stronger communications and better sector mapping.

By the year end, this work was informing the emerging 2026–2031 strategy. The direction was towards stronger system leadership, sector capacity and workforce support, and better evidence and learning, within the four Scottish Government delivery areas. Prevention, rural and island circumstances, community wealth building and collaboration were central considerations. Final approval and implementation of the new strategy are scheduled for 2026–27.

Digital information and access to support

Our website, Argyll and Bute Community Directory and funding platform continued to provide shared infrastructure for organisations and partners. The directory helps people identify local community assets and services; the funding platform supports access to grant programmes and their administration.
We also explored closer collaboration with Argyll and Bute Council over funding and project information systems. Discussions and a presentation to councillors in September 2025 made the case for sharing existing infrastructure and avoiding duplication of services and expenditure.

Service	Page views	Interactions	Users
ABTSI website	46,000	133,000	27,000
Community Directory	18,000	65,000	12,000
Funding platform	27,000	80,000	4,100
Volunteer of the Year website	4,100	12,000	1,700

The children's services and adult day care mapping reports commissioned through our work with the HSCP were presented in August 2025. They added to the information available for collaborative service planning.

Objectives and activities (continued)

b. Voice and collective influence

Our Voices Matter

Health and social care budget proposals became a major focus for ABTSI during the latter part of the year. Following an engagement event with the HSCP on commissioning and prevention on 13 November 2025, ABTSI hosted a further sector meeting on 12 December. Through Our Voices Matter, we worked with Citizens Advice, Community Contacts, Lorn and Oban Health Options, the Poverty Alliance and over 40 charities and local organisations to make the case for protecting community-based prevention and early intervention.

The campaign challenged reductions which risked weakening community support and transferring demand to more intensive services. It called for a pause to indiscriminate reductions, meaningful involvement of the third sector in service redesign, and a shift towards prevention and demand reduction. It also pressed for scrutiny of the service level agreement with NHS Greater Glasgow and Clyde and for a more strategic partnership between statutory bodies and the third sector.

Activity included sector meetings, contributions to the budget consultation, correspondence and engagement with decision-makers, and public communications. The Our Voices Matter sector meeting on 17 February 2026 attracted 27 attendees. Engagement with local elected representatives included the local MSP, Jenni Minto and Argyll and Bute Councillors. The campaign connected practical concerns about service continuity with a wider case for public service reform.

The CEO brought a motion to the Integration Joint Board on 28 January 2026 calling for a different approach to savings, transformation and prevention. Although the motion was defeated, it placed the sector's alternative approach formally before the Board. The campaign also highlighted the importance of IJB voting rights for third-sector and other community representatives.

Following the IJB meeting on 25 March 2026, the CEO reported to the Board that the multi-partner campaign had helped create the conditions to ease the impact of the proposed cuts to third-sector grants and preventative and early-intervention services. This was a significant collective result, although it did not protect every service: carers centres still faced a 15% budget reduction. Further funding pressures persist this year and through 2030, reinforcing the need to move from annual crisis responses to sustained joint planning.

Influencing local planning

ABTSI continued to represent the sector through the Integration Joint Board, the Community Planning Partnership and related planning structures. We worked with organisations in December 2025 and January 2026 on a collective submission to the HSCP's Joint Strategic Plan for 2026–2031, arguing for greater recognition of community services, prevention and early intervention.

The November and December meetings also developed the case for a strategic alliance between statutory partners and the third, community and social enterprise sectors. This was a proposal for shared planning and service redesign during the reporting year, and work continues into late 2026 on taking this forward collaboratively.

Our leadership and participation in corporate parenting and The Promise work, alongside the All Our Children network, helped strengthen the connection between voluntary organisations and children's services planning. Adult Health and Wellbeing network meetings provided a route for organisations to share concerns and shape representation on health and care matters.

Objectives and activities (continued)

National influence and community wealth building

Through the CEO's involvement in the TSI Scotland Network steering group, ABTSI contributed to the rural issues and public service reform policy groups which informed the Network's manifesto. A key pillar of evidence came from our extensive survey data with the local sector. A summary was circulated in autumn 2025, and the full manifesto was published on 11 December 2025. Engagement included meetings with then Public Health Minister Jenni Minto, then Scottish Labour leader Anas Sarwar and the SNP's head of policy in May and June, and Cabinet Secretary for Social Justice Shirley-Anne Somerville in August 2025. Our emphasis remained on stable funding, recognition of full delivery costs and the sector's role in prevention at a community level.

ABTSI supplied a local case study for parliamentary scrutiny of proposals to extend IJB voting rights to third-sector, public, patient and carer representatives. We also developed a draft local Fair Funding Charter, promoting multi-year funding, full cost recovery and proportionate reporting. Our policy work linked local experience to the Scottish Government's June 2025 public service reform and population health agendas.

