

Charity registration number: SC003018

# Cromarty Arts Trust

Annual Report and Financial Statements

for the Year Ended 31 July 2014

P. A. Capewell FCA  
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## **Cromarty Arts Trust**

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**Cromarty Arts Trust**

**Reference and Administrative Details**

**Charity name** Cromarty Arts Trust

**Charity registration number** SC003018

**Principal office** Ardyne  
19 Bank Street  
Cromarty  
Ross & Cromarty, IV11 8YE

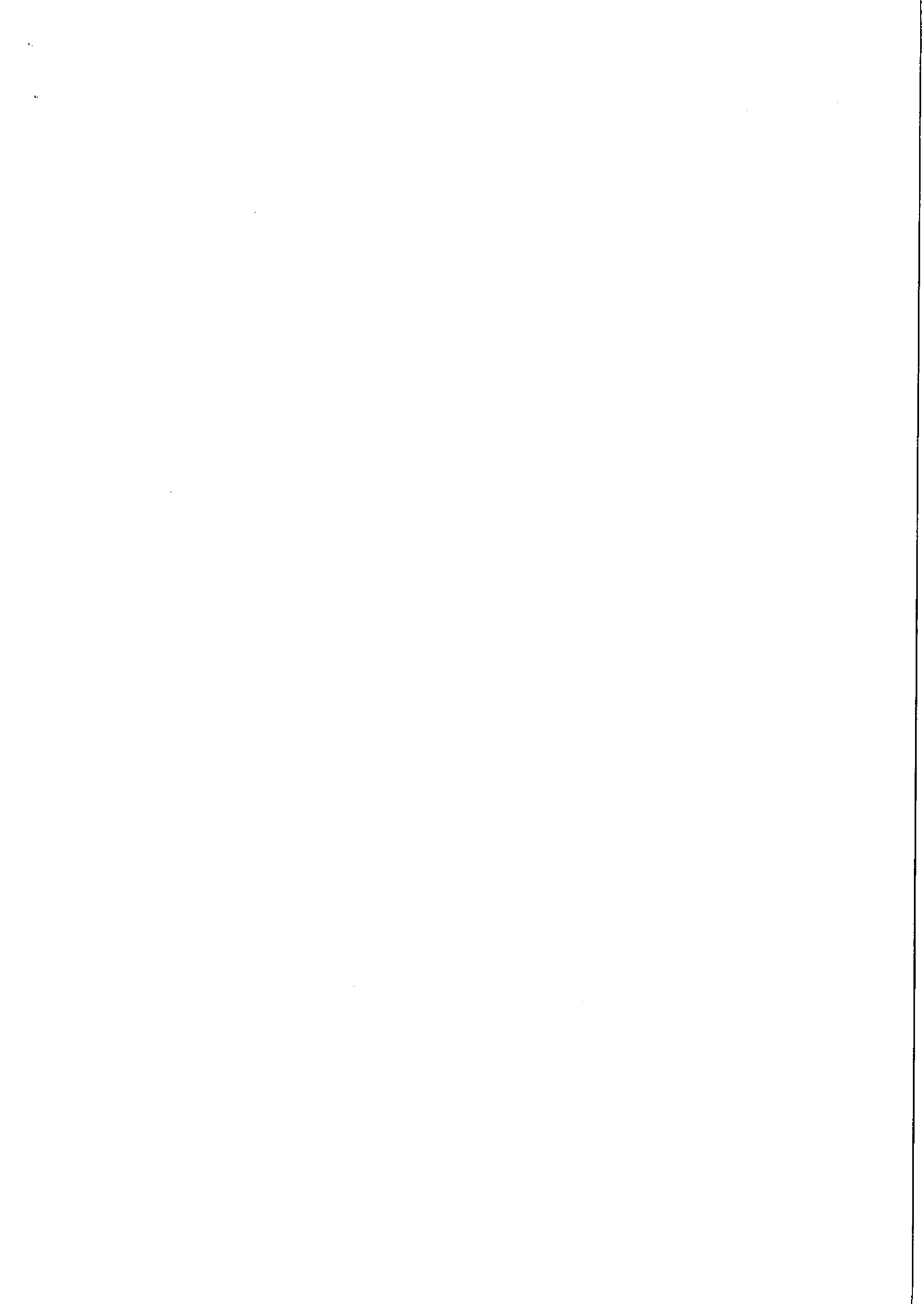
**Registered office** Ardyne  
19 Bank Street  
Cromarty  
Ross & Cromarty, IV11 8YE

**Trustees** John Nightingale  
Philip Hamilton-Grierson  
Alexander Nightingale  
Lindy Cameron (retired 12 November 2014)  
Sandy Thomson  
Rachel Robertson  
Torquil Macleod  
Annie Stewart  
David Cowan (Appointed 14 August 2013)  
Anne Macleod (Appointed 24 September 2014)

**Solicitor** Fiona Gibb  
Anderson Strathern LLP  
1 Rutland Court  
Edinburgh, EH3 8EY

**Bankers** Bank of Scotland  
23 High Street  
Fortrose, IV10 8SX  
  
CCLA Investment Management Limited  
Senator House  
85 Queen Victoria Street  
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**Independent Examiner** P. A. Capewell FCA  
A9 Accountancy Limited  
Elm House  
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Inverness, IV2 5GH



## **Cromarty Arts Trust**

### **Trustees' Report**

#### **FORMATION AND OBJECTIVES**

##### **Formation**

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

##### **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
- 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 effectively promote the value of creativity to the individual and communities.

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

## **Cromarty Arts Trust**

### **Trustees' Report**

#### **Trustees, Advisors and Organisational Structure**

The Trustees and advisors are listed on page 2 of this Report. Lindy Cameron stood down as a trustee after the year end on 11 November 2014. A Trustee since 2001 and the Trust's administrator for several years, Lindy played a central and inspiring role in establishing the Trust's arts programme at the Stables. In saying farewell we also congratulate her on winning the award for the best children's programme at the 2014 Scottish BAFTAs for the Katie Morag series. The Trustees were delighted to welcome one new and one returning trustee: David Cowan became a Trustee on 14 August 2013 and Anne Macleod became a Trustee after the year end on 14 September 2014; it was a particular pleasure to welcome Anne back since she originally joined the Trust in late 2011 but then had to stand down after a few months to care for her late partner. Both bring a wealth of experience to the work of the Trust – David as a retired chartered accountant and a folk singer and Anne as an author and a retired NHS consultant at Raigmore Hospital. Trustees are appointed by the existing trustees on the basis of the relevant experience and commitment that they can bring to the work of the Trust. The Trustees undertake periodic appraisals of the skill sets which the Trustees can offer with a view to identifying areas where further experience would be desirable. Care is taken to ensure all new Trustees are given a full induction into the work of the Trust.

