

Charity registration number SC044998 (Scotland)

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)
T/A LOCKERBIE OLD SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO) T/A LOCKERBIE OLD SCHOOL LEGAL AND ADMINISTRATIVE INFORMATION

Charity name The Old School Lockerbie SCIO

Charity trading name Lockerbie Old School

Trustees Catherine Lacey
Jackie Moffat
Linny Oliphant
Mairi Pringle
Gillian Moffat
Honor Gibson
Logan Jarvis
Findlay Moffat
Mike Sutherland

Charity number (Scotland) SC044998

Principal address 79 West Acres
Lockerbie
Dumfries and Galloway
DG11 2EL

Accountants Azets
Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Auditor Whitelaw Wells
Statutory Auditors
9 Ainslie Place
Edinburgh
EH3 6AT

Bankers Virgin Money
84/86 High Street
Dumfries
DG1 2BJ

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO) T/A LOCKERBIE OLD SCHOOL CONTENTS

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LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)

T/A LOCKERBIE OLD SCHOOL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 JULY 2025

The trustees present their annual report and financial statements for the year ended 31 July 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), "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

The development of the Old Primary School in Lockerbie into a community and enterprise facility for the benefit and improvement of the "area known as Lockerbie" as defined by the postcode DG11 and the wider community at large for the benefit of the inhabitants of the area.

To support the regeneration of DG11 community and promote civic values and enterprise and the rights of the citizen by enabling the provision of social wellbeing educational, sports, arts and heritage facilities and business. These facilities will aim to foster an environment of equality, inclusion and diversity.

To operate as a Scottish Charitable Incorporated Organisation ("SCIO") on a strictly not for profit basis; all income shall be used in furtherance of restoration, preservation and development of the organisation. All moneys or other assets of the organisation shall be used solely to further the charitable aims of the organisation and may not be used for any non-charitable purpose.

Any other purpose that may reasonably be regarded as analogous to any of the preceding.

Activities this year:

2024/2025 has been another very busy year:

- Commenced capital build Aug 24
- Submitting Funding applications for revenue funds
- Planned our annual Christmas Craft Fayre which unfortunately was cancelled due to inclement Scottish winter weather
- Work with design team to ensure capital build progressed smoothly
- Work closely with Funders now that build has commenced, worked extensively to ensure review of outputs
- Developing skill for Trustees and undertaken Governance training, beginning work to transform from community project to management board
- Ensure financial oversight of the project and robust reporting methods
- Worked closely with Construction Manager to oversee development of the Old School Building
- Continued running a successful Lunch club which provides a hot meal, entertainment and company. Started to use community food share initiative
- Run a summer programme
- Increased our volunteer numbers

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)

T/A LOCKERBIE OLD SCHOOL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Achievements and performance

- Took ownership of premises on Lockerbie High Street which was formerly Bank of Scotland thanks to funding from South of Scotland Enterprise, commenced renovation works while we continue to source funding
- Employed Project Officer, part-time, with funding for the next year including working with HMRC and pension company
- Held monthly in person Board Meetings either on Teams and in the High Street premises
- Through the continued work of the Trustees and staff further contacts have been made in the community to ensure collaborative working at all times
- There are various organisations and groups locally who we continue to work with who have expressed a continued interest in using the building, work with stakeholders and ensure the building will provide the space they need
- Attended community events and training via media ie Teams/Zoom and in person
- Kept up to date with possible funders and foster relationships with key organisations which we can apply for funds
- Developing a close working relationship with South of Scotland Enterprise and D&G Council Economic Development Team
- Renewed our business plan on an ongoing basis for School Bank and Janitors house

This has been another very successful year for the project. We continue to grow our number of staff, developing our Board with help from DTAS and SOSE. We have continued to developing contacts within Dumfries and Galloway Council, SOSE and Third Sector Dumfries and Galloway, Holywood Trust. These contacts can help us not only financially but with the expertise they are offering.

We continue to work on promoting the project within the local area and ensuring the community are aware of the ongoing work that goes on behind the scenes. It's easy for the community to become disheartened by the lack of obvious change in the building and we are trying to show what activities they can expect once the Old School is open. By continuing to hold community events, using the Old Bank in the high street as a 'shop window' we aim to encourage people to become more actively involved now rather than waiting until we are opening the Old School.

