REGISTERED COMPANY NUMBER: SC351444 (Scotland)
REGISTERED CHARITY NUMBER: SC042095

Report of the Trustees and

Unaudited Financial Statements
for the Period
1 December 2024 to 31 December 2025

for

North Highland Initiative

Victor T Fraser & Co Limited
Chartered Accountants
3-4 Market Place
Wick
Caithness
KW1 4LP

Contents of the Financial Statements
for the Period 1 December 2024 to 31 December 2025

North Highland Initiative

Report of the Trustees
for the Period 1 December 2024 to 31 December 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 1 December 2024 to 31 December 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the company, as set out in its Memorandum of Association, are the advancement in and around the North of Scotland, of:
(a) citizenship and community development, in particular to create sustainable communities through urban and rural regeneration;
(b) the arts, built and natural heritage, culture and science;
(c) the education of the public:
(d) environment protection and improvement;
(e) public participation in sport; and
(f) the promotion of civic responsibility, volunteering, the voluntary section and the effectiveness of charities.

Review of Activities

North Highland Initiative is a non-profit organisation established in 2005 as a direct result of His Majesty King Charles III's commitment to support the people and businesses of the North Highlands.

Today our goals remain the same: to help grow and champion the potential of our natural resources and talent in order to encourage economic stability and build diverse resilient communities.

NHI focuses on supporting and funding community building, food and farming, education and conservation. It collaborates with local businesses, organisations and individuals to foster innovation,develop skills, and support community services that enhance the quality of life for the people living in this unique and beautiful part of Scotland.

Community Grants and Funding

Since its inception North Highland Initiative has focused on fostering a sustainable future for the region. Our goal is to ensure that every community can flourish and that every individual has access to essential resources and opportunities.

We achieve this through funding and grant making partnerships to communities and projects across our region and with the support and cooperation of others including National and Local Government, businesses and many local and regional volunteer groups and services.

During the past year our Community Infrastructure Support Programme (CISP) continued to provide community groups with a simple route for funds that support their own projects and programmes of work.

In the past year our funding focused on projects that enhanced community well-being, capacity, quality of life and infrastructure. We provided just over £108K of funding to 63 different projects.

We continue to receive good feedback from grant recipients.
"The Growing Space project has given us a brilliant new opportunity to support children, families and the wider community to learn how to grow their own food in a practical, hands-on way. Lairg and District Leaning Centre "

The 2025 awards demonstrate strong alignment with key UN Sustainable Development Goals, particularly SDG9: Industry, Innovation and Infrastructure, where 61% of grants contributed to strengthening local resilience, improving building conditions, and extending the life span of rural community spaces. Significant contributions were also made toward SDG3 (Good Health & Wellbeing) and SDG4 (Quality Education) through projects focused on mental health support, inclusive activity programmes, and community-led learning.

Report of the Trustees
for the Period 1 December 2024 to 31 December 2025

OBJECTIVES AND ACTIVITIES

Farming, Education and The Flow Country

Working with our distributors, and with Sainsbury's, to create the North Highland brand for beef and lamb means our farms and farmers have a meaningful route to market that recognises the distinct values of our produce and creates funds that are returned to our farmers and communities.

Farming remains a fundamental pillar of life in the North Highlands. NHI has worked with farmers since it was set up and we have recently been looking again at the impact of farming on communities and nature across the North Highlands.

We know there is work to be done to improve productivity, reduce climate impact, enhance biodiversity, recognise the social importance of farming to remote communities and understand a wider variety of data and measures in our fragile yet culturally and historically significant region. This year we have partnered with the Soil Association Exchange and Royal Countryside Fund and over twenty farmers across the region to fully map and baseline their farms, build actions plans and deliver the data and recommendations.

We have also maintained our partnership with Countryside Learning Scotland and our support continues to provide the funding for the Rural Skills and Training Programmes run by CLS on the West Coast.

