

Charity registration number SC003018

CROMARTY ARTS TRUST
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

CROMARTY ARTS TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr John Nightingale
Mr Alexander Nightingale
Ms Annie Stewart
Ms Pat Haynes
Ms Mary Miers

Senior management

Gail Cox
Nicola Slater

Administration Officer
Arts Development Officer

Charity number

SC003018

Independent examiner

Rhona Wilson BA, FCCA
MacKenzie Kerr Limited
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Bankers

Bank of Scotland
2-6 Eastgate
Inverness
IV2 3NA

CROMARTY ARTS TRUST

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CROMARTY ARTS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2024

The trustees present their annual report and financial statements for the year ended 31 July 2024.

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 deed of trust, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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)" (effective 1 January 2019).

Objectives and activities

Purposes:

The purposes of the trust are:

- The conservation of buildings of historical or architectural importance especially in Cromarty;
- The advancement of education especially within Cromarty including the establishment and running of an Arts / Design Centre;
- The conservation of natural features, the landscape, ecology and character of the area; and
- The stimulation of public interest in the history, character, beauty and wildlife of the area.

In implementing these objectives, the Trustees have agreed to embrace the following vision, mission, values and aims:

Vision:

To develop appetite and capacity for cultural creativity in individuals and communities in Cromarty and the Black Isle.

Mission:

To break barriers to participation and interest in all aspects of creative activity (particularly arts, environment and education) by presenting them in intriguing combinations.

Values:

International (our perspective will be broad and encompassing, with particular attention to those areas and countries with a special relevance for the Highlands).

Young people (our emphasis will be on engaging with people at an early stage in their experience of creativity to help stimulate a lifelong interest)

Quality of experience (we acknowledge that nothing stimulates interest more readily than a good experience).

Aims:

- To engage the people of Cromarty and the Highlands in the work and the mission of the Trust.
- To encourage and broaden a range of partners to support our work and mission.
- To promote effectively the value of creativity to the individual and communities.

The Trustees also have a Gaelic strategy to promote the learning and use of Gaelic.

Background Information

A timeline of key dates in the Trust's history since its formation in 1987 is set out in the Appendix on Page 24 and 25 of this Annual Report and Accounts.

CROMARTY ARTS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

Achievements and performance

The year under review

The year got off to a wonderful start with the Nigg/Cromarty/Nigg exhibition at the Stables in August 2023. The exhibition showed new work by two of Scotland's most distinctive artists, Sue Jane Taylor and Ian Westacott, focusing respectively on the industry and the ancient trees of the Cromarty Firth. Despite their contrasting themes, the works were unified by the artists' deep empathy for their subject matter and extraordinary powers of observation. The exhibition was jointly sponsored by the Cromarty Arts Trust and Global Energy Group/Port of Nigg and followed Sue Jane's unique artist residency at Port of Nigg over several years spanning the pandemic lockdown. As part of the associated programme of events the Trust organised a showing of the BBC documentary Rigs of Nigg to a packed audience in Cromarty's Victoria Hall followed by a Q&A with the director Don Coutts and a number of those who had worked at Nigg in the 1970s.

The success of this exhibition set the tone for another year of rich and varied courses, workshops, recitals, exhibitions and artist residencies as well as a pair of popular Summer and Christmas seasonal markets which provided platforms for local artisans and businesses.

Workshops and classes spanned a variety of disciplines, including landscape, portrait printmaking and life drawing. The Trust launched a trial evening beginners drawing class run by local artist Dre Huntley over the winter months which proved highly popular. With funding from the Highlands & Islands Climate Fund it collaborated with Nature Scot and ran an educational printing workshop based on local seaweed species.

Practical craft workshops remained a popular part of the programme. Funding from the Middleton Trust made it possible to run a successful summer sewing school for children and another addition to the established repertoire of workshops was a class by Cromarty potter, Barbel Dister, which proved extremely popular. A local silver jewellery tutor also ran a very popular course but the Trust is still seeking a suitable tutor to continue the silversmithing classes which were run for a number of years by Ndidi Ekubia and used the large collection of tools left to the Trust by its first artist-in-residence, silversmith Michael Murray.

