

REGISTERED CHARITY NUMBER: SC041085

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021
FOR
THE LANGHOLM INITIATIVE (SCIO)**

THE LANGHOLM INITIATIVE
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FOR THE YEAR ENDED 31ST MARCH 2021

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THE LANGHOLM INITIATIVE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2021

The trustees present their report with the financial statements of the charity for the year ended 31st March 2021. 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 Langholm and the surrounding area through the advancement of education : citizen and community development : environmental protection and improvement : arts, heritage, culture, and science : provision of recreational facilities.

In pursuit of these objectives the charity has delivered a number of projects including Textiles Eskdale; Digital Skills; Welcome to Langholm Community Information Hub; Wild Eskdale, a feasibility study for the development of a Townfoot Sports Centre, and the Community Buy-out of Langholm Moor. These projects are fully described in the Achievements and Performance section of this report. The project staff are grateful to the funders, partners and participants that enabled the work to take place.

THE LANGHOLM INITIATIVE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2021

STRATEGIC REPORT

Achievement and performance

Charitable activities

By March 2021 and the end of the financial year for the Langholm Initiative, the country had experienced numerous "ups and downs", due to the Covid-19 pandemic. In order to cope with the pressures of this the LI Board had adopted the practice of meeting fortnightly rather than monthly, this helped the organisation continue to function smoothly, in particular as the moorland buyout gathered momentum.

Textiles Eskdale

Textiles Eskdale, the follow-on project from, Weaving a Future for Eskdale, continued to foster intergenerational working and nurture interest in textiles and handcraft skills. It was paused on several occasions throughout 2020, due to furlough - project funders proved very understanding. However, staff adapted to the constrictions and when conditions eased, workshops were held via zoom tutorials.

Digital Skills

Aimed at improving essential digital skills across the age range, again it had to be paused on occasions. As the situation stabilised towards the end of the year it was found younger learners had adapted to Zoom delivery of workshops and this maximised inclusion. In conjunction with D&G Council, "Developing the Young Workforce" team, a group of Academy pupils were mentored/encouraged to participate in a STEM (Science, Technology, Engineering & Maths) challenge event due to take place later in the year. A number of local businesses were supported with their digital needs' skills through a workshop, "Langholm Digital", held in conjunction with D&G Business Gateway.

Sports Centre Refurbishment

The working party continued researching the feasibility of this project. While it was impossible to carry out public consultation in the form of face-to-face meetings, the groups' plans/options were displayed in the Welcome to Langholm tourist office windows and the public invited to comment/register their views by alternative means - the response had been very encouraging.

Moorland Buyout/TVNR

The highlight of the year was undoubtedly the raising of £3.8 million pounds for the community buyout of Langholm Moor. While the target had been reached by October, the legalities were not settled until late March 2021. (The legal firm who acted for The Langholm Initiative were Harper MacLeod LLP, The Ca'd'oro, 45 Gordon Street, Glasgow G1 3PE) However, sometime earlier the Moor was renamed the Tarras Valley Nature Reserve (TVNR) and a separate trading company, the Langholm Initiative Trading Company Ltd., was set up to protect the charitable status of the "parent" organisation, Langholm Initiative. The buyout had the knock-on effect of substantially increasing LI membership, from just over 100 at the outset to 740 currently.

How the money was raised; the Scottish Government pledged £950,000 pounds with £1 million pounds coming from the South of Scotland Enterprise organisation. The John Muir Trust were the first environmental organisation to provide a major contribution to the buyout, £100,000. However, almost as valuable, they provided introductions to similar bodies, amongst them; the Carman Family Foundation £500,000, the Bentley Foundation £500,000, the Garfield Weston Foundation £300,000, and the Woodland Trust £200,000. These Trusts, along with the very successful Crowd Funder launched by the Initiative - the target was £200,000, however, it ultimately achieved over £250,000. This, together with a discount of £400,000 from Buccleuch Estates helped LI reached their goal for Option 1, the 5,200 acres. The goal was achieved within six months AND amid a worldwide pandemic!

THE LANGHOLM INITIATIVE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2021

Wild Eskdale

The education project delivered student interventions at both Langholm Academy and Canonbie Primary. It organised and ran the John Muir Awards Scheme and worked with Creative Woodland Resources to deliver 6 weekly sessions to second year students.

It also worked with the Langholm Scout group. Easter Holiday Clubs had to be cancelled because of the pandemic. As with other projects, innovative ways were found to continue delivering outdoor education through self-guided Family Packs which proved to be very popular during lockdown periods. It managed to complete most of its objectives and the project came to an end in December 2020.

Langholm Information Hub

The pandemic had a significant effect on visitor numbers. The office opened for the new season in early February only to close again four weeks later. It did not re-open until the end of August. By then a rigorous risk assessment had been undertaken; a hand sanitising station set up and appropriate PPE provided, as well as a track and trace system. Only three visitors were allowed on the premises at any one time and distancing rules applied. Although some long serving volunteers had to withdraw their services because of vulnerability issues, most remained. It was even possible to run a few exhibitions up till the seasons' end.