Finances and Governance

Our finances remain in good health and our Board and team continue to deliver an ambitious long term plan to empower our communities, support sustainability and champion education in the North Highlands.

Most of our funding comes through our wholly owned company North Highland Products (NHP) and the generosity and support of ABP and Dunbia, reflecting the strong belief they have in North Highland produce and recognising the importance of supporting remote, rural lives that so many of our farming communities enjoy.

We also received grants and funding from the Nuclear Decommissioning Authority (NDA).

Geographically, our programmes achieved broad reach across the mainland Highlands, with notable activity in Caithness, Sutherland, and Ross & Cromarty. However, applications from island communities remained limited, with only two awards made to the Western Isles and Northern Isles.This trend highlights a continued need to increase awareness of funding opportunities from NHI within these most remote areas of the Highlands.

Looking ahead, we are committed to engaging with our communities, adapting to their evolving needs and striving to make a meaningful difference in the lives of those we serve. We aim to build strong foundations for future growth.

FINANCIAL REVIEW

Liability of members

The liability of members of the company is limited by guarantee. Every member of the company promises, if the company is dissolved while he, she or it remains a member of within one year afterwards, to pay up to £1 towards the cost of dissolution and the liabilities incurred while the contributor was a member.

Reserves policy

The North Highland Initiative (NHI) aims to ensure that it achieves a position of financial strength so that, in turn, it can fulfil its purposes which include providing social investment and strengthening the community of the North Highlands.

In order to achieve this, NHI reviews its reserves policy each year to ensure that reserves levels are set to cover risks and liabilities but equally that reserves are used to ensure that developments are undertaken in line with the strategic plan.

Free reserves are those which are available to spend on any charitable purpose. They are represented by Unrestricted Funds less any Designated Funds.

The level of NHI Reserves is set by the Board and is based on identified risks within the Risk Register and the overall strategic plan.

Interests of members and directors/trustees

No member, director or trustee of the company shall have any beneficial interests in the assets of the company. In the event of the company being wound up with a surplus of assets, such surplus shall be given or transferred to charitable organisations with similar objects.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

North Highland Initiative

Report of the Trustees
for the Period 1 December 2024 to 31 December 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution
The company, limited by guarantee, was constituted by Memorandum and Articles and incorporated on 18 November 2008.

The company became a registered Scottish charity on 15 February 2011.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC351444 (Scotland)

Registered Charity number
SC042095

Registered office
13 Harbour Terrace
Wick
Caithness
KW15HB

Trustees
D Hughes
Mrs G Duhigg
Ms B Robinson (resigned 27.2.26)
A P Manson
R J Carnell
Ms G M Prince (appointed 1.7.26)

Company Secretary
Mrs L J MacDonald

Independent Examiner
Victor T Fraser & Co Limited
Chartered Accountants
3-4 Market Place
Wick
Caithness
KW1 4LP

Approved by order of the board of trustees on 15 July 2026 and signed on its behalf by:

GDuhigg
....
Mrs G Duhigg - Trustee

Independent Examiner's Report to the Trustees of
North Highland Initiative

I report on the accounts for the period 1 December 2024 to 31 December 2025 set out on pages five to twelve.

Respective responsibilities of trustees and examiner
The charity's trustees 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's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the 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 the independent examiner's report
My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 seeking explanations from you as 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 connection with 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 to 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.

John F Cormack B.Sc. (Hons) CA
The Institute of Chartered Accountants of Scotland

Victor T Fraser & Co Limited
Chartered Accountants
3-4 Market Place
Wick
Caithness
KW1 4LP

Date: 29th July 2026.

