

The Langholm Initiative

A Scottish Charitable Incorporated Organisation
Annual Report and Financial Statements

for the Year Ended 31 March 2025

The Langholm Initiative

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The Langholm Initiative

Reference and Administrative Details

Trustees :	Margaret Pool Daniel Lacey Eileann Bloomer Kevin Cumming Sue Toon (retired 30 May 2024) Barbara Kite Mairi Telford Jammeh Mark Hallam Pip Tabor (appointed 1 October 2024)
Charity Registration Number	SC041085
Principal Office	Buckleuch Mill Glenesk Road Langholm DG13 0ES
Auditor	Saint & Co 26 High Street Annan Dumfrieshire DG12 6AJ
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 2025.

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.

Activities

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

Volunteers are key to every activity that we do, and the Langholm Initiative is always seeking new volunteers. A thank you reception for volunteers was held in December. We have also had corporate volunteers and volunteers from third sector organisations who have worked with us over weekends on the nature reserve. A board member maintains the rota for the Langholm Information Hub and volunteers are always being sought for this work.

Total Engagement and Education Outreach volunteer hours 510.

Total Langholm Information Hub volunteer hours – 600

Total Langholm Initiative Trustees' volunteer hours - 660

As at March 2025 there were 412 full members and 388 associate members and 40 friends.

The Langholm Initiative

Trustees' Report (continued)

Achievements and performance

From April 2024 to the end of March 2025 the Langholm Initiative has continued to place 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. We were fortunate to secure further funding to extend the reserve manager role.

The sheep flock at Cooms continues to be 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 as our Financial Administrator. Jim Bennet has been providing consultancy services for us in relation to property development, and we have had senior school pupil undertaking one day a week office skills development work. We also have the support of Margaret Duncan who has assisted us on developing our financial operations.

Being a community landowner

We have set down in detail our core activities in the sections below but sometimes they don't reflect the day-to-day core activities of being a landowner and the development of the Nature Reserve.

Much time is spent by different members of the team on core activity associated with being a land owner: track and road repairs, clearing fallen trees, woodland management, housing repairs and maintenance, private water supplies, farming paperwork, funding bids, finance and budgets, community engagement, insurance, policy development (anything from having bee hives on the reserve through to farm emergencies to communications) and more. Much of this provides work for local suppliers and contractors.

We aim to support our staff through training, and we are regularly involved in skill sharing by hosting visits on the reserve (as well as taking part ourselves in other locations) which brings some additional benefit to the town.

Tarras Valley Nature Reserve 5-year action plan

The staff team has carried out considerable community engagement involving over 50 local events to inform the development of the Tarras Valley Nature Reserve 5-year action plan which was launched in February 2025, and which has been well received. The workload of the plan falls under 4 main headings: people, nature, climate and sustainability.

PEOPLE

Engagement and Education Outreach

Our work in this area primarily focuses on our work with schools and the development of our volunteer programme.

We have worked with all 3 primary schools in the area with our work on John Muir Trust awards being much appreciated. In addition, we have run rural skills sessions with the High School and supported the local careers fair. We extend our work with young people out with school time through supporting the local wildlife watch group, working with Xcel outdoors and the summer holiday bushcraft sessions. This work engages young people both with the natural environment on their doorsteps but also engages them with community landownership, building up their awareness of the communities' role as the long-term guardian of the land.

Our volunteers continue to be the mainstay of the reserve, and we have tried to encourage more people to get involved. Work undertaken by the group has included bracken bashing, removal of tree guards & old stock fencing, Sitka spruce removal, weeding and planting.

We also support visits from colleges and universities and have built long term relationships with some – Exeter, Bangor, Barony and Myersough.

Both volunteering and education are fundamental to our work as they both engage people with the land. We spent time this year looking at how we can ensure the sustainability of these programmes to move away from the reliance on grant funding. We have started either charging or asking for a donation from groups and we have also been developing our corporate volunteering strategy to try and generate a sustainable source of income.