Locally, we continued to promote community wealth building and the retention of economic benefit within communities, including engagement around the Argyll and Bute Community Wealth Building Charter approved by Argyll and Bute Council in November 2025 along with the suggested roadmap for progressing the 23 recommendations from the CWB report commissioned by the TSI for the CPP in 2024. Our March 2026 seminar on making local economies work for communities attracted 46 attendees. Work with the Poverty Alliance's Taking Action on Rural Poverty initiative and the Argyll and Bute Climate Action Network complemented this focus on community voice, resilience and a fairer local economy.

c. Capacity and practical support

Supporting organisations

Staff recorded over 2,000 interactions. Support included funding advice, governance, organisational development, new projects, volunteer recruitment and assistance to organisations facing difficulty. This is a count of recorded contacts, not separate organisations or unique requests, and excludes some interactions by other staff.

Support included 339 funding requests, 194 Communities Mental Health and Wellbeing Fund support requests, 133 governance requests, 112 organisational development requests and 105 new project support requests. The TSI also recorded 33 crisis-management interventions and 24 relating to winding up or merging.

The first Third Sector Support Adviser area plans were brought together during the year, covering Bute and Cowal, Helensburgh and Lomond, Mid Argyll, Kintyre and the Islands, and Oban, Lorn and the Isles. They linked practical support priorities to local circumstances and community planning, including volunteer recruitment, trustee succession, funding, sustainable premises and collaboration. The plans recognised the additional transport and access barriers facing rural and island organisations.

The Inveraray Hub continued to provide meeting space and facilities, with 129 member bookings and 16 paid bookings during the year. This practical resource supports organisations in meeting and collaborating without having to maintain their own facilities.

ABTSI provided access to freelance HR support to help organisations facing employment and restructuring challenges. We also explored a shared back-office service with partners including EDAS, Community Enterprise, Inspiralba and Social Enterprise Scotland. This work is still in development, and the proposal is seeking pilot funding.

Positive Destinations

In its fourth delivery year, Positive Destinations supported people to reduce barriers and build confidence, skills and motivation through volunteering and one-to-one mentoring. Thirty-one people completed the programme between 1 April 2025 and 31 March 2026.

Objectives and activities (continued)

The programme offers a personalised route towards volunteering, training, education or employment for people who may need additional support to secure and sustain a placement. Its combination of mentoring and practical experience is intended to strengthen confidence, social connection and readiness for further opportunities. Completion is the verified measure supplied for this report; separate employment or education progression rates have not been provided.

Funding continuity became a significant issue towards the end of the year. The February CEO report recorded the ending of UK Shared Prosperity Fund support and an application to No One Left Behind through the Local Employment Partnership. New intake was being scaled down while the funding decision was awaited, illustrating the effect of short-term funding uncertainty on programme planning.

Communities Mental Health and Wellbeing Fund

ABTSI continued to administer the Scottish Government's Communities Mental Health and Wellbeing Fund, supporting community approaches to mental wellbeing and social connection. Years 5 and 6 formed part of a multi-year fairer funding pilot. Following local consultation, the October 2025 panel decisions provided funding at some level in both years to 44 of 71 applicants, including 19 organisations whose requests were fully funded for both years. The panel included two lived-experience representatives alongside the National Lottery, Council and NHS, with ABTSI administering the process. Second-year funding remained subject to the relevant funding and delivery conditions.

The accounts record £342,919 of fund income and expenditure for the year. This accounting figure is distinct from the panel's award decisions and the original annual programme allocation. Reconciliation to the final grant schedule remains necessary; the award counts above do not establish beneficiary numbers or completed project outcomes.

Volunteering and sector learning

We continued to champion volunteering through practical support, local events and the Volunteer of the Year Awards. The awards held in June 2025 celebrated the contribution of volunteers during the reporting year. The latest staff return contains conflicting awards-year references, so nomination, attendance, livestream and sponsorship figures are retained for reconciliation in the editorial appendix rather than attributed to the wrong event.

The organisation-wide staff return reports 27 events and 785 attendances, including 65 at the AGM. A separate programme list reports 23 events and 502 attendances and appears to cover a different scope. These figures are provisional and are not added together. ABTSI also helped organise and deliver the TSI national conference on 28 and 29 October 2025, contributing agenda development, bookings and event management. The February CEO report records over 150 TSI staff attending each day; this is daily attendance, not a count of unique delegates, and is not included as ABTSI-only attendance.

Objectives and activities (continued)

d. Connect and communities working together

Communities Working Together brought communities, ABTSI, NHS and HSCP partners, Macmillan and LiveArgyll together around preventative, community-led approaches to health and wellbeing. During its second delivery year, the programme combined practical walking development with participatory leadership and shared learning. Funding from NHS Charities Together and Macmillan Cancer Support supported this work.

Walking development

A Walking Development Officer was in post from May 2025. Mapping of walking initiatives across Argyll and Bute was completed, a social marketing toolkit was developed, and links were built with GP practices and We Are With You to develop walking prescription pilots in Campbeltown and Lochgilphead. Walking Scotland membership provided access to wider support and future grant opportunities.