The Trust hosted a varied selection of chamber, folk and traditional music. Well known traditional musicians continued to prove very popular, with Anna Massie, RANT and Kris Drever all selling out at the Stables. A smaller but loyal audience continued to be attracted to the Trust's programme of chamber music recitals; in view of the more elderly age profile of this audience it is likely to benefit considerably from the introduction of a stair lift at the Stables and the Trust is exploring numerous avenues to secure funding for this.

With the help of funding from The Touring Network, the Trust collaborated with Resolis Community Arts and offered three different performances: a play which was tied into Crime & Thrillers weekend, a virtual reality dance performance with a young people's dance workshop by Jasmin Vordeman Dance Co, and a young rock band. We also collaborated with Resolis to bring a sold-out folk trio musical evening with projection.

The year saw the repeat of a series of long-established events that are eagerly awaited: the annual art exhibitions by the Cromarty Group and Redcastle Art Group at the Stables, the Trust's own and much-loved Harp Weekend which draws harp players of every age from the UK and beyond, and the Trust's flagship Cromarty Crime and Thriller's Weekend. The latter proved as successful as ever, with a record audience for Anthony Horowitz, selling out the Victoria Hall, and a new collaboration with the Cromarty Courthouse Museum involving a series of talks in the courtroom. As in previous years the Trust was very grateful for the continuing support of Ian Rankin for this event.

In accordance with its stated mission and values the Trust hosted three artists-in-residence, with artists working in the areas of creative writing, dance and visual arts. In return for their accommodation and studios, the three artists delivered a creative writing workshop, a still life painting workshop and a debut performance of The Morrich, a dance piece created around the Morrich area on the Dornoch Firth. In addition to the planned residences, the Trust has continued to deliver its mission and international values by promoting the accommodation at Ardyne (in association with studio space at the Stables) for self-funded residencies and has been pleased by the increasing response with fifteen artists working in painting, writing, music and sculpture being welcomed during the year. One writer from France developed her work based on dialogue from MacBeth; Hanna Varga, a Hungarian artist based in Derbyshire who sculpts with natural fibres, stayed for a month and held a successful showing of work and a workshop in Finland. All gave very positive feedback, thoroughly enjoyed their time in Cromarty and were grateful for the opportunity to develop their work and interact with local artists and the community more generally, with three having booked to return next year.

CROMARTY ARTS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

For the eighth year, the Trust awarded a prize in memory of its previous Arts Administrator, Caroline Hewat, to a Fortrose Academy school leaver that had shown exceptional talent and enthusiasm in the art department, as selected by the school's teaching staff. Congratulations to Freya Thomas on winning the prize. The Trust was also delighted to partner with the Cromarty Youth Cafe to create a new mosaic outside the latter's premises at the Victoria Hall with funding from Youth Link Scotland; the Trustees look forward to continuing this partnership in the years to come.

The open plan studios on the vaulted ground floor of the Stables continued to be the base for six local artists ensuring that the Stables continued to be a hub of creative activity. The Old Brewery's residential facilities continued to be used by many of the long established users such as the University of Aberdeen and Feis Rois but it was good to welcome back Scottish Vienna Horns for a second year running alongside other users such as the Universities of Edinburgh and St Andrews, UHI North Highland, the National Trust of Scotland, RSPB and the Clan Urquhart Society who used it for their clan reunion in Cromarty. Taken as a whole, its academic, arts and educational users make up an impressive roll call. All of these fell squarely within the Trust's objectives of advancing education, running an arts centre, and stimulating interest in the area's history and wildlife. But they also contributed to the economic and cultural life of the community more generally.

Higher energy and employment costs and the demands of maintaining three historic listed buildings, the Old Brewery, the Stables and Ardyne, have all taken their toll on the Trust's bottom line in the current year and look set to continue do so in the 2024-25 financial year. But at the same time as businesses in Cromarty face similar pressures, it has become even clearer what a vital role the Trust's facilities and programme of events, contribute to maintaining the wider economic life of Cromarty, bringing customers to its shops and eateries as well as maintaining a creative buzz within the town. As Ardesier, Nigg and Invergordon look set to benefit from gaining status as a freeport it is far from obvious how Cromarty will benefit from this and the role of the Arts Trust in maintaining Cromarty's reputation as a vibrant cultural space and attractive destination for visitors may become ever more important.