Volunteers

We currently have around 90 volunteers, who regularly contribute to our various projects. For example, 26 serve in the Langholm Information Hub and have contributed 900 hours over the curtailed season.

The Moorland Buyout/Wild Eskdale, the volunteer hours equate to 700 for this period. Time given to Sports Centre Redevelopment project was 750 hours.

The Trustees over 2020/ 2021 increased their Board meetings to fortnightly instead of once monthly - meetings lasting on average two hours, therefore time given over the period equates to 520 hours - also, the Board took on several administrative duties/meetings, related to the Moorland Buyout amounting to around 700 hours - totalling 1,220 hours.

We are extremely grateful to all our Volunteers for their help and support which enabled The Langholm Initiative to take all these projects forward in 2020/2021.

Financial review

Financial position

An increase in unrestricted funds for the year of £23,155 (2020, increase £4,630) was recorded leaving net assets of £44,915 relating to unrestricted funds. All restricted funds are in surplus.

THE LANGHOLM INITIATIVE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2021

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 consider that a general fund reserve of three months expenditure is a prudent level of reserves to enable the charity to deal with unforeseen problems.

Covid-19

The impact of Covid-19 was immediately apparent to the Trustees of Langholm Initiative, and plans were starting to be put in place before the end of the financial year on 31/03/20. Funders were approached by project managers and/or Trustees - as virtually all projects had to cease in the interim. We are grateful to our funders for their help and understanding.

All staff were furloughed from 1st April to 1st September (with some being partially returned at essential times in the interim). Coronavirus Business Support Fund and National Lottery Heritage Emergency Funding was sourced to secure the organisation's financial position and ensure sustainability moving forward.

The Initiative was also approached by Development Trust Association Scotland to help deliver support under Scottish Government's 'Supporting Communities Fund', and was able to allocate and donate this money to the local Day Centre, OutPost Arts and a local Covid-Facebook Group.

Fortnightly 'Zoom' meetings were held with staff to ensure their welfare, and keep them updated on news from the Trustees during furlough.

Future plans

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

THE LANGHOLM INITIATIVE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

At the AGM in Dec 2019 the members of the company adopted a resolution, which supported changing the legal structure of the company to a Scottish Charitable Incorporated Organisation (SCIO) from a registered charity and company limited by guarantee. An application was subsequently submitted to the Scottish Charity Regulator (OSCR) and the conversion was confirmed by OSCR in April 2020 and formally took place in June 2020.

The conversion simplified the process the formal regulatory process to a single regulatory body and permits Langholm Initiative to pursue projects which involve land ownership such as the Langholm Moor project.

Policies and Procedures

During the reporting period Langholm Initiative undertook a review and update of its Human Resources (HR) policies and procedures and these are consolidated within the employee handbook. The employee handbook also incorporates the staff checklist, which is used as part of the induction process for all new employees. The policies and procedures are subject to regular review.

The Trustees, recognise the importance of financial controls and reporting. During the reporting period the board developed and approved the implementation of a Financial Procedures Manual, which serves to outline the policies and associated procedures used by the organisation to ensure that it manages its finances and resources effectively. The manual has been developed in accordance with guidance from the charity regulator and third sector support organisations in addition to following the legal requirements of HMRC.

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 2 shall be Co-opted Trustees. Ordinary member trustees must form a majority of charity trustees in office. At each AGM the ordinary members may 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 in the course of its activities or on the basis that they have specialised experience and/or skills which could be of assistance to the board.

Organisational structure

Responsibility for managing the charity lies with the Trustees.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

SC041085

Registered office

Buccleuch Mill
Glensk Road
Langholm
DG13 0ES

THE LANGHOLM INITIATIVE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2021

Trustees

Mrs M E Pool
Mrs S A Murray
E D Lacey
Mrs E M Bloomer
J A P Hanrahan
D R Male (resigned 10.12.21)
G Hollywood (resigned 25.3.21)
J C Scott
Mrs S F Stuart (resigned 28.6.21)
D G Borthwick (resigned 25.3.21)
K Cummings (appointed 5.4.21)
Mrs S Toon (appointed 7.5.21)

Company Secretary

Mrs S F Stuart

Auditors

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

Solicitors

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

THE LANGHOLM INITIATIVE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2021

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.

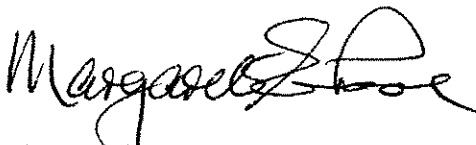
In so far as the trustees are aware:

- 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.

AUDITORS

The auditors, Hogg & Thorburn, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, on 21st February 2022 and signed on the board's behalf by:



Mrs M E Pool - 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 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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 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 2021 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.

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 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
- 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.

In response to the risk of irregularities and non-compliance with laws and regulations including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the charity through enquiry and inspection;

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

- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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. This description forms part of our Report of the Independent Auditors.

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.