Financial review

The charity's income for the year totalled £2,775,860 (2024 - £428,633) of which £5,480 (2024 - £45,737) was unrestricted and £2,770,380 (2024 - £382,896) was restricted. Of the restricted funding received, £2,669,048 was capital in nature for the development of the Community Hub - expenditure of £2,416,036 has been capitalised as part of the Community Hub development works on the balance sheet this year. Transfers from unrestricted funds in the year of £339,588 (2024 - £82,565 to unrestricted) represent corrections to fund allocations. The charity incurred revenue expenditure of £117,215 (2024 - £143,518) of which £9,408 (2024 - £6,258) was unrestricted and £107,808 (2024 - £137,260) was restricted. The increase in income and expenditure was expected as the development of the Community Hub progressed.

At 31 July 2025, the charity held total funds of £3,649,972 (2024 - £991,327) of which £14,479 (2024 - £357,995) was unrestricted and £3,635,493 (2024 - £633,332) was restricted.

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)

T/A LOCKERBIE OLD SCHOOL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Statement of the Charity's Policy on Reserves

This Reserve Policy outlines the approach of Lockerbie Old School to maintaining financial reserves. It ensures that the charity has a financial buffer to manage risks, respond to unexpected events, and maintain stability while continuing to meet its charitable objectives.

Reserves are unrestricted funds that are freely available to be used for the general purposes of the charity. They do not include restricted funds, endowment funds, or assets tied up in long-term investments or fixed assets.

Lockerbie Old School aims to maintain reserves of £5,000, representing approximately three months of essential operating costs. This level has been set to ensure the charity can continue core functions in the event of income disruption or unforeseen expenditure.

The reserve fund exists to:

- Sustain operations during short-term funding gaps or delays
- Support the charity in responding to emergencies or unexpected costs
- Provide time for the trustees to develop a recovery plan if necessary
- Facilitate an orderly wind-down of services should the need arise

The reserve level will be reviewed quarterly by the Treasurer and discussed at board meetings. The Reserve Policy itself will be reviewed annually to ensure it remains appropriate as the organisation grows and evolves.

Use of reserve funds requires Board approval and must be:

- Supported by a clear rationale
- Documented in meeting minutes
- Accompanied by a plan replenish reserves within a reasonable timeframe where appropriate

If the reserve fund falls below the £5,000 target, the board will prioritise actions to rebuild it, such as reallocating surplus income, adjusting expenditure, or increasing fundraising efforts.

At 31 July 2025 the unrestricted reserves were £14,479 of which £1,253 were held in tangible assets, this left free reserves of £13,226, and as such the policy was met. The charity is currently in the process of completing the first stage of the building redevelopment and once this is completed this summer the Trustees will look to revisit the policy.

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)

T/A LOCKERBIE OLD SCHOOL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Principal Funding Source

The principal funding source was grant funding received from as disclosed in note 3.

Risk Management

The principal risks and uncertainties facing the charity, and the steps being taken to mitigate these risks, are as follows:

- a) Capital build and plans for re-development and extension. To mitigate the risks this brings the Board have employed a project manager, and sort capital fundraising which is continuing, with the capital funds in place for the first stage.
- b) Loss of Funding/Not achieving Funding Strategy this would result in income for services being reduced, staff redundancies and services lost or delivered at lower levels. The Trustees are continually monitoring funding as the building comes into community usage.

Going concern

The charity relies upon grants and donations from outside sources in order to meet its day to day working capital requirements. The first phase of the capital build is funded and due to be completed in the summer of 2026 with the Centre opening to the public. The Trustees have prepared financial projections for the first three years of operation of the Centre based on their expectations of operations. The income projections are based upon expected grants based on current applications together with reasonable estimates of other income receivable, whilst expenditure forecasts are based upon known fixed costs together with reasonable estimates of expected costs. These projections indicate that the charity should achieve a deficit in the first year and then in a surplus in subsequent years. The trustees expect that they will be able to fund the deficit in the first year from existing cash reserves, however, free reserves are forecast to move into deficit of around £27,500 during that first year.

