

**REGISTERED CHARITY NUMBER: SC041085**

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2023  
FOR  
THE LANGHOLM INITIATIVE**

**THE LANGHOLM INITIATIVE**

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FOR THE YEAR ENDED 31ST MARCH 2023**

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**THE LANGHOLM INITIATIVE**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

The trustees present their report with the financial statements of the charity for the year ended 31st March 2023. The trustees have adopted the provisions of 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).

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

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

- the advancement of education;
- the advancement citizenship and community development;
- the advancement of environmental protection and improvement;
- the advancement of arts, heritage, culture and science; and
- the provision of recreational facilities, or the organization of recreational activities.

During the reporting period and in pursuit of these objects the charity has successfully delivered projects, which included Digital Skills; Langholm Information Hub; a feasibility study for the re-development of Townfoot Sports Centre, and the Community Buy-out of Langholm Moor, which includes ongoing creation of the Tarras Valley Nature Reserve™.

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.

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**STRATEGIC REPORT**

**Achievement and performance**

**Charitable activities**

By the end of March 2023, The Langholm Initiative had seen major changes within the past financial year. As like the rest of the country, post pandemic, we were all learning to adjust and adapt. It was a challenging, and a very busy year with all the ongoing projects, but one that the Trustees, Volunteers and members of staff met with great excitement and enthusiasm.

The following pages provides an overview of our key charitable activities.

**Tarras Valley Nature Reserve (TVNR™)**

2022-2023 was another busy year for the TVNR™ team who are led by Development Manager Angela Williams and Estate Manager Jenny Barlow. The year started with continued focus on securing the funding for the purchase of the Northern estate, keeping the momentum up on the crowd funder and liaising with potential funders. Our continuing thanks to Richard Bunting who continued, on a volunteer basis, to support our fundraising efforts with his media and public relations activity.

Securing the £2.2mm needed for the purchase of the Northern estate was a priority in the first 4 months of the year. Scottish Land Fund (SLF) funding was secured in June 2022 and the crowd funder continued to attract donations from far and wide. We were constantly amazed at the people who offered support, from a charity gig in Edinburgh by a local musician to the raffle of ceramics and woodwork from local artists. Funders including the John Muir Trust, Ann Reece, Alex Gerko along with an anonymous donor helped us achieve our target at the end of July and our thanks go to every one of them.

The legal purchase of the Northern estate was completed on the 4th November 2022 and we took ownership of a further 5,300 acres, which included Tarras Lodge, Lodgegill and Cooms farm properties. As part of the transfer of undertakings protection of employment rights, Cooms farm shepherd, William Nixon joined the team and we were really pleased to welcome him on board, his knowledge is essential in managing the farm and livestock. Our thanks to the team at Buccleuch Estates for making this transfer as easy as possible.

Taking on the farm was a high learning curve for all involved, and we thank Laurance Gould for their services as farm advisor and helping us navigate the world of agricultural subsidies. We also welcomed the chance to meet our new tenants at Tarras Lodge.

Alongside the fundraising, work continued on the day to day running of the reserve: track repairs, housing maintenance and demand survey, tree risk assessments, insurance, budgets, grazing leases, surveys etc. We continued to engage with our supporters throughout the year through webinars and newsletters; hosted visits and student research project and took part in interviews and podcasts. Community engagement continued to be a fundamental part of our work and we presented to many local groups, took stalls at Love Langholm markets and the staff team worked hard to make sure the community had the opportunity to get engaged with the reserve. We developed good working relationships with other local partners such as Langholm Alliance, Creation Mill and Xcel Project. We support the local tourism group and are an active member of the Langholm Community Forum.

Discussions were ongoing throughout the year with various partners e.g. Carbon Crichton centre regarding the scope for peatland restoration and the potential to receive income from carbon credits. Going forward the peatland restoration activity will allow us to make a small contribution to the mitigation of climate change.

The Woodland Trust continued to support us on many projects throughout the year including the ancient tree inventory, starting the design process for a new native woodland, establishing a tree nursery, submitting felling licenses, scrutinising third party planting schemes that would impact on the reserve and contributing time to a partnership bid to the Nature Recovery fund.

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Work has started on the planning work for the development of our TVNR™ 5 year action plan, a key document for us moving forward, allowing us to refresh our mandate from the community and further details will be provided in the next reporting period.

**Inspiring Engagement in Nature**

This project falls under the umbrella of the overall TVNR™ project and is managed on a day-to-day basis by our engagement officer, Kat Mayer. The project provided a full programme of educational activities for local schools including young people's participation in the John Muir awards. Kat also managed the programme for our local volunteers who continue to do sterling work on the reserve, from removing invasive self-seeding sitka, unwanted fencing, tree planting and more. Local children also benefitted from summer holiday activities such as wildlife watch. Our volunteer work expanded to include our first corporate volunteer day with Arcadis volunteers.

**Digital Journey of Landscape Restoration**

This project falls under the umbrella of the overall TVNR™ project and is managed on a day-to-day basis by Inigo Alcaniz who replaced our previous manager Stuart Spray in October 2022. Inigo took over the development and management of the new TVNR™ website from Stuart. Inigo successfully completed his training to fly and operate the drone and its associated equipment. Inigo also took on responsibility for the TVNR™ social media accounts and analysing them and expanding them and building up a file of stock images for the reserve.

The new and dedicated TVNR™ website can be found here: <https://www.tarrasvalleynaturereserve.org/>

**Langholm Information Hub**

The Langholm Information Hub (LIH) started off the visitors season in early March 2022 and ran through until the 23rd December 2022 when operations were shut down for the winter break. Although visitor numbers had increased over the summer period they had not recovered to pre-pandemic figures.

