SPARK

THE LANGHOLM INITIATIVE

REPORT AND ACCOUNTS

For the year ended 31st March 2014

Registered No. SC197326

Charity Registration No. SC041085

JRW
Chartered Accountants

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THE LANGHOLM INITIATIVE

REPORT OF THE TRUSTEES

For the year ended 31st March 2014

The Trustees hereby submit their Report together with the Accounts for the year ended 31st March 2014.

Reference and Administrative Details

Charity Number:	**SC041085**	
Company Number:	**SC197326**	
Registered Office:	**Buccleuch Mill, Glenesk Road, LANGHOLM, DG13 OES.**	
Directors:	**D. Yarrow**	**(Chairman)**
	G.J. Graham	
	A.R. Williams	**(resigned 10.2.14)**
	Mrs. M.E. Pool	
	Mrs. A. Murray	
	Mrs. D. Badham	
	W.Frew	
Secretary:	**K.M. Hill**	
Independent Examiners:	**JRW, Chartered Accountants, 19 Buccleuch Street, HAWICK, TD9 OHL.**	
Bankers:	**Bank of Scotland, High Street, LANGHOLM.**	

Structure, Governance and Management

The Langholm Initiative is a Company limited by guarantee and does not have a Share Capital. It is governed by its Memorandum & Articles of Association. Responsibility for managing the Charitable Company lies with the Directors who are also Trustees under Charity Law.

Principal Objectives and Activities

Under its Memorandum of Association (as amended on 28th October 2009) the Charitable Company's objects are:

a) to advance the development of the Community of Langholm and the surrounding area by working to improve the social, economic and physical enviornment.

b) to develop and improve the Community voluntary activity in the area by providing organisational, administrative and physical support to voluntary groups and charities operating in the area.

c) to advance the regeneration of Langholm and the surrounding area by working with local businesses, employers and regional agencies to improve the physical, social and economic infrastructure.

Review of Activities, Achievements & Performance

The Langholm Initiative continues to support the Groups and Committees created under its auspices and maintains its core objectives of pursuing the enhancement and development of projects within the operating area.

This year has been one of establishing and supporting working groups for tasks identified through the CADISPA recommendations and priorities, e.g. the emerging visitor network for which the Initiative provided information, contacts and support in the key initial stages.
One of the key recommendations was the setting up of a development trust to deal with pan-Eskdale issues. Key stakeholders are being consulted and support sought from the Development Trust Association and Third Sector First to enable the Community to understand what this entails and the benefits that it would produce. Focus groups have been established for the initial priority issues and they are working towards recommending the way forward for their respective issues. This work will continue for the foreseeable future and has the support of local and national government as well as D&G Health Board.
John Swinney has been directly involved following the closure of the Reid and Taylor Mill and fully supports the transition to a development trust which can take on commissioned work and projects which will lead to a more self-sustaining economy.
We organised a visit to the communities of Renton and Fintry for local people to see for themselves what can be achieved by the community Trust approach.

We were delighted to support the first Muckle Toon Adventure Festival with information and signposting and for the Initiative office to be the anchor point of contact for the newly established committee.

The Langholm Initiative "Making the Most of the Moorlands" project continues to be a success in terms of engagement with a diverse range of environmental and cultural activities and awareness raising. This project won its second successive award for the D&G LEADER Healthier Scotland award. This is a true partnership project; working closely with Langholm Academy, Langholm Primary School, Canonbie Primary School, Langholm Scouts, Explorer Scouts, Beavers, Cubs, Rainbows, Canonbie Guides and Brownies, Langholm Playcare, Xcel Youth Project and Langholm Moor Demonstration Project. It has had support and input from Scottish Natural Heritage, RSPB, The Game and Wildlife Conservation Trust, D&G Raptor Study Group, Wild Seasons D&G and has delivered a programme of John Muir Awards.

The 'Stayin' *Alive'* project came to a satisfactory end in January with much information shared and many lessons learned from our partners The Glendale Community Trust in Wooler, Northumberland and the SRUC (Scotland's Rural College).
Through this project we have in conjunction with Langholm Academy and the Xcel Project developed the Langholm Enterprise Academy Partnership which aspires to establish a facility within the school to provide high quality vocational and entrepreneurship training.

We continued to host the PACE team (Partnership Action for Continuing Employment) in circumstances of business closures and subsequent loss of employment. We also accommodate Business Gateway in relation to business start-up and support for small businesses. The Initiative has provided a first point of contact for local businesses and organisations requiring assistance with premises, training opportunities and grant funding.

We organised a Shop Local scheme leading up to Christmas which was supported by the vast majority of the shops and proved to be a success, with positive feedback both from participating businesses and shoppers.
Having failed to secure a contract to deliver the Putting You First "Time-banking" project in Eskdale, we nevertheless offered support and accommodation to the newly appointed Time-Broker so that Eskdale residents would have access to this new opportunity.

