

Charity registration number: SC041085

The Langholm Initiative

A Scottish Charitable Incorporated Organisation
Annual Report and Financial Statements

for the Year Ended 31 March 2024

The Langholm Initiative

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The Langholm Initiative

Reference and Administrative Details

Trustees :	Margaret Pool Daniel Lacey Eileann Bloomer John Hanrahan (resigned 9 November 2023) Campbell Scott (resigned 31 December 2023) Kevin Cumming Sue Toon Barbara Kite Mairi Telford Jammeh (appointed 12 May 2023) Mark Hallam (appointed 14 July 2023)
Charity Registration Number	SC041085
Principal Office	Buccleuch Mill Glensk Road Langholm DG13 0ES
Auditor	JRW Hogg & Thorburn, LLP Chartered Accountants 19 Buccleuch Street Hawick TD9 0HL
Solicitors	Harper MacLeod LLP The Ca'd'oro 45 Gordon Street Glasgow G1 3PE
Bankers	Co-op Bank

The Langholm Initiative

Trustees' Report

The trustees present the annual report together with the financial statements and auditors' report of the charity for the year ended 31 March 2024.

Objectives and activities

Objects and aims

Under its Constitution, the Charity's purposes are to benefit the communities of Eskdale and Liddesdale as defined by the postcode districts of DG13, DG14, and the land area of TD9 within the Tarras Valley Reserve (the Community) with the following objects:

- The advancement of education by providing a framework for local people to enhance their existing skills, to improve their potential for economic activity and/or their quality of life.
- To advancement of citizenship and community development by working with local businesses, employers and regional agencies to propagate community regeneration in the operating area by maintaining or improving the physical, social and economic environment and to assist those in the community who are at a disadvantage through social and/ or economic circumstances.
- The advancement of environmental protection and improvement through the provision of opportunities to engage with the local environment.
- The advancement of arts, heritage, culture and science by supporting participation and access to creative and cultural activities through engagement with partners and development of related projects.
- The provision of recreational facilities, or the organization of recreational activities with the objective of improving the conditions of life for the persons for whom the facilities or activities are primarily intended

During the reporting period and in pursuit of these objects the charity has successfully delivered projects, which included Langholm Information Hub; a feasibility study for the development of Townfoot Sports Centre, and the continuing development of the Tarras Valley Nature Reserve.

The development of the Tarras Valley Nature Reserve is the main delivery mechanism for the Langholm Initiative in achieving its objectives.

These projects are fully described in the Achievement and Performance section of this report.

The trustees and project staff are grateful to the funders, partners and participants that enabled the work to take place.

Use of volunteers

The organisation would not be able to meet its aims and objectives without the dedicated support of its volunteers. As mentioned previously, volunteers are a vital part of the ecological restoration activities undertaken on the nature reserve and they also provide unstinting service in support of our other activities and projects. A special mention and expression of appreciation goes to Alison and Tom Hutton who oversee our membership register and writing and delivery of our monthly newsletter respectfully.

The following is a brief overview of the statistics for our membership and volunteers:

At March 24, there were 403 full members and 374 associate members and 9 junior members. The numbers are slightly increased from previous reporting periods and the Trustees, with the support of the membership secretary are to introduce new initiatives to try and increase membership in the next reporting period.

Volunteers: Our number of hours volunteer numbers have increased considerably during the reporting period, primarily due to the support provided to our TVNR project.

Langholm Information Hub volunteers contributed over 945 hours;

TVNR volunteers contributed 650 hours;

Sports Centre Redevelopment Project volunteers contributed approximated 200 hours.

The Langholm Initiative

Trustees' Report (continued)

Achievements and performance

During the 2023-24 financial year the Langholm Initiative has placed most focus on the development of the Tarras Valley Nature Reserve.

Tarras Valley Nature Reserve

We have a small staff team dedicated to the development of the nature reserve. The team is led by Jenny Barlow Estate Manager (now Reserve Manager) and Angela Williams, Development Manager supported by Kat Mayer who leads on our engagement and education activity and Inigo Alcaniz who manages our digital media work. Cooms farm is ably managed by William Nixon and the whole team is supported by Joyce Ireland, the office and development manager for the Langholm Initiative alongside Yuliana Murray who joined us in December 2023 as our Financial Administrator. Russell Munro was taken on part time to assist the reserve manager, and we are grateful for the work that he carried out, during this time. This has highlighted the importance of this role, and the reserve assistant role is currently being reviewed as a potential Ranger Role to broaden its scope. Funding is currently being sought for this.

The Langholm Initiative

Trustees' Report (continued)

Tarras Valley Nature Reserve 5-year action plan

The staff team have carried out considerable community engagement during the year to inform the development of the Tarras Valley Nature Reserve 5-year action plan. This has involved attending over 50 events since the buy-out in 2022 including drop ins at the Co-op, attending the Langholm Producer's Market, school sessions, presentations and discussions with local groups and consulting with members and volunteers at every opportunity to help support the development of plan to ensure it reflects the aspirations of our local community. The plan will be published towards the end of 2024.

The workload of the plan falls under four main headings: people, climate, nature and sustainability.

