

Knocknagael Ltd.

Company registration number SC668011 (Scotland)

Charity registration number SC051232 (Scotland)

KNOCKNAGAE L LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDING 31 JULY 2025

Knocknagael Ltd.

CONTENTS

Pages:

3	Company information
4-8	Directors' / Trustees' report
9	Independent Examiners Report
10	Income & expenditure account
11	Statement of financial activities
12	Balance sheet
13	Accounting policies
14-15	Notes to the financial statements

Knocknagael Ltd.

COMPANY INFORMATION

Directors/Trustees	M de la Torre (Chair) R MacVicar (Company Secretary from 14 May 2025) S Rowan (from 22 January 2025) S Craig A Simmons G MacDonald (resigned 22 January 2025) G Church D Kelly D Rhodes (from 22 January 2025)
Company number	SC668011 (Scotland)
Charity number	SCO51232 (Scotland)
Registered office	Flat A Druim House, Stratherrick Road, Inverness IV2 4LQ
Organisation type	Private company limited by guarantee without share capital established 20 July 2020 Scottish registered charity from 1 September 2021
Accounting period	These accounts cover the period from 1 st August 2024 to 31 st July 2025.
Bankers	Clydesdale Bank/Virgin Money 15 Academy Street, Inverness, IV1 1JN
Independent Examiner	Georgina Millar ACA

Knocknagael Ltd.

DIRECTORS' /TRUSTEES' REPORT

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 July 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Background information

In 2012, two fields at Knocknagael Farm, part of the Scottish Government bull stud farm on Essich Road, on the southwest edge of Inverness, were identified as surplus to the farm. A planning application for 200 new houses was lodged in 2013. This proposal was met with strong local opposition rooted in the loss of other Inverness farms to housing development in recent years, and growing awareness of environmental challenges and the need for local food growing. Following representations under the Inner Moray Firth Local Development Plan process from a number of sources including the campaign Save the Knocknagael Fields, the appointed Reporter rejected proposals to change the land from agricultural use to housing. A community group was formed and an initial Feasibility Study into a food-growing project on the site was completed in 2017.

The project has gathered momentum since 2019 when the group started to work with Highland & Islands Enterprise (HIE) and the Development Trust Association Scotland (DTAS) to follow a formal Asset Transfer Request (ATR) process under the Community Empowerment (Scotland) Act 2015, for what is known locally as the Smiddy Field. The ATR sought to transfer ownership of the field from the Scottish Government to Knocknagael Ltd. Knocknagael Ltd was established in July 2020 and currently has over 100 members.

In June 2022 our ATR request was rejected by the Scottish Government's Rural Payments and Inspection Division (RPID). In July 2022 we submitted a request for a Review of the decision under the 2015 Act. Following a public Review Panel hearing in March 2023, the original decision was overturned by the panel and a subsequent Ministerial Decision letter, received on 3rd Sep 2023 confirmed that the ATR should proceed.

Aims and objectives

In company law, key aims and objectives, known as the objects of the company, are stated in its Articles of Association, which in effect is a company's constitution. The objects of Knocknagael Ltd are:

"The company has been formed to benefit the Community comprising people, usually resident in the Inverness city local authority electoral wards of Inverness Ness-side and Inverness South, who support the aims and values of Knocknagael Ltd with the following objects:

(1) The advancement of community development by a) provision of community growing areas, including a community orchard, to provide a greater social and cohesive spirit b) creation and provision of allotments to community members

Knocknagael Ltd.

(2) The advancement of health by a) providing an environment that encourages outdoor activities in a safe environment b) providing growing space and training to organisations working with people living with mental health issues

(3) The advancement of environmental protection and improvement by a) creating a wildlife habitat as part of a “green hub” within an increasingly urbanised area b) providing training in horticulture and environmental awareness c) encouraging people within the community to grow and eat seasonally produced food, reducing food miles and packaging waste

(4) The advancement of education by a) Working with local schools to provide dedicated growing space for pupils use and education on environmental matters

(5) Other activities which may arise through community consultation from time to time which are compatible with the above objects”

As these aims and objectives are dependent on ownership of the land, the priority for financial year 2024-2025 has been to follow due process with the Asset Transfer Request.

