

Scottish charity number SC003018

**CROMARTY ARTS TRUST**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

# CROMARTY ARTS TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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**Trustees**

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

**Charity number (Scotland)** SC003018

**Independent examiner**

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

**Bankers**

Bank of Scotland  
2-6 Eastgate  
Inverness  
IV2 3NA

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# CROMARTY ARTS TRUST

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# CROMARTY ARTS TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2023

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The trustees present their annual report and financial statements for the year ended 31 July 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's deed of trust, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### **Objectives and activities**

##### Purposes:

The purposes of the trust are:

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

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

##### Vision:

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

##### Mission:

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

##### Values:

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

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

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

##### Aims:

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

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

#### **Background Information**

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

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

# CROMARTY ARTS TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2023

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#### Achievements and performance

##### The year under review

In the year to 31st July 2023 we could at last say that all the cancellations and disruptions caused by the pandemic had been put firmly behind us. The Trust's staff are to be congratulated on their tireless work in delivering the Trust's rich and varied programme of courses, workshops, recitals and in maintaining high standards and a welcoming ambience in all its buildings.

During the year Applied Crafts courses run by the Trust included silverwork, copper metal work, stone lettering, stained glass, textile printing, lino printing, basket making and sewing/dressmaking in all its guises. Many were sold out with the half dozen sewing courses proving particularly popular. Thanks to support from the Middleton Trust we were also able to run workshops on sewing and mosaic making for young children. Visual Arts courses included life drawings, landscape and portrait painting. Writing events covered novel and poetry writing. A successful virtual Ukelele Weekend was held in March 2023. The Trust continued to develop its experimental theatre offering a couple of performances for children and young people which were well attended by pupils from Cromarty Primary and Pre-school: *Kissing Linford Christie* and *Two in a Barrel*.

Live classical music performances included the Enegard Quartet, the Mahler Wind Quartet, *Songs from the Last Page* (a Chamber Music Scotland Event which was specially scheduled to contribute to Scotland's Year of Stories programme), Duncan Honeybourne, and Trio Doyenne. The tenor Christopher Josey, accompanied by Robin Versteeg presented a recital with an art and landscape theme for the opening of the Redcastle Art Group's annual exhibition. Crossing the boundaries between classical music and theatre, Apollo's Cabinet performed their show, celebrating the life of the 18th century singer actress, Kitty Clive.

In other genres, we hosted a wide range of trad, jazz and singer songwriters: McKerron, Brechin and O'Eadra, Simon Kempston, Heal and Harrow (welcoming Rachel Newton and Lauren MacColl back to Cromarty for their haunting performance of stories by Mairi Kidd remembering the women that fell victim to Scotland's 16th and 17th century witch trials), Sarah McQuiad, and Adam Holmes. After a break of several years it was wonderful to welcome back the Feis Rois Ceiidh Trail a few days before our year end in July 2023.

We were delighted to hold the twelfth annual Cromarty Crime & Thrillers Weekend. One of the Arts Trust's most popular events, as ever it boasted an impressive roll call of crime writers and generated strong ticket sales.

Cromarty Arts Trust hosted three in-kind residencies, with artists working in the areas of creative writing, dance and visual arts. We hosted ten self-funded residencies for artists working in painting, writing and music, some from Scotland and one from as far afield as Hawaii. All artists gave glowing feedbacks, thoroughly enjoyed their time in Cromarty and were grateful for the opportunity to develop their work in the facilities provided by the Arts Trust, in many cases indicating that they hoped to return for more. We also hosted Siobhann McLaughlin, a prize winner from the Royal Scottish Academy, who used her month with us to develop her landscape work and culminating in a successful short exhibition.

For the seventh year, the Trust awarded a prize in memory of its previous Arts Administrator, Caroline Hewat, to a Fortrose Academy school level that had shown exceptional talent and enthusiasm in the art department, as selected by the school's teaching staff. Congratulations to Sophie Bathgate for winning the 2023 prize.