PEOPLE

Engagement and Education Outreach

Further funding to carry on the work with over 360 young people and volunteers was achieved and continues. In the past year, the project has worked with children in Canonbie and Langholm primary schools, including Langholm Nursery and Playcare. The sessions have varied in theme and content depending on the age group, and range from curriculum linked educational activities, to more general outdoor and environmental education sessions including activities such as bushcraft, stream dipping and birdwatches.

A total of 56 John Muir awards were made to pupils from Canonbie P6 and P7, and Langholm P7 Schools either located on the reserve, or on the Castleholm. The sessions include exploring different habitats and learning about wildlife; practical tasks such as tree planting or building nest boxes, and creative tasks such as writing poetry or drawing field sketches.

With older students from Langholm Academy, we took part in employability events such as Work Ready Days and a Careers Fair. We also ran sessions with Biology and Rural Skills students to provide hands on practical sessions linked to the curriculum.

We have also hosted visits from various college and university groups including those from Exeter, Bangor and Barony, who have wanted to find out about different aspects of the project, from general community land ownership to ecological restoration or woodland management. The total number of university /college students involved was 84.

We have run many volunteer sessions over the past year with the group completing tasks such as planting trees; removing fencing and Sitka spruce and, repairing drystone walls. Average attendance has varied across the year, typically with around 6 people at each weekday session. We also introduced monthly Saturday sessions to allow people to get involved that wouldn't be available on weekdays, which have proved to be popular.

It is estimated that over 3000 engagement hours were achieved through education programme (number of individuals * session length) during the year in question.

Providing homes

We currently provide homes for 5 families on the reserve in tenanted properties as well as providing a home for our shepherd at Cooms farm. As a private land- lord we have responsibility for maintaining and managing the properties in good condition. A key issue for the future is improving the EPC ratings of the properties which given the nature of them and location will not be straightforward. Work started in 2023/24 in taking forward the feasibility for the re-development of Cronksbank Cottage to provide a high quality affordable rented home on the reserve. We hope lessons learnt from this project can be applied to other properties on the reserve.

Providing a welcome to visitors

Developing infrastructure to allow visitors to enjoy the reserve is an important area for development and with the support of South of Scotland Enterprise we took forward activity to start signage and other improvements which will be on the ground later in 2024. We worked with our local graphic designer to focus on the key gateways. Other activity included as part of this was offering guided walks training to members of the local community, purchase of visitor counters and wildlife cameras.

The Langholm Initiative

Trustees' Report (continued)

CLIMATE

Restoration of Peatland

Considerable work has been done to focus on phase 1 of peat restoration on Middlemoss Head working with the Crichton Carbon Centre. This involves works to block 36 miles of artificial moorland drains, anticipated to be delivered Autumn-Winter 2024-25. Board members and staff were given a presentation on this work by Dr Emily Taylor of the Centre and there have been excellent working arrangements established with this organisation who are nationally leading in restoration of peatlands. Options on securing capital investment for our peatland restoration have been explored.

The Langholm Initiative has been working with the Fire and Rescue Service to develop an approach to responding to wildfires on the reserve.

NATURE

Woodland Restoration

The felling of commercial plantation trees at the southern end of the reserve has brought in welcome income for the Langholm Initiative which has significantly increased / bolstered our level of general funds. Supported by Mark Seed, local forestry adviser, Tilhill were engaged to carry out the felling after community consultation had taken place. Tilhill followed best practice to carry out the work and were able to achieve it before the ecologically sensitive bird nesting season in Spring 2024.

Volunteers have continued to plant native trees on parts of the reserve, remove self-seeded Sitka spruce and ensure the tree nursery was cared for.

Funding has been received to remove self-seeded Sitka spruce on one area of the reserve, but this is a continuing challenge to manage due to the nature of some of the surrounding land-uses to the reserve.

Work with the Woodland Trust to identify an area for the creation of a native tree woodland has continued.

In Longwood halo thinning around the ancient oaks was carried out to improve their access to light and help in the long-term conservation of our ancient woodlands.

There has been some scoping to look at river restoration and this work will carry on.

SUSTAINABILITY

Properties

With the support of Investment Ready Nature Scotland funding, we have been working on the redevelopment of some of our key properties and land. A consultant was recruited to help take this project forward and we have been working with architects and other professionals to undertake research on best options for Cronsbank Farmhouse, Lodgegill and the steadings at Broomholmshiels. This is a significant piece of work and will carry on into 24/25. The aim is to start the first capital project arising out of this in 25/26. The creation of a specific designated fund during this financial year for property renovation and development is part of this plan.

Digital Journey of Landscape Restoration

The work undertaken by our digital media manager supports all the work of the reserve, capturing the work being undertaken on the ground and communicating it to our supporters particularly the ongoing monitoring of landscape change on the reserve.

The TVNR dedicated website was launched in 2023, and branding started to be used by Tarras Valley Nature Reserve. Inigo Alcaniz, our Digital Media Manager has continued to create a variety of films, a photo library and media support for the digital outreach of the Reserve which is focussed on building our audiences and sharing our message via social media, website, film and newsletters. Inigo also worked with the Carbon Crichton Centre using the drone to map the peatland drains on Middlemoss to support site survey and helping to monitor landscape change. This involved considerable time but is valuable in identifying the location of all of the drains in that area of the reserve to support our site restoration work. Filming of specific species such as barn owls has been carried out and footage uploaded to YouTube and there are plans to expand and diversify our wildlife filming over the coming year.