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Trustees' Report (continued)

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 landlord we have responsibility for maintaining and managing the properties in good condition.

Work started at the end of 23/24 in taking forward the feasibility for the re-development of Cronksbank Cottage to provide a high quality affordable rented home on the reserve and this was completed in Autumn 2024. The aim is to apply to the Rural Housing Fund for capital funding in 25/26 to contribute towards the capital costs of the project.

We hope lessons learnt from this project can be applied to other properties on the reserve.

We also decided to pursue the purchase of Broomholmshiels cottage from Buccleuch as this is a strategic property at the entrance to the nature reserve. We will be applying to the Scottish Land Fund for a contribution to the costs and we anticipate hearing later in 2025 if this has been successful.

Providing a welcome to visitors

Developing infrastructure to allow visitors to enjoy the reserve is an important area for development and we anticipate that the first phase of signage, our artificial kingfisher nest and other improvements will be on the ground in May/June 2025.

This is an important area of work, especially given the tourism developments that are likely to take place in the area in future years.

100 years of community land ownership

We were really pleased to take part in this national project which had 2 aspects to it. Working with local CIC Creation Mill, local volunteers and school children created an amazing tapestry of the Nature Reserve which has since been touring Scotland. We have also inputted into the Oral History element of the project which recorded stories with local folk.

Events and knowledge share

During the course of the year we have run several events (Galloway Rivers Trust talk, screened 'Why not Scotland', 'Wilding' the movie, and 6 inch of soil, held a Dark skies event, woodland yoga) have taken part in knowledge shares (Argyll Communities Trust, Green Finance conference, CIE conference, the Scottish Government Land Reform committee and NatureScot Board), hosted film makers (Countryfile, PBS 'Brief History of the Future' docuseries) and more.

Other

We started discussions with potential funding partners regarding the establishment of a graduate placement programme to provide a 1-year placement for a young person with us. We feel we can provide a suitable individual with a variety of good quality work experience. With some funding secured for a 1-year pilot we hope we can make this happen in 25/26.

CLIMATE

Restoration of Peatland

After much development work, Phase 1 of the peat restoration work on Middlemoss Head has taken place working with the Crichton Carbon Centre. This work was funded by Scottish Power Energy Networks (SPEN) through biodiversity net gain contributions for regional renewable energy national infrastructure upgrades. This has led to over 54km of artificial ditches being blocked to help restore peatland ecosystems and naturally functioning hydrology.

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Trustees' Report (continued)

NATURE

Woodland Restoration

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 was received to remove self-seeded Sitka spruce on approximately 250 hectares of the reserve and that work was carried out in late 2024 by contractors as well as undertaking more 'halo thinning' in our ancient woodlands. Self-seeded Sitka trees are 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 continues and this has proved to be a source of frustration for the staff team although we did see some small steps made in 2024/25. An Environment Link meeting facilitated by Trees for Life with many national NGOs and statutory agencies attending was held in Langholm to discuss ecological restoration in protected areas and has to some extent moved this work forward. We appreciate the time and patience of the Woodland Trust in working with us on this and are glad to be able to use the reserve to host important national conversations like this.

We would also like to thank Dumfries Prison for their work in growing on local seeds for us to plant out on the reserve and we hope this partnership will continue. The prison is currently growing approximately 1000 native Scots Pine trees in their wellbeing gardens to come back to the reserve to be planted.

Lower Tarras Restoration

One of our most significant projects to date has been the restoration of the Lower Tarras strip which was felled in 2023/24. Once felling was finally complete, we were able to look at how to restore this 36ha site and we held several drop ins to get local feedback. Yorkshire Dales Millennium Trust won the tender to undertake some design work for us and work started in January 2025 using a local contractor. This has led to the creation of 3 miles of new footpaths and the creation of 2 ponds to help manage run off from the site as well as creating important wetland habitats. The work has been well received and used by the local community and the site is a great location for our volunteers to work on into the future.