During the year under review the Trust's day-to-day management was undertaken by Caroline Hewat who provided overall direction as the Trust's Arts Development Manager and by Gail Stuart-Martin who fulfilled the role of administrator with responsibility for book-keeping and the day to day management of Ardyne. Both work for the Trust on a part-time basis. Staff appraisal is undertaken on an annual basis and additional staff training is provided where this is considered appropriate. During the year the staff benefited from training and advice provided by HIE's Just Enterprise team and Gail Stuart-Martin completed the online training required to take on the role of Child Protection Officer for the Trust.

The Arts Development Manager reports formally to the Trustees who normally meet three times a year to review activities, to approve budgets and reports, set strategy, and take major decisions. A Local Management Group consisting of four of the trustees, Arts Development Manager, Administrator and Janitor meets bi-monthly to discuss and take decisions associated with the detailed delivery of the Trust's programme. After the year end two additional co-opted members, Mary Peteranna and Vanessa Halhead joined this group. Other Trustees take particular responsibility for individual areas, and take a regular part in appointment and selection panels.

All grant applications and grant acceptances are approved in advance by an authorised Trustee. The Trust has a detailed health and safety policy and is currently reviewing its procedures for risk management. The Trust is committed to equal opportunities.

#### **Objectives, Achievements and Performance: the year under review**

The role of a trustee can sometimes seem a little daunting. Health and Safety policies and risk assessment, the need to maintain buildings and the constant pressure to balance the books can at times leave us all in danger of forgetting why we became trustees. It was therefore good to be reminded by Lindy Cameron of the other side when she stepped down as a Trustee after fourteen years:

## Cromarty Arts Trust

### Trustees' Report

"I am really proud of the way we have collectively endeavoured to build a professional organisation, create some employment, and bring diverse events to Cromarty. High points for me, and there have been many, include starting the Stables Studios with John McNaught, forming the Local Management Group with Maggie Symonds and Sandy Thomson; hosting Highland Art Teachers' Gatherings, Student Residencies, and unforgettable artists like Macedonian Sergej Andreevski and his lovely family, and just generally meeting heaps of interesting people and having great fun. But I suppose one wee thing tops the list for me. The acclaimed Scottish musician Aidan O'Rourke during his residency here, a good number of years ago, composed (amongst others) a particular fiddle tune, it's called Gallowhill (you can find it on itunes - <https://itunes.apple.com/gb/artist/lau/id216075637>) and its genesis and inspiration was the story of our Gallowhill on the South Sutor, where the Cromarty townfolk (so the story goes) gathered during the Battle of Culloden, to watch the distant smoke and even hear the events unfolding. The tune has since been played, and the story told, far and wide, as he tours here and abroad with his award-winning band Lau, and I'll forever be proud that this very beautiful tune (along with many other wonderful pieces of art) wouldn't exist but for the Trust. Long may the Trust continue with all of its projects, and don't be forgetting the simplest of things, that perhaps aren't generally income generators, but equally don't involve too much outlay, like bringing artists to Cromarty to be inspired by this lovely place, because their very presence, and their generosity in sharing skills, leave a great legacy behind them in the town."

The fond memories (and as one would expect from a good trustee, a parting word of advice) do much to remind us why all the hard work is worthwhile. Writing this annual report has much the same effect: so many wonderful events, courses, workshops - how can one convey the flavour of this rich tapestry without going on for far too long? Yet the brief summary of activities and events that follow makes it abundantly clear that by a mixture of serendipity and careful planning we continue to fulfil the vision, mission and values of the Trust: to develop appetite and capacity for cultural creativity; to break barriers to participation; to achieve our values with their emphasis on the international, young people and the quality of experience.

At the outset it should be noted that all the activities and events that are described in more detail below have only been made possible thanks to the dedication of the Trustees and the Trust's staff and the generous support of other charities, donors and agencies. Challenges remain - like so many other arts organisations, the Trust has had to be ready to live off its wits, perhaps all the more so because of its determination to innovate and experiment rather than relying on some tried and tested formula. That it has been able to do so is a testament both to the value and interest of what it does and to the underlying philosophy that the work of the Trust and Trustees should be fulfilling.

Last year's report noted that the Trustees' objectives for the year under review included maintaining the programmes and workshops in music, the visual arts and mixed media which they have already developed and continuing to build up arts activities at the Stables which deliver the Trust's strategic vision. Specific targets included the successful delivery of a silversmithing programme whilst maintaining those already established in stone letter carving and the visual arts; maintaining and improving marketing as measured through booking levels for its workshops and events and occupation and usage levels at Ardyne and the Stables; and securing a year end surplus as part of a longer-term goal of establishing a sustainable financial platform for the delivery of its arts programme. Alongside these priorities we also noted that the Cromarty Training Centre Ltd were not looking for a new lease of the Old Brewery when its current ten year lease expired in September 2014 and that we would need to start working to secure a smooth transition which maintained the Old Brewery as a vibrant and welcoming place at the heart of the community.

The Trust just missed its target of securing a financial surplus, ending the year with a small deficit of £546 before investments gains (compared with a surplus of £5,271 in the previous year). But the success of its silversmithing course in May 2014 and the range of arts activities which the Trust organised during the year clearly met the other general and specific objectives - a huge credit to the energy, imagination and resourcefulness of Caroline Hewat and her team but also an indication of the way Cromarty and the Stables building provide such inspiring places for artistic endeavour and interchange. Better occupancy rates at the Stables and Ardyne and the impressive take-up for events such as Harp Village and Crime Thrillers attest to the improvements in the Trust's marketing though there clearly remains scope for further improvement.

## Cromarty Arts Trust

### Trustees' Report

The Trustees began detailed work on transition plans for the Old Brewery during the year under review: a number of discussions were held with the outgoing operators, Mairi Macneil and Bill Alexander, and other interested parties but since the formal handover was in September 2014 after the year end this is covered more fully in the following section of the Report (Goals for 2014-15). However, this is the right place to acknowledge our gratitude to Mairi and Bill. They ensured that the Old Brewery had a central place in the life of Cromarty over the last ten years; its beguiling charm was evident to everyone who stayed in its accommodation whilst the residents of Cromarty and the Black Isle came to love its extraordinary jazz evenings or simply popped in for a cup of tea and a chat. Mairi and Bill, you gave the building a real heart and we thank you for that.