The Trustees continue to review all costs of the organisation and ensure that these are kept to a minimum. They also continue to consider ways to increase the future funding of the charity both through grant applications and the hire of the Centre to other organisations.

The Trustees have prepared budgets and forecasts for the period through until summer 2029 which show a growth at sustained levels and a contribution to reserves, based upon anticipated Centre usage based on expressed local interest, the securing of additional grant funding and increased funding levels.

At the time of approving the financial statements, the trustees have a reasonable expectation that they can manage cashflow and that the charity has adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)

T/A LOCKERBIE OLD SCHOOL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Plans for future periods

- Continually update the business plan for both Old School and Bank, also potential plan for the Janitors House
- Work together with contractors to complete building work on Old School building
- Employ Project Officer due to the resignation of current employee
- Open High Street premises for community activities, holding events, recruit volunteers
- Continue to apply for funding to support charity outcomes
- Involve public in conversation.
- Increase member numbers.
- Continue Board development working with external organisations
- Work together with Project Development Manager to produce and implement Strategic Plan
- Continue to develop partnerships with local community groups/businesses/stakeholders/funders
- Continue to grow our Board of Trustees taking into account what skills we have at present and what skills we need to improve on
- Support staff, employ further staff, work with partner organisations to ensure board follow best practice

Structure, governance and management

Constitution

Lockerbie Old School Community Hub is a SCIO and the purposes and administration arrangements are set out in the constitution.

The trustees who served during the year and up to the date of signature of the financial statements were:

Ken Harvey	(resigned February 2025)
Gillian Moffat	
Jacqueline Moffat	
Catherine Lacey	
Lynda Robertson	(resigned April 2025)
Honor Gibson	
Linny Oliphant	
Sarah-Jane Burns	(resigned September 2024)
Mairi Pringle	
Logan Jarvis	(appointed May 2025)
Findlay Moffat	(appointed May 2025)
Mike Sutherland	(appointed May 2025)

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)

T/A LOCKERBIE OLD SCHOOL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2025

Appointment, induction and training of trustees

Trustees are elected under the terms of the Constitution. The Trustees may, at any time, unanimously agree to appoint any person as a Trustee provided that the prescribed minimum of 3 and maximum of 12 Trustees are met, Trustees are co-opted on the basis of the skills they bring and their interest in and commitment to furthering the aims and objectives the Charity. At each AGM the appointment is agreed by the members. Information packs, job descriptions for incoming Board Members and information on key tasks and responsibilities are provided as part of the induction process.

Organisational structure

The Trustees are responsible for the strategic direction of the Charity, for providing financial oversight, and for ensuring that the charity is well governed and operates in line with charitable objectives. Trustees come from a variety of professional and generalist backgrounds relevant to the work of the Charity.

Pay policy for staff

Currently there are limited staff and these are remunerated in line with industry norms along with any increments set out at time of recruitment, or awarded as a result of any additional training, qualifications or responsibility. Otherwise, increments are usually limited to annual cost of living increases across all pay scales.

Statement as to disclosure to auditors

So far as the Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and each Trustee has taken all the steps 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 auditors are aware of that information.

Trustees' responsibilities

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

The law applicable to charities in Scotland 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 Trust at the end of the year and of the profit or loss for the year then ended. 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 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;
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association 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 Association and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Trust's constitution. They are also responsible for safeguarding the assets of the Trust 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 Trust and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees confirm that the accounts comply with the above requirements.

The trustees report was approved by the Board of Trustees.

Gillian Moffat

G Moffat
Trustee

Date: 30 April 2026

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)

T/A LOCKERBIE OLD SCHOOL

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)

Opinion

We have audited the financial statements of the Lockerbie Old School Community Hub (SCIO) ('the charity') for the year ended 31 Jul 2025, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 July 205 and of its incoming resources and application of the resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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

We draw attention to note 1 of the financial statements which highlight that the forecast operating conditions of the charity are uncertain with limited free reserves. These conditions indicate that a material uncertainty exists that may cast significant doubt on the charity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees assessment of the entity's ability to continue to adopt the going concern basis of accounting included assessing the clients budget and cashflow forecasts.

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 other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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.