The Langholm Initiative

Trustees' Report (continued)

Other Langholm Initiative activity

Langholm Information Hub

The Langholm Information Hub moved to the kiosk at the Kilngreen (north end of Langholm) following its renovation in the spring of 2023. Volunteers continue to provide information and advice to both visitors and local people. Many enquiries from visitors are about Tarras Valley and a sightings board is also on display and regularly updated with what birds and wildlife have been spotted.

Townfoot Sports Centre Redevelopment Project

Activity remained low on the project during the reporting period. This was in part due to loss of momentum post Covid pandemic and availability and prioritisation of activities by the working group volunteers. During the second half of 2023 the project commissioned its architect to develop further design sketches for a scaled down design with the aim of simplifying and providing confidence in support of a planning consent submission. However, after detailed discussions with SEPA and Dumfries and Galloway flood risk management team (FRMT) it became very clear that any extension beyond the existing building footprint would require a comprehensive flood risk assessment (FRA) to comply with updated planning regulations and climate change considerations for an FRA. As such any planning application would still raise significant objections from SEPA and FRMT. Therefore, the project decided not to proceed with the scaled down redevelopment (with a building extension).

During the next reporting period the project is going to assess the viability of redevelopment using the existing footprint (this will not require an FRA) and although this will require some compromise on the facilities, we originally envisaged it will nonetheless include a swimming pool and we believe will still add and provide benefit to our community.

Partners

Our partners are key to our work, and we have established good working relationships with local organisations, regional bodies, educational institutions and national organisations and we have taken part in several research projects and hosted visits to the town and the reserve.

We have participated in the Langholm Community Forum which brings together several third sector organisations in Langholm and is co-ordinated by the Langholm Alliance. This is a useful opportunity to share information. The Langholm Alliance has refreshed the Langholm community plan to ensure it included mention of the Tarras Valley Nature Reserve.

We keep our funders updated on a regular basis as well as our members by producing regular newsletters (both from the Initiative and the reserve) and are supported in that activity by a local volunteer.

STRATEGIC REPORT

Overall Business Plan

The Langholm Initiative was created by the community for the community. In straitened economic times, the need for the Langholm Initiative to provide support for the communities of Eskdale has increased as funding opportunities reduce. The important work that we as a community development trust can realistically carry out with the community is threatened by a reduction in available resources. We seek to position our organisation as a self-sustaining, income generating community support vehicle, able to operate in a way that will multiply opportunities and deliver greater benefits.

To support the above, in addition to the Tarras Valley 5- year action plan, running parallel is the overall business plan of the Langholm Initiative. This is a 'live' document and is subject to an annual review of performance against targets and an update within the 5-year cycle; the next review and update to the plan (if so required) will be undertaken in the first half of 2025. To ensure good financial management and robust structures the organisation has employed consultants to assist and advise on appropriate processes this started in 23/24 but has mainly taken place in 2024/25.

Further details of the planned strategy and The Langholm Initiative Business Plan can be found on our website: .

<https://www.langholminitiative.org.uk/governance>

The Langholm Initiative

Trustees' Report (continued)

Financial review

At the end of the reporting period the total funds the charity holds is £7,448,527 (2023 - £6,703,661). Of this, the amount of funds that are restricted and not available for general purpose of the charity amounts to £7,299,879 (2023 - £6,649,963).

There was an increase in unrestricted funds for the year of £94,950 (2023 - decrease of £756) leaving net assets of £148,648 (2023 - £53,698) relating to unrestricted funds.

Expenditure

Total expenditure in 2024 was £680,512 (2023 - £441,597). Just under a third of this spend was on staff costs £227,810 (2023 - £180,332). £452,702 (2023 - £224,766) was spent directly on charitable activities including support costs.

Policy on reserves

A Charity's reserves are made up of unrestricted and restricted funds. Restricted funds are those received with conditions imposed by the donor as to their use. Unrestricted funds are those received with no conditions attached. Trustees may earmark part of the Charity's unrestricted funds to be used for specific purposes in the future. These are called designated funds and are accounted for separately. General reserves are those funds within unrestricted funds which have not been designated.

The purpose of a general reserves is to absorb peaks and troughs in income and expenditure over the course of a year.

The level of general reserves of the organisation has been reviewed and the Trustees consider that a general reserve fund equivalent to six months expenditure is a prudent level of reserves to maintain. Based on management information a level of £100,000 is considered necessary to ensure that future commitments will be met or to pay redundancies. Salary levels have been increased as have running costs and we need to be taking this into account in agreeing the level of operational reserves required.

General reserves 2024 2023

Lower limit £100,000 £60,000

Upper Limit £100,000 £60,000

ACTUAL GENERAL RESERVES HELD at 31 March £142,146 £53,698

Further details of the Charity's funds are given in note 23 to the accounts.

Designated fund

As mentioned above, using some of the net trading income arising from the lower Tarras valley felling operations, the Board has agreed to create a specific designated fund for the development and renovation of the properties. Accordingly £250,000 will be ringfenced for the property improvements. The finance sub-group leads on this and will make recommendations to the board as to the amounts and any variation of purpose as the project develops.