**Silversmithing:** As it was one of the year's specific targets it seems appropriate first to highlight the work which culminated in a successful silver raising course led by Ndidi Ekubia in May 2014. Previous reports have described the Trust's plans to make use of the bequest of silversmithing tools of the Trust's first artist-in-residence, the late Michael Murray, which had been given to the Trust by his widow Anne; the long-term aim was to use the combination of tools and space to provide a magnet to attract potential smiths with the right mix of creativity and energy to follow in Michael's footsteps, taking up residencies, running short workshops, or actually setting up shop in Cromarty. With this in mind a visit was arranged in May 2013 of two of the UK's leading exponents of hammered silver work, Adrian Hope and Ndidi Ekubia, to advise the Trust. The result was the development of a proposal to pilot an inaugural course at the Stables in May 2014 in the art of hammer work led by Ndidi Ekubia with a view to establishing a regular programme. Ndidi Ekubia (<http://www.ndidiekubia.com>) is widely recognised as one of the stars of modern silversmithing and she is much in demand in the UK and US with her work being showcased in the V&A and other national collections. As with the Trust's annual stone lettering course, which is now firmly established thanks to the inspiring tutorship of master letter carver and calligrapher Richard Kindersley, the Trust was keen to ensure that those in the Highlands have the chance to work alongside the foremost practitioners in their field, thereby encouraging attendees to aspire to the highest levels.

Ndidi came back to Cromarty in August 2013 to begin preparatory work on overhauling the tools, during which time she managed to find time to mount a demonstration on behalf of the Trust at the Cromarty Gala day in which children and visitors were encouraged to have a go at hammering out decorative key rings. All of this careful preparatory work ensured a very successful course in May 2014; a glimpse of the course in action and the creative energy which it engendered can be seen on a short video on the Trust's website and the results can also be gauged by requests to sign up for follow-on courses in October 2014 and May 2015 and by the fact that one of the first attendees has started offering her own courses.

A further welcome boost to the Trust's plans in this area was secured with the decision of the contemporary Scottish jeweller and silversmith, Eileen Gatt (<http://eileengatt.co.uk>), to establish a studio in the Game Store at the Stables.

**Letter Carving Workshop:** Previous reports have described the Trust's vision of rekindling the Highland tradition of stone lettering, exemplified by the work of Hugh Miller. To this end the Trust organised a repeat stone lettering course in September 2013, to follow on from the very successful 2012 course run by Richard Kindersley, the UK's leading practitioner of stone letter carving and an innovative calligrapher. A full complement of nine masons (a mix of new apprentices and experienced practitioners) produced some quite remarkable work by the end of the eight day intensive course much of which was devoted to calligraphy in recognition of the often overlooked fact that is the key to all fine lettering. The Trustees were very pleased that Historic Scotland has become an important supporter of the course and a third equally successful course was delivered after the year end in September 2014.

**Other workshops and classes:** The Trust seeks to attract participants of every age but has a particular emphasis on young people, believing that engagement with people at an early age can stimulate a lifelong interest in creativity. The Trust's Chanter Class for Cromarty's primary age children is now in its fourth year and has continued to produce wonderful results thanks to the children's energy and desire to learn, the skill and patience of their tutor Canon Mel Langille, and the Middleton Trust which has continued to provide financial support towards this valuable class. Highlights of the year included their piping at the Awards Ceremony at the Victoria Hall, the School Sports Day, the Primary 7 leavers assembly and a local wedding where the class piped the bride and groom from the church to their house; one of the young pipers even joined the 1st Highlanders Army Cadets Force Pipes and Drums Band when they played in Cromarty's Victoria Park.



## Cromarty Arts Trust

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The Trust catered for another, albeit older, group of young people from across the Highlands when Oliver Reed, a tutor from Edinburgh College of Art, returned to run another of the Trust's Portfolio Preparation Weekends in October 2013. These set out to provide advice and tuition to schoolchildren thinking of applying to art colleges. The smaller year groups of Highland Schools inevitably mean that such children have less exposure to like-minded peers so this provided a fantastic and much-needed opportunity for them to develop the foundations of a portfolio and get to know like-minded students from other schools in the Highlands. This art weekend was part of a wider programme which included a series of two day courses on abstract painting and life drawing and painting courses delivered by Dean Melville and Jon Shearer.

In a rather different vein a Ukelele Weekend with Finlay Allison in June 2014 proved particularly successful, attracting some 45 participants and calls for a repeat in 2015.

**Harp Village:** The Trust's third Harp Village in September 2013 again filled every venue in Cromarty with a rich mix of acoustic, electric and wire harps, as those of every level from raw beginners to seasoned maestros came together for a long weekend of workshops and concerts under the expert guidance of master harpists, Una Monaghan, Mary Macmaster, Patsy Seddon, Heather Yule and Corrina Hewat. Again made possible thanks to the support of Creative Scotland and Highland Council, it was an enriching and magical experience for all involved and has now become firmly ensconced in the music calendar of the Highlands with a wonderful follow-on after the year end in September 2014 and another already being planned for September 2015.

**Crime and Thrillers Weekend:** The Trust had another sell-out Crime and Thrillers Weekend in April 2014 with a line-up of authors that included Ian Rankin, Anne Cleves, Sue Black, Alex Grey, Stuart MacBride, Cynthia Rogerson and Peter Whiteley. The weekend is particularly noteworthy for the way it attracts a range of participants who do not normally attend arts events. It also highlighted the very direct benefits that arts events can bring to the local economy as queues formed outside Cromarty's shops.

**Artist Residencies:** The Trust's student prize residency is designed to help students gain the experience and confidence needed for a successful transition from art school to professional practice and the 2013 prize winner, Elaine Ogilvie, achieved that in triumphant style. A recent fine art honours graduate from Moray College she came to Cromarty as a conceptual artist whose work was underpinned by geometry but was quickly inspired by the steep crow-stepped gables of Cromarty's buildings. She held a very successful exhibition at the end of her residency and buoyed up by a combination of critical praise and sales left to set up her first studio in Forres.

The Trust's former writer-in-residence, Richie McCaffery, returned to Cromarty on 4 August 2013 for the launch of Ballast Flint, the collection of poems he composed during his residency as part of the celebration of Sir Thomas Urquhart's quatercentenary. Published by the Trust with supporting illustrations by another of its former artists-in-residence, Hannah Rye, the volume went on to win the runner up prize in the Callum Macdonald Memorial Award for poetry pamphlets in May 2014 – a pleasing accolade for both Richie and the Trust.

**Oral History Partnership - Cromarty Homes and Heritage:** Last year's report described how a consortium of representatives from the Cromarty Arts Trust, Cromarty Courthouse Museum, Cromarty and District Community Council, Cromarty East Church, Cromarty History Society and the National Trust's Hugh Miller Museum put together a successful bid for Heritage Lottery Funding. The resulting project used old maps and photographs of buildings to stimulate local residents' recollections of the ways in which the local environment has changed over the years. The project attracted huge interest both within Cromarty and amongst families who had moved from the town to other corners of the world and the final report prepared by Mary Peteranna of Ross and Cromarty Archaeological Services can be found at <http://www.spanglefish.com/cromartyhomesandheritage>. The project met the Trustees' aim of developing closer relationships with other organisations in Cromarty and showed how fruitful such partnerships can be.