SUSTAINABILITY

Properties

Background work has continued the development of our empty properties with further detailed work on contaminated land, ecological studies, further business planning work, assessment of water supplies. We were fortunate to secure funding to retain freelance consultant Jim Bennet for this year to help take these projects forward.

The priority project is to establish glamping units at Broomholmshiel along with demolition of some of the old outbuildings which will allow for further developments including affordable housing, workshop space and self-catering accommodation to be developed.

Whilst small scale carpark improvements undertaken have been helpful, this facility will probably require extension in the future to accommodate site users as well as visitors.

Farm

We have continued with the running of the farm and with the improvements in the financial reporting we have a much better understanding on the cost of running the farm operations and the associated benefits it brings.

In 2024/25 we secured innovation funding from Rewilding Britain to develop a grazing plan for the reserve including the farm. The team are working with Wilderculture on the project which started this year with initial discussions and visits to the farm. Training to look at the role regenerative agriculture and organic systems will take place in 25/26 along with completion of the report.

A farm carbon audit was also undertaken which will feed into our future development plans.

The Langholm Initiative

Trustees' Report (continued)

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 both support site survey and help to monitor landscape change. Filming of specific species such as barn owls has been carried out and footage uploaded to YouTube and Inigo has been planning to expand and diversify our wildlife filming over the coming year with the installation of the Kingfisher and Kestrel hides.

We have also made films involving the Common Riding; John Muir Trust awards as well as the Oral history project.

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. Volunteers continue to provide information and advice to both visitors and local people. Many enquiries come from visitors 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

In early 2025 the Langholm Initiative was approached to take on the sports centre redevelopment project as the working group members wished to step down. The Board considered this but felt that it could not be resourced as most staff are funded for specific pieces of work and it was therefore rejected as an option.

New Office space

Later in 2024/25, a decision was made that we should look to relocate from our existing office space to provide a better working space for the team and visitors. We have looked at different options and will look to take this forward in 2025/26.

Financial review

The charity continues to operate within its budget and has reported a small surplus of £32,798 (2024 - £744,866) for the year in question. We have not had the benefit this year of the large one-off surplus arising on the forestry operations but have strived to maximise income wherever possible and this year took advantage of an interest windfall due to a change in how LI's investment bank accounts for interest received. During the year LI has benefited from an interest credit of £80,215 (2024-£6,419). Also, Gift Aid from donations received was £7,844

At the end of the reporting period the total funds the charity holds are £7,481,325 (2024 - £7,448,527). Of this, the amount of funds that are restricted and not available for general purpose of the charity including the reclassified unrestricted designated reserve as of 31 March 2025 is £7,452,569 (2024 - £7,399,879).

Due to the reclassification of some of the unrestricted funds the there was a decrease in the year of £19,892 for 2025 (2024- restated £94,950) leaving net assets of £28,756 (2024 – restated £48,648) relating to unrestricted funds.

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Trustees' Report (continued)

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. During 2025 a reclassification took place to reflect the Unrestricted designated fund that holds the £100,000 and the £250,000 transfers from 2024. These funds which are accounted separately have been ringfenced by the Trustees to be used for specific purposes in the future. Namely £100,000 to absorb peaks and troughs in income and expenditure over the course of a year and includes provision for any future redundancies.

There have been no movements in the year to the £250,000 property development and renovation fund.

The level of Unrestricted General Reserves of the organisation has been reviewed and the Trustees consider that a general reserve fund equivalent to six months expenditure including a redundancy provision is a prudent level of reserves to maintain. Based on management information a minimum 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.

A review of the projected 2025-2026 budget spend for the unrestricted funds indicates the level currently on the general reserve is sufficient.

A comprehensive summary of the total funds held by the organisation is shown in note 23 of the Financial Statements.

Designated fund for Development and Renovation of Property

No significant movements have occurred on this fund during 2024-25. Plans are currently being finalised to renovate Cronksbank Cottage scheduled to take place during 2025-26.