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)

T/A LOCKERBIE OLD SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustees';
- Proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; 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 6, the trustees are responsible for the preparation of the financial statements which 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's responsibilities for the audit of the financial statements

We have been appointed as auditor 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 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:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We performed income and expenditure testing which was designed to identify any irregularities as a result of mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

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 auditor's report.

**LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)
T/A LOCKERBIE OLD SCHOOL
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE TRUSTEES OF LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)

Use of our report

This report is made solely to the charity's members and 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 charity's members and trustees those matters we are required to state to them in an auditor's 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.

Other matters

The comparative financial statements are unaudited.

Whitelaw Wells

Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
EH3 6AA

30 April 2026

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)
T/A LOCKERBIE OLD SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes						
<u>Income from:</u>							
Donations and legacies	3	-	2,770,380	2,770,380	36,043	382,896	418,939
Other trading activities	4	1,721	-	1,721	2,612	-	2,612
Investments	5	3,759	-	3,759	7,082	-	7,082
Total income		5,480	2,770,380	2,775,860	45,737	382,896	428,633
<u>Expenditure on:</u>							
Raising funds	6	912	795	1,707	-	534	534
Charitable activities	7	8,496	107,012	115,508	6,258	136,726	142,984
Total expenditure		9,408	107,807	117,215	6,258	137,260	143,518
Net (expenditure)/income before transfers		(3,928)	2,662,573	2,658,645	39,479	245,636	285,115
Gross transfers between funds		(339,588)	339,588	-	82,565	(82,565)	-
Net movement in funds		(343,516)	3,002,161	2,658,645	122,044	163,071	285,115
Fund balances at 1 August 2024		357,995	633,332	991,327	235,951	470,261	706,212
Fund balances at 31 July 2025		14,479	3,635,493	3,649,972	357,995	633,332	991,327

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

All income and expenditure derive from continuing activities.

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)
T/A LOCKERBIE OLD SCHOOL
BALANCE SHEET
AS AT 31 JULY 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		3,179,681		643,499
Current assets					
Debtors	12	718,450		115,685	
Cash at bank and in hand		440,431		246,465	
		1,158,881		362,150	
Creditors: amounts falling due within one year	13	(688,590)		(14,322)	
Net current assets			470,291		347,828
Total assets less current liabilities			3,649,972		991,327
The funds of the charity					
Restricted income funds	14	3,635,493		633,332	
Unrestricted funds		14,479		357,995	
			3,649,972		991,327

The financial statements were approved by the trustees on 30 April 2026

Gillian Moffat

G Moffat
Trustee

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)
T/A LOCKERBIE OLD SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	19		2,606,243		224,210
Investing activities					
Purchase of tangible fixed assets		(2,416,036)		(185,151)	
Investment income received		3,759		7,082	
Net cash used in investing activities			(2,412,277)		(178,069)
Net cash generated from financing activities			-		-
Net increase in cash and cash equivalents			193,966		46,141
Cash and cash equivalents at beginning of year			246,465		200,324
Cash and cash equivalents at end of year			440,431		246,465

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)

T/A LOCKERBIE OLD SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

Charity information

Lockerbie Old School Community Hub (SCIO) is controlled by its constitution and is constituted as a Scottish Charitable Incorporated Organisation.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The charity relies upon grants and donations from outside sources in order to meet its day to day working capital requirements. The first phase of the capital build is funded and due to be completed in the summer of 2026 with the Centre opening to the public. The Trustees have prepared financial projections for the first three years of operation of the Centre based on their expectations of operations. The income projections are based upon expected grants based on current applications together with reasonable estimates of other income receivable, whilst expenditure forecasts are based upon known fixed costs together with reasonable estimates of expected costs. These projections indicate that the charity should achieve a deficit in the first year and then in a surplus in subsequent years. The trustees expect that they will be able to fund the deficit in the first year from existing cash reserves, however, free reserves are forecast to move into deficit of around £27,500 during that first year.

The Trustees continue to review all costs of the organisation and ensure that these are kept to a minimum. They also continue to consider ways to increase the future funding of the charity both through grant applications and the hire of the Centre to other organisations.