We were approached by Dumfries and Galloway Third Sector First organisation to establish an agency facility within our offices and be a local point of contact for their services. Within this agreement we offer a registration and support service for volunteers. We also provide information, advice and signposting for many local groups with governance and Disclosure procedures.

Tourist Information service provision continues to be a key element of the summer activity through a dedicated team of volunteers based both within the Town Hall and Kilngreen facilities. Outwith the opening times, staff at the Initiative office have dealt with requests for information about Eskdale from individuals outside the area and also the media.

We continue to promote the gallery facility at Langholm Town Hall as a venue for art and craft displays which has proved popular with local and regional artists and supports the town's growing reputation as a centre for excellence in the sector. Last September we participated in the region-wide Environmental Arts Festival. Bonnie Langholm undertook the redecoration of the Gallery and have secured funding from the Area Committee to replace the failing lighting system.
Bonnie Langholm continues to brighten up our town in the summer months and all credit must go to the army of volunteers who are the backbone of these ventures.

Review of Financial Position

A surplus for the year of £3,143 was recorded leaving net assets of £19,208 relating to unrestricted funds. All restricted funds are in surplus. Cashflow continues to be tight, but the Trustees are satisfied that by maintaining cost control measures and seeking new sources of income, the charitable company will continue to operate as a going concern.

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 Charitable Company to deal with unforeseen problems. Currently the General Fund has a small surplus and action is continuing to be taken to address the problems as detailed above under the Review of Financial Position.

Plans for Future Periods

The charitable company will continue, subject to sufficient funding being secured, to carry out it's principal objects.

We will continue to progress the most effective mechanisms to deliver projects which have been identified through the CADISPA survey. At the same time we will liaise with Dumfries and Galloway Council and the NHS Putting You First Board so that local actions are aligned with regional strategies.

Small Company Provisions

The above report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005), the special provisions of Part 15 of the Companies Act 2006 relating to small entities and the Memorandum and Articles of Association.

Signed on behalf of the Trustees,

D. YARROW

Director.

Registered Office:- Buccleuch Mill,
Glenesk Road,
LANGHOLM, DG13 OES.

14th August 2014.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

OF THE LANGHOLM INITIATIVE

I report on the accounts of the charity for the year ended 31st March 2014 which are set out on pages 5 to 9.

Respective responsibilities of trustees and examiner
The charity's trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement
My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement
In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:

   - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations
   - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

K. Crowford

Kevin D. Crowford,
Chartered Accountant.

JRW,
19 Buccleuch Street,
HAWICK, TD9 OHL.

21st August 2014.

THE LANGHOLM INITIATIVE

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income & Expenditure Account)

For the year ended 31st March 2014

	Note	Unrestricted Fund	Restricted Funds	2014 Total	2013 Total
Incoming Resources					
Incoming Resources from Generated Funds					
Voluntary Income:					
Donations & Grants	4	£ 24,332	£ -	£ 24,332	£ 32,750
Membership Fees		595	-	595	485
Investment Income		-	-	-	-
Incoming Resources from Charitable Activities	5	18,137	59,303	77,440	74,900
Other Income		-	-	-	-
Total Incoming Resources		£ 43,064	£ 59,303	£102,367	£108,135
Resources Expended					
Charitable Activities	6	£ 34,982	£ 63,402	£ 98,384	£ 91,331
Governance Costs	6	840	-	840	840
Total Resources Expended		£ 35,822	£ 63,402	£ 99,224	£ 92,171
Net Movement in Funds		£ 7,242	£ (4,099)	£ 3,143	£ 15,964
Total Funds brought forward		11,966	8,681	20,647	4,683
Total Funds carried forward	10	£ 19,208	£ 4,582	£ 23,790	£ 20,647

The statement of financial activities includes all gains and losses in the year

THE LANGHOLM INITIATIVE
Registered Number: SC197326

BALANCE SHEET

As at 31st March 2014

	Note	2014	2013
Fixed Assets	7	£ -	£ -
Current Assets			
Debtors	8	£ 3,667	£ 21,155
Cash at Bank and in Hand		25,867	2,419
		£ 29,534	£ 23,574
Creditors: Amounts falling due within one year	9	5,744	2,927
Net Current (Liabilities)/Assets		£ 23,790	£ 20,647
Total Assets less Current Liabilities		£ 23,790	£ 20,647
		======	======
Funds			
General Fund	10	£ 19,208	£ 11,966
Restricted Funds	10	4,582	8,681
		£ 23,790	£ 20,647
		======	======

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2014.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2014 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 14th August 2014 and were signed on its behalf by:

D. YARROW - Director

G. J. GRAHAM - Director

NOTES TO THE ACCOUNTS

For the year ended 31st March 2014

1. **Accounting Policies**

   a) **Basis of Accounting**
   The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006, and follows the recommendations of the Statement of Recommended Practice: Accounting and Reporting by Charities.