This work created foundations for more accessible physical activity and stronger connections between primary care and community organisations. Pilot operation, publication of digital trail maps and completion of walking-practice accreditation were planned for 2026–2027; they are not presented here as completed in-year outcomes.
Participatory leadership and shared learning

Art of Harvesting training developed practitioners' ability to capture learning and evaluate participatory processes. The associated Community of Practice became self-organising, with members arranging sessions, sharing resources and providing peer support. A £24,000 Public Health grant was secured for further collaborative leadership development; the draft accounts show it unspent at 31 March 2026.

Five winter seminars explored co-production, systems thinking, the broader approach to public health, radical place leadership and community wealth building. Speakers included Frank Reilly, Katharine McGowan, Erica Gadsby and Helen Wilding, Andrew Laird and Sophie Coles, and Neil McInroy. The programme reports positive feedback and made recordings available online. The events helped participants develop shared approaches to the practical barriers to prevention and collaboration.

Communities Working Together contributed to the Living Well strategy refresh and ABTSI's strategy development, presented to the CPP Management Committee in December 2025 and produced a CPP podcast episode in early 2026. Living Well branding was refreshed, a programme leaflet and web content were produced, and a wider communications strategy was in development.

Learning from delivery

The programme reports that financial pressure and limited partner capacity slowed collaborative development. It also identifies a need for clearer governance and accountability. These are material limitations: stronger relationships and shared learning are valuable, but do not yet demonstrate reduced hospital demand or cashable savings. Evaluation and decisions about ownership beyond April 2027 remain priorities for the final funded year.

Communications and reach

ABTSI published 491 social media posts, generating 157,820 impressions. Compared with the prior-year figures in the staff return, posting fell 18% while impressions rose 88%. Followers increased from 1,536 to 1,772, but engagement fell from 10,543 to 8,093. This shows wider exposure alongside a need to encourage more active participation. Sixty original email campaigns delivered over 49,000 emails, with a reported average open rate of 29.2% and an estimated 13,900 opens. Press coverage extended the visibility of community activity beyond our own channels.

Financial review

Our financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Articles of Association, 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 (FRS 102)(effective 1 January 2019).

The draft financial statements show income of £944,117 and expenditure of £1,023,185, producing a deficit of £79,068. The comparative year recorded a surplus of £32,974. Income decreased by £16,347 and expenditure increased by £95,695. The unrestricted deficit of £84,461 was partly offset by a £5,393 increase in restricted funds.

Measure	2025–2026	2024–2025
Total income	£944,117	£960,464
Total expenditure	£1,023,185	£927,490
Net movement in funds	(£79,068)	£32,974
Unrestricted funds at year end	£375,892	£460,353
Restricted funds at year end	£102,511	£97,118
Total funds at year end	£478,403	£557,471
Cash at bank and in hand	£477,340	£560,888

The Scottish Government core grant remained £326,144. The accounts also include £342,919 for the Communities Mental Health and Wellbeing Fund and £20,004 for the Argyll and Bute Climate Action Network. Income administered for specific purposes should not be treated as freely available to meet ABTSI's core costs.

At the year end, debtors were £59,640 and creditors due within one year were £64,264. Cash remained substantial but fell by £83,548 during the year.

a. Reserves policy and going concern

The Trustees have a target of free reserves of approximately three months' expenditure, which is in line with OSCR guidance on reserves policy. Reserves are held by the organisation for the following purposes:

- To ensure that the charity can continue to provide a stable and high-quality service to those who need it;
- To provide working capital when funding is paid in arrears;
- To meet unexpected costs such as staff cover as a result of illness, maternity leave and paternity leave, and legal costs for defending the charity's interests;
- To replace equipment as it wears out;
- To meet contractual liabilities if the organisation has to close. This includes redundancy pay, amounts due to creditors and commitments under leases.

From time to time funding has certain restrictions, which means that by law it must be held in a restricted reserve until it is spent in line with the funding agreement or contract. Over this last year we have therefore held levels of restricted reserves and it is important to be clear that these funds can only be expended according to the agreement with funders; we do not therefore have access or availability for expenditure of our choosing.
Following designation of funds to support the core programme, as outlined above, Argyll and Bute TSI has reserves of £370,204 (2025: £266,779) available to cover any costs involved in the TSI continuing and completing projects and making statutory redundancy payments to staff should funding be withdrawn.
After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason the Trustees continue to adopt the going concern basis in preparing the financial statements.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

Going concern

The draft accounts have been prepared on a going concern basis. Before approving the final statements, the Trustees will consider updated budgets, cash-flow forecasts, confirmed funding and commitments, including the implications of the unrestricted deficit, and confirm their conclusion that the charity has adequate resources to continue for the foreseeable future.

Governance, risks and future plans

Structure and management

Argyll & Bute Third Sector Interface is a registered Scottish charity and a company limited by guarantee, governed by its Articles of Association. It has no subsidiary undertakings. The Trustees have overall responsibility for governance, strategy and oversight, with operational management delegated to the Chief Executive Officer, Takki Sulaiman, who took up post in April 2021.