Funds in deficit

There are no funds in deficit.

Principal funding sources

We would like to thank the following who have supported our work in 2024/25. In addition to those listed below are many individual donors who have contributed to our core work. We thank them all:

Community Land Scotland

Crossdykes Community Benefit Fund

D&G Climate Hub Seed Fund

Esmee Fairbairn Foundation

Holywood Trust

Just Enterprise

NatureScot

Rewilding Britain

Rotary International

Scottish Government – Strengthening Communities programme (administered by DTAS)

Scottish Power Energy Networks

South of Scotland Enterprise

Third Sector Dumfries and Galloway

UK government shared prosperity (via D&G council)

The total income for 2025 is £827,294 of which the main items were grants and subsidies £326,054, peatland restoration £188,529, rental income £49,872 and interest income £80,215.

Total expenditure in 2025 was £794,496 (2024 - £680,512). 28% of this spend was on staff costs £235,883 (2024 - £227,810). Over 62% or £495,936 (2024 – 66% / £452,702) was spent directly on charitable activities including support costs.

Investment policy and objectives

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

Going concern

The trustees consider that the charity is a going concern.

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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 enables 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.

The Langholm Initiative is supported by an external accountant and due to its level of income is audited annually.

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.

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 2025.

The Langholm Initiative

Trustees' Report (continued)

Organisational structure

Responsibility for managing the charity lies with the Trustees.

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 Finance Subgroup and Creation of other sub-Groups to assist in operational matters

Since the Treasurer stepped down at the end of 2023, the Finance Sub-Group continues to operate in its current form and is working well. 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.

Two further sub-groups have also been created during the year under review; to ensure best working practices are maintained an HR sub-group has been created together with a Housing sub-group. In common with the Finance sub-group, preliminary work is carried out by these sub-groups and items requiring a decision are referred to the Board at their monthly board meetings.

Management accounts

The charity has now completed the process of developing a management accounts system in order to monitor spend carefully and ensure we operate within our means. External support has been accessed to assist with this and staff training has been carried out.

Annual budgets are prepared itemising expenditure on each project whether it be a restricted or unrestricted fund. The figures are then compared to the actual monthly spend. The variances arising are then summarised together with an explanation and presented at the monthly Board meetings for review.

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.

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.

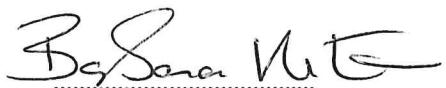
Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Saint & Co as auditors of the charity is to be proposed at the forthcoming Annual General Meeting.

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Trustees' Report (continued)

The annual report was approved by the trustees of the charity on 05/12/25 and signed on its behalf by:



Barbara Kite
Trustee



Mairi Telford Jammeh
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 05/12/25 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 2025, 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 2025 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)

- The information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; 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 (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

We have been appointed as auditors under S44(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 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:

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with the Office of the Scottish Charity Regulator and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures

required to identify non-compliance with laws and regulations to enquire of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

The Langholm Initiative

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

Use of our report

This report is made solely to the charity trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

