MugStock

LIMITED

Registered company SC493982 (Scotland) | Registered charity SC046069

REPORT OF THE TRUSTEES AND INDEPENDENTLY EXAMINED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Prepared from the charity's bank workings, FreeAgent reports, VAT returns, payroll summaries, prior-year signed accounts and trustee explanations.

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Report of the Trustees

For the year ended 31 December 2025

The trustees, who are also directors of the charitable company for the purposes of the Companies Act 2006, present their annual report together with the financial statements for the year ended 31 December 2025. The financial statements have been prepared on the fully accrued basis in accordance with FRS 102, the Charities SORP (FRS 102) second edition 2019, the Companies Act 2006 and the requirements applicable to Scottish charities.

Objectives and activities

MugStock is a creative, community-focused charity. Its mission is to support individuals, artists, other non-profits and creative communities by creating memorable events and by developing physical spaces in which creative and community activity can thrive.

The charity seeks to create opportunities for people to connect, feel safe and accepted, take a break from the stresses of life, be entertained and inspired, develop social networks, participate in creative activity and discover authentic talent. It pursues these aims through events, community spaces, volunteering, collaboration and support for Scotland's independent creative sector.

Achievement and performance

The year began with the final move out of Festival Studios at 249 West George Street, Glasgow. Since 2022 MugStock had operated four floors of the former Creative Scotland offices as an affordable creative co-working base for artists, non-profits and other creative organisations. The charitable lease ended as the owners progressed plans to redevelop the building. Before leaving, MugStock obtained permission to salvage useful materials including door closers, kitchen cabinets, carpet tiles and hand driers, which were repurposed at The MugShack rather than discarded.

Attention then moved fully to refurbishing and activating The MugShack, the former town hall space in Cumbernauld. During 2025 the charity deployed the £22,000 capital grant received from The Clothworkers' Foundation in December 2024. Works included extensive electrical improvements, heating throughout the premises and stage curtains. The catering kitchen was completed and signed off by North Lanarkshire Council Environmental Health, the charity registered as a food business, and fire detection systems were extended. In March 2025 the venue obtained a public entertainment licence.

An ambitious launch weekend was planned, including paid evening shows, free daytime live music and a headline appearance by Utah Saints. Late fire-safety concerns meant the MugShack could not host the programme as planned. The charity relocated the Utah Saints show at very short notice to the Burroughs Sports and Social Club so that the performance could still take place.

A notable response followed. A number of local ticket-holders requested refunds even though the same headline performance had been successfully relocated only a short distance away. They explained that they had specifically wanted to attend an event in the old town hall. MugStock honoured every refund request, despite having delivered the advertised performance elsewhere, because maintaining trust and its local reputation was considered more important than retaining the income. The trustees regard this as meaningful evidence that the building itself carries social and heritage value for local people and that there is public appetite to see it properly reopened and used.

This is particularly significant in the context of wider change in Cumbernauld town centre. As 2025 ended, substantial parts of the shopping centre were vacant or derelict and another established social venue, Wetherspoons, was preparing to close. The trustees believe that the need for welcoming places where people can gather, participate and build community has therefore become more pressing, not less. The MugShack project sits alongside current town-centre redevelopment plans as a practical opportunity to bring community life back into a building with strong local recognition.

Following the disrupted launch, MugStock ran a smaller programme of daytime activity without alcohol, within the operating restrictions available at the time. The MugShack also continued to host work by partner organisations including Cumbernauld Alternative Network CIC and TRASH Music Projects, both of which delivered creative and community activity for local people.

In December 2025 the public entertainment licence was suspended following an updated fire risk assessment. This required another rapid change of venue for a planned event, achieved with less than 24 hours' notice through a strong volunteer response. By the end of the year the landlord had indicated that, pending resolution of the building issues, occupancy should be restricted to no more than 15 people and activity limited primarily to workshops and musical rehearsals.

Funding setbacks also meant that the charity's principal employed venue role ended in November 2025. The charity finished the year without ongoing staff costs. North Lanarkshire Council awarded a £1,000 Community Empowerment Fund microgrant for winter wellbeing activities. Because some planned activities would require a public entertainment licence, the charity began planning to deliver suitable elements in another venue during early 2026.