Hogg & Thorburn

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

Date: 23-02-2022

THE LANGHOLM INITIATIVE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2021**

| | | Unrestricted | Restricted | 2021 | 2020 |
|--------------------------------------|-------|---------------|------------------|------------------|----------------|
| | Notes | funds | funds | Total | (Unaudited) |
| | | £ | £ | funds | Total |
| | | | | £ | funds |
| | | | | | £ |
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 44,598 | 4,125,601 | 4,170,199 | 35,472 |
| Charitable activities | | | | | |
| | 5 | | | | |
| Contract income | | 3,129 | 175 | 3,304 | 8,944 |
| Project management | | 13,484 | - | 13,484 | 21,498 |
| Wild Eskdale | | - | 995 | 995 | 53,255 |
| Richer Lives | | - | - | - | 450 |
| Regeneration | | - | - | - | 530 |
| Driving Lessons | | - | - | - | 60 |
| Wild Eskdale Extras | | - | 4,173 | 4,173 | 3,798 |
| Sports Centre Feasibility Study | | - | - | - | 22,850 |
| Weaving a Future for Eskdale | | - | - | - | 33,667 |
| Moor Feasibility | | - | - | - | 71,602 |
| Digital Skills | | - | 33,000 | 33,000 | 5,000 |
| Covid-19 Supporting Communities Fund | | - | 34,005 | 34,005 | - |
| Textiles Eskdale | | - | 15,368 | 15,368 | - |
| HEFG | | - | 34,000 | 34,000 | - |
| Other trading activities | 3 | 1,021 | - | 1,021 | 1,150 |
| Investment income | 4 | 1,076 | 25 | 1,101 | 644 |
| Total | | 63,308 | 4,247,342 | 4,310,650 | 258,920 |
| EXPENDITURE ON | | | | | |
| Raising funds | 6 | 40 | 190 | 230 | 160 |
| Charitable activities | | | | | |
| | 7 | | | | |
| Contract income | | 1,229 | - | 1,229 | 1,858 |
| Project management | | 49,428 | - | 49,428 | 26,368 |
| Building a Future for Eskdale | | - | - | - | 1,531 |
| Wild Eskdale | | - | 27,020 | 27,020 | 58,617 |
| Langholm Information Hub | | 12 | - | 12 | 37 |
| Richer Lives | | - | - | - | 7,786 |
| Regeneration | | - | - | - | 740 |
| Driving Lessons | | - | 240 | 240 | 1,335 |
| Wild Eskdale Extras | | - | 9 | 9 | 5,375 |
| Sports Centre Feasibility Study | | - | 18,730 | 18,730 | 3,026 |
| Weaving a Future for Eskdale | | - | 29 | 29 | 24,444 |
| Moor Feasibility | | - | 14,407 | 14,407 | 70,408 |
| Digital Skills | | - | 11,795 | 11,795 | 14,821 |
| Covid-19 Supporting Communities Fund | | - | 32,475 | 32,475 | - |

The notes form part of these financial statements

THE LANGHOLM INITIATIVE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2021**

| | | Unrestricted funds | Restricted funds | 2021 Total funds | 2020 (Unaudited) Total funds |
|------------------------------------|-------|-----------------------|-------------------------|-------------------------|---------------------------------------|
| | Notes | £ | £ | £ | £ |
| Textiles Eskdale | | - | 6,637 | 6,637 | - |
| Langholm moorland buy out | | - | 15,833 | 15,833 | - |
| HEFG | | - | 34,334 | 34,334 | - |
| Other | | <u>6,312</u> | <u>-</u> | <u>6,312</u> | <u>-</u> |
| Total | | <u>57,021</u> | <u>161,699</u> | <u>218,720</u> | <u>216,506</u> |
| NET INCOME | | 6,287 | 4,085,643 | 4,091,930 | 42,414 |
| Transfers between funds | 19 | <u>16,868</u> | <u>(16,868)</u> | <u>-</u> | <u>-</u> |
| Net movement in funds | | 23,155 | 4,068,775 | 4,091,930 | 42,414 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | <u>21,760</u> | <u>87,168</u> | <u>108,928</u> | <u>66,514</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>44,915</u></u> | <u><u>4,155,943</u></u> | <u><u>4,200,858</u></u> | <u><u>108,928</u></u> |