   b) **Grants**
   Grants receivable are recognised in the Statement of Financial Activities where the Charitable Company is entitled to the income and the amount can be quantified with reasonable accuracy.

   c) **Investment Income**
   Bank Interest is accounted for when receivable.

   d) **Tangible Fixed Assets**

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

Tenants Improvements	33 1/3% on cost
Office Equipment	20% on cost

   e) **Going Concern**
   The Accounts disclose a deficit in the members funds. Additional support has been secured from a benefactor and the directors are confident that this, combined with other measures being taken, will enable the Company to continue to operate for the foreseeable future. The Accounts have therefore been prepared on the going concern basis.

2. **Taxation**
   Prior to 3rd December 2009 the Company has a Trade Association and was not subject to Corporation Tax on transactions with its members which include Dumfries & Galloway Council. Investment income was subject to Corporation Tax.
   The Company achieved Charitable Status on 3rd December 2009 and since that date is exempt from tax on all income and gains in relation to its charitable activities.
   The Directors consider that, after taking account of grant income outwith the scope of Value Added Tax, the Company is below the threshold for registration for Value Added Tax.

3. **Trustees Remuneration & Related Party Transactions**
   No Trustees received any remuneration or expenses during the year.
   No Trustees had any personal interest in any contract or transaction entered into by the Charity during the year.

4. **Incoming Resources from Donations and Grants**

	Unrestricted Funds	Restricted Funds	2013 Total	2013 Total
Dumfries & Galloway Council - Core Funding	£ 24,332	£ -	£ 24,332	£ 20,000
Dumfries & Galloway Health Board	-	-	-	12,750
	£ 24,332	£ -	£ 24,332	£ 32,750

5. Incoming Resources from Charitable Activities

	Unrestricted Funds	Restricted Funds	2014 Total	2013 Total
Contract Income	£ 9,660	£ -	£ 9,660	£ 10,450
Project Management	8,477	-	8,477	7,437
Moorland Project	-	47,021	47,021	47,660
Stayin' Alive Project	-	8,282	8,282	12,103
Third Sector First	-	4,000	4,000	-
	£ 18,137	£ 59,303	£ 77,440	£ 77,650

6. Resources Expended

	Staff Costs	Project Management	Other Project Costs	Total 2014	Total 2013
Charitable Activities					
Restricted Funds					
Moorland	£ 31,940	£ 4,336	£ 7,418	£ 43,694	£ 43,314
CADISPA Study	-	-	-	-	12,750
Stayin' Alive Project	8,905	4,141	2,784	15,830	4,555
Third Sector First	3,734	-	144	3,878	-
	£ 44,579	£ 8,477	£ 10,346	£ 63,402	£ 60,619

Unrestricted Funds		
General Fund		
Staff Costs	£ 19,435	£ 16,908
Premises	11,457	12,444
Communication	994	1,761
Postage, Stationery & Advertising	440	365
Miscellaneous	2,656	2,184
	£ 34,982	£ 33,462
Governance Costs		
Independent Examination	£ 840	£ 840

7. Tangible Fixed Assets

	Leasehold Improvements	Office Equipment	Total
Cost			
As at 31st March 2013	£ 12,260	£ 569	£ 12,829
Additions in year	-	-	-
As at 31st March 2014	£ 12,260	£ 569	£ 12,829
Depreciation			
As at 31st March 2013	£ 12,260	£ 569	£ 12,829
Charge for Year	-	-	-
As at 31st March 2014	£ 12,260	£ 569	£ 12,829
Net Book Value			
As at 31st March 2014	£ -	£ -	£ -
As at 31st March 2013	£ -	£ -	£ -

8. Debtors

	2014	2013
Grants Receivable	£ 3,667	£ 20,858
Other Debtors	-	297
	£ 3,667	£ 21,155

9. Creditors

Other Creditors	£ 2,944	£ 2,927
Project Grants Received in Advance	2,800	-
	£ 5,744	£ 2,927

10. Movement in Funds

	Opening Balance	Net Incoming Resources	Net Resources Expended	Closing Balance
Restricted Funds				
Stayin' Alive Project	£ 7,548	£ 8,282	£ (15,830)	£ -
Third Sector First	-	4,000	(3,878)	122
Moorland Project	1,133	47,021	(43,694)	4,460
	£ 8,681	£ 59,303	£ (63,402)	£ 4,582
Unrestricted Funds				
General Fund	11,966	43,064	(35,822)	19,208
	£ 20,647	£ 102,367	£ (99,224)	£ 23,790

11. Contingent Liabilities

The Directors, having made reasonable enquiries, are not aware of any material contingent liabilities of the Company.

12. Members Liability

The liability of each member upon the winding up of the Company is limited to £1.