

REGISTERED CHARITY NUMBER: SC003018

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021
FOR
CROMARTY ARTS TRUST**

CROMARTY ARTS TRUST

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for the year ended 31 July 2021**

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CROMARTY ARTS TRUST

REFERENCE AND ADMINISTRATIVE DETAILS
for the year ended 31 July 2021

TRUSTEES	John Nightingale Alexander Nightingale Annie Stewart Mary Peteranna Jeremy Price (resigned 22/8/2020) Simon Evans Graham Phillips Pat Haynes (appointed 15/11/2021)
PRINCIPAL ADDRESS	Ardyne 19 Bank Street Cromarty Ross-shire IV11 8YE
REGISTERED CHARITY NUMBER	SC003018
INDEPENDENT EXAMINER	Rhona Wilson, BA, FCCA MacKenzie Kerr Limited Chartered Accountants Redwood 19 Culduthel Road Inverness IV2 4AA

CROMARTY ARTS TRUST

REPORT OF THE TRUSTEES for the year ended 31 July 2021

The trustees present their report with the financial statements of the charity for the year ended 31 July 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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 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 23 of this Annual Report and Accounts.

ACHIEVEMENT AND PERFORMANCE

Objectives, Achievements and Performance: the year under review

The year to 31st July 2021 was, like its predecessor, dominated by the Covid-19 pandemic. However, thanks to the magnificent efforts of its staff, the Trust continued to weather the difficult environment and quickly got back into action when restrictions were briefly relaxed in July 2020, and then again in April 2021 following the second lockdown.

During the first lockdown the Trust's key staff worked on producing new risk assessments and detailed procedures for use on all its buildings and facilities - from the changing of bed linen, to the use of toilets; from the correct antiseptic wipes to use on touch points, to the purchase of PPE, thermometer guns, portable hot water sinks and much more. It was only due to detailed research and the construction of new systems and regimes, including social distancing and airing of spaces for 72 hours, that any programme was able to proceed during 2020. An extensive online survey was also conducted with a high take-up rate of over 200 responses. This gave indications of both a reticence to return to communal spaces but also a strong desire to interact again, particularly once the Trust could prove it had done its homework and was adhering to all required restrictions.

All this allowed the Trust to swing back into action with a programme of 12 courses in applied crafts, and visual arts over four months August to November 2020. In addition, the Trust was able to resurrect weekly harp lessons with tutor Inga Shaw in the Ardyne Studio for primary-aged schoolchildren at the start of August, with the result that by December they were able to handle their first ever performance to a small gathering of socially distanced parents in the Old Brewery. On 22 November 2020, the Trust hosted 'Music 4 Tier 1', a live classical concert to a socially distanced audience of 40. This event was hugely successful and demonstrated the desire to return to live concerts. It also ensured a high level of profile for the Trust with lots of column inches given over to the fact that it was almost (beaten only by a few hours) the first live music event to be held in the Highlands (and possibly Scotland) since the first lockdown began in March 2020. Quite a coup!

That the Trust's staff worked so hard and so effectively to establish a safe environment for courses and concerts in the second half of 2020 made it all the more disappointing that its carefully planned programme was brought to a sudden halt with the imposition of the second lockdown in December 2020. Faced with this the Trust made its first foray into the world of virtual events in March 2021 when it held its annual Ukulele weekend online, with five very successful workshops with over 100 participants, including some from the USA, Germany and London. In May 2021 the Trust was at last able to resume a programme of in person activities. Over the three months from 1 May to 31 July 2021 it was able to run eight courses in applied crafts, visual arts and creative writing, a very successful exhibition at the Stables by the Black Isle collective and two classical concerts. That seven of the eight courses and one of the classical concerts were sold out testified to the public appetite to return to in-person courses and concerts - again with the reassurance that the Trust's staff were taking such careful steps to create a safe environment.