The Trustees and CEO are the charity's key management personnel. The Board determines key management remuneration. Trustee appointments are made through the AGM and, between AGMs, in accordance with the governing document. Induction and ongoing training support Trustees, who are expected to act in the charity's best interests, declare conflicts and comply with the Standards of Trustee Conduct. For 2025-2026 the Board was supported by an independent financial adviser.

Principal risks

The Board regularly reviews strategic risks, including reviewing and monitoring delivery, financial resilience and progress against business plan objectives. The principal issues evidenced during this year are set out below; the responses identify continuing areas of Board oversight.

Risk	Response and oversight
Income and reserves	Monitor budgets and cash flow, recurring cost commitments and the unrestricted deficit; review reserve designations and funding concentration. Three-year budget forecasting.
Pressure on local services	Use sector intelligence, collective representation and partnership working to challenge reductions in prevention and promote coproduction and community led service redesign.
Workforce and delivery capacity	Prioritise commitments against available staffing, maintain support and supervision, and plan cover and continuity for time-limited programmes. Contained in the annual business plan.
Partnership governance	Project reports to board on Positive Destinations, Communities Working Together and multi-sector strategic alliance work.
Evidence and accountability	Improve consistency of case recording, sector statistics and outcomes reporting in line with emerging national TSI measures.

Governance, risks and future plans (continued)

Plans for 2026 to 2027

The next year will focus on completing and implementing the 2026–2031 strategy, translating sector research into priorities under Knowledge, Voice, Capacity and Connect. The emerging direction includes stronger advocacy, shared intelligence, practical organisational support and collaboration, with further exploration of shared services and collective funding approaches.

For Communities Working Together, priorities are to complete walking resources and pilot development, deliver further participatory leadership activity, evaluate the programme and provide recommendations to the Living Well Board on future governance and sustainability.

We intend to build on Our Voices Matter through constructive engagement on health and social care transformation and a possible strategic alliance approach. Continued support for fair funding and community wealth building will sit alongside governance, funding and volunteering support. We will strengthen annual sector intelligence through an annual winter survey aligned with the TSI Network’s common short-term outcomes and case-study approach.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
N A Porciani
(Chair of Trustees)

Date:

ARGYLL & BUTE THIRD SECTOR INTERFACE

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARGYLL & BUTE THIRD SECTOR INTERFACE

Opinion

We have audited the financial statements of Argyll & Bute Third Sector Interface (the 'charity') for the year ended 31 March 2026 which comprise the Statement of financial activities, the Balance sheet, the 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 Financial Reporting Standard 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 charitable company's affairs as at 31 March 2026 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the charitable company 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 Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

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 Auditors' report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with 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 trustees and Trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members, as a body, and its trustees, as a body for our audit work, for this report, or for the opinions we have formed.

Mark McRae (Senior statutory auditor)
for and on behalf of
Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditors
Glasgow

Date:

Armstrong Watson Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

ARGYLL & BUTE THIRD SECTOR INTERFACE

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2026

	Note	Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £	*Total funds 2025 £*
Income from:					
Donations and legacies	4	**500**	**100**	**600**	*490*
Charitable activities	5	**394,058**	**549,459**	**943,517**	*959,974*
Total income		**394,558**	**549,559**	**944,117**	*960,464*
Expenditure on:					
Raising funds	6	**-**	**-**	**-**	*1,436*
Charitable activities	8	**479,019**	**544,166**	**1,023,185**	*926,054*
Total expenditure		**479,019**	**544,166**	**1,023,185**	*927,490*
Net movement in funds		**(84,461)**	**5,393**	**(79,068)**	*32,974*
Reconciliation of funds:					
Total funds brought forward	16	**460,353**	**97,118**	**557,471**	*524,497*
Net movement in funds	16	**(84,461)**	**5,393**	**(79,068)**	*32,974*
Total funds carried forward	16	**375,892**	**102,511**	**478,403**	*557,471*

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 20 to 38 form part of these financial statements.

ARGYLL & BUTE THIRD SECTOR INTERFACE

(A company limited by guarantee)
REGISTERED NUMBER: SC277345

BALANCE SHEET
AS AT 31 MARCH 2026

	Note		2026 £		*2025 £*
Fixed assets					
Tangible assets			**5,687**		*18,573*
	13				
Current assets					
Debtors	14	**59,640**		*22,190*	
Cash at bank and in hand	20	**477,340**		*560,888*	
		536,980		*583,078*	
Current liabilities					
Creditors: amounts falling due within one year	15	**(64,264)**		*(44,180)*	
Net current assets			**472,716**		*538,898*
Total net assets			**478,403**		*557,471*
Charity funds					
Restricted funds	16		**102,511**		*97,118*
Unrestricted funds	16		**375,892**		*460,353*
Total funds			**478,403**		*557,471*

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2026

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
N A Porciani
(Chair of Trustees)

Date:

The notes on pages 20 to 38 form part of these financial statements.