Achievements and performance

At the beginning of the reporting period, we anticipated rapid movement on the Asset Transfer process, having received a Ministerial decision letter, with manageable conditions some months previously. While we are frustrated to report that the Asset Transfer process was not yet complete at the end of the reporting period, there were only legal technicalities to iron out, we had been granted the funding to purchase the Field and we have made great strides in our Planning application, so we anticipate major progress in the months ahead. During the reporting period we have been able to benefit from grant funding from the Community Regeneration Fund to take forward preparatory work

An exciting year lies ahead!

There follows some detail about what has been achieved in the year to 31st July 2025.

1. *Slow Progress on the Asset Transfer Request.* Having received a Ministerial Decision Letter in September 2023 that confirmed the Asset Transfer should proceed, the subsequent months of negotiation about the conditions of transfer stretched into well over a year, including the 12 months covered in this report. The process has involved defining the area of land and negotiations on servitudes and conditions. We have been guided through this lengthy and somewhat frustrating process by Gillespie MacAndrew, who have provided expert legal advice.
2. *Good news on Funding.* An application to the Scottish Land Fund (SLF) for a grant to cover the funds to the purchase the Smiddy Field was successful, and confirmation of this was received on 7 October 2024. The run up to the SLF panel meeting proved to be challenging and the support of our SLF case officer was invaluable in helping us understand the requirements of the SLF and in providing an appropriate clarification on the transfer conditions.

In May 2024 we received the good news that we had been successful in securing funding from the UK Government and Highland Council's Community Regeneration Fund to take forward the preparatory work for the project, described below.

3. *Archaeology Survey.* In preparation for the submission of a planning application, we commissioned an archaeological survey from the archaeology group AOC, which took

Knocknagael Ltd.

place from 5th - 9th November 2024. The Knocknagael Farm is the original site of the Knocknagael Boar Stone, a Pictish carving dating from 400-600 AD that has been moved to its current home in the Highland Regional Council headquarters. The survey included an opportunity for local Primary School involvement and a community event on Saturday 9th November.

No significant archaeological finds were made but local schools enjoyed their involvement and the community event was very well attended. The survey was funded by the UK Shared Prosperity Fund and Highland Council.

4. *Planning Permission Application.* During October 2024 we sent out invitations to several Landscape Architects to tender for the detailed design work for the Knocknagael allotments site. After a competitive tender process with high quality submissions from four landscape design contractors we appointed Iglu Studio of Edinburgh to undertake the detailed design work. Iglu Studio worked alongside Narro Associates, Harley Haddow, and Thomson Gray completed the design and engineering team providing civil, structural, mechanical & electrical engineering and quantity surveying services. We are grateful to the UK Government and Highland Council, who supported this design work through community regeneration funds

An application for Planning Permission was submitted on 26th May 2025. Permission was sought for the creation of; a new allotment area with 145 plots and a community gathering space, a new access road into the site, and a car park with height barrier, cycle and disabled parking spaces. The design was developed to create a space that fosters community engagement and enhances well-being, helping people connect with and enjoy nature. The project includes environmental and biodiversity enhancement features such as new native hedgerows and wildflower meadow areas, and natural drainage solutions plus accessible path and walkways. It will provide valuable greenspace.

5. *Community Consultation.* A key part of this process was a community consultation event that was held at the Green Drive Hall on 19th February 2025 where we sought feedback from members of the public on the detailed preliminary layout proposals. Comments were taken on board and design changes made, based on public opinion, before submission of the planning application to Highland Council. Some 60-70 members of the public attended the event, and we are extremely grateful for all the engagement and support that we received. Over 95% of those who responded to the survey were highly supportive.

During the year, our membership grew to over 100 and a number of social activities were organised such as a community harvest event, a community ceilidh and a fruit grafting event.

Knocknagael Ltd.

Financial review

Income and Expenditure for the year relate, in the main, to Income from Grants and Expenditure incurred on planning for Phase 1 of the project.

All other costs were core costs necessary for the company's functioning.

We were very grateful for all our Grants, Donations and Subscriptions thus year. We have achieved a surplus of £1,386 (2024 - £5,296) in the year with a final bank balance of £6,692 (2024 - £5,851).

We have a high degree of confidence that purchase of the Smiddy field will soon succeed. We do not know how long that may take. The Board is currently putting in place arrangements to ensure financial administration is able to deal with this change.

Funds held as custodian on behalf of others

The company currently holds no funds on behalf of others.

Reserves policy

At this early stage, the company has no formal policy on a desirable level of reserves. Ideally, we would wish to have sufficient reserves to cover a year's operating costs, but if successful in its immediate objectives, the amount of a year's operating costs could increase rapidly in a short period of time. The directors would prefer to err on the side of prudence as the company develops.