The notes form part of these financial statements

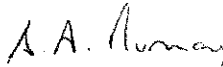
THE LANGHOLM INITIATIVE

**BALANCE SHEET
31ST MARCH 2021**

| | | 2021 | 2020 |
|--|-------|-----------------|----------------------|
| | | Total | (Unaudited) Total |
| | Notes | funds | funds |
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible assets | 14 | 1,023 | 3,801,142 |
| Investments | 15 | <u>1</u> | <u>46,166</u> |
| | | 1,024 | 3,847,308 |
| | | 3,848,332 | 394 |
| CURRENT ASSETS | | | |
| Stocks | 16 | - | 1,800 |
| Debtors | 17 | 56,622 | 33,806 |
| Cash at bank | | <u>37,598</u> | <u>282,955</u> |
| | | 94,220 | 318,561 |
| | | 412,781 | 115,308 |
| CREDITORS | | | |
| Amounts falling due within one year | 18 | <u>(50,329)</u> | <u>(9,926)</u> |
| | | (60,255) | (6,774) |
| NET CURRENT ASSETS | | <u>43,891</u> | <u>308,635</u> |
| | | 352,526 | 108,534 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>44,915</u> | <u>4,155,943</u> |
| | | 4,200,858 | 108,928 |
| NET ASSETS | | <u>44,915</u> | <u>4,155,943</u> |
| | | 4,200,858 | 108,928 |
| FUNDS | 19 | | |
| Unrestricted funds | | | 44,915 |
| Restricted funds | | | <u>4,155,943</u> |
| | | | 21,760 |
| | | | <u>87,168</u> |
| TOTAL FUNDS | | | <u>4,200,858</u> |
| | | | <u>108,928</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on 21st February 2022 and were signed on its behalf by:


M E Pool - Trustee


S A Murray - Trustee

The notes form part of these financial statements

THE LANGHOLM INITIATIVE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021

| | Notes | 2021 £ | 2020 (Unaudited) £ |
|---|-------|--------------------|--------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | <u>4,053,961</u> | <u>55,634</u> |
| Net cash provided by operating activities | | <u>4,053,961</u> | <u>55,634</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (3,802,072) | (240) |
| Purchase of fixed asset investments | | (46,167) | - |
| Interest received | | <u>1,101</u> | <u>644</u> |
| Net cash (used in)/provided by investing activities | | <u>(3,847,138)</u> | <u>404</u> |
| Change in cash and cash equivalents in the reporting period | | | |
| | | 206,823 | 56,038 |
| Cash and cash equivalents at the beginning of the reporting period | | <u>113,730</u> | <u>57,692</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>320,553</u> | <u>113,730</u> |

The notes form part of these financial statements

THE LANGHOLM INITIATIVE

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021**

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

| | 2021 | 2020 (Unaudited) |
|---|-------------------------|----------------------|
| | £ | £ |
| Net income for the reporting period (as per the Statement of Financial Activities) | 4,091,930 | 42,414 |
| Adjustments for: | | |
| Depreciation charges | 301 | 115 |
| Interest received | (1,101) | (644) |
| Increase in stocks | (1,800) | - |
| (Increase)/decrease in debtors | (88,850) | 16,578 |
| Increase/(decrease) in creditors | <u>53,481</u> | <u>(2,829)</u> |
| Net cash provided by operations | <u><u>4,053,961</u></u> | <u><u>55,634</u></u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.4.20 (Unaudited) | Cash flow | At 31.3.21 |
|-----------------|--------------------------|-----------------------|-----------------------|
| | £ | £ | £ |
| Net cash | | | |
| Cash at bank | <u>113,730</u> | <u>206,823</u> | <u>320,553</u> |
| | <u>113,730</u> | <u>206,823</u> | <u>320,553</u> |
| Total | <u><u>113,730</u></u> | <u><u>206,823</u></u> | <u><u>320,553</u></u> |

The notes form part of these financial statements

THE LANGHOLM INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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 the current Covid-19 pandemic 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.

Tangible fixed assets

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

| | |
|--------------------------|-----------------|
| Improvements to property | - 33.3% on cost |
| Plant and machinery | - 20% on cost |

THE LANGHOLM INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2021

1. ACCOUNTING POLICIES - continued

Stocks

Stocks are 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.

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.

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.

THE LANGHOLM INITIATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**

2. DONATIONS AND LEGACIES

| | 2021 | 2020 (Audited) |
|-----------------|------------------|-------------------|
| | £ | £ |
| Donations | 516,605 | 35,232 |
| Grants | 3,653,594 | - |
| Membership fees | - | 240 |
| | <u>4,170,199</u> | <u>35,472</u> |

3. OTHER TRADING ACTIVITIES

| | 2021 | 2020 (Unaudited) |
|-------------|--------------|---------------------|
| | £ | £ |
| Shop income | <u>1,021</u> | <u>1,150</u> |

4. INVESTMENT INCOME

| | 2021 | 2020 (Unaudited) |
|--------------------------|--------------|---------------------|
| | £ | £ |
| Deposit account interest | <u>1,101</u> | <u>644</u> |

5. INCOME FROM CHARITABLE ACTIVITIES

| | | 2021 | 2020 (Unaudited) |
|--------------------|--------------------------------------|----------------|---------------------|
| | Activity | £ | £ |
| Contract income | Contract income | 3,304 | 7,844 |
| Grants | Contract income | - | 1,100 |
| Project management | Project management | 13,484 | 21,498 |
| Grants | Wild Eskdale | 995 | 53,255 |
| Grants | Richer Lives | - | 450 |
| Grants | Regeneration | - | 530 |
| Grants | Driving Lessons | - | 60 |
| Contract income | Wild Eskdale Extras | 173 | 3,798 |
| Grants | Wild Eskdale Extras | 4,000 | - |
| Grants | Sports Centre Feasibility Study | - | 22,850 |
| Contract income | Weaving a Future for Eskdale | - | 427 |
| Grants | Weaving a Future for Eskdale | - | 33,240 |
| Grants | Moor Feasibility | - | 71,602 |
| Grants | Digital Skills | 33,000 | 5,000 |
| Grants | Covid-19 Supporting Communities Fund | 34,005 | - |
| Grants | Textiles Eskdale | 15,368 | - |
| Grants | HEFG | <u>34,000</u> | - |
| | | <u>138,329</u> | <u>221,654</u> |