ARGYLL & BUTE THIRD SECTOR INTERFACE

(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	2026 £	*2025* *£*
Cash flows from operating activities		
Net cash used in operating activities (note 19)	**(83,548)**	*51,666*
Cash flows from investing activities		
Net cash provided by investing activities	**-**	**-**
Cash flows from financing activities		
Net cash provided by financing activities	**-**	**-**
Change in cash and cash equivalents in the year	**(83,548)**	**51,666**
Cash and cash equivalents at the beginning of the year	**560,888**	*509,222*
Cash and cash equivalents at the end of the year	**477,340**	*560,888*

The notes on pages 20 to 38 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

1. General information

The Charity is a company limited by guarantee, registered in Scotland. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 (and related regulation) and the Companies Act 2006.

Argyll & Bute Third Sector Interface meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in Sterling (£).

2.2 Going concern

The Trustees and Key Management Personnel have assessed the potential future of Argyll & Bute Third Sector Interface and whether it can continue as a going concern.

After assessing all potential impacts and future commitments, the Trustees have a reasonable expectation that the charity has adequate resources and reserves to continue in operational existence for the foreseeable future. Funding has also been secured from the main funder, Scottish Government on an indicative basis until March 2027. The charity therefore continues to adopt the going concern basis in preparing its financial statements despite the uncertainty caused by the predicted recession and cost of living crisis.

2.3 Income

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from government and other grants, whether "capital" or "revenue" grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

2. Accounting policies (continued)

2.4 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Raising funds

Costs of raising funds comprise the costs of attracting voluntary income and its associated support costs.

Charitable activities

Expenditure on charitable activities includes costs incurred by the charity in the delivery of its activities, services for its beneficiaries and other activities undertaken to further the purposes of the charity and their associated costs.

Allocation and apportionment of costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the time spent on each activity. The allocation of support and governance costs is analysed in Note 9.

2.5 Taxation

The company is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 or Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1991 to the extent that some income or gains are applied for charitable purposes only.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	- 33.3% on cost
Computer equipment	- 25% on cost

2.7 Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like plant and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount which is the higher of the value in use and the fair value less cost to sell, is estimated and compared with the carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit and loss.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are recognised when the company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

2. Accounting policies (continued)

2.11 Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments like other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and trade creditors, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for evidence of impairment and if found, an impairment loss is recognised in profit or loss.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

2.13 Pensions

The charitable company operates a defined contribution scheme for the benefit of its employees. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2.14 Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of unused holiday entitlement is recognised in the period which the employee's service is received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

3. Critical accounting estimates and areas of judgment

Judgements
The charity considers on an annual basis the judgements that are made by Trustees when applying its significant accounting policies that would have the most significant effect on amounts that are recognised in the financial statements. The Trustees consider there are no such significant judgements that require to be individually disclosed.

Information and key sources of estimation uncertainty
In the application of the charity's accounting policies, management are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The Trustees consider there are no such significant estimates that require to be individually disclosed.

4. Income from donations and legacies

	Unrestricted funds 2026 £	**Restricted funds 2026 £**	**Total funds 2026 £**
Donations	500	100	**600**

	Unrestricted funds 2025 £	*Restricted funds 2025 £*	*Total funds 2025 £*
Donations	*489*	*1*	*490*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

5. Income from charitable activities

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £
Support and advice to third sector and volunteers	-	326,144	**326,144**
Other income	16,636	18,722	**35,358**
Management fee income	-	13,644	**13,644**
Charitable projects	377,422	190,949	**568,371**
	394,058	549,459	**943,517**

	Unrestricted funds 2025 £	*Restricted funds 2025 £*	*Total funds 2025 £*
Support and advice to third sector and volunteers	-	*326,144*	*326,144*
Other income	-	*63,112*	*63,112*
Management fee income	-	*16,887*	*16,887*
Charitable projects	*552,863*	*968*	*553,831*
	552,863	*407,111*	*959,974*

5. Income from charitable activities (continued)

Scottish Government core grant to Third Sector Interfaces

The total amount received for 2026 was £326,144 (2025: £326,144). The main objectives / expected outcomes of the grant are detailed in the Third Sector Interface Outcome Framework September 2018.

1. People have the opportunities to volunteer and are supposed to do so.
2. Volunteer involving organisations are better able to recruit, manage and support volunteers.
3. Social enterprise is supported to develop and grow.
4. Third sector organisations are well managed and deliver quality services.

Communities Mental Health and Wellbeing Fund

The total amount received for 2026 was £342,919 (2025: £280,979). The main objective of this fund is for the TSI to distribute grants on behalf of the Scottish Government to help further the aims of the Communities Mental Health and Wellbeing Fund.

Argyll and Bute Climate Action Network

The total amount received for 2026 was £20,004 (2025: £14,489). The main objective of this fund is to give a voice to community-led climate action, help coordinate activities and support the community to create a more sustainable future.