The Trust's staff are to be congratulated on their tireless work in delivering the Trust's rich and varied programme of courses, workshops, recitals and in maintaining high standards and a welcoming ambience in all its buildings.

Financial review

The financial statements show income of £210,783 (2022/23: £190,274) and expenditure of £231,529 (2022/23: £225,641) resulting in a deficit of £20,746 (2022/23: £35,367) before gains or losses on investments.

The Trust has considered the reserves required and has taken into account current and future liabilities. The Trustees usually aim to maintain free reserves in unrestricted funds at a level which equates to approximately six months of total expenditure by the Trust. Free reserves as at 31 July 2024 are regarded as £79,025 (31 July 2023: £80,919) arising from £94,668 of unrestricted general funds, less £15,643 tied up in tangible fixed assets. Actual six month expenditure averaged over the last three years prior to the pandemic totalled approximately £89,312 excluding depreciation. The Trustees will continue to monitor the level of reserves each year.

The Trust has established a series of designated funds to hold monies donated for particular purposes and to provide the necessary funds for future repairs to the Trust's properties; the notes to the accounts provide detailed information on each fund. The Trust held part of these designated funds in the form of investments in M&G Charifund, The Charities Property Fund and the Charity Official Investment Fund's Charities Equity Global Fund. The market value of the investments at 31 July 2024 was £179,395 (2022/23: £177,212). The remainder of the Trust's designated funds and reserves were held on deposit in a Charities Official Investment Fund Account.

CROMARTY ARTS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

Plans for future periods

Thanks and Future Plans

The Trustees gratefully acknowledge support from the Cromarty Trust to help with both core running costs and general arts programme. Global Energy Group also continued to provide welcome support for the Trust's charitable activities but with the addition of further generous sponsorship for the Nigg\Cromart\Nigg exhibition which showcased the work of Sue Jane Taylor during her residency at the Port of Nigg. Grateful thanks were also due to Chamber Music Scotland for supporting the Trust's classical music programme, the Northern Meeting Charity for its funding for the Trust's harp weekend, the Middleton Trust for continuing support of the Trust's youth projects, and the William Syson Foundation who made a welcome grant to the Trust's activities. The Trustees also thank Youth Link Scotland for funding the project to create new mosaics outside the Cromarty Youth Cafe, Highlands & Islands Climate Fund for its support of an innovative print workshop on the theme of Seascape Unfolded, and the Touring Network for providing support for three theatre companies in bringing their performances to Cromarty.

Looking forwards, the principal challenge for the Trustees, is to get the Trust's charitable activities and operations back on to a sustainable basis, so that it can continue to contribute to the economic and cultural vibrancy of Cromarty for many years to come - in the same way as it has done in the previous 37 years since it was established in 1987. In the shorter term a specific goal will be to secure funding for the installation of a stairlift at the Stables.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The charity was established by a Declaration of Trust executed on 22nd August 1987 and is registered as a charitable trust, no: SC003018

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

Mr John Nightingale

Mr Alexander Nightingale

Ms Annie Stewart

Ms Mary Peteranna

(Resigned 5 March 2025)

Ms Pat Haynes

Ms Mary Miers

(Appointed 27 August 2024)

CROMARTY ARTS TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

Mary Miers was appointed as a Trustee shortly after the year end on 27 August 2024. She is an architectural historian and writer with an unrivalled knowledge of buildings in the Highlands and a long involvement with building preservation trusts. The Trust looks forward to benefitting from her valuable knowledge and experience.

Mary Peteranna resigned as a Trustee after the year end on 5 March 2025 after serving as a trustee for ten years. The Trust has benefitted greatly from her advice and input over the years, particularly as a member of its Local Management Group, and we remain full of admiration for the wonderful work she did to organise and lead the Cromarty medieval burh project. We look forward to her continuing participation in Trust events in the coming years.

The Trustees delayed holding a formal meeting until just after the year end so they could be joined by Mary Miers to review activities, set strategy, and take major decisions. But in the meantime they used e-mail circulation to keep abreast of developments and to make decisions as required during the year.