THE LANGHOLM INITIATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**

6. RAISING FUNDS

Raising donations and legacies

| | 2021 | 2020 (Unaudited) |
|----------|------------|---------------------|
| | £ | £ |
| Sundries | <u>190</u> | <u>-</u> |

Other trading activities

| | 2021 | 2020 (Unaudited) |
|-------------------|------------|---------------------|
| | £ | £ |
| Purchases | <u>40</u> | <u>160</u> |
| Aggregate amounts | <u>230</u> | <u>160</u> |

7. CHARITABLE ACTIVITIES COSTS

| | Direct Costs £ | Grant funding of activities (see note 8) £ | Totals £ |
|---|----------------------|---|----------------|
| Contract income | 1,229 | - | 1,229 |
| Project management | 49,428 | - | 49,428 |
| Wild Eskdale | 27,020 | - | 27,020 |
| Langholm Information Hub | 12 | - | 12 |
| Driving Lessons | 240 | - | 240 |
| Wild Eskdale Extras | 9 | - | 9 |
| Sports Centre Feasibility Study | 18,730 | - | 18,730 |
| Weaving a Future for Eskdale | 29 | - | 29 |
| Moor Feasibility | 14,407 | - | 14,407 |
| Digital Skills | 11,795 | - | 11,795 |
| Covid-19 Supporting Communities Fund | - | 32,475 | 32,475 |
| Textiles Eskdale | 6,637 | - | 6,637 |
| Langholm moorland buy out | 15,833 | - | 15,833 |
| HEFG | <u>34,334</u> | - | <u>34,334</u> |
| | <u>179,703</u> | <u>32,475</u> | <u>212,178</u> |

THE LANGHOLM INITIATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**

8. GRANTS PAYABLE

| | 2021 | 2020 (Unaudited) |
|--------------------------------------|---------------|---------------------|
| | £ | £ |
| Covid-19 Supporting Communities Fund | <u>32,475</u> | <u>-</u> |

The total grants paid to institutions during the year was as follows:

| | 2021 | 2020 (Unaudited) |
|--------------------------------------|---------------|---------------------|
| | £ | £ |
| Covid-19 Supporting Communities Fund | <u>32,475</u> | <u>-</u> |

9. SUPPORT COSTS

| | | Governance costs |
|--------------------------|--|---------------------|
| | | £ |
| Other resources expended | | <u>6,312</u> |

10. NET INCOME/(EXPENDITURE)

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

| | 2021 | 2020 (Unaudited) |
|-----------------------------|------------|---------------------|
| | £ | £ |
| Auditors' remuneration | 3,600 | - |
| Depreciation - owned assets | <u>301</u> | <u>115</u> |

11. TRUSTEES' REMUNERATION AND BENEFITS

There was one remuneration payment to Trustee Sarah Stuart for the year ended 31st March 2021. Payment of £6,960 made for provision of specialised consultancy services in order to support Governance of the Charity all in accordance with article 113 of the Constitution and as approved by Board. There was no other benefits paid for the year ended 31st March 2021 nor for the year ended 31st March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2021 nor for the year ended 31st March 2020.

THE LANGHOLM INITIATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**

12. STAFF COSTS

| | 2021 | 2020 (Unaudited) |
|-----------------------|---------------|---------------------|
| | £ | £ |
| Wages and salaries | 89,505 | 104,965 |
| Social security costs | 2,470 | 4,401 |
| Other pension costs | <u>1,258</u> | <u>1,431</u> |
| | <u>93,233</u> | <u>110,797</u> |

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

| | 2021 | 2020 (Unaudited) |
|----------------|----------|---------------------|
| Projects | 4 | 5 |
| Administration | <u>1</u> | <u>1</u> |
| | <u>5</u> | <u>6</u> |

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

**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES
(UNAUDITED)**

| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|-----------------------------------|----------------------------|--------------------------|---------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 3,181 | 32,291 | 35,472 |
| Charitable activities | | | |
| Contract income | 8,944 | - | 8,944 |
| Project management | 21,498 | - | 21,498 |
| Wild Eskdale | - | 53,255 | 53,255 |
| Richer Lives | - | 450 | 450 |
| Regeneration | 530 | - | 530 |
| Driving Lessons | - | 60 | 60 |
| Wild Eskdale Extras | - | 3,798 | 3,798 |
| Sports Centre Feasibility Study | - | 22,850 | 22,850 |
| Weaving a Future for Eskdale | - | 33,667 | 33,667 |
| Moor Feasibility | - | 71,602 | 71,602 |
| Digital Skills | - | 5,000 | 5,000 |
| Other trading activities | 1,140 | 10 | 1,150 |
| Investment income | <u>644</u> | <u>-</u> | <u>644</u> |
| Total | 35,937 | 222,983 | 258,920 |
| EXPENDITURE ON | | | |
| Raising funds | 160 | - | 160 |