Covid restrictions meant it was not possible to offer a student residency prize to a recent graduate from a Scottish art school or college in Autumn 2020. But to make up for this the Trust agreed to offer two after the year end in Autumn 2021. And more generally the moment Covid restrictions eased, the Trust's Arts Development Officer was fielding weekly requests from artists keen to undertake self-funded residencies and projects in Cromarty, using accommodation in Ardyne and one of the bays in the Stables. The Trust hosted five between April and July 2021 with another four coming in the August to November after the year end. Every attendee gave glowing feedback and thoroughly enjoyed their time in Cromarty and the set-up provided by the Arts Trust, in many cases indicating that they hoped to return for more. To take just one example, Sam Brown, a photographer from Bristol, got so involved in her project on the Flow Country and climate change that she returned for a second residency within the year and attracted considerable interest from agencies with a view to providing further funding and a possible exhibition under the aegis of the Scottish Government.

For the fifth year running, 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. The 2021 prize went to Izzy Inman who used it to purchase materials for the costume design course she was due to start in Edinburgh in September 2021.

CROMARTY ARTS TRUST

REPORT OF THE TRUSTEES for the year ended 31 July 2021

The open plan studios on the vaulted ground floor of the Stables continued to be the base for six local artists throughout both lockdowns - allowing them to continue to work without interruption and thereby ensuring that the Stables continued to be a hub of creative activity.

Prior to the March 2020 lockdown, the Old Brewery's residential facilities had attracted an impressive range of academic, arts and educational users. 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. With the onset of covid none of this could be continued due to the building's configuration of shared bedrooms and bathrooms and it did not reopen before the year end in July 2021. However at the time of writing this report a number of previous users, such as the University of Aberdeen and Feis Rois have returned and the signs are encouraging though it may still be some time before it achieves the same level of bookings that it was attracting prior to the pandemic.

FINANCIAL REVIEW

The financial statements show income of £168,889 (2019/20: £153,770) and expenditure of £137,236 (2019/20: £157,765) resulting in a surplus of £31,653 (2019/20 deficit of: £3,995) before the inclusion of unrealised investment gains of £17,322 (2019/20 losses of: £21,305).

The Trust has considered the reserves required and has taken into account current and future liabilities. The trustees 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 2021 are regarded as £146,951 (31/07/2020: £83,259) arising from £299,272 of unrestricted funds, less £9,636 tied up in tangible fixed assets and also deducting £142,685 classified as designated funds set aside for essential future spending. Actual six-month expenditure averaged over the three years prior to the pandemic totalled approximately £79,000 excluding depreciation. Although reserves are therefore higher than the normal six month requirement, the trustees consider this to be prudent in the light of uncertainties about the cost of re-establishing activities post pandemic. They 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 and the Charities Property Fund. The market value of the investments at 31 July 2021 was £164,424 (2019/20: £147,102). The remainder of the Trust's designated funds and reserves were held on deposit in a Charities Official Investment Fund Account.

CROMARTY ARTS TRUST

REPORT OF THE TRUSTEES for the year ended 31 July 2021

THANKS AND FUTURE PLANS

The Trustees' decision to recognise the long-standing commitment and dedication of its staff by maintaining pay (making use of the Government's Covid Job Retention Scheme) throughout both lockdowns ensured that it retained a talented and dedicated team in place to rebuild activities when restrictions were eased in the second half of 2020 and then again in April-May 2021. The Trust's Administration Officer, Gail Stuart Martin, came into the office throughout successive lockdowns and its Arts Development Officer, Georgia Macleod, miraculously ensured a programme of arts activities was ready to run whenever circumstances permitted - and both did much to retain the loyalty and support of audiences, course attendees and tutors when concerts, courses and events had to be cancelled due to the ever changing landscape of restrictions. The Trust's operations supervisor Gail Pocock and her team worked tirelessly to ensure that the necessary cleaning regime and health and safety precautions were followed through in a way which permitted the safe operation of courses and events.