Financial review

The accounts show income of £74,734 and expenditure of £85,161, resulting in net expenditure of £10,427 for the year. The year-end balance sheet shows net liabilities of £37,069. This position is dominated by £45,400 of long-term loans from directors, former directors and family members which the trustees have confirmed are not repayable within twelve months of the year end.

Cash at bank and in hand was £1,273 at 31 December 2025. The only restricted fund carried forward was £1,000 for Community Empowerment Fund winter wellbeing activity. Removable heating and stage-curtain assets have been capitalised at cost of £9,412 and depreciated at 20% straight line, giving a net book value of £7,529.

During the year trustee A Govan waived £4,900 of loan principal previously owed by the charity. The waiver has been recognised as donation income and is disclosed as a related-party transaction.

Reserves and going concern

The trustees continue to seek a level of unrestricted reserves sufficient to protect essential operations and manage foreseeable risk. At 31 December 2025 the charity had no positive free reserves and only very limited unrestricted liquid current resources. The historic target of approximately three months of core expenditure (£14,000 under the previous staffed model) remains an aspiration but will be recalibrated to reflect the charity's substantially reduced fixed-cost base and the costs of resolving venue compliance issues.

Although the charity has net liabilities and low unrestricted liquidity, the trustees consider the going-concern basis appropriate for these accounts. Current committed operating costs are low: the charity ended the year without ongoing employees and without rent or service-charge obligations for The MugShack, while the principal loans are not repayable within at least twelve months of the reporting date. Activity can be scaled to available funding. The trustees recognise that future fundraising and resolution of the MugShack compliance restrictions remain important risks and will reassess the position using post-year-end information when the accounts are formally approved.

Future plans

The immediate priorities are to fund and complete the required fire-stopping and related compliance works, secure suitable alternative storage, and continue rebuilding MugStock's profile and presence in Cumbernauld through activity at partner venues while the MugShack restrictions remain in place. The charity also plans to deliver the funded winter wellbeing programme in suitable alternative premises where necessary, continue working with community partners, and maintain a programme of live music and creative activity capable of demonstrating demand for a fully functioning MugShack.

Structure, governance and management

MugStock Limited is a company limited by guarantee and a charity registered in Scotland. Its governing document is its Articles of Association. The directors of the company are also the charity trustees for the purposes of charity law. Trustees are appointed in accordance with the Articles and the company's governance procedures.

Reference and administrative details

	Details
Registered company number	SC493982 (Scotland)
Registered charity number	SC046069
Registered office	The MugShack, 4 Allander Walk, Cumbernauld, G67 1DW
Independent examiner	Angus Brown CPFA, 2/2 6 Mount Stuart St, Glasgow, G41 3YL (proposed – subject to acceptance/appointment)

Trustees during the year:

- A D Govan
- S Nelson – resigned 4 September 2025
- C Campbell – resigned 4 September 2025
- J Stormonth-Darling
- D G Boardman
- L J Sim

Approved by the Board of Trustees on: 15/09/2026

Signed on behalf of the Board:



A Govan, Trustee

Independent Examiner's Report

I report on the accounts of the charity for the year ended 31 December 2025 which are set out on pages 6 to 12.

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 (as amended).

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; and
- 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.

Angus Brown CPFA

2/2

6 Mount Stuart St

Glasgow

G41 3YL

A. Brown

Sep 18, 2026

Date: .....

Statement of Financial Activities

Incorporating an income and expenditure account – for the year ended 31 December 2025

	Unrestricted £	Restricted £	Total 2025 £	2024 restated £
Income and endowments from:				
Donations and legacies	40,323	-	40,323	55,646
Charitable activities	8,772	24,631	33,403	156,250
Other income – prior-year supplier refund	1,000	-	1,000	-
Investment income	8	-	8	-
Total income	50,103	24,631	74,734	213,990
Expenditure on:				
Charitable activities	40,962	44,199	85,161	204,404
Total expenditure	40,962	44,199	85,161	204,404
Net income/(expenditure) before transfers	9,141	(19,568)	(10,427)	9,586
Transfers between funds	9,412	(9,412)	-	-
Net movement in funds	18,553	(28,980)	(10,427)	9,586
Funds brought forward – restated	(56,622)	29,980	(26,642)	(36,228)
Funds carried forward	(38,069)	1,000	(37,069)	(26,642)

The 2024 comparative is restated. See Notes 11 and 13 for details. All recognised gains and losses are included above. The charity had no endowment funds.