THE LANGHOLM INITIATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**

**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – continued
(UNAUDITED)**

| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|------------------------------------|----------------------------|--------------------------|---------------------|
| Charitable activities | | | |
| Contract income | 1,858 | - | 1,858 |
| Project management | 26,368 | - | 26,368 |
| Building a Future for Eskdale | - | 1,531 | 1,531 |
| Wild Eskdale | - | 58,617 | 58,617 |
| Langholm Information Hub | 37 | - | 37 |
| Richer Lives | - | 7,786 | 7,786 |
| Regeneration | 740 | - | 740 |
| Driving Lessons | - | 1,335 | 1,335 |
| Wild Eskdale Extras | - | 5,375 | 5,375 |
| Sports Centre Feasibility Study | - | 3,026 | 3,026 |
| Weaving a Future for Eskdale | - | 24,444 | 24,444 |
| Moor Feasibility | - | 70,408 | 70,408 |
| Digital Skills | - | 14,821 | 14,821 |
| | <hr/> | <hr/> | <hr/> |
| Total | 29,163 | 187,343 | 216,506 |
| | <hr/> | <hr/> | <hr/> |
| NET INCOME | 6,774 | 35,640 | 42,414 |
| Transfers between funds | <u>(2,144)</u> | <u>2,144</u> | <u>-</u> |
| Net movement in funds | 4,630 | 37,784 | 42,414 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | 17,130 | 49,384 | 66,514 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL FUNDS CARRIED FORWARD | <u>21,760</u> | <u>87,168</u> | <u>108,928</u> |

THE LANGHOLM INITIATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**

14. TANGIBLE FIXED ASSETS

| | Moorland £ | Improvements to property £ | Plant and machinery £ | Totals £ |
|-----------------------|------------------|-------------------------------------|-----------------------------|------------------|
| COST | | | | |
| At 1st April 2020 | - | 12,260 | 1,145 | 13,405 |
| Additions | <u>3,801,142</u> | <u>-</u> | <u>930</u> | <u>3,802,072</u> |
| At 31st March 2021 | <u>3,801,142</u> | <u>12,260</u> | <u>2,075</u> | <u>3,815,477</u> |
| DEPRECIATION | | | | |
| At 1st April 2020 | - | 12,260 | 751 | 13,011 |
| Charge for year | <u>-</u> | <u>-</u> | <u>301</u> | <u>301</u> |
| At 31st March 2021 | <u>-</u> | <u>12,260</u> | <u>1,052</u> | <u>13,312</u> |
| NET BOOK VALUE | | | | |
| At 31st March 2021 | <u>3,801,142</u> | <u>-</u> | <u>1,023</u> | <u>3,802,165</u> |
| At 31st March 2020 | <u>-</u> | <u>-</u> | <u>394</u> | <u>394</u> |

15. FIXED ASSET INVESTMENTS

| | 2021 £ | 2020 (Unaudited) £ |
|--------|---------------|--------------------------|
| Shares | 1 | - |
| Other | <u>46,166</u> | <u>-</u> |
| | <u>46,167</u> | <u>-</u> |

Additional information as follows:

| | Unlisted investments £ |
|-----------------------|------------------------------|
| MARKET VALUE | |
| Additions | <u>1</u> |
| NET BOOK VALUE | |
| At 31st March 2021 | <u>1</u> |
| At 31st March 2020 | <u>-</u> |

There were no investment assets outside the UK.

THE LANGHOLM INITIATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**

15. FIXED ASSET INVESTMENTS - continued

Investments (neither listed nor unlisted) were as follows:

| | 2021 | 2020 (Unaudited) |
|-----------------------------------|---------------|---------------------|
| | £ | £ |
| Basic payment scheme entitlements | <u>46,166</u> | <u>-</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 | |

| | 2021 | 2020 (Unaudited) |
|--------------------------------|------|---------------------|
| | £ | £ |
| Aggregate capital and reserves | 1 | - |

16. STOCKS

| | 2021 | 2020 (Unaudited) |
|-----------|--------------|---------------------|
| | £ | £ |
| Livestock | <u>1,800</u> | <u>-</u> |

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 (Unaudited) |
|---------------|---------------|---------------------|
| | £ | £ |
| Other debtors | 89,296 | 1,578 |
| Prepayments | <u>1,132</u> | <u>-</u> |
| | <u>90,428</u> | <u>1,578</u> |

THE LANGHOLM INITIATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2021 | 2020 (Unaudited) |
|------------------|----------------------|---------------------|
| | £ | £ |
| Other creditors | 53,775 | 4,878 |
| Accrued expenses | <u>6,480</u> | <u>1,896</u> |
| | <u><u>60,255</u></u> | <u><u>6,774</u></u> |