Positive Destinations Programme

The total amount received for 2026 was £60,680 (2025: £43,438). The main objective of this fund is to deliver intervention activities such as enrichment and volunteering to improve opportunities and promote wellbeing.

Argyll Lottery Fund

The total amount received for 2026 was £11,824 (2025: £10,969). The main objective of this fund is to raise unrestricted funds for TSI.

6. Expenditure on raising funds

Costs of raising voluntary income

	Total funds 2026 £
Raising funds	-

	Unrestricted funds 2025 £	*Total funds 2025 £*
Raising funds	*1,436*	*1,436*

7. Analysis of grants

	Grants to Institutions 2026 £	Total funds 2026 £
Charitable projects	362,993	**362,993**

	Grants to Institutions 2025 £	*Total funds 2025 £*
Charitable projects	*337,396*	*337,396*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total 2026 £
Charitable projects	479,019	544,166	**1,023,185**

	Unrestricted funds 2025 £	*Restricted funds 2025 £*	*Total 2025 £*
Charitable projects	*572,947*	*353,107*	*926,054*

9. Analysis of expenditure by activities

	Activities undertaken directly 2026 £	Grant funding of activities 2026 £	Support costs 2026 £	Total funds 2026 £
Charitable projects	514,209	362,993	145,983	**1,023,185**

	Activities undertaken directly 2025 £	*Grant funding of activities 2025 £*	*Support costs 2025 £*	*Total funds 2025 £*
Charitable projects	*436,500*	*337,396*	*152,158*	*926,054*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2026 £	Total funds 2026 £
Staff costs	20,237	**20,237**
Other overheads	114,932	**114,932**
Governance costs	10,814	**10,814**
	145,983	**145,983**

	Activities 2025 £	*Total funds 2025 £*
Staff costs	*39,611*	*39,611*
Property costs	*17,678*	*17,678*
Other overheads	*80,758*	*80,758*
Governance costs	*14,111*	*14,111*
	152,158	*152,158*

10. Auditors' remuneration

	2026 £	*2025 £*
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**7,500**	*9,967*

11. Staff costs

	2026 £	*2025 £*
Wages and salaries	**326,287**	*254,847*
Social security costs	**30,186**	*18,824*
Contribution to defined contribution pension schemes	**23,807**	*9,936*
	380,280	*283,607*

11. Staff costs (continued)

The average number of persons employed by the charity during the year was as follows:

	2026 No.	*2025 No.*
Employees	**11**	*10*

No employee received remuneration amounting to more than £60,000 in either year.

Remuneration paid to key management personnel in the year has amounted to £97,732 (2025 - £95,739). The CEO and Business Manager are deemed to be key management personnel.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2025 - £NIL)*.

During the year ended 31 March 2026, no Trustee expenses have been incurred *(2025 - £NIL)*.

13. Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2025	**62,231**	**14,049**	**76,280**
At 31 March 2026	**62,231**	**14,049**	**76,280**
Depreciation			
At 1 April 2025	**47,707**	**10,000**	**57,707**
Charge for the year	**10,984**	**1,902**	**12,886**
At 31 March 2026	**58,691**	**11,902**	**70,593**
Net book value			
At 31 March 2026	**3,540**	**2,147**	**5,687**
At 31 March 2025	*14,524*	*4,049*	*18,573*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

14. Debtors

	2026 £	2025 £
Due within one year		
Trade debtors	**5,664**	*200*
Prepayments and accrued income	**53,976**	*21,990*
	59,640	*22,190*