Saint & Co

Saint & Co
Statutory Auditor
26 High Street
Annan
Dumfriesshire
DG12 6AJ

Date: 18/12/25

Saint & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Langholm Initiative

Statement of Financial Activities for the Year Ended 31 March 2025

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £
Income and Endowments from:				
Donations, grants and legacies	2	64	299,012	299,076
Charitable activities	3	15,812	181,329	197,141
Other trading activities	4	-	124,561	124,561
Investment income	5	80,204	11	80,215
Other income	6	<u>6,318</u>	<u>119,983</u>	<u>126,301</u>
Total income		<u>102,398</u>	<u>724,896</u>	<u>827,294</u>
Expenditure on:				
Raising funds	7	(11,626)	(5,538)	(17,164)
Charitable activities	8	<u>(43,664)</u>	<u>(733,668)</u>	<u>(777,332)</u>
Total expenditure		<u>(55,290)</u>	<u>(739,206)</u>	<u>(794,496)</u>
Net income/(expenditure)		47,108	(14,310)	32,798
Gross transfers between funds		250,000	(250,000)	-
Net movement in funds		297,108	(264,310)	32,798
Reconciliation of funds				
Total funds brought forward		<u>148,648</u>	<u>7,299,879</u>	<u>7,448,527</u>
Total funds carried forward	23	<u>445,756</u>	<u>7,035,569</u>	<u>7,481,325</u>
	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
Income and Endowments from:				
Donations, grants and legacies	2	302	549,874	550,176
Charitable activities	3	27,216	21,330	48,546
Other trading activities	4	-	772,851	772,851
Investment income	5	6,344	75	6,419
Other income	6	<u>6,780</u>	<u>40,606</u>	<u>47,386</u>
Total income		<u>40,642</u>	<u>1,384,736</u>	<u>1,425,378</u>
Expenditure on:				
Raising funds		6,302	(6,700)	(398)
Charitable activities	8	<u>(51,994)</u>	<u>(628,120)</u>	<u>(680,114)</u>
Total expenditure	7	<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		100,000	(100,000)	-
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>

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

The Langholm Initiative

(Registration number: SC041085)
Balance Sheet as at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible assets	15	6,215	12,182
Tangible assets	16	4,378,200	4,404,335
Investments	17	<u>1,480,607</u>	<u>1,480,607</u>
		<u>5,865,022</u>	<u>5,897,124</u>
Current assets			
Stocks	18	211,980	219,660
Debtors	19	53,822	481,810
Cash at bank and in hand	20	<u>1,416,277</u>	<u>1,019,831</u>
		<u>1,682,079</u>	<u>1,721,301</u>
Creditors: Amounts falling due within one year	21	<u>(65,776)</u>	<u>(169,898)</u>
Net current assets		<u>1,616,303</u>	<u>1,551,403</u>
Net assets		<u>7,481,325</u>	<u>7,448,527</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	23	7,035,569	7,299,879
Unrestricted income funds			
Unrestricted funds		<u>445,756</u>	<u>148,648</u>
Total funds	23	<u>7,481,325</u>	<u>7,448,527</u>

The financial statements on pages 15 to 32 were approved by the trustees, and authorised for issue on 05/12/25 and signed on their behalf by:



Barbara Kite
Trustee

The Langholm Initiative

Cash Flow Statement for the Year Ended 31 March 2025

		2025	2024
	Note	£	£
Cash flows from operating activities			
Net cash income		32,798	744,866
Adjustments to cash flows from non-cash items			
Depreciation	7	44,423	41,970
Amortisation	7	5,967	5,967
Investment income	5	(80,215)	(6,419)
Loss on disposal of tangible fixed assets		2,532	675
		<u>5,505</u>	<u>787,059</u>
Working capital adjustments			
Decrease/(increase) in stocks	18	7,680	(6,502)
Decrease/(increase) in debtors	19	427,988	(401,002)
(Decrease)/increase in creditors	21	<u>(104,122)</u>	<u>137,091</u>
Net cash flows from operating activities		<u>337,051</u>	<u>516,646</u>
Cash flows from investing activities			
Interest receivable and similar income	5	80,215	6,419
Purchase of intangible fixed assets	15	-	(1,000)
Purchase of tangible fixed assets	16	(23,190)	(27,740)
Sale of tangible fixed assets		2,370	2,125
Sale of investments		-	181
Net cash flows from investing activities		<u>59,395</u>	<u>(20,015)</u>
Net increase in cash and cash equivalents		396,446	496,631
Cash and cash equivalents at 1 April		<u>1,019,831</u>	<u>523,200</u>
Cash and cash equivalents at 31 March		<u>1,416,277</u>	<u>1,019,831</u>

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 2025

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.

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 2025 (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.

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.

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.

The charity continues to satisfy and pay all value added tax, income tax and national insurance obligations in respect of employees.