## Cromarty Arts Trust

### Trustees' Report

**Concerts, Recitals, Exhibitions and Theatre:** As in previous years, the Trust continued to organise and host a musical programme which ranged from the classical, through jazz and traditional to the highly experimental but with a particular focus this year on encouraging and providing space for local musicians to perform. The line-up over the year included an afternoon of chamber music with the piano and cello duo of Sarah Spence and Sammy Lee in August 2013, Edward Caswell and Helen Standen entrancing an audience with Schubert's Winterreise in September, an intriguing afternoon of Gaelic and Scots songs and story telling with Christina Stewart, Alpin Stewart, Christine McClenaghan and Martin Macdonald in October, local singer songwriter Tamzene Allison in January 2014, the much loved Aurora Quartet returning to play Dvorak's Piano Quintet in June, and to round it all up the Feis Rois Ceilidh trail in July.

On the exhibition and theatre front August 2013 started with Cromarty Group's annual exhibition at the Stables, a well-supported event which has a longer track record than the Trust itself. This was followed later in the month by a fine exhibition of Orkney photographs by Sue Mara and a number of other exhibitions were subsequently held through the course of the year. The Stables also hosted a couple of theatre pieces – Inspector Norse by Lip Service Theatre and A Walk at the Edge of the World by Magnetic North. The Trust's experience of these tended to confirm the Trust's decision to prioritise music since audience turnout was lower than anticipated suggesting that Eden Court in Inverness is effectively catering for theatre audiences.

**Resumé and Thanks:** All this underlines just what an exciting hub the Stables has become with its core of seven artists permanently based in the vaulted workshops and an ever changing array of visiting artists-in-residence, classical concerts, ceilidhs, exhibitions, workshops, classes and open studio days in the more public spaces. Alongside those organised by the Trust, many others were run by other local organisations such as the Cromarty Film Festival which again used the Stables as its core venue with three days of films and talks in early December 2013.

Taken as a whole the programme again amply vindicated the vision, mission, values and aims of the Trust: it drew in every age group and reached out across the community as a whole; it displayed an enriching combination of different media: poems, images, music, songs and much more; it developed international collaborations and built links with new partners; it displayed the exuberant talent and artistic creativity of the Highlands and put it in play with stunning displays of virtuosity from further afield.

That all this was possible was again thanks to the Trust's funders to whom it is immensely grateful. The Trust again received support for its core running costs from the Cromarty Trust. Creative Scotland and Highland Council continued to provide support for the general arts programme and specific events such as Harp Village and Crime and Thrillers. The Middleton Trust and Enterprise Music Scotland again provided small grants towards, respectively, the chanter class and chamber music programme. Two new supporters deserve particular mention and thanks. The Trustees were delighted to secure their first grant from Global Energy Group; although the worlds of the oil industry and an arts charity might seem a world apart both Global and the Arts Trust share a commitment to securing a better future for the Highlands through the development of individuals' skills and aspirations. Last but no means least the Trust secured a generous grant of £25,000 from Foundation Scotland's Just Enterprise Fund. As well as supporting the Trust's silver and stone-lettering courses this allowed the Trust to make a number of significant upgrades to its equipment and furnishings at the Stables and Ardyne. This has left it much better placed to develop its forward strategy.

Funding is of course only part of the equation. The Trust continues to benefit from the commitment and dedication of the Trust's staff, Trustees and the many volunteers who helped with specific events. The Trust's arts development manager Caroline Hewat has continued to give a great lead, ably assisted by the Trust's administrator, Gail Stuart Martin, and janitor, Gail Pocock. They make a great team and the Trustees are truly thankful for their work in keeping the show on the road.

#### Goals for 2014-15

Looking forwards to 2014-15, the Trustees are clear that their principal goal for the coming year is unchanged – to continue to steer the course that has been set over the last few years in terms of maintaining the programmes and workshops in music, the visual arts and mixed media which they have already developed and continuing to build up arts activities at the Stables which deliver the Trust's strategic vision.

## **Cromarty Arts Trust**

### **Trustees' Report**

However a new specific challenge arises as a result of the Cromarty Training Centre's decision not to seek a new lease from the Arts Trust on the expiry of its ten year lease of the Old Brewery at the end of September 2014. Detailed discussions regarding the handover were undertaken during the year under review in order to agree terms with the outgoing tenant and to review the work required to continue operations, secure a public entertainment licence and generally ensure regulatory compliance. The Trustees would prefer to find a new tenant or operator who would take on the management of the building in a manner which is consonant with the Trust's charitable objectives aims and to this end a working group of two Trustees commenced discussions with a number of parties who expressed interest in managing the building. However the immediate priority has been to ensure that the building remained open for use and to this end the Trust immediately undertook some recommended upgrades to the electrical wiring and fire detection system and replaced essential items of equipment, furniture and furnishings. Health and safety policies and risk assessments were put in place for the operation of the building and a public entertainment licence was secured. This will provide a much firmer basis for developing the usage of the building and conducting further discussions with parties who may have an interest in taking over the operation of the building. In the meantime the Trustees and staff remain responsible for the day-to-day operation of the building. A number of organisations such as Aberdeen University and Feis Rois have continued to use the building and feedback has been good. In November the Trust organised an art fair at the Old Brewery whilst also making it available for a Scottish Book Week event and an evening celebrating food and music: the message that the building remains open to everyone in the community is loud and clear. One of the Trustees, David Cowan, has taken a lead in overseeing the operation of the Brewery and we are very grateful for the way he has taken on this considerable commitment.

The Trustees have recognised that the cost of undertaking essential investment in the Brewery will mean that the Trust is likely to sustain a deficit on its financial activities in 2014-15. However they believe that this is an acceptable price to pay for keeping the building in operation and that it is an appropriate use for the moneys received from the Cromarty Training Centre under the terms of its lease which have been held in a designated Fund for use on the upgrade of the Brewery facilities or educational activities within Cromarty. However the need to make this investment makes it all the more important that the Trust's other operations are maintained on a sustainable basis and here control of costs, marketing and successful fund-raising will remain as important as ever.

#### **Background Information**

##### **i) A brief history of the Cromarty Arts Trust's first 25 years**

The Trust was established in 1987 with an initial aim of restoring and breathing new life into the Old Brewery and Stables. Both buildings now fill such a central place in the cultural and community life of Cromarty that it is hard to remember how in 1987 both were in the final throes of decrepitude, roofs open to the sky, collapsing floors, wind whistling through former doorways and windows. The vision of restoring them was a bold one – raising £750,000 was no easy matter in the age before the Heritage Lottery Fund. But the challenge of using the restoration of these remarkable listed buildings to breathe new life into the community seemed a prize worth working for and this is what the Trust focussed on in its first decade.