15. Creditors: Amounts falling due within one year

	2026 £	2025 £
Trade creditors	**350**	*7,095*
Other taxation and social security	**(3)**	*(3)*
Other creditors	**5,187**	-
Accruals and deferred income	**58,730**	*37,088*
	64,264	*44,180*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2025 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2026 £
Unrestricted funds					
General fund	**244,301**	**362,610**	**(397,785)**	**(25,974)**	**183,152**
Fixed Assets	**18,573**	**-**	**(12,885)**	**-**	**5,688**
TSI Strategy	**175,000**	**-**	**(22,251)**	**-**	**152,749**
Lottery income	**22,479**	**11,824**	**-**	**-**	**34,303**
Inveraray Hub	**-**	**950**	**(14,447)**	**13,497**	**-**
Reimbursed Expenses	**-**	**13,082**	**(13,082)**	**-**	**-**
Rockfield	**-**	**2,604**	**(6,000)**	**3,396**	**-**
VOY Awards	**-**	**3,488**	**(12,569)**	**9,081**	**-**
	460,353	**394,558**	**(479,019)**	**-**	**375,892**
Restricted funds					
Positive Destinations Programme	**2,233**	**93,680**	**(74,253)**	**-**	**21,660**
ABCAN	**32**	**20,004**	**(20,036)**	**-**	**-**
HSCP	**4,326**	**33,978**	**(34,380)**	**-**	**3,924**
MacMillan	**4,325**	**33,978**	**(34,380)**	**-**	**3,923**
Paths for all	**5,000**	**-**	**(5,000)**	**-**	**-**
MacMillan Information & Support Grant	**47,773**	**1,000**	**(18,364)**	**-**	**30,409**
NSH Highland Living Well Tier 3	**9,717**	**-**	**(779)**	**-**	**8,938**
NHS Health & Wellbeing Support	**16,212**	**-**	**(11,555)**	**-**	**4,657**
Resilience Fund	**7,500**	**-**	**(2,500)**	**-**	**5,000**
Community Health & Wellbeing	**-**	**342,919**	**(342,919)**	**-**	**-**
HSCP Collaborative Leadership	**-**	**24,000**	**-**	**-**	**24,000**
	97,118	**549,559**	**(544,166)**	**-**	**102,511**
Total of funds	**557,471**	**944,117**	**(1,023,185)**	**-**	**478,403**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2024 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 March 2025* £
Unrestricted funds					
General fund	*293,762*	*403,470*	*(459,845)*	*6,914*	*244,301*
Fixed Assets	*25,412*	*(6,839)*	-	-	*18,573*
TSI Strategy	*175,000*	-	-	-	*175,000*
Lottery income	*11,529*	*10,970*	*(20)*	-	*22,479*
	505,703	*407,601*	*(459,865)*	*6,914*	*460,353*
Restricted funds					
Scottish Government CMHWB	*2,266*	*280,979*	*(280,979)*	*(2,266)*	-
Positive Destinations Programme	*16,528*	*43,438*	*(54,372)*	*(3,361)*	*2,233*
ABCAN	-	*14,489*	*(14,457)*	-	*32*
HSCP	-	*33,979*	*(29,653)*	-	*4,326*
MacMillan	-	*33,978*	*(29,653)*	-	*4,325*
Paths for all	-	*5,000*	-	-	*5,000*
MacMillan Information & Support Grant	-	*59,000*	*(10,381)*	*(846)*	*47,773*
NSH Highland Living Well Tier 3	-	*12,000*	*(2,111)*	*(172)*	*9,717*
NHS Health & Wellbeing Support	-	*20,000*	*(3,519)*	*(269)*	*16,212*
Resilience Fund	-	*50,000*	*(42,500)*	-	*7,500*
	18,794	*552,863*	*(467,625)*	*(6,914)*	*97,118*
Total of funds	*524,497*	*960,464*	*(927,490)*	-	*557,471*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2025 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2026 £
General funds	**460,353**	**394,558**	**(479,019)**	**-**	**375,892**
Restricted funds	**97,118**	**549,559**	**(544,166)**	**-**	**102,511**
	557,471	**944,117**	**(1,023,185)**	**-**	**478,403**

Summary of funds - prior year

	Balance at 1 April 2024 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Balance at 31 March 2025 £*
General funds	*505,703*	*407,601*	*(459,865)*	*6,914*	*460,353*
Restricted funds	*18,794*	*552,863*	*(467,625)*	*(6,914)*	*97,118*
	524,497	*960,464*	*(927,490)*	*-*	*557,471*

17. Summary of funds (continued)

The nature and purpose of the various unrestricted funds are as follows:

The unrestricted funds are available to be spent for any purposes of the charity.

The trustees have designated funds as follows:

The Fixed Assets fund represents the amount tied up in the assets.

The TSI strategy funds represents an amount to invest in the further development and implementation of the TSI's strategy which is to further invest in the training, capacity and voice of the third sector. This will include a new database, website and more staff to better support charities and community groups.

The nature and purpose of the various restricted funds are as follows:

Positive Destinations Programme:

The Positive Destinations Programme is funded by the UK Shared Prosperity Fund (UKSPF) and National Lottery funding and aims to enhance opportunities for individuals by supporting volunteering, enrichment activities, and pathways into employment and education. The programme focuses on improving the wellbeing and prospects of participants, particularly those facing barriers to entering the workforce or education. Key activities include tailored mentoring, safeguarding, volunteer management, and training, helping individuals build skills, confidence and familiarity with workplace expectations. National Lottery funding of £20,000 supports 10 referrals during the period 1 October 2025 to 30 September 2026. Funding is restricted to the delivery of the programme and the associated costs permitted under each funding agreement, with expenditure and outcomes subject to the respective funders' reporting requirements. The programme is ongoing and will continue for as long as funding is available.

Scottish Government CMHWB:

The TSI also received £285,765.57 from the Scottish Government to disburse as grants in furtherance of the aims of the Communities Mental Health and Wellbeing Fund. Objectives specific to the TSI in the execution of the duties to deliver the fund include:

1. Strengthen the role and capacity of those working to support community mental health and wellbeing, including local third sector organisations and small community groups.
2. Strengthen learning, development, and capacity building across those in receipt of this funding.
3. Build wider capacity and ensure sustainability over time.
4. Utilise an asset-based approach to working with communities to plan and co- design learning and capacity-building opportunities.
5. Minimise bureaucracy and ensure that application and monitoring processes are fit for purpose, accessible, and prevent delays in money reaching the communities that would benefit most.
6. Promote a co-production approach to developing local solutions for communities and individuals, encouraging recognised participants to work alongside new providers and partners from other sectors and ensuring that the voice of lived and living experience is at the forefront in all stages of the process.
7. Demonstrate the value of partnership working.