The finance subgroup

As the acting treasurer stepped down from the Board in December 2023, rather than appoint an individual it was agreed to create a finance sub-group. The remit of this group is to cover the financial governance of the company. No decisions are taken at this level but matters requiring Board approval are presented to the Board at the monthly Board meetings. This more integrated way of working, comprising staff and board members each having a different range of specific skill sets is working well. It includes one Board member who has a financial background and who brings considerable knowledge and skills to the work required.

Funds in deficit

There are no funds in deficit.

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Trustees' Report (continued)

Principal funding sources

The total income for 2024 was £1,425,378. This is comprised of donations of £105,772, grants £444,404, rental income £64,127 and income derived from trading activities £811,075 of which £697,830 derives from the one-off sale of timber relating to the lower Tarras Valley.

Investment policy and objectives

The charity holds investments as part of its reserves. These comprise investment properties that are let on tenancy agreements and Basic Payment Scheme Entitlements. The trustees aim to maximise the returns from these assets.

Plans for future periods

Aims and key objectives for future periods

Overall Business Plan

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Activities planned to achieve aims

Management accounts

The charity is in the process of developing a management accounts system in order to monitor spend carefully and ensure we operate within our means. Support has been accessed to assist with this and staff training has been carried out. A date for training of the board members has been set and this will enable a better understanding and appreciation of the finance operations.

In creating the management accounting database, the plan is to distinguish between those projects underpinning the unrestricted funds and the restricted funds and to monitor the monthly movement on each project to highlight any unexpected variances for future investigation.

Going concern

The trustees consider that the charity is a going concern.

The Langholm Initiative

Trustees' Report (continued)

Structure, governance and management

Nature of governing document

As a Scottish Charitable Incorporated Organisation, the company is bound by the terms of its constitution and has to follow Scottish charitable law. It reports to the Office of the Scottish Charity Regulator (OSCR) on an annual basis. A SCIO is a legal form unique to Scotland and enable Langholm Initiative to enter into contracts, employ staff, incur debts, own property, sue and be sued.

Policies and Procedures

The Trustees recognise the importance of financial controls and reporting. The finance policies and procedures are provided within the Finance Policy Manual and this ensures that the organisation manages its finances and resources effectively and all in accordance with regulatory requirements.

Recruitment and appointment of trustees

The constitution states that the maximum number of trustees is 12, of which no more than 10 shall be Member Trustees and no more than 3* shall be Co-opted Trustees. Ordinary member trustees must form a majority of the charity trustees in office.

* Note - a resolution proposed by the Trustees and adopted by the members at the AGM on 10th May 2023 increased the number of permissible Co-opted Trustees from 2 to 3.

Recruitment of member trustees - in accordance with clause(s) 88-93 at each AGM, the ordinary members may nominate and elect any member to be a member trustee. The board may at any time appoint a member to be a charity trustee. The board may also at any time appoint any non-member of the SCIO to be a charity trustee either on the basis that they have been nominated by a body with which the SCIO has close contact during its activities or on the basis that they have specialised experience and/or skills which could be of assistance to the board.

Induction and training of trustees

Appointment of trustees - notwithstanding ordinary members right to be able to nominate new trustees at an AGM (or EGM) to date the organisation has not had to advertise for recruitment of trustees and recruitment has primarily relied on members putting themselves forward or trustees identifying members who have indicated interest in becoming a trustee. Potential candidates are invited to attend a board meeting where they can learn more about the role and if there is mutual interest, a resolution is raised to appoint as a trustee; such appointments are duly recorded in the board minutes of meeting and the trustee register is updated accordingly.

Appointment to office - in accordance with Clause(s) 101 to 104, the charity trustees will elect the office bearers of Chair and Treasurer (and further positions if they consider appropriate) from amongst themselves. A person elected to any office shall automatically cease to hold that office if they cease to be a charity trustee or provide notice of resignation.

In December 2023 the previous Chair stepped down from the Board and a new Chair for the organisation was appointed.

The Langholm Initiative is supported by an external accountant and due to its level of income is now audited externally annually. Early in 2024 it was agreed to seek advice and support to create management accounts so that budgets could be developed and finances monitored more effectively. The organisation is aware of the challenges for organisations such as this which have grown very quickly in terms of financial management.

Development of board members

Some development opportunities for board members have been accessed including attendance at conferences, visits to other projects and facilitated workshops. This will continue to ensure all board members are able to participate fully in managing the organisation and its staff and monitor progress against plans.

The Langholm Initiative

Trustees' Report (continued)

Arrangements for setting key management personnel remuneration

Living Wage Employer Accreditation

Established by The Poverty Alliance, Living Wage Scotland works in partnership with the Living Wage Foundation and is funded by the Scottish Government. The Langholm Initiative applied for and were pleased to be accredited as a 'Living Wage Employer' in February 2023. The benefits of having accreditation are that it is good for our staff, it is good for business, and it is good for society overall.

Fair Work Employer

The Trustees completed the fair work employer assessment tool in February 2023. The assessment report was favourable and complimentary to the organisation and the organisation plans to re-take the assessment (to assess progress) during 2024.

Organisational structure

Responsibility for managing the charity lies with the Trustees.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

Funds held as custodian trustee on behalf of others

No assets are held on behalf of other organisations.