The recent community buy-out of Langholm Moor (TVNR™), along with the regular art exhibitions from local artists, has proven to be an attraction to all visitors.

Just before the winter break the LIH team was approached by the owner of the Welcome to Langholm premises, who gave notice that the building was due for refurbishment over the coming months and as such would not be available for LIH when it opened for the 2023 season. Alternative premises were considered but unfortunately, none of these were disabled friendly. Since the duration of the refurbishment was unknown the Langholm Initiative board took the decision to relocate the LIH to the Kiosk at the Kilngreen prior to the start of the 2023 season. The Kiosk had been obtained as part of the moor buyout and previously operated as a seasonal information centre during the early 2000s.

The new base is situated next to the largest car park in the town, which boasts several newly installed car charging points and all-day free parking. It is very popular with the increasing number of walkers.

Before moving in the premises underwent a re-vamp with the installation of a very basic kitchen area, a coffee dispensing machine and an electric wall heater and, learning from past experience, CCTV was also installed as a security measure.

The opening date (3rd April) for the spring season was postponed on several occasions because of unanticipated glitches, mainly associated with the water supply. Although the premises has a smaller footprint than the previous location at Welcome to Langholm, it is none-the-less establishing itself as a very helpful centre for visitors to the town.

The operation and running of the LIH would not be possible without dedication and support from the duty volunteers and the Langholm Initiative expresses thanks and appreciation to all.

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**Townfoot Sports Centre Redevelopment**

Momentum with this project slipped during the Covid pandemic and unfortunately there has been little significant progress during this reporting period. Following completion of the initial design feasibility study in March 2021 the viability of the project was reviewed and re-assessed primarily due to the higher-than-expected capital expenditure and the uncertainty around receiving planning consent due flood plain risk issues. During this reporting period the project re-scaled the project and developed a new capital cost in the region of £2.6m, which would equate to approx. £3.5m ~ £4m when professional fees and design aspects are considered. At time of writing this report the project team continues to work on development of an economically sustainable business plan and acceptable flood risk assessment prior to applying for planning consent.

**Digital Skills Project**

A "Building our digital future" study was undertaken by the Langholm Initiative in 2019 in order to assess the Digital skills needs of the community of Langholm and Eskdale. This led to the instigation of the Digital Skills Project, commencing in March 2020. Initially the project was intended to be delivered over a single year (April 2020 ~ March 2021) but due to the impact of Covid-19 and the relocation of the original Project Manager to a new role in May 2021, the Project was put on hold and re-commenced in September 2021 with a completion date of August 2022 and managed by Mark Hodgson..

The project goals were to deliver direct support to three demographic learning groups across the lifetime of the project:

- Older people (60 years plus) with a focus on basic online skills;
- Younger people (under 25 years) with a focus on employability; and
- Local businesses, with a focus on online presence and digital marketing.

The project was very successful, especially during the Covid-19 period when people and organisations benefited from being able to learn how to access digital skills and remote working. Over the lifetime of the project, 136 clients were engaged comprising 35 local businesses / groups / social enterprises; 27 younger people; and 74 older or intermediate people.

The activity was completed in August 2022 and we are grateful to all funders who supported this project, which was extremely beneficial to the community.

**Volunteers and Membership**

The organisation would not be able to meet it's aims and objectives without the dedicated support of it's 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.

Following is a brief overview of the statistics for our members and volunteers:

**Membership:**

At March 2023, there were 399 full members and 376 associate members. The numbers are slightly increased from the previous reporting period 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.

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**Volunteers:**

Our number of hours volunteer numbers have increased considerable during the reporting period primarily due to the support provided to our TVNR™ project.

Langholm Information Hub volunteers contributed over 950 hours;  
TVNR™ volunteers hours contributed over 700 hours;  
Sports Centre Redevelopment Project volunteers contributed was in region of 100 hours.

The Trustee volunteer hours covering off board meetings and administrative duties equates to over 1,200.

The Trustees are extremely grateful to all our volunteers for their help and support and look forward to working together in support of our charitable purposes and work in the community.

**Financial review**

**Financial position**

At the end of the reporting period the total funds the charity holds is £6,703,661 (2022 - £5,073,165). Of this the amount of funds that are restricted and not available for general purpose of the charity as at 31 March 2023 is £6,649,963. (2022 - £5,018,711).

There was an decrease in unrestricted funds for the year of £756 (2022, increase £9,539) leaving net assets of £53,698 relating to unrestricted funds.

**Reserves**

When planning and budgeting for activities, we consider the level of reserves held so we can strike a balance between continuing development and the need for prudent management of our working assets and commitments, as well as providing for contingencies. The reserves policy is reviewed and agreed annually by the trustees and we consider the level of unrestricted reserves to be sufficient to meet our future planned objectives. The current level of reserves is in region of £60k, which trustees believe is sufficient to cover approximately 6 months operating costs.

Following an independent VAT/tax review, it was recommended that the Langholm Initiative apply for VAT registration. This was approved by H M Revenue and Customs and became effective from 4 November 2022.

The Tarras Valley Nature Reserve™ Restricted Fund includes receipt of a £200k grant conditional on the development of a new native woodland reserve by 31 December 2023. This grant may have to be repaid (either partially or in full) if the grant conditions are not met.