HSCP Collaborative Leadership

This is a £24,000 grant from Argyll and Bute HSCP Public Health, awarded to support the expansion of collaborative leadership development across Argyll and Bute as part of the Living Well programme. The funding supports the delivery of participatory leadership training (Art of Hosting), community of practice activity, and related capacity-building work through the Communities Working Together workstream. The grant is restricted to collaborative leadership development activity and extends through to March 2027.

17. Summary of funds (continued)

Paths for All/Walking Scotland

Two grants for walking development in Argyll and Bute: a £5,000 seed corn grant 2024/25, and an £11,600 grant through the Walking Scotland Walking Network Fund 2026/27. Both are restricted to walking development activity, including the Walking Development Post and associated programme delivery.

Macmillan Information & Support Grant

A £59,000 grant from Macmillan Cancer Support to support the Communities Working Together programme as part of the Living Well in Argyll and Bute strategy. The grant is restricted to non-salary programme delivery costs and cannot be used to fund staff posts directly.

NHS Highland Living Well Tier 3

A £12,000 contribution from NHS Highland / Argyll and Bute HSCP towards the Living Well programme. The funding is restricted to activity delivered under the Living Well in Argyll and Bute strategy.

NHS Health & Wellbeing Support

A £20,000 contribution from NHS Highland / Argyll and Bute HSCP towards health and wellbeing activity within the Living Well programme. The funding is restricted to activity delivered under the Living Well in Argyll and Bute strategy.

Argyll and Bute Climate Action Network (ABCAN) Seed Fund:

The TSI distributed funding through the Argyll and Bute Climate Action Network (ABCAN) to support community-led climate action. The funding, provided by the Scottish Government, is allocated in rounds as an ongoing source of funding. This initiative aims to empower local communities across Argyll and Bute to take action on climate change. The funds are targeted at projects that raised awareness of climate change, built partnerships, encouraged community-led solutions, amplified local voices for climate action, and supported the creation of a fairer, more sustainable future. Community organisations, councils, and trusts were invited to apply for funding, with all funds to be utilised by the end of the financial year. TSI's digital platform facilitated an efficient and transparent distribution process, ensuring the timely allocation of resources to projects making a real difference in the community.

Resilience Fund

The Argyll and Bute Resilience and Transformation Fund is financed through the Scottish Government's Community Led Local Development (CLLD) funding and administered locally by Argyll and Bute TSI on behalf of the Argyll and Bute Local Action Group. It provides grants of up to £10,000 to help financially viable community anchor organisations manage short-term funding pressures or transform their operating model to become more resilient and sustainable. Funding is primarily intended for operational and revenue costs, including consultancy support, temporary staffing, training, transport, utilities and volunteer expenses. It cannot be used for recoverable VAT, statutory activities, overseas travel, alcohol, gifts, electricity-generation or feed-in-tariff payments, or political, religious or campaigning activity; organisations that are already technically insolvent are also ineligible.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2026 £	Restricted funds 2026 £	Total funds 2026 £
Tangible fixed assets	5,687	-	**5,687**
Current assets	434,469	102,511	**536,980**
Creditors due within one year	(64,264)	-	**(64,264)**
Total	375,892	102,511	**478,403**

Analysis of net assets between funds - prior year

	Unrestricted funds 2025 £	*Restricted funds 2025 £*	*Total funds 2025 £*
Tangible fixed assets	*18,573*	*-*	*18,573*
Current assets	*485,960*	*97,118*	*583,078*
Creditors due within one year	*(44,180)*	*-*	*(44,180)*
Total	*460,353*	*97,118*	*557,471*

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2026 £	*2025 £*
Net income/expenditure for the year (as per Statement of Financial Activities)	**(79,068)**	*32,974*
Adjustments for:		
Depreciation charges	**12,886**	*20,497*
Increase in debtors	**(37,476)**	*(756)*
Increase/(decrease) in creditors	**20,110**	*(1,049)*
Net cash provided by/(used in) operating activities	**(83,548)**	*51,666*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

20. Analysis of cash and cash equivalents

	2026	*2025*
	£	*£*
Cash in hand	**477,340**	*560,888*

21. Analysis of changes in net debt

	At 1 April 2025	Cash flows	At 31 March 2026
	£	£	£
Cash at bank and in hand	**560,888**	**(83,548)**	**477,340**

22. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £23,807 (2025 - £9,936). Contributions of £3,018 (2025 - £2,823) remained outstanding at the balance sheet date and are included within creditors.

23. Related party transactions

The charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the charity at 31 March 2026.