The Trust's team of part-time staff, Arts Development Officer, Nicki Slater, Administration Officer, Gail Cox, Operations Supervisor, Gail Pocock, operations deputy, Kellianne Lynas, an operations assistant Katherine Macdonald and Flora Thomson, continued to work tirelessly together to ensure that the Trust's activities were delivered successfully and its buildings are well-cared for. The Trustees, most notably Pat Haynes, give many hours of their time on a voluntary basis, and the Trust was also supported by a number of volunteers who provided help at exhibitions and events.

All grant applications and grant acceptances are approved by a delegated Trustee. The Trust has a health and safety policy and has risk management policies and procedures in place for its properties, the Old Brewery, Ardyne House and the Stables. These are subject to regular review. The trust is committed to equal opportunities. The Trust keeps safeguarding under regular review. No safeguarding concerns and no notifiable events arose during the period.

The Trust has reviewed the General Data Protection Regulations and has implemented a policy which is designed to comply with the Regulations.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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 charity and of the incoming resources and application of resources of the charity for that year.

In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CROMARTY ARTS TRUST

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2024

The trustees' report was approved by the Board of Trustees.

A handwritten signature in black ink that reads "John Nightingale". The signature is written in a cursive style with a large initial 'J' and 'N'.

Mr John Nightingale
Trustee

20 April 2025

CROMARTY ARTS TRUST

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF CROMARTY ARTS TRUST

I report on the financial statements of the charity for the year ended 31 July 2024, which are set out on pages 8 to 25.

Respective responsibilities of trustees and examiner

The charity's trustees 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 charity trustees consider that the audit requirement of Regulation 10(1)(a)-(c) of the Charities Accounts (Scotland) Regulations 2006 does not apply.

It is my responsibility to examine the financial statements as required under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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 Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity 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 seeking 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 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 Charities and Trustee Investment (Scotland) Act 2005 and Regulation 4 of the Charities Accounts (Scotland) Regulations 2006, and
- to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the Charities Accounts (Scotland) Regulations 2006

have not been met, or

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



Rhona Wilson BA, FCCA

MacKenzie Kerr Limited

Chartered Accountants

Redwood

19 Culduthel Road

Inverness

IV2 4AA

Date: 25 April 2025

CROMARTY ARTS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	2	34,578	24,865
Charitable activities	3	164,524	154,709
Investments	4	11,681	10,700
Total income		210,783	190,274
Expenditure on charitable activities	5	231,529	225,641
Net expenditure before gains/(losses) on investments		(20,746)	(35,367)
Net gains/(losses) on investments	10	2,183	(22,063)
Net expenditure and movement in funds		(18,563)	(57,430)
Reconciliation of funds:			
Fund balances at 1 August 2023		232,223	289,653
Fund balances at 31 July 2024		213,660	232,223

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

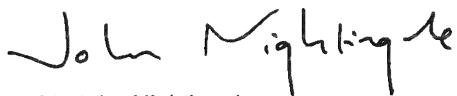
CROMARTY ARTS TRUST

BALANCE SHEET

AS AT 31 JULY 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		15,643		18,925
Investments	12		179,395		177,212
			<u>195,038</u>		<u>196,137</u>
Current assets					
Stocks	13	848		848	
Debtors	14	2,841		4,051	
Cash at bank and in hand		32,470		43,863	
		<u>36,159</u>		<u>48,762</u>	
Creditors: amounts falling due within one year	15	17,537		12,676	
		<u>17,537</u>		<u>12,676</u>	
Net current assets			18,622		36,086
Total assets less current liabilities			<u>213,660</u>		<u>232,223</u>
			<u>213,660</u>		<u>232,223</u>
The funds of the charity					
Unrestricted funds:					
Designated funds		118,992		132,379	
General unrestricted funds		94,668		99,844	
		<u>213,660</u>		<u>232,223</u>	
			<u>213,660</u>		<u>232,223</u>

The financial statements were approved by the trustees on 20 April 2025



Mr John Nightingale
Trustee

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies

Charity information

Cromarty Arts Trust is a Scottish Charitable Trust. The registered office is Ardyne, 19 Bank Street, Cromarty, Ross-shire, IV11 8YE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Deed of Trust, 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 charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

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.

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Facilities and services gifted to the charity for its own use are included in the accounts when received provided that the value of the gift can be measured reliably. Such facilities and services are measured and included in the accounts based on the value of the gift to the Trust, being the amount that the charity would pay in the open market for an alternative item which would provide an equivalent benefit.