The open plan studios on the vaulted ground floor of the Stables continued to be the base for six local artists ensuring that the Stables continued to be a hub of creative activity. The Stables exhibition space also hosted the Cromarty Group's annual show, the Redcastle Art Group's Annual Exhibition and a successful exhibition, *Land, Sea, Sky* by a small group of Black Isle based artists.

After the long hiatus caused by successive Covid-19 lockdowns, the use of the Old Brewery's residential facilities began to get closer to the levels achieved prior to the pandemic. Many of the long established users such as the University of Aberdeen. Feis Rois and the Cromarty Film Festival continued to use it but during the year a number of other groups and institutions used it for the first time such as Moniack Mhor, the Nautical Archaeology Society, Scottish Vienna Horns, the theatre group Magnetic North, and Highland Culture Collective. Taken as a whole, its academic, arts and educational users make up an impressive roll call. All of these fell squarely within the Trust's objectives of advancing education, running an arts centre, and stimulating interest in the area's history and wildlife. But they also contributed to the economic and cultural life of the community more generally.

# **CROMARTY ARTS TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 JULY 2023**

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The quality of the restoration carried out to the Old Brewery in 1987 was such that it had required very little in the way of refurbishment work over the previous 30 years. But as we flagged in last year's report, we undertook a programme to improve its energy efficiency (new heating, additional insulation) and to update its ambience (curtains, carpets) during the year. In the short term this left its mark on the bottom line of the Trust's financial results but in creating a warmer and more homely building it should deliver dividends in the years ahead.

#### **Financial review**

The financial statements show income of £190,274 (2021/22: £163,212) and expenditure of £225,641 (2021/22: £187,682) resulting in a deficit of £35,367 (2021/22: £24,470) before gains or losses on investments.

The Trust has considered the reserves required and has taken into account current and future liabilities. The Trustees usually aim to maintain free reserves in unrestricted funds at a level which equates to approximately six months of total expenditure by the Trust. Free reserves as at 31 July 2023 are regarded as £80,919 (31 July 2022: £140,514) arising from £99,844 of unrestricted general funds, less £18,925 tied up in tangible fixed assets. Actual six month expenditure averaged over the last three years prior to the pandemic totalled approximately £91,760 excluding depreciation. The Trustees will continue to monitor the level of reserves each year.

The Trust has established a series of designated funds to hold monies donated for particular purposes and to provide the necessary funds for future repairs to the Trust's properties; the notes to the accounts provide detailed information on each fund. The Trust held part of these designated funds in the form of investments in M&G Charifund, The Charities Property Fund and the Charity Official Investment Fund's Charities Equity Global Fund. The market value of the investments at 31 July 2023 was £177,212 (2021/22: £199,275). The remainder of the Trust's designated funds and reserves were held on deposit in a Charities Official Investment Fund Account.

#### **Plans for future periods**

#### **Thanks and Future Plans**

The Trustees gratefully acknowledge support from the Cromarty Trust for its core running costs and general arts programme, from Chamber Music Scotland and the Tunnell trust to support our classical music programme, the Northern Meeting Charity for its funding for harp lessons, the Middleton Trust for continuing support of the Trust's youth projects, and from Global Energy Group which has continued to provide some very welcome support for the Trust's charitable activities. We are grateful to Creative Scotland and Youth Link Fund for a grant of £3,800 allowing us to work in collaboration with Highlife Highland, Cromarty Youth Cafe and mosaic artist Sally Purdy to design and create a series of three mosaic panels. The Trustees also thank The Touring Network for the funding to support the two theatre companies in bringing their performances to Cromarty.

Although high energy costs continue to present a real challenge for the Trust with its suite of three historic building, the completion of works to the Old Brewery now mean it is better placed to get its charitable activities and operations back onto a sustainable basis.