Creditor payment policy

It is policy to pay invoices within the stated payment terms.

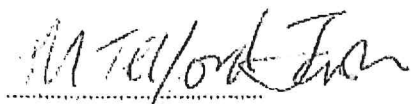
Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

The annual report was approved by the trustees of the charity on 20 December 2024 and signed on its behalf by:



Barbara Kite
Trustee



Mairi Telford-Jamrach
Trustee

The Langholm Initiative

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.


The law applicable to charities requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

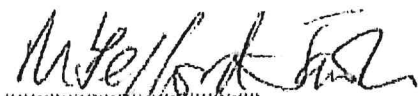
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the applicable Charities Accounts (Scotland) Regulations 2006, and the provisions of the constitution. The trustees 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 20 December 2024 and signed on its behalf by:



Barbara Kite
Trustee



Mairi Telford Jammeh
Trustee

The Langholm Initiative

Independent Auditor's Report to the Members of The Langholm Initiative

Opinion

We have audited the financial statements of The Langholm Initiative (the 'charity') for the year ended 31 March 2024, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024 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 Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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Independent Auditor's Report to the Members of The Langholm Initiative (continued)

- adequate 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 11), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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Independent Auditor's Report to the Members of The Langholm Initiative (continued)

Identifying and assessing potential risks relating to irregularities

Enquiring with management and trustees, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances on non-compliance;
 - Detecting and responding to the risks of fraud and whether they have any knowledge of any actual, suspected or alleged fraud; and
 - The internal processes established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Discussing with the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

Obtaining an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a direct effect on the financial statements. These areas were identified through enquiries with trustees, management and our knowledge and understanding of the charity accumulated throughout the audit and our sector-specific experience.

Audit responses to risks identified

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud.

In addition to the above, our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing and supporting documentation to assess compliance with relevant laws and regulations identified as having a direct effect on the financial statements;
- Performing analytical procedures to identify and unusual or unexpected relationships that may indicate the risk of material misstatement due to fraud;
- Reading minutes of trustee meetings;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

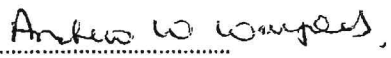
We also communicated relevant laws and regulations identified as potential fraud risks to all the engagement team members and remained vigilant to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity trustees, as a body, in accordance with Regulation 10 of the 2006 Accounts Regulations. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to trustees 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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.


.....
Andrew W Wayness (Senior Statutory Auditor)
For and on behalf of JRW Hogg & Thorburn, LLP
19 Buccleuch Street
Hawick
TD9 0HL

Date: 27-12-2024

The Langholm Initiative

Statement of Financial Activities for the Year Ended 31 March 2024

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
Income and Endowments from:				
Donations and legacies	2	302	549,874	550,176
Charitable activities	3	27,216	-	27,216
Other trading activities	4	-	772,851	772,851
Investment income	5	6,344	75	6,419
Other income	6	<u>6,780</u>	<u>61,936</u>	<u>68,716</u>
Total income		<u>40,642</u>	<u>1,384,736</u>	<u>1,425,378</u>
Expenditure on:				
Raising funds	7	6,302	(6,700)	(398)
Charitable activities	8	<u>(51,994)</u>	<u>(628,120)</u>	<u>(680,114)</u>
Total expenditure		<u>(45,692)</u>	<u>(634,820)</u>	<u>(680,512)</u>
Net (expenditure)/income		(5,050)	749,916	744,866
Gross transfers between funds		<u>100,000</u>	<u>(100,000)</u>	<u>-</u>
Net movement in funds		94,950	649,916	744,866
Reconciliation of funds				
Total funds brought forward		<u>53,698</u>	<u>6,649,963</u>	<u>6,703,661</u>
Total funds carried forward	23	<u>148,648</u>	<u>7,299,879</u>	<u>7,448,527</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
Income and Endowments from:				
Donations and legacies	2	586	2,030,211	2,030,797
Charitable activities	3	28,626	-	28,626
Investment income	5	8,723	-	8,723
Other income	6	<u>3,947</u>	<u>-</u>	<u>3,947</u>
Total income		<u>41,882</u>	<u>2,030,211</u>	<u>2,072,093</u>
Expenditure on:				
Raising funds		(2,753)	-	(2,753)
Charitable activities	8	<u>(37,641)</u>	<u>(401,203)</u>	<u>(438,844)</u>
Total expenditure	7	<u>(40,394)</u>	<u>(401,203)</u>	<u>(441,597)</u>
Net income		1,488	1,629,008	1,630,496
Gross transfers between funds		<u>(2,244)</u>	<u>2,244</u>	<u>-</u>
Net movement in funds		(756)	1,631,252	1,630,496
Reconciliation of funds				
Total funds brought forward		<u>54,454</u>	<u>5,018,711</u>	<u>5,073,165</u>
Total funds carried forward	23	<u>53,698</u>	<u>6,649,963</u>	<u>6,703,661</u>

All of the charity's activities derive from continuing operations during the above two periods.

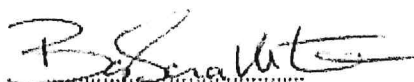
The funds breakdown for 2023 is shown in note 23.