The Trust was fortunate in having Robert Gordon's University (RGU) as its partner at the outset. The Trust restored both the Brewery and the Stables so that RGU could use them for its own arts and architecture courses and for its wider outreach programme. The Trust also helped encourage the University of Aberdeen establish a marine research station at the lighthouse station in Cromarty. But a change of policy led RGU to withdraw first from the Stables in 2000 and then from the Brewery in 2004. The Trust's consequent decision to take on the mantle of running the Stables took it into a new phase of its existence – from a body which restored buildings for others to one which managed them itself and organised its own arts and cultural programmes. In fact it had already begun moving in this direction, organising a series of artist residencies from the mid 1990s and beginning to plan for Hugh Miller's 2002 bicentenary with academic conferences in Cromarty and Edinburgh in 2000 and 2001.

## **Cromarty Arts Trust**

### **Trustees' Report**

It was in 2002 that this new phase really came of age, with the decision to use the vaulted bays in the Stables as incubator studios for seven local artists and the roll-out of its full Miller bicentenary programme – an international academic conference in Cromarty, the restoration of the salmon bothy at Eathie as part of an interpretative trail, the commission of 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, and the lectures, travelling exhibitions and interpretative trails it organised across Scotland. Twelve years on, the Stables Studios remain a hub of artistic endeavour, the two published volumes of papers on Miller are a testament to the breadth and depth of its trio of academic conferences on Hugh Miller, and the Emigration Stone has become a central and much-loved part of Cromarty's landscape as it stands silhouetted against the sea and the Sutors.

But rather than rest on their laurels these achievements emboldened the Trustees to take on new challenges. They raised another £160,000 in 2004-5 to restore Ardyne, a handsome but ruinous 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. The latter points to another important shift in the life of the Trust; its increasing programme of activities and the responsibilities that came with them meant it could no longer rely wholly on the voluntary labours of its Trustees, however indefatigable they might seem. The employment of a part-time arts development manager since 2004 has allowed the Trust to develop its arts programme in new and exciting ways and crucially, keep the whole show going from day to day, more recently with additional help from a part-time administrator and janitor. But Trustees have continued to play a hands-on roll alongside the staff and in 2011 they again took a lead in planning events to mark the quatercentenary of Sir Thomas Urquhart of Cromarty, including a conference on his life and times which attracted speakers from the University of Oxford and the US and the proceedings of which have been published by the Trust.

The detailed account of the year under review should have given a flavour of the succession of residencies, workshops, courses, conferences, concerts, exhibitions, and publications which are a testimony to the real vitality of the Trust and the contribution it has made and continues to make to the life of Cromarty and the Highlands more generally. All of this has of course only been possible thanks to the dedication of the Trustees and their staff and the generous support of other charities, donors and agencies – here it is worth noting that over the last 25 years the Trust has secured over £1.75 million of funding.

#### **ii) The Stables**

The conversion of the Grade A Stables Building and Game Store was completed in 1994-5 to provide workshop, studio and exhibition spaces with a flat for an artist or academic in residence. The first floor gallery is used by the Trust for its own programme of recitals, performances, workshops and exhibitions as well as being hired to other charitable and community organisations for uses which are in accordance with the Trust's aims and its charitable objectives; to help with overheads it is also made available for occasional commercial hire such as wedding receptions but the trustees have set clear limits to such activity so that it does not diminish the charitable and artistic use of the building in any way. Since February 2002 the Trust has used the vaulted ground floor workshop to provide studio facilities for up to seven local artists (one to each vaulted bay) in a number of different mediums with a view to nurturing their talent and encouraging their development from amateur to professional status.

In August 2007 the Trust installed ground source heating at the Stables. This not only reduced the Trust's carbon footprint but also contributed to the long-term financial sustainability of the building. In 2008 with support of a grant from Awards for All, the Trust installed a new lighting and hanging system in the first floor gallery which did much to transform the gallery as an exhibition and performance space. The improvement of access arrangements with the installation of external Caithness flagstone paths which can be used by wheelchairs was achieved in 2011-12 as part of a path and stone lettering project to celebrate the quatercentenary of Sir Thomas Urquhart.

## **Cromarty Arts Trust**

### **Trustees' Report**

#### **ii) The Brewery (The Cromarty Training Centre)**

In 1988-89 the Trust restored and converted this fine building which provides residential accommodation for up to 22 students together with a large studio and smaller rooms for teaching and seminars. Originally managed by Robert Gordon University (RGU) as a Study Centre in the Highlands, in October 2004 it was agreed that the Centre's continued development would be better served by a more locally based management and a new ten year lease was granted by the Trustees to the Cromarty Training Centre Ltd established by Cromarty residents Bill Alexander and Mairi Macneil. As noted in the earlier sections of the report this lease came to an end after the year end since when it has been operated directly by the Cromarty Arts Trust.

Much has been achieved at the Old Brewery since it opened in 1989. It has become an established base for regular courses, seminars and meetings and has come to play a key role in the life of the community. The University of Aberdeen's Marine Research Station, constituent colleges of the University of the Highlands, Feis Rois and a number of local societies regularly use its facilities. It has accommodated those taking part in the annual Cromarty Film Festival and over the years it has hosted an exciting programmes of traditional music and jazz evenings which have regularly been the lead items in the Ross-shire Journal's reports on the Highlands music scene. By helping to bring more visitors to Cromarty whether for education, entertainment or tourism, the Old Brewery has contributed considerable economic and social benefits to the community.

#### **Future Opportunities**

The Trustees' vision of Cromarty as a town which flourishes through learning and the arts has reaped rich dividends over the years. The Cromarty Training Centre and the Marine Research Station of the University of Aberdeen have brought lasting benefits to Cromarty and the Highlands. The Trust's programme of conferences on Hugh Miller in 1999-2002 and more recently on Sir Thomas Urquhart in 2011 generated academic activity in the fields of geology, history and literature. In recent years the Trust has concentrated on developing its contribution to the arts through the provision of studio spaces for local artists, the organisation of art and music workshops and the building up of its programme of arts residencies and musical recitals. But the Trustees see this as a beginning not an end and look forward to encouraging future opportunities, particularly the development of research, education and training in the architectural, historic, cultural and natural heritage of Cromarty and the surrounding area. Cromarty's unique architecture, wealth of vernacular buildings and natural setting make it an excellent location for studies connected with the built and natural heritage. The Trustees will continue to seek support for the needs of the University of Aberdeen's Marine Research Station at the Cromarty Lighthouse. Since the Research Station was established in 1987, it has attracted funding of over £3 million for its research on seals, dolphins and the wider marine life of the Moray Firth. It is now the base for a considerable group of scientists and is the leading research base in the Highlands with a strong international reputation. The Trustees would like to find a way in which Cromarty could have a role in the University of the Highlands and Islands. But they believe that the facilities they have established in Cromarty can and should reach out to the learning needs of the community as a whole. The Trustees remain committed to their original aim of contributing to the economic and social regeneration of the community in ways which are compatible with the town's architectural and natural heritage.