Subsequent to receipt of funds in support of National Lottery Heritage Emergency during Covid-19 (20/21) and grant funding received from the Scottish Government in support of 'Communities Recovery' (21/22) DTAS recognised the Langholm Initiative as the anchor organisation in the community. This resulted in an award of a further grant during the reporting period and the organisation managed the distribution of the funding to other partner organisations in the community. The Trustees gratefully appreciated the support from DTAS who were responsible for administration of the funding from the National Lottery.

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**STRATEGIC REPORT**

**Financial review**

**Risk Management and Reserves policy**

The Trustees exercise control of the Charity through regular meetings and the support of the administration staff, in order to mitigate exposure to the major risks. The Trustees reviewed the level of general fund reserves in July 2023 and consider that a reserve of six months expenditure is a prudent level to enable the charity to deal with unforeseen problems.

**Covid-19**

Although the negative impact of Covid-19 reduced considerably during the reporting period staff continued to be vigilant and there remained periods when some staff contracted Covid although we are pleased to report that there was no serious impact to staff nor significant impact to business activities.

**Future plans**

The Langholm Initiative has the following objectives for this business plan period:

- Build upon our status as the community 'anchor organisation' to support the local economy and benefit our community.
- Proactively identify and deliver projects which will align with our charitable purposes and contribute to the health and well-being of our community.
- Build on our funding strategy and develop a robust business model which will support the economic sustainability of our organisation.
- To work in partnership all partner organisations in order to deliver the Langholm Community Plan, which has been agreed by the Community and supported by SOSE and Dumfries and Galloway Council.
- To ensure that the TVNR™ becomes profitable and economically sustainable within 3 to 5 years and becomes an asset for the whole community.
- Invest in our people (employees and volunteers) ensuring that we have the capacity to withstand shocks by ensuring we have robust continuity and succession planning in place.

Further details of the strategy and business plan can be found on our website:

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



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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governance**

As a Scottish Charitable Incorporated Organisation (SCIO) the Langholm Initiative has to abide by Scottish charitable law and report to the Office of the Scottish Charities Regulator (OSCR) annually. A SCIO is a legal form unique to Scotland and enables Langholm Initiative to enter into contracts, employ staff, incur debts, own property, sue and be sued.

During the reporting period the trustees undertook an annual review and update of its 2022~2027 business plan. The plan is considered to be a 'live' document 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 2024.

The increase in project activity demanded the need for additional resources and we were very pleased to receive 3-year grant funding for a new Office Manager position. The post is funded by the Scottish Government, with mentoring support and administration of the grant provided by DTAS.

**Policies and Procedures**

The Langholm Initiative undertook a review and update of its Human Resources (HR) policies and procedures during 2023 (review is on-going at time of writing this report) and we are grateful to Alan Cranston (volunteer) for helping and supporting the review process. The policies and procedures are consolidated within the employee handbook. The policies and procedures are subject to regular review and are updated to align with organisation activity.

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

**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 development of an action plan is to be developed in 2023 and the organisation plans to re-take the assessment (in order to assess progress) during 2024.

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Recruitment and appointment of new 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 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-opt 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 any 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.

**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 updated accordingly.

**Appointment to office** - in accordance with clause(s) 101 ~ 104 the charity trustees will elect the office bearers of Chair and Treasurer (and further positions of they consider appropriate) from among 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.

**Organisational structure**

Responsibility for managing the charity lies with the Trustees.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Charity number**

SC041085

**Registered office**

Buccleuch Mill  
Glenesk Road  
Langholm  
DG13 0ES

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**Trustees**

Mrs M E Pool  
Mrs S A Murray (resigned 9.6.22)  
E D Lacey  
Mrs E M Bloomer  
J A P Hanrahan (Co-opt Trustee, resigned 9.11.23)  
J C Scott  
K Cummings  
Mrs S Toon  
Mrs B P Kite (Co-opt Trustee, appointed 20.1.23)  
Mrs E M Telford Jammeh (appointed 12.5.23)  
M E Hallam (appointed 14.7.23)

**Auditors**

Hogg & Thorburn  
Moat House  
14 Gala Park  
Galashiels  
TD1 1EX

**Solicitors**

Harper MacLeod LLP  
The Ca'd'oro  
45 Gordon Street  
Glasgow  
G1 3PE

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

Applicable law 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the applicable law. 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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**AUDITORS**

The board must prepare annual accounts, complying with all relevant statutory requirements and if an audit is required under any statutory provisions (or if the board consider that an audit would be appropriate for some other reason), the board shall ensure that an audit of the accounts is carried out by a qualified auditor.

Report of the trustees approved by order of the board of trustees on 21st December 2023 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'J C Scott', written in a cursive style.

J C Scott - Trustee

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE LANGHOLM INITIATIVE

### **Opinion**

We have audited the financial statements of The Langholm Initiative (the 'charity') for the year ended 31st March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the notes to the financial statements, 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 (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 31st March 2023 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 Regulation 8 of 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 Report of the Independent Auditors 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 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE LANGHOLM INITIATIVE**

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

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:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns; 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, 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 to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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 a Report of the Independent Auditors 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:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

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

- Ensuring the engagement team 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 Charity through discussions with management, and from our knowledge and experience of the charity sector;

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE LANGHOLM INITIATIVE**

- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements, or operation of the charity, including the Charities Accounts (Scotland) Regulations 2006;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and general scrutiny

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;
- Enquiring of management as to actual and potential litigation and claims; .
- Reviewing minutes of meetings of those charged with governance;

We assessed the susceptibility of the Charity'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;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF  
THE LANGHOLM INITIATIVE**