The Langholm Initiative

(Registration number: SC041085)
Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	16	12,182	17,149
Tangible assets	17	4,404,335	4,421,365
Investments	18	<u>1,480,607</u>	<u>1,480,788</u>
		<u>5,897,124</u>	<u>5,919,302</u>
Current assets			
Stocks	19	219,660	213,158
Debtors	20	481,810	80,808
Cash at bank and in hand	21	<u>1,019,831</u>	<u>523,200</u>
		1,721,301	817,166
Creditors: Amounts falling due within one year	22	<u>(169,898)</u>	<u>(32,807)</u>
Net current assets		<u>1,551,403</u>	<u>784,359</u>
Net assets		<u>7,448,527</u>	<u>6,703,661</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	23	7,299,879	6,649,963
Unrestricted income funds			
Unrestricted funds		<u>148,648</u>	<u>53,698</u>
Total funds	23	<u>7,448,527</u>	<u>6,703,661</u>

The financial statements on pages 15 to 32 were approved by the trustees, and authorised for issue on 20 December 2024 and signed on their behalf by:



Barbara Kite
Trustee

The Langholm Initiative

Cash Flow Statement for the Year Ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash income		744,866	1,630,496
Adjustments to cash flows from non-cash items			
Depreciation	7	41,970	37,003
Amortisation	7	5,967	5,717
Investment income	5	(6,419)	(8,723)
Loss on disposal of tangible fixed assets		675	-
		787,059	1,664,493
Working capital adjustments			
Increase in stocks	19	(6,502)	(211,358)
(Increase)/decrease in debtors	20	(401,002)	133,135
Increase/(decrease) in creditors	22	137,091	(3,113)
Net cash flows from operating activities		516,646	1,583,157
Cash flows from investing activities			
Interest receivable and similar income	5	6,419	8,723
Purchase of intangible fixed assets	16	(1,000)	(22,866)
Purchase of tangible fixed assets	17	(27,740)	(1,836,504)
Sale of tangible fixed assets		2,125	-
Purchase of investments	18	-	(254,621)
Sale of investments		181	-
Net cash flows from investing activities		(20,015)	(2,105,268)
Net increase/(decrease) in cash and cash equivalents		496,631	(522,111)
Cash and cash equivalents at 1 April		523,200	1,045,311
Cash and cash equivalents at 31 March		1,019,831	523,200

All of the cash flows are derived from continuing operations during the above two periods.

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with 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 October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Accounts (Scotland) Regulations 2006.

Basis of preparation

The Langholm Initiative meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The accounts are presented in £ and are rounded to the nearest £1.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Gift aid

Gift aid claims are submitted on a regular basis. Income from gift aid is recognised on an as received basis.

Investment income

Interest on deposits is recognised on an as received basis.

Rental income is recognised on an invoice basis.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

Charitable activities

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

Grant expenditure

Grants are made to relevant projects that meet the aims and objectives of the charity.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Irrecoverable VAT

Irrecoverable VAT is charged against the Statement of Financial Activities.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Intangible assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Website costs	25% straight line

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Buildings	2% straight line
Property improvements	33.33% straight line
Plant and machinery	20% straight line

Investment properties

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the charity. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Livestock is valued at fair value less selling costs.

Other stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if they do not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

Fund structure

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Hire purchase and finance leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and other post retirement obligations

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

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in subsidiaries and associates are measured at cost less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from individuals	302	105,470	105,772
Grants, including capital grants;			
Government grants	-	444,404	444,404
Total for 2024	302	549,874	550,176
Total for 2023	586	2,030,211	2,030,797

3 Income from charitable activities

	Unrestricted funds General £	Total 2024 £	Total 2023 £
	27,216	27,216	28,626
	27,216	27,216	28,626

4 Income from other trading activities

	Restricted funds £	Total funds £
Trading income;		
Sales of goods and services	772,851	772,851
Total for 2024	772,851	772,851

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

5 Investment income

	Unrestricted funds General £	Restricted funds £	Total funds £
Interest receivable and similar income; Interest receivable on bank deposits	6,344	75	6,419
Total for 2024	6,344	75	6,419
Total for 2023	8,723	-	8,723

6 Other income

	Unrestricted funds General £	Restricted funds £	Total funds £
Fees and supplies	1,972	-	1,972
Rental income	4,808	61,936	66,744
Total for 2024	6,780	61,936	68,716
Total for 2023	3,947	-	3,947

7 Expenditure on raising funds

	Direct costs £	Total costs £
Costs of trading activities	6,900	6,900
Total for 2024	6,900	6,900
Total for 2023	2,753	2,753

8 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Charitable Activities	23,338	355,775	379,113
Depreciation, amortisation and other similar costs	10,060	38,552	48,612
Staff costs	7,273	220,537	227,810
Allocated support costs	789	8,920	9,709
Governance costs	10,534	4,336	14,870
Total for 2024	51,994	628,120	680,114
Total for 2023	37,641	401,203	438,844

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

9 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Restricted funds £	Total funds £
Audit fees			
Audit of the financial statements	5,020	-	5,020
Other governance costs	5,514	4,336	9,850
Total for 2024	10,534	4,336	14,870
Total for 2023	6,100	4,500	10,600

10 Grant-making

Analysis of grants

Analysis

Supporting Communities Funding

**Grants to
institutions
2023
£**

20,403

The support costs associated with grant-making are £Nil (31 March 2023 - £Nil).