Grants are recognised when the charity has entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income represents amounts received for future periods and is released to incoming resources in the period to which it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

The Trust receives income from accommodation and the sublet of buildings which is an essential part of income received in furtherance of the Trust's objectives and is treated as income from charitable activities.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

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

Governance costs include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Support costs include central functions.

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies (Continued)

1.6 Tangible fixed assets

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:

Heritage asset land and buildings	5% straight line
Furniture and equipment	25% straight line
Fixtures and fittings	10% 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.

Fixed assets costing less than £1,000 are not capitalised.

1.7 Heritage assets

Heritage buildings and land acquired by, or gifted to, the Charity prior to 1 August 2001 are not included in the balance sheet. In the opinion of the trustees the cost associated with valuing these heritage assets is onerous compared with the additional benefit derived by the users of the accounts in assessing the trustees' stewardship of the assets.

Other donated heritage assets are included in the balance sheet at a valuation where attributing values to these assets would not be unduly onerous. Where the cost of attributing values to donated heritage assets would outweigh the benefit derived by users of the accounts from this information, such assets are not included in the balance sheet. Depreciation is charged against these assets so as to write off the valuation over the useful economic life of 20 years.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 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.

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

1 Accounting policies (Continued)

1.12 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.

1.13 Taxation

The charity is exempt from tax on its charitable activities.

1.14 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

2 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	34,578	13,865
Grants	-	11,000
	<u>34,578</u>	<u>24,865</u>

3 Charitable activity income

	Charitable Income 2024 £	Charitable Income 2023 £
Art events and activities	65,288	45,949
The Old Brewery Income	65,243	68,613
Ardyne Rental	15,008	16,283
Stable hire	16,551	20,387
Other income	1,196	52
Commercial lettings income	1,238	3,425
	<u>164,524</u>	<u>154,709</u>

4 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	10,239	9,499
Interest receivable	1,442	1,201
	<u>11,681</u>	<u>10,700</u>

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

5 Charitable activity expenditure

	Charitable expenditure 2024 £	Charitable expenditure 2023 £
Direct costs		
Staff costs	90,665	84,949
Depreciation and impairment	3,282	10,138
Arts events and activities	61,250	36,010
Repairs and maintenance	59,805	81,555
Sundry expenses	554	897
	<u>215,556</u>	<u>213,549</u>
Share of support and governance costs (see note 6)		
Support	13,898	10,092
Governance	2,075	2,000
	<u>231,529</u>	<u>225,641</u>
Analysis by fund		
Unrestricted funds	<u>231,529</u>	<u>225,641</u>

6 Support costs allocated to activities

	2024 £	2023 £
Insurance	9,342	8,483
Staff training and travel	296	205
Office costs and licences	190	140
Marketing	2,634	586
Accountancy and legal fees	1,391	648
Bank charges	45	30
Governance costs	2,075	2,000
	<u>15,973</u>	<u>12,092</u>
Analysed between:		
Charitable expenditure	<u>15,973</u>	<u>12,092</u>

7 Net movement in funds

	2024 £	2023 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the independent examination of the charity's financial statements	2,075	2,000
Depreciation of owned tangible fixed assets	<u>3,282</u>	<u>10,138</u>

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Total employees	7	6
	<u> </u>	<u> </u>
Employment costs	2024	2023
	£	£
Wages and salaries	81,527	76,664
Social security costs	7,213	6,375
Other pension costs	1,925	1,910
	<u> </u>	<u> </u>
	90,665	84,949
	<u> </u>	<u> </u>

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

	2024 £	2023 £
Aggregate compensation	59,438	46,315
	<u> </u>	<u> </u>

Key management personnel include the Administration Officer and the Arts Development Officer. The aggregate remuneration of key management personnel for the year was £59,438 (2023 £46,315).