The Trustees gratefully acknowledge the support provided by the Government's Job Retention Scheme and Business Interruption Grants which allowed the Trust to steer a course through the pandemic itself and, just as important, provided it with the financial underpinning which allowed it to reopen the Old Brewery after the year end and maintain its operation while its usage gradually builds up again. The Trustees also gratefully acknowledge support from the Cromarty Trust for its core running costs and general arts programme, from the Northern Meeting Charity for its harp lessons, from Global Energy Group and from the numerous individuals who waived the return of fees for cancelled courses. All of this support has helped the Trust weather the stormy seas of the year under report and left it well-placed to re-establish and further develop its charitable activities and operations on a sustainable basis. This remains the challenge for the Trust's 2021-2022 financial year and beyond.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

CROMARTY ARTS TRUST

REPORT OF THE TRUSTEES for the year ended 31 July 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Jeremy Price retired as a Trustee, shortly after the year end 31 July 2020, on 22 August 2020. The Trust benefitted greatly from Jeremy's good sense and optimism since he became a trustee in 2017 and long before then he had been closely involved with its Crime and Thrillers weekends; more recently he has encouraged the Trust to run comedy events and the Trust looks forward to building on this successful initiative when circumstances permit.

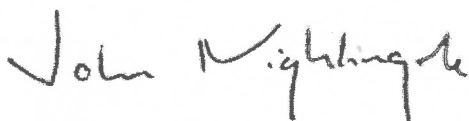
Pat Haynes was appointed as a trustee after the year end on 15 November 2021. Pat brings a wealth of professional experience to the Arts Trust from her career as a landscape architect involved in the management of a wide range of heritage, community and local council projects. Following her early retirement, she established her own hotel business near Fort William before moving to Cromarty, where she has practised as an artist and secured substantial sums of public funding for Cromarty Harbour. She was also closely involved as a volunteer (and chef) in the operation of the Old Brewery when the Trust took over direct responsibility for this in 2015 so is already familiar with many of its activities.

The Trustees had one formal meeting during the year to review activities, to set strategy, and take major decisions. In view of the covid-19 pandemic and lockdown they relied on email circulation to keep abreast of developments and to make decisions.

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.

Approved by order of the board of trustees on 28 April 2022 and signed on its behalf by:



Mr John Nightingale - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CROMARTY ARTS TRUST

I report on the accounts for the year ended 31 July 2021 set out on pages nine to twenty one.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under Section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In connection with my examination, no matter has come to my attention :

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and to comply with Regulation 8 of the 2006 Accounts Regulations

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



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

Date: 29 April 2022

CROMARTY ARTS TRUST**STATEMENT OF FINANCIAL ACTIVITIES**
for the year ended 31 July 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Grants, Donations and Legacies		98,103	-	98,103	63,718
Charitable activities					
Charitable activities		60,226	-	60,226	79,179
Investment income	2	6,779	-	6,779	7,954
Other income		<u>3,781</u>	<u>-</u>	<u>3,781</u>	<u>2,919</u>
Total		168,889	-	168,889	153,770
EXPENDITURE ON					
Charitable activities					
Charitable activities		136,936	300	137,236	157,765
Net gains/(losses) on investments		<u>17,322</u>	<u>-</u>	<u>17,322</u>	<u>(21,305)</u>
NET INCOME/(EXPENDITURE)		49,275	(300)	48,975	(25,300)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>249,997</u>	<u>300</u>	<u>250,297</u>	<u>275,597</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>299,272</u></u>	<u><u>-</u></u>	<u><u>299,272</u></u>	<u><u>250,297</u></u>

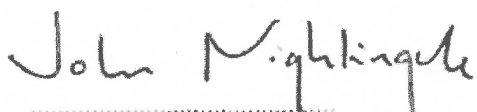
The notes form part of these financial statements