The Trustees have prepared budgets and forecasts for the period through until summer 2029 which show a growth at sustained levels and a contribution to reserves, based upon anticipated Centre usage based on expressed local interest, the securing of additional grant funding and increased funding levels.

At the time of approving the financial statements, the trustees have a reasonable expectation that they can manage cashflow and that the charity has adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)
T/A LOCKERBIE OLD SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies **(Continued)**

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Grants are recognised where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised on an accruals basis when a liability is incurred, Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

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 directly attributed to such activities and those costs of an indirect nature necessary to support them.

Support costs are costs whose functions assist the work of the charity but do not directly undertake charitable activities. Support costs include finance and governance costs. These costs have been wholly allocated to charitable activities.

1.6 Tangible fixed assets

Costing in excess of £1,000 are capitalised. Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Nil
Computers	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Assets under construction developed are considered for impairment and will be depreciated upon completion of the project.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

1 Accounting policies

(Continued)

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees are of the opinion that there are no critical accounting estimates or judgements that would have a material impact on the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

3 Income from donations and legacies

	Restricted funds	Unrestricted funds	Restricted funds	Total
	2025 £	2024 £	2024 £	2024 £
Donations and gifts	-	1,200	67,982	69,182
Grants	2,770,380	34,843	314,914	349,757
	<u>2,770,380</u>	<u>36,043</u>	<u>382,896</u>	<u>418,939</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

3 Income from donations and legacies

(Continued)

	Restricted funds 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Grants receivable for core activities				
Crossdykes Community Benefit Fund	-	34,843	-	34,843
D&G Council	1,678,745	-	30,840	30,840
SOSE	737,228	-	172,414	172,414
CEIS	35,419	-	53,866	53,866
Groundworks Funding	375	-	-	-
Foundation Scotland	500	-	5,000	5,000
DTAS	3,075	-	-	-
Investing in Communities	9,449	-	42,105	42,105
Hollywood Trust	270,036	-	6,361	6,361
Other	35,553	-	4,328	4,328
	<u>2,770,380</u>	<u>34,843</u>	<u>314,914</u>	<u>349,757</u>

4 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising events	<u>1,721</u>	<u>2,612</u>

5 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	<u>3,759</u>	<u>7,082</u>

6 Raising funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Restricted funds 2024 £
<u>Fundraising and publicity</u>				
Other fundraising costs	<u>912</u>	<u>795</u>	<u>1,707</u>	<u>534</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

7 Expenditure on charitable activities

	2025	2024
	£	£
Staff costs	42,306	56,716
Depreciation and impairment	920	920
Fundraising activities costs	1	-
Insurance costs	29,370	37,548
Other running costs	2,042	1,710
Rates and utilities	2,161	1,223
Marketing costs	659	517
Legal and professional fees	8,040	1,505
Community activities costs	1,591	476
Repairs and non-capital development costs	8,140	30,580
Historical input VAT reclaimed	-	(1,761)
Capital goods scheme adjustment	628	-
Trustees remuneration	1,200	-
	<u>97,058</u>	<u>129,434</u>
Share of governance costs (see note 8)	<u>18,450</u>	<u>13,550</u>
	<u>115,508</u>	<u>142,984</u>
Analysis by fund		
Unrestricted funds	8,496	6,258
Restricted funds	<u>107,012</u>	<u>136,726</u>
	<u>115,508</u>	<u>142,984</u>

Further analysis of the charitable activities is not provided as the directors believe the charity only has one main activity.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

8 Support costs

	Support costs £	Governance costs £	2025 £	2024 £
Audit fees	-	8,000	8,000	-
Independent examination	-	-	-	5,000
Accounts preparation and related advice	-	10,450	10,450	8,550
	-	18,450	18,450	13,550
Analysed between Charitable activities	-	18,450	18,450	13,550

Audit fees relate to the charity's auditors, Whitelaw Wells. All other governance costs relate to Azets, the charity's accountants in the current year and independent examiners in the prior year.

9 Trustees

During the year Gillian Moffat received £1,200 (2024 - £Nil) by way of remuneration to act as temprary project manager follow the resignation of the previous employee and before the new staff member was appointed.

Other than the above, no remuneration or reimbursement of expenses was paid to the Trustees during the year.