10 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	2,183	(22,063)
	<u> </u>	<u> </u>

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

11 Tangible fixed assets

	Heritage asset land and buildings	Furniture and equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 August 2023	136,816	7,256	32,818	176,890
At 31 July 2024	136,816	7,256	32,818	176,890
Depreciation and impairment				
At 1 August 2023	136,816	7,256	13,893	157,965
Depreciation charged in the year	-	-	3,282	3,282
At 31 July 2024	136,816	7,256	17,175	161,247
Carrying amount				
At 31 July 2024	-	-	15,643	15,643
At 31 July 2023	-	-	18,925	18,925

Heritage assets not recognised in the balance sheet

The Ardyne Property was gifted to the Trust by Michael Nightingale & Co Ltd on 4 June 1999. In accordance with the accounting policy of the trust no value has been given to this property in the accounts although major improvements to the property were capitalised and the resulting value is depreciated annually.

In connection with the grant aid received from Historic Scotland for the restoration of Ardyne, the Trustees granted a standard security over the property to the Scottish Ministers in September 2003 in support of the conditions of Historic Scotland's grant-aid. Historic Scotland confirmed on the 8 July 2015 that the ten year control period relating to the grant aid had expired. The Trust could therefore apply to have the security removed if it wished to do so.

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

12 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 August 2023	177,212
Valuation changes	2,183
	<hr/>
At 31 July 2024	179,395
	<hr/>
Carrying amount	
At 31 July 2024	179,395
	<hr/>
At 31 July 2023	177,212
	<hr/>

	2024 £	2023 £
Investments at fair value comprise:		
Cost	158,749	158,749
Valuation in 2020	8,353	8,353
Valuation in 2021	17,322	17,322
Valuation in 2022	14,851	14,851
Valuation in 2023	(22,063)	(22,063)
Valuation in 2024	2,183	-
	<hr/>	<hr/>
	179,395	177,212
	<hr/>	<hr/>

13 Stocks

	2024 £	2023 £
Stocks	848	848
	<hr/>	<hr/>

14 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	1,800	2,919
Other debtors	1,041	1,132
	<hr/>	<hr/>
	2,841	4,051
	<hr/>	<hr/>

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

15 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		4,384	5,085
Deferred income	16	9,622	1,609
Trade creditors		577	9
Other creditors		879	823
Accruals		2,075	5,150
		<u>17,537</u>	<u>12,676</u>

16 Deferred income

	2024 £	2023 £
Other deferred income	<u>9,622</u>	<u>1,609</u>

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	<u>9,622</u>	<u>1,609</u>
Movements in the year:		
Deferred income at 1 August 2023	1,609	1,423
Released from previous periods	(534)	(1,423)
Resources deferred in the year	<u>8,547</u>	<u>1,609</u>
Deferred income at 31 July 2024	<u>9,622</u>	<u>1,609</u>

17 Retirement benefit schemes

	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>1,925</u>	<u>1,910</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

18 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.

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

19 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 August 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 July 2024 £
Ardyne repairs fund	7,000	-	-	-	-	7,000
Arts fund	8,500	465	-	-	-	8,965
Development fund	9,000	-	-	-	-	9,000
Marine research fund	14,650	-	-	-	-	14,650
Stables repairs fund	30,627	-	-	-	-	30,627
RGU Old Brewery repairs fund	52,500	-	-	(3,750)	-	48,750
Grant reserve	740	-	-	(740)	-	-
Caroline Hewat Trust/art prize	866	-	-	(866)	-	-
Exhibition fund	8,496	5,000	(11,125)	(2,371)	-	-
General funds	99,844	205,318	(220,404)	7,727	2,183	94,668
	<u>232,223</u>	<u>210,783</u>	<u>(231,529)</u>	<u>-</u>	<u>2,183</u>	<u>213,660</u>

Previous year:	At 1 August 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 July 2023 £
Ardyne project fund	6,856	-	(6,856)	-	-	-
Ardyne repairs fund	7,000	-	-	-	-	7,000
Arts fund	8,500	-	-	-	-	8,500
Development fund	9,000	-	-	-	-	9,000
Marine research fund	14,650	-	-	-	-	14,650
Stables repairs fund	30,627	-	-	-	-	30,627
RGU Old Brewery repairs fund	56,250	-	-	(3,750)	-	52,500
Grant reserve	740	-	-	-	-	740
Caroline Hewat Trust/art prize	866	-	-	-	-	866
Exhibition fund	-	11,000	(2,504)	-	-	8,496
General funds	155,164	179,274	(216,281)	3,750	(22,063)	99,844
	<u>289,653</u>	<u>190,274</u>	<u>(225,641)</u>	<u>-</u>	<u>(22,063)</u>	<u>232,223</u>

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

19 Unrestricted funds (Continued)

The Ardyne Project Fund

This fund was established to receive donations given towards the restoration and refurbishment costs of this property in Cromarty. At the year end the value of the fund was £6,856.