**Use of our report**

This report is made solely to the charity'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 charity's 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Andrew Wayness*

Andrew Wayness  
(Statutory Auditor)  
For and behalf of  
Hogg & Thorburn  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Chartered Accountants  
Moat House  
14 Gala Park  
GALASHIELS  
TD1 1EX

Date: 21 DECEMBER 2023



**THE LANGHOLM INITIATIVE**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST MARCH 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	586	1,661,563	1,662,149	866,445
<b>Charitable activities</b>					
Contract income	5	8,900	-	8,900	4,704
Project management		19,726	-	19,726	16,345
Supporting Communities Funding		-	25,000	25,000	49,851
Textiles Eskdale		-	-	-	1,473
Inspiring Engagement in Nature		-	39,733	39,733	32,908
Rethink carbon		-	-	-	144,000
The kiosk		-	-	-	140
Tour O' the Moor		-	300	300	1,155
Wild Eskdale Tours		-	-	-	345
Tarras Valley Nature Reserve		-	184,881	184,881	80,269
Development Manager Role		-	33,674	33,674	-
Estate Manager Role		-	49,200	49,200	-
Office Manager Role		-	35,860	35,860	-
Other trading activities	3	3,947	-	3,947	3,056
Investment income	4	<u>8,723</u>	<u>-</u>	<u>8,723</u>	<u>151</u>
<b>Total</b>		<u>41,882</u>	<u>2,030,211</u>	<u>2,072,093</u>	<u>1,200,842</u>
<b>EXPENDITURE ON</b>					
Raising funds	6	2,753	-	2,753	2,868
<b>Charitable activities</b>					
Contract income	7	1,121	-	1,121	1,212
Project management		29,960	-	29,960	34,856
Driving Lessons		-	120	120	-
Sports Centre Feasibility Study		-	600	600	-
Digital Skills		-	12,175	12,175	21,444
Supporting Communities Funding		-	20,403	20,403	51,381
Textiles Eskdale		-	-	-	15,947
Inspiring Engagement in Nature		-	34,779	34,779	21,527
Phase 2 Langholm moor buy out		-	13,602	13,602	44
A Digital Journey of Landscape Restoration		-	40,092	40,092	25,718
Rethink carbon		-	28,784	28,784	6,600
The kiosk		-	-	-	216
Tour O' the Moor		-	146	146	697
Welcome to Langholm		-	-	-	43
Wild Eskdale Tours		460	-	460	195

The notes form part of these financial statements

**THE LANGHOLM INITIATIVE**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST MARCH 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
Tarras Valley Nature Reserve		-	168,087	168,087	136,982
Development Manager Role		-	31,770	31,770	-
Estate Manager Role		-	26,697	26,697	-
Office Manager Role		-	23,948	23,948	-
Other		<u>6,100</u>	<u>-</u>	<u>6,100</u>	<u>8,805</u>
<b>Total</b>		<u>40,394</u>	<u>401,203</u>	<u>441,597</u>	<u>328,535</u>
<b>NET INCOME</b>		1,488	1,629,008	1,630,496	872,307
<b>Transfers between funds</b>	22	<u>(2,244)</u>	<u>2,244</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		(756)	1,631,252	1,630,496	872,307
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>54,454</u>	<u>5,018,711</u>	<u>5,073,165</u>	<u>4,200,858</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>53,698</u></u>	<u><u>6,649,963</u></u>	<u><u>6,703,661</u></u>	<u><u>5,073,165</u></u>

The notes form part of these financial statements

**THE LANGHOLM INITIATIVE**

**BALANCE SHEET  
31ST MARCH 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>FIXED ASSETS</b>					
Intangible assets	14	-	17,149	17,149	-
Tangible assets	15	420	4,420,945	4,421,365	3,801,864
<b>Investments</b>					
Investments	16	4,852	75,936	80,788	46,167
Investment property	17	-	1,400,000	1,400,000	-
		<u>5,272</u>	<u>5,914,030</u>	<u>5,919,302</u>	<u>3,848,031</u>
<b>CURRENT ASSETS</b>					
Stocks	18	-	213,158	213,158	1,800
Debtors	19	13,743	67,065	80,808	213,943
Cash at bank		<u>63,030</u>	<u>460,170</u>	<u>523,200</u>	<u>1,045,311</u>
		<u>76,773</u>	<u>740,393</u>	<u>817,166</u>	<u>1,261,054</u>
<b>CREDITORS</b>					
Amounts falling due within one year	20	(28,347)	(4,460)	(32,807)	(35,920)
		<u>48,426</u>	<u>735,933</u>	<u>784,359</u>	<u>1,225,134</u>
<b>NET CURRENT ASSETS</b>					
		<u>48,426</u>	<u>735,933</u>	<u>784,359</u>	<u>1,225,134</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>53,698</u>	<u>6,649,963</u>	<u>6,703,661</u>	<u>5,073,165</u>
<b>NET ASSETS</b>					
		<u>53,698</u>	<u>6,649,963</u>	<u>6,703,661</u>	<u>5,073,165</u>
<b>FUNDS</b>					
Unrestricted funds	22			53,698	54,454
Restricted funds				<u>6,649,963</u>	<u>5,018,711</u>
<b>TOTAL FUNDS</b>					
				<u>6,703,661</u>	<u>5,073,165</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21st December 2023 and were signed on its behalf by:



J C Scott - Trustee



Mrs M E Pool - Trustee

The notes form part of these financial statements

**THE LANGHOLM INITIATIVE**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>1,583,157</u>	<u>724,607</u>
Net cash provided by operating activities		<u>1,583,157</u>	<u>724,607</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(22,866)	-
Purchase of tangible fixed assets		(1,836,504)	-
Purchase of fixed asset investments		(34,621)	-
Purchase of investment property		(220,000)	-
Interest received		<u>8,723</u>	<u>151</u>
Net cash (used in)/provided by investing activities		<u>(2,105,268)</u>	<u>151</u>
<hr/>			
<b>Change in cash and cash equivalents in the reporting period</b>		(522,111)	724,758
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,045,311</u>	<u>320,553</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>523,200</u></u>	<u><u>1,045,311</u></u>

The notes form part of these financial statements

**THE LANGHOLM INITIATIVE**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2023**

**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2023	2022
	£	£
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	1,630,496	872,307
<b>Adjustments for:</b>		
Depreciation charges	42,720	301
Interest received	(8,723)	(151)
Increase in stocks	(211,358)	-
Decrease/(increase) in debtors	133,135	(123,515)
Decrease in creditors	<u>(3,113)</u>	<u>(24,335)</u>
<b>Net cash provided by operations</b>	<u>1,583,157</u>	<u>724,607</u>

**2. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>1,045,311</u>	<u>(522,111)</u>	<u>523,200</u>
	<u>1,045,311</u>	<u>(522,111)</u>	<u>523,200</u>
<b>Total</b>	<u>1,045,311</u>	<u>(522,111)</u>	<u>523,200</u>

The notes form part of these financial statements

## THE LANGHOLM INITIATIVE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities and Trustees Investment (Scotland) Act 2005. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

##### **Going concern**

The trustees have considered the potential impact of world wide events on the charity's activities and are satisfied that the charity has sufficient cash reserves to meet all financial obligations for the foreseeable future. The Accounts have therefore been prepared on the going concern basis.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

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 grant have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

##### **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.

##### **Charitable activities**

The direct charitable costs of the charity include project costs. The expenditure here includes staff and other direct costs.

##### **Governance costs**

Governance costs are those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

##### **Intangible fixed assets**

The cost of developing the Charity's website has been capitalised and is being amortised at the annual rate of 25% to write off the asset over its estimated useful life.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

## THE LANGHOLM INITIATIVE

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2023

#### 1. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

Freehold land and property	- 2% on cost
Improvements to property	- 33.3% on cost
Plant and machinery	- 20% on cost

Items of plant and machinery with a cost of £1,000 or less are not capitalised.

##### **Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

##### **Stocks**

Livestock - measured at fair value minus selling costs

Other stocks - valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **VAT**

The charity is registered with HM Revenue and Customs for VAT purposes. Income and Expenditure is reported net of VAT, and irrecoverable input vat is shown as a cost. Any liability to or by HM Revenue and Customs at the year end is recorded in the Balance Sheet as a debtor or creditor.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

##### **Pension costs and other post-retirement benefits**

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

##### **Financial assets**

Basic financial assets, including trade and other debtors and bank balances, are initially recognised at transaction price.

At the end of each reporting period financial assets measured at cost are assessed for evidence of impairment. Any impairment loss is recognised in the Statement of Financial Activities.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

**THE LANGHOLM INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**1. ACCOUNTING POLICIES - continued**

**Financial assets**

**Financial liabilities**

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are classed as current liabilities if payment is due within one year or less. If not they are presented as non-current liabilities.

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

**2. DONATIONS AND LEGACIES**

	2023	2022
	£	£
Donations	662,149	762,342
Grants	<u>1,000,000</u>	<u>104,103</u>
	<u>1,662,149</u>	<u>866,445</u>

**3. OTHER TRADING ACTIVITIES**

	2023	2022
	£	£
Shop income	<u>3,947</u>	<u>3,056</u>

**4. INVESTMENT INCOME**

	2023	2022
	£	£
Deposit account interest	<u>8,723</u>	<u>151</u>



**THE LANGHOLM INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**5. INCOME FROM CHARITABLE ACTIVITIES**

		2023	2022
Activity		£	£
Contract income	Contract income	6,225	4,704
Grants	Contract income	2,675	-
Project management	Project management	19,726	16,345
Grants	Supporting Communities Funding	25,000	49,851
Contract income	Textiles Eskdale	-	350
Grants	Textiles Eskdale	-	1,123
Grants	Inspiring Engagement in Nature	39,733	32,908
Grants	Rethink carbon	-	144,000
Contract income	The kiosk	-	140
Grants	Tour O' the Moor	300	1,155
Contract income	Wild Eskdale Tours	-	345
Contract income	Tarras Valley Nature Reserve	120,940	80,269
Grants	Tarras Valley Nature Reserve	63,941	-
Grants	Development Manager Role	33,674	-
Grants	Estate Manager Role	49,200	-
Grants	Office Manager Role	<u>35,860</u>	<u>-</u>
		<u>397,274</u>	<u>331,190</u>

**6. RAISING FUNDS**

**Other trading activities**

		2023	2022
Other trading activities		£	£
Purchases		<u>2,753</u>	<u>2,868</u>

**THE LANGHOLM INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**7. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Grant funding of activities (see note 8) £	Support costs (see note 9) £	Totals £
Contract income	1,121	-	-	1,121
Project management	29,960	-	-	29,960
Driving Lessons	120	-	-	120
Sports Centre Feasibility Study	600	-	-	600
Digital Skills	12,175	-	-	12,175
Supporting Communities Funding	-	20,403	-	20,403
Inspiring Engagement in Nature	34,779	-	-	34,779
Phase 2 Langholm moor buy out	13,602	-	-	13,602
A Digital Journey of Landscape Restoration	40,092	-	-	40,092
Rethink carbon	28,784	-	-	28,784
Tour O' the Moor	146	-	-	146
Wild Eskdale Tours	460	-	-	460
Tarras Valley Nature Reserve	163,587	-	4,500	168,087
Development Manager Role	31,770	-	-	31,770
Estate Manager Role	26,697	-	-	26,697
Office Manager Role	23,948	-	-	23,948
	<u>407,841</u>	<u>20,403</u>	<u>4,500</u>	<u>432,744</u>