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

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

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

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.

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.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

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.

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

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.

2 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Donations and legacies;			
Donations from individuals	64	18,674	18,738
Grants, including capital grants;			
Government grants	-	280,338	280,338
Total for 2025	64	299,012	299,076
Total for 2024	302	549,874	550,176

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

3 Income from charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2025 £	Total 2024 £
Management contributions	15,812	-	15,812	27,216
Peatland restoration	-	181,329	181,329	21,330
	<u>15,812</u>	<u>181,329</u>	<u>197,141</u>	<u>48,546</u>

4 Income from other trading activities

	Restricted funds £	Total funds £
Trading income;		
Farming, timber and other goods and services	124,561	124,561
Total for 2025	<u>124,561</u>	<u>124,561</u>
Total for 2024	<u>772,851</u>	<u>772,851</u>

5 Investment income

	Unrestricted funds General £	Restricted funds £	Total funds £
Interest receivable and similar income;			
Interest receivable on bank deposits	80,204	11	80,215
Total for 2025	<u>80,204</u>	<u>11</u>	<u>80,215</u>
Total for 2024	<u>6,344</u>	<u>75</u>	<u>6,419</u>

6 Other income

	Unrestricted funds General £	Restricted funds £	Total funds £
Fees and supplies	1,692	74,737	76,429
Rental income	4,626	45,246	49,872
Total for 2025	<u>6,318</u>	<u>119,983</u>	<u>126,301</u>
Total for 2024	<u>6,780</u>	<u>40,606</u>	<u>47,386</u>

7 Expenditure on raising funds

	Direct costs £	Total 2025 £	Total 2024 £
Costs of trading activities	17,164	17,164	398

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

8 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Charitable Activities	32,068	453,630	485,698
Depreciation, amortisation and other similar costs	-	50,390	50,390
Staff costs	10,278	212,573	222,851
Allocated support costs	1,318	8,920	10,238
Governance costs	-	8,155	8,155
Total for 2025	43,664	733,668	777,332
Total for 2024	51,994	628,120	680,114

9 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Restricted funds £	Total funds £
Audit fees			
Audit of the financial statements	-	5,500	5,500
Other governance costs	-	2,655	2,655
Total for 2025	-	8,155	8,155
Total for 2024	10,534	4,336	14,870

10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2025 £	2024 £
Operating leases - other assets	-	2,550
Audit fees	5,500	5,020
Loss on disposal of tangible fixed assets	2,532	675
Depreciation of fixed assets	44,423	47,937
Amortisation	<u>5,967</u>	<u>5,967</u>

11 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 2025 (continued)

12 Staff costs

The aggregate payroll costs were as follows:

	2025 £	2024 £
Staff costs during the year were:		
Wages and salaries	207,029	200,559
Social security costs	13,249	13,291
Pension costs	11,387	10,884
Other staff costs	4,218	3,076
	<u>235,883</u>	<u>227,810</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:

	2025 No	2024 No
Projects	6	6
Administration	1	1
	<u>7</u>	<u>7</u>

7 (2024 - 7) of the above employees participated in the Defined Contribution Pension Schemes.

Contributions to the employee pension schemes for the year totalled £11,387 (2024 - £10,884).

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

13 Auditors' remuneration

	2025 £	2024 £
Audit of the financial statements	<u>5,500</u>	<u>5,020</u>

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

14 Taxation

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

15 Intangible fixed assets

	Website £	Total £
Cost		
At 1 April 2024	23,866	23,866
At 31 March 2025	<u>23,866</u>	<u>23,866</u>
Amortisation		
At 1 April 2024	11,684	11,684
Charge for the year	5,967	5,967
At 31 March 2025	<u>17,651</u>	<u>17,651</u>
Net book value		
At 31 March 2025	<u>6,215</u>	<u>6,215</u>
At 31 March 2024	<u>12,182</u>	<u>12,182</u>