Balance Sheet

As at 31 December 2025

	2025 £	2024 restated £
Fixed assets		
Tangible fixed assets	7,529	-
Total fixed assets	**7,529**	**-**
Current assets		
VAT recoverable	41	-
Cash at bank and in hand	1,273	27,593
Total current assets	**1,314**	**27,593**
Creditors: amounts falling due within one year	(512)	(3,935)
Net current assets	**802**	**23,658**
Total assets less current liabilities	**8,331**	**23,658**
Creditors: amounts falling due after more than one year	(45,400)	(50,300)
Net liabilities	**(37,069)**	**(26,642)**
Funds		
Unrestricted funds	(38,069)	(56,622)
Restricted funds	1,000	29,980
Total charity funds	**(37,069)**	**(26,642)**

For the year ended 31 December 2025 the charitable company is expected to be entitled to exemption from audit under section 477 of the Companies Act 2006, subject to confirmation at the date of approval. The members have not required an audit under section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with sections 386 and 387 of the Companies Act 2006 and for preparing financial statements which give a true and fair view and comply with the requirements of the Companies Act 2006 so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. They have not yet been approved by the trustees.

Approved by the Board of Trustees on: 15/09/2026

Signed on behalf of the Board: 

A Govan, Trustee

Notes to the Financial Statements

1. Accounting policies

Basis of preparation.

The charitable company is a public benefit entity under FRS 102. These financial statements have been prepared under the historical-cost convention, on the fully accrued basis, in accordance with FRS 102, the Charities SORP (FRS 102) second edition 2019, the Companies Act 2006, and the requirements applicable to Scottish charitable companies. The SORP 2019 applies because the reporting period began before 1 January 2026.

Going concern.

The financial statements have been prepared on a going-concern basis. The charity has low unrestricted liquidity and net liabilities, but its principal loans are not repayable within at least twelve months of the reporting date, the staffed venue role ended in November 2025, and the charity has no rent or service-charge obligation for The MugShack. The trustees can scale activity to available resources while further funding is secured and compliance works are progressed. The trustees recognise the dependence on future fundraising and the resolution of venue restrictions and must update this assessment at the date of approval.

Income.

Income is recognised when the charity has entitlement, receipt is probable and the amount can be measured reliably. Grants are recognised in accordance with their terms. Where a donor restriction applies, income is credited to a restricted fund. Donated facilities are recognised at the value to the charity of the facilities received where that value can be measured reliably. The donated MugShack occupation benefit is treated as unrestricted in-kind support because no separate donor-imposed restricted fund has been evidenced and the benefit is consumed in the year.

Expenditure.

Expenditure is recognised when a legal or constructive obligation arises, it is probable that settlement will be required and the amount can be measured reliably. Recoverable VAT is excluded from expenditure. Costs are allocated to charitable activities where they directly support the charity's purposes.

Fund accounting.

Unrestricted funds may be used for the charity's purposes at the discretion of the trustees. Restricted funds may only be used for the purposes specified by the donor. Transfers between funds are made where a restriction has been fulfilled and no continuing restriction remains.

Tangible fixed assets and depreciation.

Removable heating equipment and stage curtains, together with directly attributable installation costs, are capitalised at cost and depreciated on a straight-line basis at 20% per annum. Other refurbishment expenditure that becomes part of the landlord's building is charged to expenditure when incurred. The fixed-asset cost includes a management estimate of £1,600 for the portion of wider refurbishment labour directly attributable to heater installation.

VAT.

The charity is VAT registered and uses the standard VAT scheme on the cash accounting basis. Income and expenditure are stated net of recoverable VAT. VAT recoverable at the reporting date is recognised as a debtor.

Taxation.

The charitable company is exempt from corporation tax on income and gains applied for charitable purposes, subject to the conditions of the relevant tax legislation.