**8. GRANTS PAYABLE**

	2023	2022
	£	£
Supporting Communities Funding	<u>20,403</u>	<u>49,851</u>
The total grants paid to institutions during the year was as follows:		
	2023	2022
	£	£
Supporting Communities Funding	<u>20,403</u>	<u>49,851</u>

**THE LANGHOLM INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**9. SUPPORT COSTS**

	<b>Governance costs</b>
	£
Other resources expended	6,100
Tarras Valley Nature Reserve	<u>4,500</u>
	<u>10,600</u>

**10. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	2023	2022
	£	£
Auditors' remuneration	6,000	6,300
Depreciation - owned assets	37,003	301
Website amortisation	<u>5,717</u>	<u>-</u>

**11. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31st March 2023 nor for the year ended 31st March 2022.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st March 2023 nor for the year ended 31st March 2022.

**12. STAFF COSTS**

	2023	2022
	£	£
Wages and salaries	164,262	123,009
Social security costs	11,792	6,854
Other pension costs	<u>4,268</u>	<u>2,219</u>
	<u>180,322</u>	<u>132,082</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Projects	5	4
Administration	<u>1</u>	<u>1</u>
	<u>6</u>	<u>5</u>

No employees received emoluments in excess of £60,000.

**THE LANGHOLM INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	30,363	836,082	866,445
<b>Charitable activities</b>			
Contract income	4,704	-	4,704
Project management	16,345	-	16,345
Supporting Communities Funding	-	49,851	49,851
Textiles Eskdale	-	1,473	1,473
Inspiring Engagement in Nature	-	32,908	32,908
Rethink carbon	-	144,000	144,000
The kiosk	140	-	140
Tour O' the Moor	-	1,155	1,155
Wild Eskdale Tours	345	-	345
Tarras Valley Nature Reserve	-	80,269	80,269
Other trading activities	3,056	-	3,056
Investment income	<u>151</u>	<u>-</u>	<u>151</u>
<b>Total</b>	<u>55,104</u>	<u>1,145,738</u>	<u>1,200,842</u>
<b>EXPENDITURE ON</b>			
Raising funds	2,868	-	2,868
<b>Charitable activities</b>			
Contract income	1,212	-	1,212
Project management	34,856	-	34,856
Digital Skills	-	21,444	21,444
Supporting Communities Funding	-	51,381	51,381
Textiles Eskdale	-	15,947	15,947
Inspiring Engagement in Nature	-	21,527	21,527
Phase 2 Langholm moor buy out	-	44	44
A Digital Journey of Landscape Restoration	-	25,718	25,718
Rethink carbon	-	6,600	6,600
The kiosk	-	-	216
Tour O' the Moor	-	697	697
Welcome to Langholm	43	-	43
Wild Eskdale Tours	195	-	195
Tarras Valley Nature Reserve	-	136,982	136,982
Other	<u>8,805</u>	<u>-</u>	<u>8,805</u>
<b>Total</b>	<u>48,195</u>	<u>280,340</u>	<u>328,535</u>

**THE LANGHOLM INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted funds £	Restricted funds £	Total funds £
	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET INCOME</b>	6,909	865,398	872,307
<b>Transfers between funds</b>	<u>2,630</u>	<u>(2,630)</u>	<u>-</u>
<b>Net movement in funds</b>	9,539	862,768	872,307
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>44,915</u>	<u>4,155,943</u>	<u>4,200,858</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>54,454</u>	<u>5,018,711</u>	<u>5,073,165</u>
<b>14. INTANGIBLE FIXED ASSETS</b>			Website £
<b>COST</b>			
Additions			<u>22,866</u>
<b>AMORTISATION</b>			
Charge for year			<u>5,717</u>
<b>NET BOOK VALUE</b>			
At 31st March 2023			<u>17,149</u>
At 31st March 2022			<u>-</u>

**THE LANGHOLM INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**15. TANGIBLE FIXED ASSETS**

	Freehold land and property £	Improvements to property £	Plant and machinery £	Totals £
<b>COST</b>				
At 1st April 2022	3,801,142	12,260	2,075	3,815,477
Additions	1,669,996	-	166,508	1,836,504
Reclassification	<u>(1,180,000)</u>	<u>-</u>	<u>-</u>	<u>(1,180,000)</u>
At 31st March 2023	<u>4,291,138</u>	<u>12,260</u>	<u>168,583</u>	<u>4,471,981</u>
<b>DEPRECIATION</b>				
At 1st April 2022	-	12,260	1,353	13,613
Charge for year	<u>3,400</u>	<u>-</u>	<u>33,603</u>	<u>37,003</u>
At 31st March 2023	<u>3,400</u>	<u>12,260</u>	<u>34,956</u>	<u>50,616</u>
<b>NET BOOK VALUE</b>				
At 31st March 2023	<u>4,287,738</u>	<u>-</u>	<u>133,627</u>	<u>4,421,365</u>
At 31st March 2022	<u>3,801,142</u>	<u>-</u>	<u>722</u>	<u>3,801,864</u>

**16. FIXED ASSET INVESTMENTS**

	2023 £	2022 £
Shares	1	1
Other	<u>80,787</u>	<u>46,166</u>
	<u>80,788</u>	<u>46,167</u>

Additional information as follows:

	Unlisted investments £
<b>MARKET VALUE</b>	
At 1st April 2022 and 31st March 2023	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31st March 2023	<u>1</u>
At 31st March 2022	<u>1</u>

There were no investment assets outside the UK.