#### **Structure, governance and management**

##### **Governing document**

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

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

Mr John Nightingale

Mr Alexander Nightingale

Ms Annie Stewart

Ms Mary Peteranna

Mr S Evans

(Resigned 22 August 2022)

Mr G Phillips

(Resigned 6 February 2023)

Ms Pat Haynes

# **CROMARTY ARTS TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 JULY 2023**

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Graham Philips retired as a Trustee on 6 February 2023 on account of his growing commitments to Inverness harbour following the government's in principle approval for the establishment of an Inverness and Cromarty Firth Green Freeport company. We remain grateful for all he did for the Trust and look forward to his continuing participation in Trust events in the coming years,

The Trustees had one formal meeting during the year to review activities, to set strategy, and take major decisions. They used email circulation to keep abreast of developments and to make decisions as required during the year.

Catherine McNeil, who had previously working in a number of arts administrative and development roles, sadly had to resign for personal reasons at the end of December 2022. She had only been in the post for six months but during the short time we were able to benefit from her fresh insights. We appointed Nicki Slater as our new Arts Development Officer with effect from January 2023 and congratulate her on the speed with which she picked up the reins, ensuring that the Trust's very full arts programme continued to run smoothly. She too has many exciting ideas and we look forward to her taking some of these forward in the coming years. We also employ an Administration Officer, Gail Stuart-Martin, an Operations Supervisor, Gail Pocock, an operations deputy, Kellianne Lynas, an operations assistant Katherine Macdonald. All the staff work part-time and have continued to work tirelessly together to ensure that the Trust's activities are a success and its buildings are well-cared for. The Trustees, most notably Pat Haynes, give many hours of their time on a voluntary basis, and we also draw on a pool of local volunteers for help at events.

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

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

#### **Statement of trustees' responsibilities**

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

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

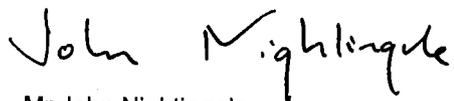
**CROMARTY ARTS TRUST**

**TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2023**

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



Mr John Nightingale  
**Trustee**

26 April 2024

# CROMARTY ARTS TRUST

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

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I report on the financial statements of the charity for the year ended 31 July 2023, which are set out on pages 7 to 25.

### Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investments (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity's 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 financial statements as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

### Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

### Independent examiner's statement

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

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
  - (i) to keep accounting records in accordance with section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - (ii) to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Rhona Wilson BA, FCCA

MacKenzie Kerr Limited  
Chartered Accountants  
Redwood  
19 Culduthel Road  
Inverness  
IV2 4AA

Dated: 26 April 2024

# CROMARTY ARTS TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2023

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	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<b>Income from:</b>			
Donations and legacies	2	24,865	18,510
Charitable activities	3	154,709	137,005
Investments	4	10,700	7,697
<b>Total income</b>		<u>190,274</u>	<u>163,212</u>
Expenditure on charitable activities	5	<u>225,641</u>	<u>187,682</u>
Net gains/(losses) on investments	9	<u>(22,063)</u>	<u>14,851</u>
<b>Net expenditure and movement in funds</b>		<u>(57,430)</u>	<u>(9,619)</u>
<b>Reconciliation of funds:</b>			
Fund balances at 1 August 2022		<u>289,653</u>	<u>299,272</u>
<b>Fund balances at 31 July 2023</b>		<u><u>232,223</u></u>	<u><u>289,653</u></u>