#### **Summary of results and reserves policy**

The financial statements show income of £118,680 (2012/13: £92,917) and expenditure of £119,226 (2012/13: £87,646) after the inclusion of £6,840 depreciation in respect of Ardyne and the exclusion of £7,676 capital expenditure. The resulting net deficit of £546 (2012/13: £5,271 surplus) was met from accumulated reserves. The outturn was slightly better than budget when depreciation is excluded and key areas such as letting income were closely in line with budget targets. The reserves policy of the Trustees is to maintain funds at a sufficient level to cover administration, building repair and support costs of the charity. The charity 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 Stables and Ardyne; the notes to the accounts provide detailed information on each fund. The Trust held part of these designated funds in the form of a £91,801 (2012/13: £81,451) investment in M&G Charifund and the Charities Property Fund. The market value of the investments at 31 July 2014 was £91,801 (relying on a 30 June 2014 valuation for the Charities Property Fund which is only valued quarterly). 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

#### Statement of Trustees' responsibilities

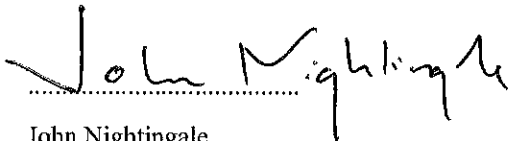
The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Charity's financial activities during the year and of its financial position at the end of the year. In preparing Financial Statements giving a true and fair view, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practices have been followed subject to any departures disclosed and explained in the financial statements;
- observe the methods and principles in the Charities SORP; 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 proper accounting records, which disclose with reasonable accuracy the financial position of the Charity and which enable them to ensure that the Financial Statements comply with applicable law. 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.

Approved by the Trustees on 2 April 2015 and signed on their behalf by:



John Nightingale  
Trustee

## Independent Examiner's Report to the Trustees of

### Cromarty Arts Trust

I report on the accounts of the Trust for the year ended 31 July 2014, which are set out on pages 13 to 26.

#### 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 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 report

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations (as amended). 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

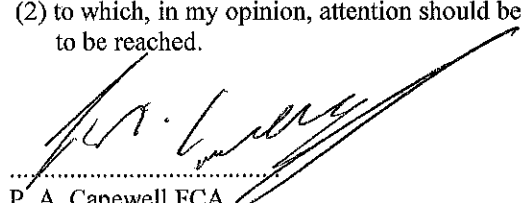
In the course of my examination, no matter has come to my attention:

(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 (as amended)
- To prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations (as amended)

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.

  
.....  
P. A. Capewell FCA  
Independent examiner

2 April 2015

A9 Accountancy Limited  
Elm House  
Cradlehall Business Park  
Inverness, IV2 5GH

**Cromarty Arts Trust**

**Statement of Financial Activities for the Year Ended 31 July 2014**

	Unrestricted Funds	Restricted Funds	Total Funds 2014	Total Funds 2013
Note	£	£	£	£
<b>Incoming resources</b>				
Incoming resources from generated funds				
Voluntary income	2	52,334	600	52,934
Investment income	4	5,224	-	5,224
Incoming resources from charitable activities	5	60,522	-	60,522
Other incoming resources	6	-	-	18,772
Total incoming resources		<u>118,080</u>	<u>600</u>	<u>118,680</u>
<b>Resources expended</b>				
Charitable activities	7	116,669	1,600	118,269
Governance costs	7	957	-	957
Total resources expended		<u>117,626</u>	<u>1,600</u>	<u>119,226</u>
Net (outgoing)/incoming resources before transfers		454	(1,000)	(546)
<b>Transfers</b>				
Gross transfers between funds		-	-	-
Net (outgoing)/incoming resources before other recognised gains and losses		454	(1,000)	(546)
<b>Other recognised gains/losses</b>				
Gains on investment assets		<u>10,350</u>	-	<u>10,350</u>
Net movements in funds		10,804	(1,000)	9,804
<b>Reconciliation of funds</b>				
Total funds brought forward		<u>263,561</u>	<u>1,000</u>	<u>264,561</u>
Total funds carried forward		<u>274,365</u>	<u>-</u>	<u>274,365</u>

All incoming resources and resources expended derive from continuing activities.

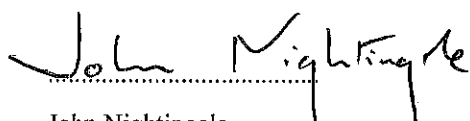
The notes on pages 16 to 27 form an integral part of these financial statements.



**Cromarty Arts Trust**  
**Balance Sheet as at 31 July 2014**

		2014		2013	
Note	£	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		7,676		-
Heritage assets			61,576		68,416
Investments	11		91,801		81,451
			161,053		149,867
 <b>Current assets</b>					
Debtors	12	6,600		19,246	
Cash at bank and in hand		114,170		103,417	
		120,770		122,663	
<b>Creditors: Amounts falling due within one year</b>	13	(7,458)		(7,969)	
<b>Total Current Assets</b>			113,312		114,694
<b>Net assets</b>			274,365		264,561
 <b>The funds of the charity:</b>					
<b>Restricted funds</b>			-		1,000
<b>Unrestricted funds</b>					
Designated Funds	16	244,804		249,423	
General Funds	16	29,561	274,365	14,138	263,561
<b>Total charity funds</b>			274,365		264,561

Approved by the Board on 2 April 2015 and signed on its behalf by:



John Nightingale  
Trustee

The notes on pages 16 to 27 form an integral part of these financial statements.

## Cromarty Arts Trust

### Notes to the Financial Statements for the Year Ended 31 July 2014

#### 1 Accounting policies

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, applicable accounting standards and the Charities Act 2011.

##### **Fund accounting policy**

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Designated funds are unrestricted funds set aside at the discretion of the trustees for specific purposes.

Transfers between the unrestricted general fund and the unrestricted designated funds for Ardyne repairs and Stables are made each year at the discretion of the trustees to ensure the charity has sufficient funds set aside to carry out necessary repair works when required. A transfer is made each year from the RGU Brewery repairs fund to the general fund to release this fund and match it with corresponding costs over the unexpired period of the lease.

Further details of each fund are disclosed in note 16.

##### **Incoming resources**

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Grant Income is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Gifts in kind are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

##### **Resources expended**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended.

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.