**THE LANGHOLM INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**16. FIXED ASSET INVESTMENTS - continued**

Investments (neither listed nor unlisted) were as follows:

	2023	2022
	£	£
Basic payment scheme entitlements	<u>80,787</u>	<u>46,166</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

**The Langholm Initiative Trading Company Ltd**

Registered office: Buccleuch Mill, Glenesk Road, Langholm, United Kingdom, DG13 0ES

	%	
Class of share:	holding	
Ordinary	100	

	2023	2022
	£	£
Aggregate capital and reserves	1	1
Profit for the year	<u>587</u>	<u>-</u>

During the year ended 31 March 2023 the company did not trade.

**17. INVESTMENT PROPERTY**

	£
<b>FAIR VALUE</b>	
Additions	220,000
Reclassification	<u>1,180,000</u>
At 31st March 2023	<u>1,400,000</u>
<b>NET BOOK VALUE</b>	
At 31st March 2023	<u>1,400,000</u>
At 31st March 2022	<u>-</u>

**THE LANGHOLM INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

<b>18. STOCKS</b>	2023	2022
	£	£
Stocks	1,104	-
Livestock	<u>212,054</u>	<u>1,800</u>
	<u>213,158</u>	<u>1,800</u>
<b>19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	2023	2022
	£	£
Other debtors	<u>80,808</u>	<u>213,943</u>
<b>20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	2023	2022
	£	£
Other creditors	19,826	28,480
Accrued expenses	<u>12,981</u>	<u>7,440</u>
	<u>32,807</u>	<u>35,920</u>
<b>21. LEASING AGREEMENTS</b>		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	2023	2022
	£	£
Within one year	3,272	3,272
Between one and five years	<u>-</u>	<u>3,272</u>
	<u>3,272</u>	<u>6,544</u>



THE LANGHOLM INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023

22. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
<b>Unrestricted funds</b>				
General fund	31,819	789	(2,717)	29,891
Langholm Information Hub	1,766	1,239	(67)	2,938
Wild Eskdale Tours	-	(460)	460	-
Contingency	20,869	-	-	20,869
The kiosk	-	(80)	80	-
	54,454	1,488	(2,244)	53,698
<b>Restricted funds</b>				
Driving Lessons	-	(120)	439	319
Sports Centre Feasibility Study	-	(600)	1,026	426
Digital Skills	9,140	(12,175)	3,035	-
Supporting Communities Funding	-	4,598	-	4,598
Textiles Eskdale	2,256	-	(2,256)	-
Inspiring Engagement in Nature	11,382	4,954	-	16,336
Phase 2 Langholm Moor Buy Out	632,737	1,616,834	(2,249,571)	-
A Digital Journey of Landscape Restoration	74,283	(40,091)	-	34,192
Moorland commemorations	5,000	-	-	5,000
Rethink carbon	144,000	(28,784)	-	115,216
Tour O' the Moor	459	154	-	613
Tarras Valley Nature Reserve	4,139,454	26,712	2,249,571	6,415,737
Development Manager Role	-	1,905	-	1,905
Enthuse/TVNR Website	-	1,206	-	1,206
Estate Manager Role	-	22,503	-	22,503
Office Manager Role	-	11,912	-	11,912
Restoring Peatland & Wetland Birds	-	20,000	-	20,000
	<u>5,018,711</u>	<u>1,629,008</u>	<u>2,244</u>	<u>6,649,963</u>
<b>TOTAL FUNDS</b>	<u>5,073,165</u>	<u>1,630,496</u>	<u>-</u>	<u>6,703,661</u>

**THE LANGHOLM INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**22. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	37,327	(36,538)	789
Langholm Information Hub	4,159	(2,920)	1,239
Wild Eskdale Tours	-	(460)	(460)
The kiosk	396	(476)	(80)
	<u>41,882</u>	<u>(40,394)</u>	<u>1,488</u>
<b>Restricted funds</b>			
Driving Lessons	-	(120)	(120)
Sports Centre Feasibility Study	-	(600)	(600)
Digital Skills	-	(12,175)	(12,175)
Supporting Communities Funding	25,001	(20,403)	4,598
Inspiring Engagement in Nature	39,733	(34,779)	4,954
Phase 2 Langholm Moor Buy Out	1,630,436	(13,602)	1,616,834
A Digital Journey of Landscape Restoration	1	(40,092)	(40,091)
Rethink carbon	-	(28,784)	(28,784)
Tour O' the Moor	300	(146)	154
Tarras Valley Nature Reserve	194,799	(168,087)	26,712
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
	<u>2,030,211</u>	<u>(401,203)</u>	<u>1,629,008</u>
<b>TOTAL FUNDS</b>	<u><u>2,072,093</u></u>	<u><u>(441,597)</u></u>	<u><u>1,630,496</u></u>