11 Net incoming/outgoing resources

Net incoming resources for the year include:

	2024 £	2023 £
Operating leases - other assets	2,550	2,550
Audit fees	5,020	6,000
Loss on disposal of tangible fixed assets	675	-
Depreciation of fixed assets	47,937	37,003
Amortisation	5,967	5,717

12 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

13 Staff costs

The aggregate payroll costs were as follows:

	2024 £	2023 £
Staff costs during the year were:		
Wages and salaries	200,559	164,262
Social security costs	13,291	11,792
Pension costs	10,884	4,268
Other staff costs	3,076	-
	<u>227,810</u>	<u>180,322</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2024 No	2023 No
Projects	6	5
Administration	1	1
	<u>7</u>	<u>6</u>

7 (2023 - 6) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £10,884 (2023 - £4,268).

No employee received emoluments of more than £60,000 during the year

14 Auditors' remuneration

	2024 £	2023 £
Audit of the financial statements	<u>5,020</u>	<u>6,000</u>

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

15 Taxation

The charity is a registered charity and is not subject to corporation tax arising from its trading activities.

16 Intangible fixed assets

	Website £	Total £
Cost		
At 1 April 2023	22,866	22,866
Additions	1,000	1,000
At 31 March 2024	23,866	23,866
Amortisation		
At 1 April 2023	5,717	5,717
Charge for the year	5,967	5,967
At 31 March 2024	11,684	11,684
Net book value		
At 31 March 2024	12,182	12,182
At 31 March 2023	17,149	17,149

17 Tangible fixed assets

	Freehold land and farm buildings £	Plant, machinery and sundry office equipment £	Other tangible fixed asset £	Total £
Cost				
At 1 April 2023	4,291,138	168,583	12,260	4,471,981
Additions	-	27,740	-	27,740
Disposals	-	(3,500)	-	(3,500)
At 31 March 2024	4,291,138	192,823	12,260	4,496,221
Depreciation				
At 1 April 2023	3,400	34,956	12,260	50,616
Charge for the year	3,400	38,570	-	41,970
Eliminated on disposals	-	(700)	-	(700)
At 31 March 2024	6,800	72,826	12,260	91,886
Net book value				
At 31 March 2024	4,284,338	119,997	-	4,404,335
At 31 March 2023	4,287,738	133,627	-	4,421,365

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

18 Fixed asset investments

	2024	2023
	£	£
Investment properties	1,400,000	1,400,000
Shares in group undertakings and participating interests	1	1
Other investments	<u>80,606</u>	<u>80,787</u>
	<u><u>1,480,607</u></u>	<u><u>1,480,788</u></u>

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2023	<u>1,400,000</u>
Provision	
At 31 March 2024	<u>-</u>
Net book value	
At 31 March 2024	<u><u>1,400,000</u></u>
At 31 March 2023	<u><u>1,400,000</u></u>

There has been no valuation of investment property by an independent valuer.

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2023	1	1
At 31 March 2024	1	1
Net book value		
At 31 March 2024	1	1
At 31 March 2023	1	1

Other investments

	Basic Payment Scheme Entitlement £	Total £
Cost or Valuation		
At 1 April 2023	80,787	80,787
Disposals	(181)	(181)
At 31 March 2024	80,606	80,606
Net book value		
At 31 March 2024	80,606	80,606
At 31 March 2023	80,787	80,787

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2024	2023	
Subsidiary undertakings					
The Langholm Initiative Trading Company Ltd Buccleuch Mill, Glenesk Road, Langholm, DG13 0ES	Scotland	Ordinary	100%	100%	dormant

The profit for the financial period of The Langholm Initiative Trading Company Ltd was £Nil (2023 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £Nil (2023 - £Nil).

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

19 Stock

	2024	2023
	£	£
Raw materials	1,077	1,110
Finished goods	<u>218,583</u>	<u>212,048</u>
	<u><u>219,660</u></u>	<u><u>213,158</u></u>

20 Debtors

	2024	2023
	£	£
Trade debtors	460,836	15,493
VAT recoverable	-	3,986
Other debtors	<u>20,974</u>	<u>61,329</u>
	<u><u>481,810</u></u>	<u><u>80,808</u></u>

21 Cash and cash equivalents

	2024	2023
	£	£
Cash at bank	<u>1,019,831</u>	<u>523,200</u>

22 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	7,735	14,199
Other taxation and social security	4,026	4,093
Other creditors	87,916	-
Pension scheme creditor	1,644	1,534
Accruals	<u>68,577</u>	<u>12,981</u>
	<u><u>169,898</u></u>	<u><u>32,807</u></u>