CROMARTY ARTS TRUST

BALANCE SHEET
31 July 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	7	9,636	-	9,636	11,963
Heritage assets	8	13,696	-	13,696	20,536
Investments	9	<u>164,424</u>	-	<u>164,424</u>	<u>147,102</u>
		187,756	-	187,756	179,601
CURRENT ASSETS					
Stocks	10	848	-	848	848
Debtors	11	3,284	-	3,284	1,968
Cash at bank and in hand		<u>121,810</u>	-	<u>121,810</u>	<u>82,151</u>
		125,942	-	125,942	84,967
CREDITORS					
Amounts falling due within one year	12	(14,426)	-	(14,426)	(14,271)
NET CURRENT ASSETS					
		<u>111,516</u>	-	<u>111,516</u>	<u>70,696</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>299,272</u>	-	<u>299,272</u>	<u>250,297</u>
NET ASSETS					
		<u>299,272</u>	-	<u>299,272</u>	<u>250,297</u>
FUNDS					
Unrestricted funds	14				
- Unrestricted General Funds				156,587	95,222
- Unrestricted Designated Funds				142,685	154,775
Restricted funds				-	300
TOTAL FUNDS					
				<u>299,272</u>	<u>250,297</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 28 April 2022 and were signed on its behalf by:



Mr John Nightingale - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at fair value.

The financial implications arising from the Coronavirus (Covid - 19) outbreak which has affected the UK and the wider world are still uncertain. The trustees are reviewing the situation on a regular basis with a view to determining the best course of action for the charity.

On this basis, the trustees are of the opinion that the charity will remain a going concern for at least 12 months following the approval of the accounts.

These financial statements are presented in Sterling (£), which is the functional currency of the charity.

Income

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

Donations and legacies:

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

Grants receivable:

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:

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.

Property income:

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.

Expenditure

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

1. ACCOUNTING POLICIES - continued

Expenditure

Charitable activities:

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.

Support costs:

Support costs include central functions.

Governance costs:

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

Tangible fixed assets

Fixed assets are stated at cost, being purchase price, less accumulated depreciation. Fixed assets costing less than £1,000 are not capitalised.

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Improvements to heritage assets	- 5% Straight line
Furniture and equipment	- 25% Straight line
Fixtures and fittings	- 10% Straight line

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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

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

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

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

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2021

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Donated facilities and services

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.

Fixed asset investments

Fixed asset investments, other than programme investments, are included at their fair value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their fair value at the start of the year, or their subsequent cost, and are charged or credited to 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 based on the market value at the year end.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

2. INVESTMENT INCOME

	2021	2020
	£	£
Investment income	6,767	7,560
Deposit account interest	<u>12</u>	<u>394</u>
	<u>6,779</u>	<u>7,954</u>

3. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 July 2021 nor for the year ended 31 July 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 July 2021 nor for the year ended 31 July 2020.

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2021

4. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	74,524	74,905
Social security costs	4,468	4,677
Other pension costs	<u>1,284</u>	<u>1,311</u>
	<u>80,276</u>	<u>80,893</u>

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

	2021	2020
Average monthly employees	<u>6</u>	<u>6</u>

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

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
INCOME AND ENDOWMENTS FROM			
Grants, Donations and Legacies	63,718	-	63,718
Charitable activities			
Charitable activities	79,179	-	79,179
Investment income	7,954	-	7,954
Other income	<u>2,919</u>	<u>-</u>	<u>2,919</u>
Total	153,770	-	153,770
EXPENDITURE ON			
Charitable activities			
Charitable activities	157,765	-	157,765
Net gains/(losses) on investments	<u>(21,305)</u>	<u>-</u>	<u>(21,305)</u>
NET INCOME/(EXPENDITURE)	(25,300)	-	(25,300)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>275,297</u>	<u>300</u>	<u>275,597</u>
TOTAL FUNDS CARRIED FORWARD	<u>249,997</u>	<u>300</u>	<u>250,297</u>

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2021

6. PENSIONS AND OTHER SCHEMES

The charity operates a defined contribution pension scheme. The pension cost for the year represents the contributions payable to the scheme and amounted to £1,284 (2020 - £1,311). At the balance sheet date there were no prepaid/accrued amounts.