16 Tangible fixed assets

	Freehold land and farm buildings £	Plant, machinery and sundry office equipment £	Other tangible fixed asset £	Total £
Cost				
At 1 April 2024	4,291,138	192,823	12,260	4,496,221
Additions	-	23,190	-	23,190
Disposals	-	<u>(7,740)</u>	-	<u>(7,740)</u>
At 31 March 2025	<u>4,291,138</u>	<u>208,273</u>	<u>12,260</u>	<u>4,511,671</u>
Depreciation				
At 1 April 2024	6,800	72,826	12,260	91,886
Charge for the year	3,400	41,023	-	44,423
Eliminated on disposals	-	<u>(2,838)</u>	-	<u>(2,838)</u>
At 31 March 2025	<u>10,200</u>	<u>111,011</u>	<u>12,260</u>	<u>133,471</u>
Net book value				
At 31 March 2025	<u>4,280,938</u>	<u>97,262</u>	-	<u>4,378,200</u>
At 31 March 2024	<u>4,284,338</u>	<u>119,997</u>	-	<u>4,404,335</u>

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

17 Fixed asset investments

	2025	2024
	£	£
Investment properties	1,400,000	1,400,000
Shares in group undertakings and participating interests	1	1
Other investments	80,606	80,606
	<hr/>	<hr/>
	1,480,607	1,480,607
	<hr/>	<hr/>

Investment properties

	Investment properties
	£
Cost or Valuation	
At 1 April 2024	<hr/> <u>1,400,000</u>
Provision	
At 31 March 2025	<hr/> -
Net book value	
At 31 March 2025	<hr/> <u>1,400,000</u>
At 31 March 2024	<hr/> <u>1,400,000</u>
There has been no valuation of investment property by an independent valuer during the year, but one is scheduled to take place in early 2026.	

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2024	1	1
At 31 March 2025	1	1
Net book value		
At 31 March 2025	1	1
At 31 March 2024	1	1

Other investments

	Basic Payment Scheme Entitlement £	Total £
Cost or Valuation		
At 1 April 2024	80,606	80,606
At 31 March 2025	80,606	80,606
Net book value		
At 31 March 2025	80,606	80,606
At 31 March 2024	80,606	80,606

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
			2025	2024	

Subsidiary undertakings

The Langholm Initiative Trading Company Ltd Buckleuch Mill, Glenesk Road, Langholm, DG13 0ES	Scotland	Ordinary	100%	100%	dormant
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The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

18 Stock

	2025	2024
	£	£
Agricultural and General Supplies	3,790	1,077
Farm Livestock	<u>208,190</u>	<u>218,583</u>
	<u>211,980</u>	<u>219,660</u>

19 Debtors

	2025	2024
	£	£
Trade debtors	22,709	460,836
VAT recoverable	4	-
Other debtors	<u>31,109</u>	<u>20,974</u>
	<u>53,822</u>	<u>481,810</u>

20 Cash and cash equivalents

	2025	2024
	£	£
Cash at bank	<u>1,416,277</u>	<u>1,019,831</u>

21 Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	7,927	7,735
Other taxation and social security	4,275	4,026
Other creditors	-	87,916
Pension scheme creditor	1,908	1,644
Accruals	<u>51,666</u>	<u>68,577</u>
	<u>65,776</u>	<u>169,898</u>

22 Contingent liabilities

At the time of the first purchase from Buccleuch, the Langholm Initiative entered into a carbon agreement with the Woodland Trust. The terms of the agreement were that the Woodland Trust would contribute £200,000 to the first purchase and would take a standard security over an area of land which would be planted up with new native woodland. This would allow Langholm Initiative to repay back the £200,000. The original target for this to be completed was 2022/23. For a number of reasons, some of which are beyond the control of the Langholm Initiative this scheme has not yet taken place. The Tarras Valley team have been working closely with the Woodland Trust and statutory agencies to keep them updated and to agree an appropriate scheme and the aim is to complete this in the 2026 planting season subject to permissions and funding.