North Highland Initiative

Statement of Financial Activities
for the Period 1 December 2024 to 31 December 2025

	Notes	Unrestricted fund £	Restricted fund £	Period 1.12.24 to 31.12.25 Total funds £	Year Ended 30.11.24 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		150,124	68,344	218,468	244,499
Charitable activities					
General activities		-	768	768	4,377
Poverty and Support		-	-	-	63,139
Other trading activities	2	134,052	-	134,052	47,302
Investment income	3	8,593	-	8,593	4,249
Other income		4,478	-	4,478	38,000
Total		297,247	69,112	366,359	401,566
EXPENDITURE ON					
Charitable activities					
General activities		287,523	69,112	356,635	296,965
Poverty and Support		-	-	-	63,139
Total		287,523	69,112	356,635	360,104
NET INCOME		9,724	-	9,724	41,462
RECONCILIATION OF FUNDS					
Total funds brought forward		388,393	-	388,393	346,931
TOTAL FUNDS CARRIED FORWARD		398,117	-	398,117	388,393

The notes form part of these financial statements

North Highland Initiative

Balance Sheet
31 December 2025

	Notes	Unrestricted fund £	Restricted fund £	2025 Total funds £	30.11.2024 Total funds £
FIXED ASSETS					
Intangible assets	8	2,828	-	2,828	6,108
Tangible assets	9	842	-	842	822
Investments	10	775	-	775	972
		4,445	-	4,445	7,902
CURRENT ASSETS					
Debtors	11	36,916	6,370	43,286	87,467
Cash at bank and in hand		461,376	-	461,376	377,226
		498,292	6,370	504,662	464,693
CREDITORS					
Amounts falling due within one year	12	(104,620)	(6,370)	(110,990)	(84,202)
NET CURRENT ASSETS		393,672	-	393,672	380,491
TOTAL ASSETS LESS CURRENT LIABILITIES		398,117	-	398,117	388,393
NET ASSETS		398,117	-	398,117	388,393
FUNDS	13				
Unrestricted funds				398,117	388,393
TOTAL FUNDS				398,117	388,393

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 December 2025.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2025 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for
(a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
(b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees and authorised for issue on 15 July 2026 and were signed on its behalf by:

G Duhigg

....
Mrs G Duhigg - Trustee

Notes to the Financial Statements
for the Period 1 December 2024 to 31 December 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable 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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

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

Office equipment - 20% on cost

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. OTHER TRADING ACTIVITIES

	Period 1.12.24 to 31.12.25	Year Ended 30.11.24
	£	£
Office management fees	58,822	28,594
Intergroup recharges	75,230	18,708
	134,052	47,302

continued...

3. INVESTMENT INCOME

	Period 1.12.24 to 31.12.25	Year Ended 30.11.24
	£	£
Deposit account interest	8,593	4,249

4. NET INCOME/(EXPENDITURE)

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

	Period 1.12.24 to 31.12.25	Year Ended 30.11.24
	£	£
Depreciation - owned assets	318	373
Other operating leases	7,351	6,534
Deficit on disposal of fixed assets	197	-
Trademark amortisation	585	540
Website amortisation	2,695	2,488

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the period ended 31 December 2025 nor for the year ended 30 November 2024.

Trustees' expenses

Total amount of expenses paid to directors/trustees £1,455 (2024 £1,706)

6. STAFF COSTS

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

	Period 1.12.24 to 31.12.25	Year Ended 30.11.24
Office and administrative	3	3

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

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES AT 30.11.2024

	Unrestricted fund	Restricted fund	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	150,002	94,497	244,499
Charitable activities			
General activities	-	4,377	4,377
Poverty and Support	-	63,139	63,139
Other trading activities	47,302	-	47,302
Investment income	4,249	-	4,249
Other income	38,000	-	38,000
Total	239,553	162,013	401,566

continued...