7. TANGIBLE FIXED ASSETS

	Furniture and equipment £	Fixtures and fittings £	Totals £
COST			
At 1 August 2020 and 31 July 2021	<u>7,256</u>	<u>18,406</u>	<u>25,662</u>
DEPRECIATION			
At 1 August 2020	6,770	6,929	13,699
Charge for year	<u>486</u>	<u>1,841</u>	<u>2,327</u>
At 31 July 2021	<u>7,256</u>	<u>8,770</u>	<u>16,026</u>
NET BOOK VALUE			
At 31 July 2021	<u>-</u>	<u>9,636</u>	<u>9,636</u>
At 31 July 2020	<u>486</u>	<u>11,477</u>	<u>11,963</u>

8. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1 August 2020 and 31 July 2021	<u>136,816</u>
PROVISIONS	
At 1 August 2020	116,280
Charge for year	<u>6,840</u>
At 31 July 2021	<u>123,120</u>
NET BOOK VALUE	
At 31 July 2021	<u>13,696</u>
At 31 July 2020	<u>20,536</u>

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 2021**

9. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 August 2020	147,102
Revaluations	<u>17,322</u>
At 31 July 2021	<u>164,424</u>
NET BOOK VALUE	
At 31 July 2021	<u>164,424</u>
At 31 July 2020	<u>147,102</u>

There were no investment assets outside the UK.

Cost or valuation at 31 July 2021 is represented by:

	Listed investments £
Valuation to 2020	8,353
Valuation in 2021	17,322
Cost	<u>138,749</u>
	<u>164,424</u>

10. STOCKS

	2021 £	2020 £
Stocks	<u>848</u>	<u>848</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	1,208	(2,921)
Other debtors	2,076	4,638
VAT	<u>-</u>	<u>251</u>
	<u>3,284</u>	<u>1,968</u>

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	834	447
Taxation and social security	2,882	1,468
Other creditors	<u>10,710</u>	<u>12,356</u>
	<u>14,426</u>	<u>14,271</u>

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	2	2
Between one and five years	8	8
In more than five years	<u>86</u>	<u>88</u>
	<u>96</u>	<u>98</u>

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 (2018 - £Nil).

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2021

14. MOVEMENT IN FUNDS

	At 1/8/20 £	Net movement in funds £	Transfers between funds £	At 31/7/21 £
Unrestricted funds				
General fund	95,222	57,615	3,750	156,587
Ardyne Project fund	20,536	(6,840)	-	13,696
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 Repair fund	30,627	-	-	30,627
RGU Old Brewery Repairs fund	63,750	-	(3,750)	60,000
Grant Reserve	(654)	(1,000)	-	(1,654)
Caroline Hewat Trust	366	-	-	366
Caroline Hewat Art Prize	1,000	(500)	-	500
	<u>249,997</u>	<u>49,275</u>	<u>-</u>	<u>299,272</u>
Restricted funds				
Other funds	300	(300)	-	-
	<u>300</u>	<u>(300)</u>	<u>-</u>	<u>-</u>
TOTAL FUNDS	<u>250,297</u>	<u>48,975</u>	<u>-</u>	<u>299,272</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	169,889	(129,596)	17,322	57,615
Ardyne Project fund	-	(6,840)	-	(6,840)
Grant Reserve	(1,000)	-	-	(1,000)
Caroline Hewat Art Prize	-	(500)	-	(500)
	<u>168,889</u>	<u>(136,936)</u>	<u>17,322</u>	<u>49,275</u>
Restricted funds				
Other funds	-	(300)	-	(300)
	<u>-</u>	<u>(300)</u>	<u>-</u>	<u>(300)</u>
TOTAL FUNDS	<u>168,889</u>	<u>(137,236)</u>	<u>17,322</u>	<u>48,975</u>