19. MOVEMENT IN FUNDS

| | At 1.4.20 (Unaudited) £ | Net movement in funds £ | Transfers between funds £ | At 31.3.21 £ |
|---------------------------------------|-------------------------------|----------------------------------|------------------------------------|-------------------------|
| Unrestricted funds | | | | |
| General fund | 21,760 | 5,266 | 16,868 | 43,894 |
| Langholm Information Hub | <u>-</u> | <u>1,021</u> | <u>-</u> | <u>1,021</u> |
| | 21,760 | 6,287 | 16,868 | 44,915 |
| Restricted funds | | | | |
| Wild Eskdale | 35,293 | (22,024) | (12,137) | 1,132 |
| Driving Lessons | 679 | (240) | - | 439 |
| Wild Eskdale Extras | 5,816 | 164 | (4,900) | 1,080 |
| Sports Centre Feasibility Study | 19,756 | (18,730) | - | 1,026 |
| Weaving a Future for Eskdale | 8,194 | (29) | (8,165) | - |
| Moorland Feasibility | 16,371 | (14,818) | - | 1,553 |
| Digital Skills | 1,059 | 26,204 | - | 27,263 |
| Langholm Moorland Buy Out Fund | - | 4,105,190 | - | 4,105,190 |
| Covid -19 Supporting Communities Fund | - | 1,530 | - | 1,530 |
| HEFG - Covid 19 | - | (334) | 334 | - |
| Textiles Eskdale | <u>-</u> | <u>8,730</u> | <u>8,000</u> | <u>16,730</u> |
| | <u>87,168</u> | <u>4,085,643</u> | <u>(16,868)</u> | <u>4,155,943</u> |
| TOTAL FUNDS | <u><u>108,928</u></u> | <u><u>4,091,930</u></u> | <u><u>-</u></u> | <u><u>4,200,858</u></u> |

THE LANGHOLM INITIATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**

19. MOVEMENT IN FUNDS - continued

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|--|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 62,235 | (56,969) | 5,266 |
| Langholm Information Hub | <u>1,073</u> | <u>(52)</u> | <u>1,021</u> |
| | 63,308 | (57,021) | 6,287 |
| Restricted funds | | | |
| Wild Eskdale | 4,996 | (27,020) | (22,024) |
| Driving Lessons | - | (240) | (240) |
| Wild Eskdale Extras | 173 | (9) | 164 |
| Sports Centre Feasibility Study | - | (18,730) | (18,730) |
| Weaving a Future for Eskdale | - | (29) | (29) |
| Moorland Feasibility | (411) | (14,407) | (14,818) |
| Digital Skills | 37,999 | (11,795) | 26,204 |
| Langholm Moorland Buy Out Fund | 4,121,213 | (16,023) | 4,105,190 |
| Covid -19 Supporting Communities Fund | 34,005 | (32,475) | 1,530 |
| HEFG - Covid 19 | 34,000 | (34,334) | (334) |
| Textiles Eskdale | <u>15,367</u> | <u>(6,637)</u> | <u>8,730</u> |
| | <u>4,247,342</u> | <u>(161,699)</u> | <u>4,085,643</u> |
| TOTAL FUNDS | <u><u>4,310,650</u></u> | <u><u>(218,720)</u></u> | <u><u>4,091,930</u></u> |

THE LANGHOLM INITIATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds (Unaudited)

| | At 1.4.19 £ | Net movement in funds £ | Transfers between funds £ | At 31.3.20 £ |
|---------------------------------|----------------------|----------------------------------|------------------------------------|-----------------------|
| Unrestricted funds | | | | |
| General fund | 14,756 | 5,506 | 1,498 | 21,760 |
| Langholm Information Hub | 1,949 | 1,228 | (3,177) | - |
| Regeneration | <u>425</u> | <u>40</u> | <u>(465)</u> | <u>-</u> |
| | 17,130 | 6,774 | (2,144) | 21,760 |
| Restricted funds | | | | |
| Building a Future for Eskdale | - | (1,531) | 1,531 | - |
| Richer Lives | 6,250 | (2,335) | (3,915) | - |
| Wild Eskdale | 40,657 | (5,364) | - | 35,293 |
| Pulling Threads Together | (179) | - | 179 | - |
| Driving Lessons | 1,955 | (1,276) | - | 679 |
| Wild Eskdale Extras | 270 | 5,546 | - | 5,816 |
| Sports Centre Feasibility Study | (69) | 19,825 | - | 19,756 |
| Weaving a Future for Eskdale | 500 | 9,225 | (1,531) | 8,194 |
| Moorland Feasibility | - | 16,371 | - | 16,371 |
| Digital Skills | <u>-</u> | <u>(4,821)</u> | <u>5,880</u> | <u>1,059</u> |
| | <u>49,384</u> | <u>35,640</u> | <u>2,144</u> | <u>87,168</u> |
| TOTAL FUNDS | <u><u>66,514</u></u> | <u><u>42,414</u></u> | <u><u>-</u></u> | <u><u>108,928</u></u> |