Ardyne Repairs Fund

This fund was established to safeguard funds to cover major repair liabilities as and when they arise.

The Arts Fund

This fund was established to receive donations given towards the commissioning of works in public art in Cromarty.

The Development Fund

This fund was established to receive donations given in support of the Trust's future plans with specific reference to Cromarty's marine environment.

The Stables Repairs Fund

The Trustees remain responsible for the ongoing maintenance and repair of the Stables and to this end they have established this fund as a sinking fund to cover the cost of major repairs to the Stables.

Marine Research Fund

In 1996 the Trustees purchased a research vessel for the University of Aberdeen's Marine Field Station at Cromarty. At the request of the Field Station the vessel was sold in 2009 and the Trustees have agreed to retain the proceeds on behalf of the Field Station pending the purchase of a replacement vessel.

RGU Old Brewery Repairs Fund

The Trustees agreed that the £120,000 received for Robert Gordon University in connection with the early surrender of its full maintaining lease on 29 October 2004 should be transferred to the general unrestricted fund in equal instalments of £3,750 per annum commencing in the year ending 31 July 2006 to match against corresponding costs in the period.

Grant Reserve

This fund relates to money received from Chamber Music Scotland and donations paid out.

Caroline Hewat Trust

This fund was established to receive donations for the Caroline Hewat Trust. Caroline Hewat was the Arts Development Manager who sadly passed away in 2015.

Caroline Hewat Art Prize

£2,000 was received to fund a student art prize over a four year period. The prize this year consisted of a cash prize and an internship.

Exhibition Fund

The Exhibition Fund was established to receive the grants provided by Global Energy and the Cromarty Trust in support of the Nigg\Cromarty\Nigg exhibition of work by Sue Jane Taylor and Ian Westacott at the Stables in August 2023.

Transfers between funds

£3,750 was transferred from the RGU Old Brewery Repairs fund to the General fund to match costs that have arisen in the year. The RGU Old Brewery Repairs fund is being released in 31 equal instalments over the unexpired period of the lease.

£1,606 relates to the release of funds no longer required for the purpose they were designated.

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

20 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	2	2
Between two and five years	8	8
In over five years	80	82
	<hr/>	<hr/>
	90	92
	<hr/>	<hr/>

The Old Brewery and Stables

The Trust entered into a 50 year lease with Michael Nightingale & Co Ltd on 1 April 1987 for the premises known as The Old Brewery and the Stables. The lease is at an annual rent of £1, with full repairing obligations.

Eathie Salmon Fishing Bothy

The Trust entered into a 99 year lease with Broadland Estates Ltd on 24 August 2002 for the premises known as the Eathie Salmon Fishing Bothy which it subsequently restored as one of the Trust's Hugh Miller Bicentenary Projects in order to house interpretation panels and to provide a rest place for walkers. The lease is at an annual rent of £1 and the Trust is obliged to maintain it against fair wear and tear but, in view of its remote unsecured and unoccupied nature, the Trust is not required to maintain it in the event of acts of vandalism or irresponsible use. The Trust may terminate the lease at one month's notice if it is unable to secure public liability insurance at a reasonable cost.

The total amount of other financial commitments not provided for in the financial statements was £nil (2021 - £nil).

21 Related party transactions

The Trust received significant financial support from the Cromarty Trust which shares the same Chairman and a second Trustee. The trustees of the Cromarty Trust were instrumental in establishing the Cromarty Arts Trust and the two trusts share the same objectives in Cromarty. Accordingly no material conflict of interest is anticipated but in the event of a material conflict the affected Trustees would exclude themselves from discussions of the matter by the Cromarty Arts Trust.

The same two Trustees are also directors of Michael Nightingale & Co Ltd. The Trust entered into a 50 year lease with Michael Nightingale & Co Ltd on 1 April 1987 for the premises known as the Old Brewery and The Stables. The lease is at an annual rent of £1, with full repairing obligations. The two Trustees would exclude themselves from any material discussion relating to this lease.