Structure, governance and management

The company is a private company limited by guarantee and without share capital, established by a Memorandum and Articles of Association. On 5th July 2021, at a General Meeting of the company, a Special Resolution was passed to amend the company's objects, as stated in the Articles, in a way consistent with the original objects, in order to comply with the requirements of the Office of the Scottish Charity Regulator (OSCR). OSCR granted charitable status to the company with effect from 1st September 2021.

The directors, who are also the trustees of the company, who served during the year and up to the date of signature of the financial statements were:

M de la Torre (Chair)

R MacVicar (Company Secretary from 14 May 2025)

S Rowan (from 22 January 2025)

S Craig

A Simmons

G Church

D Kelly

D Rhodes (from 22 January 2025)

G Macdonald (until 22 January 2025)

Knocknagael Ltd.

None of the directors has any beneficial interest in the company. All of them are members of the company and guarantee to contribute £1 in the event of a winding-up. The minimum number of members of the company is 20.

At this early stage the company has no formal policy on training of directors. New directors have been issued with the Companies House Guidance on Being a Company Director, OSCR Guide to being a Charity Trustee, Knocknagael Ltd.'s Memorandum and Articles of Association, Directors Code of Conduct and Directors Register of Interests, and have been brought up to date with the affairs of the company at the first meeting they attended as a director. We would regard this as a minimum requirement for any future appointments.

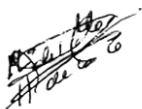
The original five directors were also the founders of the company. Directors of the company are now elected at the Annual General Meeting (AGM), in a system of rotation to ensure that no director may continue in office for more than three years without standing for re-election. The Board may co-opt a maximum of two directors between AGMs. The Board must consist of at least three and not more than 10 directors. The chair is elected by the directors.

The Board currently aspires to meet not less than once every two months to discuss formal company business, with other meetings at various times to progress specific activities of the company.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

The Directors' Report was approved by the Board on 3rd January 2026.

Signed

A handwritten signature in black ink, appearing to read 'M de la Torre', with a date '3 Jan 26' written below it.

M de la Torre (Chair)

Dated

3rd January 2026

Knocknagael Ltd.

INDEPENDENT EXAMINER'S REPORT

Independent Examiners Report to the members of Knocknagael Limited

I report on the financial statements of the company for the year ending 31 July 2025 as set out on pages 10 to 15.

Respective responsibilities of trustees and examiner.

The charity's trustees, who also act as directors of the company for the purposes of company law, are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The directors 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 financial statements 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 company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the directors 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 financial statements.

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.

Signed



Georgina Millar ACA

Dated 6th January 2026

Knocknagael Ltd.

INCOME AND EXPENDITURE ACCOUNT**For the period ending 31 July 2025**

	Notes	2025	2024
		£	£
Income	7 & 8	69,570	7,174
Operating expenses		<u>68,184</u>	<u>1,878</u>
Operating surplus/(deficit)		1,386	5,296
Interest receivable		<u>-</u>	<u>-</u>
Surplus/ (Deficit) on ordinary activities			
Before taxation		1,386	5,296
Taxation		<u>-</u>	<u>-</u>
Surplus/ (Deficit) for the year		1,386	5,296

The company has no recognised gains or losses other than the surplus for the year.

The company's income and expenses all relate to continuing operations

The notes on pages 14 to 15 form part of these Financial Statements

Knocknagael Ltd.

STATEMENT OF FINANCIAL ACTIVITIES**For the period ending 31 July 2025**

	Unrestricted	Restricted	Total	Total
	funds	funds	2025	2024
	£	£	£	£
Income				
Grants	-	68,788	68,788	550
Donations	255		255	5,115
Other	527	-	527	1,509
Total income	782	68,788	69,570	7,174
Expenditure on Charitable Activities				
Phase 1 preparatory work		67,118	67,118	625
Accountancy	-		-	-
Other – fruit grafting & report	476		476	175
Other – fees & registrations etc	538	-	538	472
Other activities	-	52	52	606
Total expenditure	1,014	67,169	68,183	1,878
Net income (expenditure)	(232)	1,618	1,386	5,296
Gross transfers between funds	98	(98)	-	-
Net movement in funds	(134)	1,520	1,386	5,296

Knocknagael Ltd.