2. Income analysis

Income	Unrestricted £	Restricted £	Total £
Donated facilities – MugShack rent and service-charge value	28,928	-	28,928
Cash donations	5,965	-	5,965
Gift Aid	530	-	530
Loan waiver by trustee A Govan	4,900	-	4,900
Restricted grants	-	24,631	24,631
MugShack space hire	5,625	-	5,625
Ticket sales	2,246	-	2,246
MugStock Family membership income	834	-	834
Other earned income	67	-	67
Refund of 2024 security service fee	1,000	-	1,000
Interest received	8	-	8
Total	50,103	24,631	74,734

The donated-facilities figure is based on workings provided by Gatehouse Property Management, acting on behalf of North Lanarkshire Council. The annual commercial-equivalent value used by the charity is £28,928.50 excluding VAT, comprising an indicative commercial rent and service charge. An equal amount is included within charitable expenditure. The benefit is shown as unrestricted in-kind support; this classification has no effect on the year-end restricted fund balance because the facility benefit is received and consumed in the same period.

3. Restricted grants received in 2025

Funder	2025 £	Purpose
North Lanarkshire Council – Campsies Fund	9,996	MugShack staff and running costs
North Lanarkshire Council – Energy Audit Voucher	2,374	Energy audit of The MugShack
VANL – North Locality Consortium	4,925	MugShack staffing costs
North Lanarkshire Council – Tourism Challenge Fund	6,336	MugShack refurbishment
North Lanarkshire Council – Community Empowerment Fund	1,000	Winter wellbeing activities; unspent at year end
Total	**24,631**	

4. Expenditure analysis

Expenditure by nature	2025 £
Donated premises and facilities	28,928
Employee costs	22,433
Freelance and other project delivery	4,275
Premises, refurbishment and venue running costs	22,812
Event production, marketing and fundraising	3,773
Governance, finance and administration	1,057
Depreciation	1,883
Total expenditure	**85,161**

Employee costs are derived from the monthly payroll summaries. Payroll records show gross pay of £21,961 and employer pension contributions of £472. Employer NIC arising during the year was offset by Employment Allowance. The expenditure analysis also incorporates the year-end payroll creditor and removes duplicated salary payments from the bank coding.

5. Employees and trustee employment

Two individuals were employed at different times during 2025; the average monthly headcount was approximately one employee. Sean Hammerton was employed in the venue role through November 2025. Trustee L J Sim was briefly employed as Venue Coordinator: payroll records show gross pay of £500 across tax months 10, 11 and 12 of 2024/25. The payroll records state that she left employment on 31 March 2025, with no pay from tax month 1 of 2025/26 onward.

L J Sim received no remuneration for acting as a trustee. The £500 was employment remuneration for the separate operational Venue Coordinator role.

No employee received remuneration of £60,000 or more during the year.

6. Tangible fixed assets

	Fixtures / equipment £
Cost at 1 January 2025	-
Additions – heaters, stage curtains and attributable installation	9,412
Cost at 31 December 2025	**9,412**
Accumulated depreciation at 1 January 2025	-
Charge for the year	1,883
Accumulated depreciation at 31 December 2025	**1,883**
Net book value at 31 December 2025	**7,529**

Cost comprises heaters £5,000, estimated directly attributable heater-installation labour £1,600, stage curtains £2,187 and curtain installation £625 net of recoverable VAT. The heaters and curtains are removable under the charity's lease arrangements. The £1,600 is a management allocation within the wider refurbishment works rather than a separate supplier invoice.

7. Debtors

	2025 £	2024 restated £
VAT recoverable	41	-
Total debtors	**41**	**-**

The VAT debtor represents input VAT paid in December 2025 that was included in the VAT quarter ending 28 February 2026. The December source transactions support approximately £40.54 recoverable VAT.

8. Creditors

	2025 £	2024 restated £
Amounts falling due within one year		
PAYE / National Insurance	512	706
Festival Studios management accrual	-	2,301
Final Festival Studios rent/service-charge accrual	-	928
Total due within one year	**512**	**3,935**
Amounts falling due after more than one year		
Loans from directors, former directors and directors' family members	45,400	50,300
Total due after more than one year	**45,400**	**50,300**

The trustees have confirmed that the £45,400 loan balance is not repayable within twelve months of 31 December 2025.