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

22 Donated facilities and services, including volunteers

The Trust entered into a 50-year lease with Michael Nightingale & Co Ltd on 1 April 1987 for the premises known as the Old Brewery and The Stables. The lease is at an annual rent of £1 with full repairing obligations. The market value of these facilities provided to the Trust has not been included in the accounts because the trustees consider that the amount payable in the open market for alternative leasehold properties of their size and location in the Highlands and with full repairing obligations cannot be measured reliably.

The Trust receives periodic assistance from volunteers including trustees who donate their time and expertise at no cost to the Trust. During the year this included assistance in running charitable events, accounting, information technology and advice on health and safety matters. The value of this contribution is not included as income in the accounts.

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

23 Appendix

Background - some key events in the history of the Cromarty Arts Trust

1998-9	The Grade B listed Old Brewery is restored and converted by the Trust in partnership with Robert Gordon's University (RGU) to provide residential accommodation for up to 22 students together with a large studio and smaller rooms for teaching and seminars.
1994-5	The conversion of the Grade A listed Stables Building and Game Store is completed to provide workshop, studio and exhibition spaces with a flat for an artist or academic in residence.
1995	Michael Murray, traditional silversmith, is the Trust's first artist in residence, marking the beginning of a rich and diverse programme of residencies across many different artistic media, accompanied by workshops or public events for the local community.
2000	RGU withdraws from the Stables and the Trustees assume responsibility for its management. The vaulted bays in the Stables are established as incubator studios for seven local artists (one to each vaulted bay) with a view to nurturing their talent and encouraging their development from amateur to professional status. The first floor gallery becomes available for the Trust's own programme of recitals, performances, workshops and exhibitions.
2000-2002	<p>As part of the celebrations to commemorate the bicentenary of Hugh Miller in 2002, the Trust:</p> <p>Holds three academic conferences in Cromarty and Edinburgh to commemorate the bicentenary of. The published volumes of the papers on Miller, his life, times and lasting significance are a testament to the breadth and depth of these conferences</p> <p>Restores the former salmon bothy at Eathie with interpretation panels on its history and the natural environment</p> <p>Commissions Richard Kindersley to produce the Emigration Stone inscribed with Miller's moving words and the names of the 39 ships that embarked from Cromarty to the new world. The stone becomes a central and much loved part of Cromarty's landscape as it stands silhouetted against the sea and the Sutors.</p>
2004	RGU withdraws from the Brewery and the Trustees grant a ten year lease to a local operator, the Cromarty Training Centre Ltd, to run the Brewery as a venue and training centre.
2004	The Trust takes on its first arts development manager to develop its arts and cultural programme.
2004-5	The Trust restores Ardyne, a handsome but derelict listed townhouse in the centre of Cromarty, to provide five suites of rooms for visiting artists, marine scientists and others involved in education and the arts as well as the Trust's own office in one of the ground floor rooms.
2007-12	The Trust carries out improvements to the Stables, including: ground source heating to reduce the Trust's carbon footprint and contribute to the long term financial sustainability of the building; a new lighting and hanging system in the first floor gallery which did much to transform it as an exhibition and performance space; and improved access arrangements with the installation of external Caithness flagstone paths which can be used by wheelchairs.
2011	As part of the celebrations to commemorate the quarter centenary of the birth of Sir Thomas Urquhart of Cromarty, translator of Rabelais and author, the Trust holds an international academic conference on his life, times and works in Cromarty. Richard Kindersley is commissioned to carve a quotation from his writings in the slate paving at the Stables.
2014	The Trust takes on direct management of the Old Brewery and continues to run it as a performance and music venue and a residential facility for academic, arts, educational and environmental purposes.

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2024

23 Appendix (Continued)

2019	The annual Harp Village held at the Stables and Old Brewery celebrates its 10th birthday with a public concert.
2020	The Covid pandemic lockdown, beginning in March 2020, forces a temporary suspension of activities. In November 2020, the Trust is one of the first venues in Scotland to resume live classical music performances, with a socially distanced concert.
2022	The annual Crimes and Thrillers Weekend celebrates its 10th anniversary, adding an extra day to make this year's event even bigger and better than its predecessors.