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

23 Funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2025 £
Unrestricted funds					
<i>General</i>					
General fund	125,481	101,760	(53,982)	(166,990)	6,269
Contingency	20,869	-	-	-	20,869
Langholm Information Hub	<u>2,298</u>	<u>638</u>	<u>(1,318)</u>	<u>-</u>	<u>1,618</u>
	<u>148,648</u>	<u>102,398</u>	<u>(55,300)</u>	<u>(166,990)</u>	<u>28,756</u>
<i>Designated</i>					
Designated Development Fund	-	-	-	67,000	67,000
General Fund	-	-	-	100,000	100,000
Property development and renovation	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>417,000</u>	<u>417,000</u>
Total unrestricted funds	148,648	102,398	(55,300)	250,010	445,756
Restricted funds					
A Digital Journey of Landscape Restoration	86,585	-	(48,617)	-	37,968
Moorland Commemorations	5,000	-	-	-	5,000
Tarras Valley Nature Reserve	6,734,434	519,674	(365,860)	(41,150)	6,847,098
Tour O' the Moor	168	-	-	-	168
Rethink Carbon	86,431	-	(28,785)	-	57,646
Driving Lessons	319	-	(319)	-	-
Sports Centre Feasibility Study	426	-	(47)	-	379
Development Manager Role	315	11,572	(50,810)	38,656	(267)
Enthuse/TVNR Website	800	506	(696)	-	610
Estate Manager Role	22,687	22,028	(46,036)	3,900	2,579
Office Manager Role	12,770	42,191	(41,529)	-	13,432
Restoring Peatland & Wetland Birds	19,856	-	(83)	(6,000)	13,773
Tarras Valley Education & Engagement	26,144	33,822	(36,200)	-	23,766
Public Areas Maintenance	930	118	(440)	-	608
Shared Prosperity	-	30,000	(30,729)	5,000	4,271
Rotary	500	-	(175)	-	325
IRNS	47,034	11,457	(32,456)	-	26,035
SEA Tourism	1,000	-	(990)	(10)	-
D & G Climate Hub	1,000	-	(1,000)	-	-
Community Land Week	-	676	(608)	-	68
Ancient Woodlands Restoration	3,480	-	(2,705)	-	775
Property development and renovation	250,000	12,500	(870)	(250,000)	11,630
100 Years Common Ownership	-	3,624	(3,218)	(406)	-
Cronksbank Cottage	-	8,438	(19,400)	-	(10,962)
Community Lead Development Fund	-	27,090	(27,090)	-	-

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

	Balance at 1 April 2024	Incoming resources	Resources expended	Transfers	Balance at 31 March 2025
	£	£	£	£	£
Bird Hide	-	1,200	(533)	-	667
Total restricted funds	7,299,879	724,896	(739,196)	(250,010)	7,035,569
Total funds	7,448,527	827,294	(794,496)	-	7,481,325

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2025 (continued)

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

The Langholm Initiative

Notes to the Financial Statements for the Year Ended 31 March 2025 (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	<u>(165,438)</u>	<u>(4,460)</u>	<u>(169,898)</u>
Total net assets	<u><u>148,648</u></u>	<u><u>7,299,879</u></u>	<u><u>7,448,527</u></u>

25 Related party transactions

During the year the charity made the following related party transactions:

On expiry of the Mitsubishi vehicle operating lease, the Organisation wished to purchase the vehicle outright. However this was not permitted under the terms of the lease agreement and so a member of staff bought the vehicle from the leasing company and resold it immediately to the Langholm Initiative at the same price. No financial gain or loss was made by either party to this transaction. At the balance sheet date the amount due to/from was £Nil (2024 - £Nil).

26 Standard Security

The charity has granted a standard security on all the landholding to The Big Lottery (on behalf of the Scottish Land Fund) and to the South of Scotland Enterprise on the southern estate.

A standard security has also been granted to the Woodland Trust over part of its landholding, as part of an agreement relating to the planting of a new native woodland.