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES AT 30.11.2024 - continued

	Unrestricted fund £	Restricted fund £	Total funds £
EXPENDITURE ON			
Charitable activities			
General activities	195,123	101,842	296,965
Poverty and Support	-	63,139	63,139
Total	195,123	164,981	360,104
NET INCOME/(EXPENDITURE)	44,430	(2,968)	41,462
RECONCILIATION OF FUNDS			
Total funds brought forward	343,963	2,968	346,931
TOTAL FUNDS CARRIED FORWARD	388,393	-	388,393

8. INTANGIBLE FIXED ASSETS

	Trademark £	Website £	Totals £
COST			
At 1 December 2024 and 31 December 2025	2,700	7,463	10,163
AMORTISATION			
At 1 December 2024	945	3,110	4,055
Charge for year	585	2,695	3,280
At 31 December 2025	1,530	5,805	7,335
NET BOOK VALUE			
At 31 December 2025	1,170	1,658	2,828
At 30 November 2024	1,755	4,353	6,108

9. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 December 2024	1,865
Additions	338
At 31 December 2025	2,203
DEPRECIATION	
At 1 December 2024	1,043
Charge for year	318
At 31 December 2025	1,361
NET BOOK VALUE	
At 31 December 2025	842
At 30 November 2024	822

continued...

10. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 December 2024	972
Disposals	(197)
At 31 December 2025	775
NET BOOK VALUE	
At 31 December 2025	775
At 30 November 2024	972

There were no investment assets outside the UK.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	30.11.2024 £
Trade debtors	19,089	15,681
Accrued income	16,359	60,831
Prepayments	1,468	844
Flow Country - Agent Funds	6,370	10,111
	43,286	87,467

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	30.11.2024 £
Trade creditors	1,887	17,038
Social security and other taxes	4,297	3,613
Accruals and deferred income	104,806	63,551
	110,990	84,202

13. MOVEMENT IN FUNDS

	At 1.12.24 £	Net movement in funds £	At 31.12.25 £
Unrestricted funds			
General fund	388,393	9,724	398,117
TOTAL FUNDS	388,393	9,724	398,117

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	297,247	(287,523)	9,724
Restricted funds			
General fund	69,112	(69,112)	-
TOTAL FUNDS	366,359	(356,635)	9,724

continued...

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.12.23 £	Net movement in funds £	At 30.11.24 £
Unrestricted funds			
General fund	343,963	44,430	388,393
Restricted funds			
General fund	2,968	(2,968)	-
TOTAL FUNDS	346,931	41,462	388,393

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	239,553	(195,123)	44,430
Restricted funds			
General fund	162,013	(164,981)	(2,968)
TOTAL FUNDS	401,566	(360,104)	41,462

14. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined contribution pension scheme.
The defined contribution scheme is a company pension plan operating on a defined contribution basis and is available to all company employees.
Cost of scheme to the company in the period ended 31 December 2025 was £1,832 (2024 £1148). Outstanding pension contributions at the year-end amounted to £nil (2024 £369).

15. RELATED PARTY DISCLOSURES

G Duhigg and R J Carnell, Directors of North Highland Initiative, are also Directors of North Highland Products Limited, formerly St Vincent Street (523) Limited.

During the respective accounting periods, the following inter-company transactions took place at full commercial rates:
Income resources:
Sales - North Highland Products Limited £41,367 (2024 £22,749)
Other income - Profit transfer from North Highland Products Limited £4,675 (2024 £38,000)

At the end of the financial year, inter-company indebtedness amounted to:
Amounts due by North Highland Products Limited £nil (2024 £9,836)

D Hughes, a Director of North Highland Initiative, was also a Director of North Coast 500 Limited.

During the respective accounting periods, the following inter-company transactions took place at full commercial rates:
Expenditure:
Purchases - North Coast 500 Limited £ 8,281 (2024 £7,730)

At the end of the financial year, inter-company indebtedness amounted to:
Amounts due to North Coast 500 Limited £nil (2024 £nil)

continued...

15. RELATED PARTY DISCLOSURES - continued

D Hughes resigned as a Director of North Coast 500 Limited on 30/01/2026

D Hughes, a Director of North Highland Initiative, was also a Director of the dormant company NC 500 Limited.

D Hughes resigned as a Director of NC 500 Limited on 06/05/2026.