10 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	1	2
Employment costs	2025 £	2024 £
Wages and salaries	42,306	56,716

There were no employees whose annual remuneration was more than £60,000 in the currenty or prior year.

The Trustees consider that they are the only key Management personal and details of their remuneration is noted in note 9.

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

11 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Computers	Total
	£	£	£	£
Cost				
At 1 August 2024	67,760	573,565	3,681	645,006
Additions	-	2,483,281	-	2,483,281
Capital goods scheme adjustment	-	53,821	-	53,821
At 31 July 2025	67,760	3,110,667	3,681	3,182,108
Depreciation and impairment				
At 1 August 2024	-	-	1,507	1,507
Depreciation charged in the year	-	-	920	920
At 31 July 2025	-	-	2,427	2,427
Carrying amount				
At 31 July 2025	67,760	3,110,667	1,254	3,179,681
At 31 July 2024	-	641,325	2,174	643,499

The capital goods scheme adjustment represents VAT on pre-registration capital costs that can no longer be reclaimed from HMRC.

12 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Accrued income	565,549	6,684
Other debtors	126,258	78,063
Prepayments	26,643	30,938
	718,450	115,685

13 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other creditors	602,521	9,322
Accruals and deferred income	86,069	5,000
	688,590	14,322

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

14 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Balance at 1 August 2024	Movement in funds			Balance at 31 July 2025
	£	Income £	Expenditure £	Transfers £	£
Staff and running costs	28,411	65,779	(47,531)	-	46,659
Revenue development fund	4,274	-	-	-	4,274
Building development fund	600,647	2,704,601	(60,276)	339,588	3,584,560
	<u>633,332</u>	<u>2,770,380</u>	<u>(107,807)</u>	<u>339,588</u>	<u>3,635,493</u>

	Balance at 1 August 2023	Movement in funds			Balance at 31 July 2024
		Income	Expenditure	Transfers	
Staff and running costs	7,844	87,667	(64,147)	(2,953)	28,411
Revenue development fund	4,274	-	-	-	4,274
Building development fund	458,143	295,229	(73,113)	(79,612)	600,647
	<u>470,261</u>	<u>382,896</u>	<u>(137,260)</u>	<u>(82,565)</u>	<u>633,332</u>

Staff & running

PDM fund has been combined into staff and running fund. This covers the funding received for all general staff and running costs.

Revenue development

Funding received in relation to consultancy fees for the development of the Community Hub.

Building development

Funding received for development of Community Hub, the majority of this is capital funding. Transfers from this fund represent elements of capital grants, now expended, that are eligible to be treated as unrestricted elements of the project.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

15 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Fund balances at 31 July 2025 are represented by:			
Tangible assets	1,253	3,178,428	3,179,681
Current assets/(liabilities)	13,226	457,065	470,291
	<u>14,479</u>	<u>3,635,493</u>	<u>3,649,972</u>

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 31 July 2024 are represented by:			
Tangible assets	312,910	330,589	643,499
Current assets/(liabilities)	45,085	302,743	347,828
	<u>357,995</u>	<u>633,332</u>	<u>991,327</u>

16 Financial commitments, guarantees and contingent liabilities

Accumulated grants in excess of £2.73 million (2024 - £0.31 million) have been received for the costs of renovating the school, some of which may be repayable in the event of the property being sold or disposed of within a specified period. The Trustees currently have no plans to sell or dispose of the property within this period.

17 Capital commitments

As at the 31 July 2025 the charity had a capital commitment of £2,919,711 in relation to the completion of the ongoing property development.

18 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

LOCKERBIE OLD SCHOOL COMMUNITY HUB (SCIO)
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2025

19	Cash generated from operations	2025 £	2024 £
	Surplus for the year	2,658,645	285,115
	Adjustments for:		
	Investment income recognised in statement of financial activities	(3,759)	(7,082)
	Capital goods scheme adjustment	(53,821)	45,970
	Depreciation and impairment of tangible fixed assets	920	920
	Movements in working capital:		
	(Increase) in debtors	(602,765)	(109,262)
	Increase in creditors	674,268	8,549
	Cash generated from operations	2,673,488	224,210
20	Analysis of changes in net funds		
	The charity had no material debt during the year.		