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

23 Funds

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Unrestricted funds					
<i>General</i>					
General fund	29,891	39,439	(43,849)	100,000	125,481
Contingency	20,869	-	-	-	20,869
Langholm Information Hub	2,938	1,203	(1,843)	-	2,298
	<u>53,698</u>	<u>40,642</u>	<u>(45,692)</u>	<u>100,000</u>	<u>148,648</u>
Restricted funds					
Inspiring Engagement in Nature A Digital Journey of Landscape Restoration	16,336	7,636	(23,972)	-	-
Moorland Commemorations	34,192	100,000	(47,607)	-	86,585
Tarras Valley Nature Reserve	5,000	-	-	-	5,000
Tour O' the Moor	6,415,737	952,042	(283,345)	(350,000)	6,734,434
Rethink Carbon	613	300	(745)	-	168
Driving Lessons	115,216	-	(28,785)	-	86,431
Sports Centre Feasibility Study	319	-	-	-	319
Supporting Communities Funding	426	-	-	-	426
Development Manager Role	4,598	-	(4,598)	-	-
Enthuse/TVNR Website	1,905	50,000	(51,590)	-	315
Estate Manager Role	1,206	-	(406)	-	800
Office Manager Role	22,503	41,000	(40,816)	-	22,687
Restoring Peatland & Wetland Birds	11,912	41,003	(40,145)	-	12,770
Tarras Valley Education & Engagement	20,000	-	(144)	-	19,856
Public Areas Maintenance	-	54,927	(28,783)	-	26,144
Shared Prosperity	-	1,250	(320)	-	930
Rotary	-	22,333	(12,924)	(9,409)	-
IRNS	-	6,245	(5,745)	-	500
SEA Tourism	-	96,000	(58,375)	9,409	47,034
D & G Climate Hub	-	1,000	-	-	1,000
Ancient Woodlands Restoration	-	1,000	-	-	1,000
Property development and renovation	-	10,000	(6,520)	-	3,480
	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
Total restricted funds	<u>6,649,963</u>	<u>1,384,736</u>	<u>(634,820)</u>	<u>(100,000)</u>	<u>7,299,879</u>
Total funds	<u>6,703,661</u>	<u>1,425,378</u>	<u>(680,512)</u>	<u>-</u>	<u>7,448,527</u>

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2023 £
Unrestricted funds					
<i>General</i>					
General fund	31,819	37,327	(36,538)	(2,717)	29,891
Contingency	20,869	-	-	-	20,869
Langholm Information Hub	1,766	4,159	(2,920)	(67)	2,938
Wild Eskdale Tours	-	-	(460)	460	-
The Kiosk	-	396	(476)	80	-
	<u>54,454</u>	<u>41,882</u>	<u>(40,394)</u>	<u>(2,244)</u>	<u>53,698</u>
Restricted					
Digital Skills	9,140	-	(12,175)	3,035	-
Textiles Eskdale	2,256	-	-	(2,256)	-
Inspiring Engagement in Nature	11,382	39,733	(34,779)	-	16,336
Phase 2 Langholm Moor Buy Out	632,737	1,630,436	(13,602)	(2,249,571)	-
A Digital Journey of Landscape Restoration	74,283	1	(40,092)	-	34,192
Moorland Commemorations	5,000	-	-	-	5,000
Tarras Valley Nature Reserve	4,139,454	194,799	(168,087)	2,249,571	6,415,737
Tour O' the Moor	459	300	(146)	-	613
Rethink Carbon	144,000	-	(28,784)	-	115,216
Driving Lessons	-	-	(120)	439	319
Sports Centre Feasibility Study	-	-	(600)	1,026	426
Supporting Communities Funding	-	25,001	(20,403)	-	4,598
Development Manager Role	-	33,675	(31,770)	-	1,905
Enthuse/TVNR Website	-	1,206	-	-	1,206
Estate Manager Role	-	49,200	(26,697)	-	22,503
Office Manager Role	-	35,860	(23,948)	-	11,912
Restoring Peatland & Wetland Birds	-	20,000	-	-	20,000
Total restricted funds	<u>5,018,711</u>	<u>2,030,211</u>	<u>(401,203)</u>	<u>2,244</u>	<u>6,649,963</u>
Total funds	<u>5,073,165</u>	<u>2,072,093</u>	<u>(441,597)</u>	<u>-</u>	<u>6,703,661</u>

The trustees have reviewed the surplus arising from forestry operations within the Tarras Valley Nature Reserve fund and they have decided to designate £250,000 of this surplus to be used for future property renovation and development. In addition, the trustees have allocated £100,000 of this surplus to unrestricted general funds to be used in future periods to cover core costs.

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

24 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2024 £
Intangible fixed assets	-	12,182	12,182
Tangible fixed assets	-	4,404,335	4,404,335
Fixed asset investments	4,671	1,475,936	1,480,607
Current assets	309,415	1,411,886	1,721,301
Current liabilities	(165,438)	(4,460)	(169,898)
Total net assets	148,648	7,299,879	7,448,527
	Unrestricted funds General £	Restricted funds £	Total funds at 31 March 2023 £
Intangible fixed assets	-	17,149	17,149
Tangible fixed assets	420	4,420,945	4,421,365
Fixed asset investments	4,852	1,475,936	1,480,788
Current assets	76,773	740,393	817,166
Current liabilities	(28,347)	(4,460)	(32,807)
Total net assets	53,698	6,649,963	6,703,661

25 Related party transactions

There were no related party transactions for the year ended 31st March 2024.

26 Standard Security

The charity has granted a standard security over part of Langholm Moor in favour of The Woodland Trust as part of an agreement relating to the Langholm Initiative's obligations for the planting of a new native woodland reserve.