THE LANGHOLM INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
<b>Unrestricted funds</b>				
General fund	43,894	(14,324)	2,249	31,819
Welcome to Langholm	1,021	745	-	1,766
Wild Eskdale Tours	-	(305)	305	-
Contingency	-	20,869	-	20,869
The kiosk	-	(76)	76	-
	<u>44,915</u>	<u>6,909</u>	<u>2,630</u>	<u>54,454</u>
<b>Restricted funds</b>				
Wild Eskdale	1,132	-	(1,132)	-
Driving Lessons	439	-	(439)	-
Wild Eskdale Extras	1,080	-	(1,080)	-
Sports Centre Feasibility Study	1,026	-	(1,026)	-
Moorland Feasibility	1,553	-	(1,553)	-
Digital Skills	27,263	(18,123)	-	9,140
Supporting Communities Funding	1,530	(1,530)	-	-
Textiles Eskdale	16,730	(10,474)	(4,000)	2,256
Inspiring Engagement in Nature	-	11,382	-	11,382
Phase 2 Langholm Moor Buy Out	-	632,737	-	632,737
A Digital Journey of Landscape Restoration	-	74,283	-	74,283
Moorland commemorations	-	5,000	-	5,000
Rethink carbon	-	137,400	6,600	144,000
Tour O' the Moor	-	459	-	459
Tarras Valley Nature Reserve	<u>4,105,190</u>	<u>34,264</u>	<u>-</u>	<u>4,139,454</u>
	<u>4,155,943</u>	<u>865,398</u>	<u>(2,630)</u>	<u>5,018,711</u>
<b>TOTAL FUNDS</b>	<u>4,200,858</u>	<u>872,307</u>	<u>-</u>	<u>5,073,165</u>

**THE LANGHOLM INITIATIVE**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**22. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	30,549	(44,873)	(14,324)
Welcome to Langholm	3,201	(2,456)	745
Wild Eskdale Tours	345	(650)	(305)
Contingency	20,869	-	20,869
The kiosk	140	(216)	(76)
	<u>55,104</u>	<u>(48,195)</u>	<u>6,909</u>
<b>Restricted funds</b>			
Digital Skills	3,321	(21,444)	(18,123)
Supporting Communities Funding	49,851	(51,381)	(1,530)
Textiles Eskdale	5,473	(15,947)	(10,474)
Inspiring Engagement in Nature	32,909	(21,527)	11,382
Phase 2 Langholm Moor Buy Out	632,781	(44)	632,737
A Digital Journey of Landscape Restoration	100,001	(25,718)	74,283
Moorland commemorations	5,000	-	5,000
Rethink carbon	144,000	(6,600)	137,400
Tour O' the Moor	1,156	(697)	459
Tarras Valley Nature Reserve	171,246	(136,982)	34,264
	<u>1,145,738</u>	<u>(280,340)</u>	<u>865,398</u>
<b>TOTAL FUNDS</b>	<u><u>1,200,842</u></u>	<u><u>(328,535)</u></u>	<u><u>872,307</u></u>

**23. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31st March 2023.

**24. 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.

**THE LANGHOLM INITIATIVE**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST MARCH 2023**

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS</b>				
<b>Donations and legacies</b>				
Donations	589	661,560	662,149	762,342
Grants	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>104,103</u>
	589	1,661,560	1,662,149	866,445
<b>Other trading activities</b>				
Shop income	3,947	-	3,947	3,056
<b>Investment income</b>				
Deposit account interest	8,723	-	8,723	151
<b>Charitable activities</b>				
Contract income	6,225	120,940	127,165	85,808
Project management	19,726	-	19,726	16,345
Grants	<u>2,675</u>	<u>247,708</u>	<u>250,383</u>	<u>229,037</u>
	<u>28,626</u>	<u>368,648</u>	<u>397,274</u>	<u>331,190</u>
<b>Total incoming resources</b>	41,885	2,030,208	2,072,093	1,200,842
<b>EXPENDITURE</b>				
<b>Other trading activities</b>				
Purchases	2,753	-	2,753	2,868
<b>Charitable activities</b>				
Wages	7,786	156,476	164,262	123,009
Social security	327	11,465	11,792	6,854
Pensions	141	4,127	4,268	2,219
Postage, stationery & advertising	1,592	2,899	4,491	3,777
Sundries	3,920	2,639	6,559	2,786
Project management	-	19,728	19,728	16,345
Other project costs	933	140,938	141,871	76,983
Premises	14,916	25,347	40,263	27,230
Communication	1,312	2,337	3,649	6,233
Irrecoverable vat	614	4,627	5,241	-
Computer software amortisation	-	5,717	5,717	-
Carried forward	31,541	376,300	407,841	265,436

This page does not form part of the statutory financial statements

**THE LANGHOLM INITIATIVE**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST MARCH 2023**

	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>Charitable activities</b>				
Brought forward	31,541	376,300	407,841	265,436
Grants to institutions	<u>-</u>	<u>20,403</u>	<u>20,403</u>	<u>49,851</u>
	31,541	396,703	428,244	315,287
<b>Support costs</b>				
<b>Governance costs</b>				
Auditors' remuneration	1,500	4,500	6,000	6,300
Accountancy fees	3,100	-	3,100	3,120
Bookkeeping & payroll administration	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>960</u>
	<u>6,100</u>	<u>4,500</u>	<u>10,600</u>	<u>10,380</u>
Total resources expended	<u>40,394</u>	<u>401,203</u>	<u>441,597</u>	<u>328,535</u>
<b>Net income</b>	<u>1,491</u>	<u>1,629,005</u>	<u>1,630,496</u>	<u>872,307</u>

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