Notes to the Financial Statements – continued

9. Restricted funds

Fund	Opening £	Income £	Expenditure £	Transfer £	Closing £
Community Mental Health & Wellbeing Fund	7,980	-	(7,980)	-	-
Clothworkers capital grant	22,000	-	(12,588)	(9,412)	-
NLC Campsies Fund	-	9,996	(9,996)	-	-
NLC Energy Audit Voucher	-	2,374	(2,374)	-	-
VANL North Locality Consortium	-	4,925	(4,925)	-	-
NLC Tourism Challenge Fund	-	6,336	(6,336)	-	-
NLC Community Empowerment Fund	-	1,000	-	-	1,000
Total restricted funds	29,980	24,631	(44,199)	(9,412)	1,000

The Clothworkers grant was received in 2024 for MugShack capital works. On the basis of the trustees' understanding that there is no continuing restriction on the removable assets once the approved capital expenditure has been incurred, £9,412 has been transferred to unrestricted funds when the heaters and stage curtains were capitalized. Donated occupation of The MugShack is presented as unrestricted in-kind support rather than as a separate restricted fund.

10. Related party transactions and trustee expenses

Trustee A Govan waived £4,900 of loan principal during the year. The waiver has been recognised as unrestricted donation income. A Govan also received reimbursement of £113.80 of properly incurred expenses (2024: £67.40).

A Govan is also a director of Cumbernauld Alternative Network CIC and TRASH Music Projects. During 2025 MugStock received invoice settlements of £1,080 from Cumbernauld Alternative Network CIC and £1,980 from TRASH Music Projects in respect of MugShack space hire. An accidental £10.25 payment made using the wrong card on behalf of TRASH Music Projects was fully reimbursed the following day and had no net effect.

Trustee L J Sim received £500 gross employment remuneration for a separate operational Venue Coordinator role. No payment was made to L J Sim for acting as a trustee.

The remaining long-term loan balance of £45,400 is described in the underlying records as loans from directors, former directors and directors' family members. The trustees have confirmed that these balances are not repayable within twelve months.

11. Prior-period adjustment and restatement of 2024

The signed 2024 accounts were internally inconsistent: the balance sheet reported net liabilities of £22,707 while the fund statement reported total funds of negative £49,802. The detailed statement also contained £1,759 of earned income that was omitted from the headline Statement of Financial Activities. In addition, review of 2025 bank payments identified liabilities that related to activity before 31 December 2024 but had not been accrued. The £2,300.75 Fridge Studio payment is explicitly described as relating to July/August, and the final Festival Studios rent/service-charge settlement is also treated as a 2024 creditor; the 2025 payments of these liabilities are therefore excluded from 2025 expenditure.

2024 balance-sheet restatement	£
Net liabilities shown by the 2024 balance sheet	(22,707)
Add: PAYE/NIC payable for the final 2024 quarter	(706)
Add: Festival Studios management invoice relating to Jul/Aug 2024	(2,301)
Add: final Festival Studios rent/service charge attributable to 2024	(928)
Restated net liabilities at 31 December 2024	**(26,642)**

The restated 2024 Statement of Financial Activities therefore shows income of £213,990, expenditure of £204,404 and net income of £9,586. Opening net liabilities at 1 January 2024 were £36,228, giving restated closing net liabilities of £26,642. The restated closing fund split is £56,622 negative unrestricted funds and £29,980 restricted funds.

12. Going concern

At 31 December 2025 the charity had cash of £1,273, a VAT debtor of £41 and current PAYE/NIC liabilities of approximately £512. Of the cash balance, £1,000 related to the Community Empowerment Fund. The remaining £45,400 loan balance is not repayable within twelve months. The charity had no continuing employees at the year end and benefits from rent-free and service-charge-free occupation of The MugShack. Unrestricted liquid current resources were therefore very limited at the reporting date. The trustees nevertheless consider the going-concern basis appropriate because ongoing committed costs are low and activity can be scaled to available resources.

13. Comparative Statement of Financial Activities – 2024 restated

	Unrestricted £	Restricted £	Total £
Total income	**65,595**	**148,395**	**213,990**
Total expenditure	**80,519**	**123,885**	**204,404**
Net income/(expenditure)	**(14,924)**	**24,510**	**9,586**
Funds brought forward	(41,698)	5,470	(36,228)
Funds carried forward	**(56,622)**	**29,980**	**(26,642)**