## Cromarty Arts Trust

### Notes to the Financial Statements for the Year Ended 31 July 2014

..... continued

#### **Governance costs**

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

#### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### **Fixed assets**

Tangible fixed assets held for use by the Charity and costing £1,000 or more are capitalised on initial acquisition and included in the balance sheet at cost. Fixed assets costing less than £1,000 are charged in the statement of financial activities in the year of purchase.

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**

Depreciation is provided on tangible fixed assets, other than freehold land, so as to write off the cost or valuation over their economic life by equal annual amounts charged in the statement of financial activities as follows:

Improvements to freehold buildings	depreciated over 20 years
Improvements to leasehold property	over the shorter of 20 years or the remainder of the lease
Machinery, office furniture and equipment	depreciated over 4 years
Fixtures and fittings	depreciated over 10 years
Fixtures and fittings within leasehold properties	over the shorter of 10 years or the remainder of the lease

Tangible fixed assets are written down to their recoverable amount if the trustees consider that their carrying value in the balance sheet is higher than the recoverable amount. The recoverable amount is the higher of the net realisable value and the replacement cost.

#### **Investments**

Investments are initially recognised at cost.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged in the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities as gains/(losses) on investment assets.

#### **Property Income**

Property Income derives from the sublet of buildings to groups and individuals and is not treated as Investment income as it forms an essential part of income received in furtherance of the Trust's objectives.

**Cromarty Arts Trust**

**Notes to the Financial Statements for the Year Ended 31 July 2014**

..... continued

**Deferred Payment**

£120,000 was received from Robert Gordon University in 2004 in respect of the Trustees' resumption of responsibility for the repair and maintenance of the Brewery building when the lease of the building was renounced and surrendered by the University. The policy of the trustees is to make annual transfers from the designated RGU Brewery repairs fund to the General fund in 32 equal instalments over the unexpired period of the lease.

**2 Voluntary income**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2014 £</b>	<b>Total Funds 2013 £</b>
<b>Donations and legacies</b>				
Appeals and donations	670	-	670	3,800
<b>Grants</b>				
Grants receivable	51,664	600	52,264	25,427
	<u>52,334</u>	<u>600</u>	<u>52,934</u>	<u>29,227</u>

**3 Grants receivable**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2014 £</b>	<b>Total Funds 2013 £</b>
Global Energy Group	3,000	-	3,000	-
Cromarty Trust	10,500	-	10,500	7,500
Enterprise Music Scotland	1,000	-	1,000	4,127
Highland Council	4,400	-	4,400	-
Creative Scotland	8,000	-	8,000	13,200
Middleton Trust	-	600	600	600
Foundation Scotland	24,764	-	24,764	-
	<u>51,664</u>	<u>600</u>	<u>52,264</u>	<u>25,427</u>

**4 Investment income**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total Funds 2014 £</b>	<b>Total Funds 2013 £</b>
Income from listed investments	4,370	-	4,370	3,540
Interest on deposits	854	-	854	895
	<u>5,224</u>	<u>-</u>	<u>5,224</u>	<u>4,435</u>

**Cromarty Arts Trust**

**Notes to the Financial Statements for the Year Ended 31 July 2014**

..... continued

**5 Incoming resources from charitable activities**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
<b>Charitable Activities</b>				
Gift Aid tax reclaimed	1,000	-	1,000	-
Sale of Publications and Prints	1,113	-	1,113	439
Arts, Events & Activities	30,634	-	30,634	18,736
Stables Hire	15,132	-	15,132	11,864
Ardyne Rental	12,643	-	12,643	9,444
	<u>60,522</u>	<u>-</u>	<u>60,522</u>	<u>40,483</u>

**6 Other incoming resources**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
<b>Other income</b>				
Other income	-	-	-	18,772
	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,772</u>

**7 Total resources expended**

	Charitable Activities £	Governance £	Total £
<b>Direct costs</b>			
Equipment for Stables and Ardyne	8,555	-	8,555
Janitor: Stables & Ardyne	4,461	-	4,461
Staff costs : manager	16,895	-	16,895
Contract labour - admin	8,860	-	8,860
Staff training, travel and other costs	721	-	721
Arts events & activities	46,594	-	46,594
Insurance	3,524	-	3,524
Repairs, maintenance & utility costs	16,054	-	16,054
Office costs & licences	2,455	-	2,455
Sundry expenses	96	-	96
Marketing	3,214	-	3,214
Accountancy fees	-	457	457
Independent examiner's fee	-	500	500
Depreciation of freehold property	6,840	-	6,840
	<u>118,269</u>	<u>957</u>	<u>119,226</u>

**Cromarty Arts Trust**

**Notes to the Financial Statements for the Year Ended 31 July 2014**

..... continued

**8 Trustees' remuneration and expenses**

No trustees received remuneration from the trust during the year (2013: Nil). Travel expenses of £107 were incurred by 1 trustee during the year. (2013 - NIL)

**9 Employees' remuneration**

The average number of persons employed by the charity (including trustees) during the year was as follows:

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
Charitable activities	<u>1</u>	<u>1</u>

The aggregate payroll costs of these persons were as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<u>16,895</u>	<u>17,302</u>

No employee received emoluments of more than £60,000 during the year (2013 - No. 0).

**Cromarty Arts Trust**

**Notes to the Financial Statements for the Year Ended 31 July 2014**

..... continued

**10 Tangible fixed assets**

	<b>Improvements to the Ardyne freehold property £</b>	<b>Plant and machinery £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>				
As at 1 August 2013	136,816	-	-	136,816
Additions	-	3,988	3,688	7,676
As at 31 July 2014	<u>136,816</u>	<u>3,988</u>	<u>3,688</u>	<u>144,492</u>
<b>Depreciation</b>				
As at 1 August 2013	68,400	-	-	68,400
Charge for the year	6,840	-	-	6,840
As at 31 July 2014	<u>75,240</u>	<u>-</u>	<u>-</u>	<u>75,240</u>
<b>Net book value</b>				
As at 31 July 2014	<u>61,576</u>	<u>3,988</u>	<u>3,688</u>	<u>69,252</u>
As at 31 July 2013	<u>68,416</u>	<u>-</u>	<u>-</u>	<u>68,416</u>

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 on-going conditions of Historic Scotland's grant-aid. These conditions include, inter alia, that the Trustees fully maintain and insure the building and that a proportion of the grant aid will be repayable in the event that the Trustees sell or grant a long-lease over Ardyne within 10 years of the grant-aid being paid. The Trustees do not plan to sell or grant a long-lease over Ardyne.

**Cromarty Arts Trust**

**Notes to the Financial Statements for the Year Ended 31 July 2014**

..... continued

**11 Investments held as fixed assets**

	<b>Listed investments £</b>
<b>Market value</b>	
As at 1 August 2013	81,451
Net gain/(loss) on revaluation	10,350
As at 31 July 2014	<u>91,801</u>
 <b>Net book value</b>	
As at 31 July 2014	<u>91,801</u>
As at 31 July 2013	<u>81,451</u>

All investment assets were held in the UK.