BALANCE SHEET	Notes	2025	2024
As at 31 July 2025		£	£
Fixed assets	1	-	-
Current assets			
Debtors	2	-	-
Prepayments	3	233	53
Cash at bank	4	<u>6,692</u>	<u>5,851</u>
		6,925	5,904
Creditors due within one year	5		365
Net current assets		<u>6,925</u>	<u>5,539</u>
Total assets less current liabilities		<u>6,925</u>	<u>5,539</u>
Represented by:			
Funds			
Restricted		1,520	-
Unrestricted		<u>5,405</u>	<u>5,539</u>
Total funds		<u>6,925</u>	<u>5,539</u>

The notes on pages 14 to 15 form part of these financial statements, which were approved by the Board on 3rd January 2026.


For the period ending 31 July 2025, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors have not required the company to obtain an audit of its financial statements for the period in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Signed on behalf of the Board



Signed M de la Torre (Chair)

Dated 3rd January 2026

ACCOUNTING POLICIES

1 Basis of accounting

The financial statements of the company, 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)”, Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, including the provisions of Section 1A applicable to Small Entities, and the Companies Act 2006. The financial statements have been prepared in sterling, under the historical cost convention, on an accruals basis, rounded to the nearest £1.

2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity will have adequate resources to continue in operation for at least the next 12 months.

3 Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are those set aside at the discretion of the directors for specific purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used, or when raised for specific purposes.

4 Income

Income, including grant income, is recognised when the company is entitled to it after any performance conditions have been met.

5 Expenditure

Expenditure is recognised at the time it is incurred.

6 Tangible fixed assets and depreciation

The company currently holds no tangible fixed assets.

7 Stocks

The company currently holds no stocks.

8 Cash and cash equivalents

This includes bank balances and cash in hand.

9 Staff costs

The company currently has no paid staff.

10 Value Added Tax

The company is not registered for VAT. Costs are therefore stated inclusive of VAT.

NOTES TO THE FINANCIAL STATEMENTS**1 Fixed assets**

Fixed assets are items such as land, property or other items, the use of which will provide future economic benefit to the company in a period over one year. The company had no fixed assets as at the balance sheet date

2 Debtors

Debtors are amounts due to the company but not yet paid. The company had no debtors as at the balance sheet date.

3 Prepayments

Prepayments are items paid for in advance which will confer benefit within one year. The company has prepaid fees and registrations which expire after the balance sheet date covering part of the next financial year.

4 Cash at bank

The company has a single current account with Clydesdale Bank/Virgin Money. The £6,692 balance is all in the account with no cash held.

5 Creditors due in under one year

Creditors are amounts due to suppliers but not yet paid. The company had no creditors as at the balance sheet date.

6 Staff costs/directors' remuneration

The company does not currently employ any staff. The work of the company is carried out by the directors, who are unpaid. No payments for work or for expenses were made to the directors.

7 Grants

Grants were received during the year as follows:

Highland Council - Phase 1 design/planning/consultation	£59,510
Highland Council – archaeological survey	£8,128
DTAS - legal fees	£1,000
Deferred Grant from 2024	£150
	£68,788

8 Donations and Subscriptions

Donations and Subscriptions were received during the year as follows:

Donations	£255
Subscriptions	£320
CWA – Community Ceilidh Proceeds	£207
	£782

Knocknagael Ltd.

9 Related party transactions

There was one related party transaction for the purchase of materials for Plum & Pear grafting event on the 15th of April 2025 - £425.86 was paid to Director Des Kelly t/a Torbreck Orchard

10 Independent examiner's fees

No fees were charged for the independent examiner's report.

11 Contingent liabilities

Contingent liabilities are possible but uncertain liabilities not included in the financial statements because the liability is not certain or cannot be estimated reliably. The company has no contingent liabilities as at the date of signing of the report.

12 Pending Events

Confirmation that the SLF agreed to award Knocknagael Ltd a grant for the purchase of the Smiddy Field and related costs was received on 7 October 2024. A formal grant offer of £131,237 made on 9th October 2024 to cover the field purchase and related costs. The conveyancing process between our and the Scottish Government's solicitors is now underway.

13 Reserves

Reconciliation of funds	£	£	£
	Unrestricted	Restricted	Total
Fund balances as at 31 July 2024	5,539	-	5,539
Income	782	68,788	69,570
Expenditure	(916)	(67,268)	(68,184)
Fund balances as at 31 July 2025	5,405	1,520	6,925

The balance of £1,520 remaining in restricted funds relates to funds available to pay for planning fees.