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2021

14. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/8/19 £	Net movement in funds £	Transfers between funds £	At 31/7/20 £
Unrestricted funds				
General fund	108,432	(19,482)	6,272	95,222
Ardyne Project fund	27,376	(6,840)	-	20,536
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 Repair fund	30,627	-	-	30,627
RGU Old Brewery Repairs fund	67,500	-	(3,750)	63,750
Grant Reserve	846	1,000	(2,500)	(654)
Caroline Hewat Trust	366	-	-	366
Student Prize	-	22	(22)	-
Caroline Hewat Art Prize	1,000	-	-	1,000
	<u>275,297</u>	<u>(25,300)</u>	<u>-</u>	<u>249,997</u>
Restricted funds				
Other funds	300	-	-	300
	<u>300</u>	<u>-</u>	<u>-</u>	<u>300</u>
TOTAL FUNDS	<u>275,597</u>	<u>(25,300)</u>	<u>-</u>	<u>250,297</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	151,770	(149,947)	(21,305)	(19,482)
Ardyne Project fund	-	(6,840)	-	(6,840)
Grant Reserve	1,000	-	-	1,000
Student Prize	1,000	(978)	-	22
	<u>153,770</u>	<u>(157,765)</u>	<u>(21,305)</u>	<u>(25,300)</u>
TOTAL FUNDS	<u>153,770</u>	<u>(157,765)</u>	<u>(21,305)</u>	<u>(25,300)</u>

General Funds:

This fund represents the free reserves of the charity and has arisen out of the past operating results.

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 £13,696.

Ardyne Repairs Fund

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

14. MOVEMENT IN FUNDS - continued

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.

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.

CROMARTY ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 July 2021

15. RELATED PARTY DISCLOSURES

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.

16. 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

APPENDIX

for the year ended 31 July 2021

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
-2 As part of the celebrations to commemorate the bicentenary of Hugh Miller in 2002, the Trust:
- holds three academic conferences held 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
 - restores the former salmon bothy at Eathie with interpretation panels on its history and the natural environment
 - 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.
- 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 quatercentenary 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.
- 2019 The annual Harp Village held at the Stables and Old Brewery celebrates its 10th birthday with a public concert

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CROMARTY ARTS TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 July 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Grants, Donations and Legacies		
Donations	1,421	2,223
Grants	11,300	43,352
Covid Job Retention Scheme Income	32,382	18,143
Other Coronavirus funding	<u>53,000</u>	<u>-</u>
	98,103	63,718
Investment income		
Investment income	6,767	7,560
Deposit account interest	<u>12</u>	<u>394</u>
	6,779	7,954
Charitable activities		
Arts events and activities	26,068	24,912
Publications and prints	48	91
The Old Brewery income	8,770	27,609
Stables hire	15,919	15,633
Ardyne Rental	<u>9,421</u>	<u>10,934</u>
	60,226	79,179
Other income		
Other income	<u>3,781</u>	<u>2,919</u>
Total incoming resources	168,889	153,770
EXPENDITURE		
Charitable activities		
Wages	74,524	74,905
Social security	4,468	4,677
Pensions	1,284	1,311
Sundries	170	-
Depreciation of tangible fixed assets	<u>9,167</u>	<u>9,498</u>
	89,613	90,391
Support costs		
Other		
Insurance	6,188	5,585
Staff training, travel and other costs	45	32
Art events and activities	13,676	16,518
Carried forward	19,909	22,135

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CROMARTY ARTS TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 July 2021**

	2021	2020
	£	£
Other		
Brought forward	19,909	22,135
Repairs, maintenance and utility costs	24,782	40,036
Office costs and licenses	177	1,354
Marketing	580	1,597
Accountancy fees	553	546
Bank charges	<u>56</u>	<u>39</u>
	46,057	65,707
Governance costs		
Professional fees	-	167
Independent examination	<u>1,566</u>	<u>1,500</u>
	<u>1,566</u>	<u>1,667</u>
Total resources expended	<u>137,236</u>	<u>157,765</u>
Net income/(expenditure)	<u><u>31,653</u></u>	<u><u>(3,995)</u></u>

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