**12 Debtors**

	<b>2014 £</b>	<b>2013 £</b>
Other debtors	<u>6,600</u>	<u>19,246</u>

**13 Creditors: Amounts falling due within one year**

	<b>2014 £</b>	<b>2013 £</b>
Trade creditors	2,576	3,136
Taxation and social security	1,397	435
Other creditors	-	1,233
Accruals and deferred income	3,485	3,165
	<u>7,458</u>	<u>7,969</u>

Creditors amounts falling due within one year includes deferred income:

	<b>2014 £</b>	<b>2013 £</b>
Deferred income	950	15,852
Amount released to incoming resources	(950)	(15,672)
Deferred income received during the year	1,710	1,485
Deposits	1,025	-
Deferred income	<u>2,735</u>	<u>1,665</u>



## Cromarty Arts Trust

### Notes to the Financial Statements for the Year Ended 31 July 2014

..... continued

#### 14 Other financial commitments

##### Brewery and Stables

The Trust entered into a 50 year lease with Michael Nightingale & Co Ltd on the 1 April 1987 for the premises known as the Brewery and the Stables. The lease is at an annual rent of £1, with full repairing obligations. The Trust entered into a sublet of the Brewery to Robert Gordon University from 2 March 1989 to 31 March 2037; rent of £1 per annum was payable and the sublease assumed full repairing obligations on the Tenant including full insurance costs. During 2004 The Trust and Robert Gordon University agreed that the latter might renounce and surrender its lease with effect from 29 October 2004 in return for a payment to the Trust of £120,000, the surrender to the Trust of all fixtures, fittings, furnishings and equipment in the building, and a further payment of £6,200 for outstanding repairs and maintenance to the building. With effect from the same date of 29 October 2004 the Trust granted a full repairing sub-lease of the Brewery to the Cromarty Training Centre Ltd for a period of ten years to 30 September 2014. The Cromarty Training Centre Ltd handed back the building to the Trust on this date since when it has been operated by the Trust. Under the terms of the sub-lease, payments of £21,118 were due to the Trust for the period 1 April 2010 to 30 September 2014 and £18,772 were shown as outstanding at the beginning of the year. During the year £13,924 of this total was paid to the Trust, with a further final payment of £4,693 being made after the year end, the Trust having agreed to waive the balance of £2,501 in a negotiated settlement.

##### 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.

#### 15 Related parties

##### Controlling entity

The charity is controlled by the trustees.

##### Related party transactions

As in previous years 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 the 1 April 1987 for the premises known as the 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 for the Year Ended 31 July 2014

16 Analysis of funds

	At 1 August 2013	Incoming resources	Resources expended	Transfers	Other recognised gains/losses	At 31 July 2014
	£	£	£	£	£	£
<b>Designated Funds</b>						
Ardyne Project Fund	69,168	-	(6,840)	-	-	62,328
Ardyne Repairs Fund	7,000	-	-	-	-	7,000
Arts Fund	8,500	-	-	-	-	8,500
Development Fund	9,000	-	-	-	-	9,000
Marine Research Fund	14,651	-	-	-	-	14,651
Stables Repair Fund	30,627	-	-	-	-	30,627
RGU Brewery Repairs Fund	90,000	-	-	(3,750)	-	86,250
Student Fund	1,000	-	(1,000)	-	-	-
Harp Village	705	-	(705)	-	-	-
Brewery Education Fund	18,772	-	-	-	-	18,772
Grant reserve	-	7,676	-	-	-	7,676
	<u>249,423</u>	<u>7,676</u>	<u>(8,545)</u>	<u>(3,750)</u>	<u>-</u>	<u>244,804</u>
<b>General Funds</b>						
Unrestricted income fund	14,138	110,404	(109,081)	3,750	10,350	29,561
<b>Restricted Funds</b>						
Middleton Trust	-	600	(600)	-	-	-
EMS	1,000	-	(1,000)	-	-	-
	<u>1,000</u>	<u>600</u>	<u>(1,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>264,561</u>	<u>118,680</u>	<u>(119,226)</u>	<u>-</u>	<u>10,350</u>	<u>274,365</u>

Cromarty Arts Trust

Notes to the Financial Statements for the Year Ended 31 July 2014

..... *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 £62,328 of which £61,576 represented the Book Value of the improvements carried out by the Trust in 2003 and 2004.

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 of 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.

Cromarty Arts Trust

Notes to the Financial Statements for the Year Ended 31 July 2014

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RGU Brewery Repairs Fund

The Trustees received £126,200 from Robert Gordon University on 29 October 2004 in connection with the early surrender of its full maintaining lease on the Brewery. Of this, £6,200 was in respect of outstanding repairs and the balance of £120,000 was in respect of the Trustee's resumption of responsibility for the repair and maintenance of the building for the remaining 32 years of the lease. The Trustees agreed that the latter amount 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 incurred in the period.

Brewery Education Fund

This fund was designated to hold the payments totalling £18,772 which were due to be paid by the Cromarty Training Centre Ltd in respect of the requirement due under its lease of the Brewery to pay £4,693 per annum (£4,000 adjusted for RPI) from 1 April 2010 to the Trust, such sums to be held for additional investment in the building or for other purposes connected with the stimulation of educational activities in Cromarty. During the year £13,924 was received and it was agreed that in respect of the balance of £4,847 outstanding at the year end that £4,693 would be paid by Cromarty Training Centre Ltd, with the balance of £154 being written off.

Middleton Trust – a grant of £600 received in 2013/14 towards the costs of a chanter class and expended on this purpose during the current year.

EMS funding was received to be used towards Dance, Music & Storytelling projects in both 2012/13 and 2013/14. The balance of £1,000 carried forward was expended during the 2013/14 year.

**Cromarty Arts Trust**

**Notes to the Financial Statements for the Year Ended 31 July 2014**

**17 Transfers**

During the year the following transfers took place;

£3,750 was transferred from the RGU Brewery Repairs Fund to the General Unrestricted Fund to match costs that have arisen in the year. The RGU Brewery Repairs Fund is being released in 32 equal instalments over the unexpired period of the lease.

**18 Net assets by fund**

	Unrestricted Funds	Total Funds 2014	Total Funds 2013
	£	£	£
Tangible assets	7,676	7,676	-
Heritage assets	61,576	61,576	68,416
Investments	91,801	91,801	81,451
Current assets	120,770	120,770	122,663
Creditors: Amounts falling due within one year	(7,458)	(7,458)	(7,969)
Net assets	274,365	274,365	264,561