THE LANGHOLM INITIATIVE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**

19. MOVEMENT IN FUNDS - continued

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---------------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 33,698 | (28,192) | 5,506 |
| Langholm Information Hub | 1,459 | (231) | 1,228 |
| Regeneration | <u>780</u> | <u>(740)</u> | <u>40</u> |
| | 35,937 | (29,163) | 6,774 |
| Restricted funds | | | |
| Building a Future for Eskdale | - | (1,531) | (1,531) |
| Richer Lives | 5,451 | (7,786) | (2,335) |
| Wild Eskdale | 53,253 | (58,617) | (5,364) |
| Driving Lessons | 59 | (1,335) | (1,276) |
| Wild Eskdale Extras | 10,921 | (5,375) | 5,546 |
| Sports Centre Feasibility Study | 22,851 | (3,026) | 19,825 |
| Weaving a Future for Eskdale | 33,669 | (24,444) | 9,225 |
| Moorland Feasibility | 86,779 | (70,408) | 16,371 |
| Digital Skills | <u>10,000</u> | <u>(14,821)</u> | <u>(4,821)</u> |
| | <u>222,983</u> | <u>(187,343)</u> | <u>35,640</u> |
| TOTAL FUNDS | <u>258,920</u> | <u>(216,506)</u> | <u>42,414</u> |

20. RELATED PARTY DISCLOSURES

Catherine Lacey, who is the mother of E D Lacey, is a part-time employee of the charity.

THE LANGHOLM INITIATIVE

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2021**

| | Unrestricted funds £ | Restricted funds £ | 2021 Total funds £ | 2020 (Unaudited) Total funds £ |
|---------------------------------------|----------------------------|--------------------------|-----------------------------|--|
| INCOME AND ENDOWMENTS | | | | |
| Donations and legacies | | | | |
| Donations | 361 | 516,244 | 516,605 | 35,232 |
| Grants | 44,237 | 3,609,357 | 3,653,594 | - |
| Membership fees | - | - | - | 240 |
| | 44,598 | 4,125,601 | 4,170,199 | 35,472 |
| Other trading activities | | | | |
| Shop income | 1,021 | - | 1,021 | 1,150 |
| Investment income | | | | |
| Deposit account interest | 1,076 | 25 | 1,101 | 644 |
| Charitable activities | | | | |
| Contract income | 3,129 | 348 | 3,477 | 12,069 |
| Project management | 13,484 | - | 13,484 | 21,498 |
| Grants | - | 121,368 | 121,368 | 188,087 |
| | 16,613 | 121,716 | 138,329 | 221,654 |
| Total incoming resources | 63,308 | 4,247,342 | 4,310,650 | 258,920 |
| EXPENDITURE | | | | |
| Raising donations and legacies | | | | |
| Sundries | - | 190 | 190 | - |
| Other trading activities | | | | |
| Purchases | 40 | - | 40 | 160 |
| Charitable activities | | | | |
| Wages | 40,088 | 49,417 | 89,505 | 104,965 |
| Social security | 432 | 2,038 | 2,470 | 4,401 |
| Pensions | 628 | 630 | 1,258 | 1,431 |
| Postage, stationery & advertising | 874 | 2,207 | 3,081 | 1,229 |
| Sundries | 1,229 | 730 | 1,959 | 1,436 |
| Project management | - | 13,484 | 13,484 | 21,498 |
| Other project costs | 301 | 57,824 | 58,125 | 68,802 |
| Carried forward | 43,552 | 126,330 | 169,882 | 203,762 |

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THE LANGHOLM INITIATIVE

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2021**

| | Unrestricted funds £ | Restricted funds £ | 2021 Total funds £ | 2020 (Unaudited) Total funds £ |
|--------------------------------------|----------------------------|--------------------------|-----------------------------|--|
| Charitable activities | | | | |
| Brought forward | 43,552 | 126,330 | 169,882 | 203,762 |
| Premises | 6,241 | - | 6,241 | 8,648 |
| Communication | 876 | 2,704 | 3,580 | 1,809 |
| Grants to institutions | <u>-</u> | <u>32,475</u> | <u>32,475</u> | <u>-</u> |
| | 50,669 | 161,509 | 212,178 | 214,219 |
| Support costs | | | | |
| Governance costs | | | | |
| Auditors' remuneration | 3,600 | - | 3,600 | - |
| Sundries | - | - | - | 111 |
| Accountancy fees | 1,272 | - | 1,272 | - |
| Independent examiner's fees | - | - | - | 1,296 |
| Bookkeeping & payroll administration | <u>1,440</u> | <u>-</u> | <u>1,440</u> | <u>720</u> |
| | <u>6,312</u> | <u>-</u> | <u>6,312</u> | <u>2,127</u> |
| Total resources expended | <u>57,021</u> | <u>161,699</u> | <u>218,720</u> | <u>216,506</u> |
| Net income | <u>6,287</u> | <u>4,085,643</u> | <u>4,091,930</u> | <u>42,414</u> |

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