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

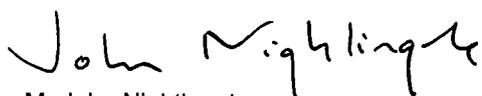
# CROMARTY ARTS TRUST

## BALANCE SHEET

AS AT 31 JULY 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		18,925		14,651
Investments	11		177,212		199,275
			<u>196,137</u>		<u>213,926</u>
<b>Current assets</b>					
Stocks	12	848		848	
Debtors	13	4,051		2,055	
Cash at bank and in hand		43,863		83,894	
		<u>48,762</u>		<u>86,797</u>	
<b>Creditors: amounts falling due within one year</b>	14	12,676		11,070	
		<u>12,676</u>		<u>11,070</u>	
Net current assets			36,086		75,727
<b>Total assets less current liabilities</b>			<u>232,223</u>		<u>289,653</u>
<b>The funds of the charity</b>					
<b>Unrestricted funds:</b>					
Designated funds		132,379		134,489	
General unrestricted funds		99,844		155,164	
		<u>232,223</u>		<u>289,653</u>	
			<u>232,223</u>		<u>289,653</u>

The financial statements were approved by the trustees on 26 April 2024



Mr John Nightingale  
Trustee

# CROMARTY ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2023

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#### 1 Accounting policies

##### Charity information

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

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Deed of Trust, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

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

# CROMARTY ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2023

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#### 1 Accounting policies (Continued)

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

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

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

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

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

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

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

##### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

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

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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

Support costs include central functions.

# CROMARTY ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2023

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#### 1 Accounting policies (Continued)

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

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

##### 1.7 Heritage assets

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

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

##### 1.8 Fixed asset investments

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

##### 1.9 Impairment of fixed assets

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

##### 1.10 Stocks

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

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

##### 1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# CROMARTY ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2023

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#### 1 Accounting policies (Continued)

##### 1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

##### 1.13 Taxation

The charity is exempt from tax on its charitable activities.

##### 1.14 Employee benefits

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

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

##### 1.15 Retirement benefits

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

# CROMARTY ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2023

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#### 2 Income from donations and legacies

	<b>Unrestricted funds 2023 £</b>	<b>Unrestricted funds 2022 £</b>
Donations and gifts	13,865	14,016
Grants receivable	11,000	4,494
	<u>24,865</u>	<u>18,510</u>

#### 3 Charitable activity income

	<b>Charitable Income 2023 £</b>	<b>Charitable Income 2022 £</b>
Art events and activities	45,949	45,754
The Old Brewery Income	68,613	52,911
Ardyne Rental	16,283	15,861
Stable hire	20,387	18,157
Other income	52	17
Commercial lettings income	3,425	4,305
	<u>154,709</u>	<u>137,005</u>

#### 4 Income from investments

	<b>Unrestricted funds 2023 £</b>	<b>Unrestricted funds 2022 £</b>
Income from listed investments	9,499	7,504
Interest receivable	1,201	193
	<u>10,700</u>	<u>7,697</u>

# CROMARTY ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2023

#### 5 Charitable activity expenditure

	Charitable expenditure 2023 £	Charitable expenditure 2022 £
<b>Direct costs</b>		
Staff costs	84,949	81,825
Depreciation and impairment	10,138	8,681
Arts events and activities	36,010	26,230
Repairs and maintenance	81,555	58,885
Sundry expenses	897	776
	<u>213,549</u>	<u>176,397</u>
<b>Share of support and governance costs (see note 6)</b>		
Support	10,092	9,260
Governance	2,000	2,025
	<u>225,641</u>	<u>187,682</u>
<b>Analysis by fund</b>		
Unrestricted funds	<u>225,641</u>	<u>187,682</u>

#### 6 Support costs allocated to activities

	2023 £	2022 £
Insurance	8,483	6,951
Staff training and travel	205	-
Office costs and licences	140	289
Marketing	586	1,287
Accountancy and legal fees	648	733
Bank charges	30	-
Governance costs	2,000	2,025
	<u>12,092</u>	<u>11,285</u>
<b>Analysed between:</b>		
Charitable expenditure	<u>12,092</u>	<u>11,285</u>

#### 7 Trustees

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

# CROMARTY ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2023

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### 8 Employees

The average monthly number of employees during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Total employees	6	6

#### **Employment costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	76,664	74,690
Social security costs	6,375	5,666
Other pension costs	1,910	1,469
	<u>84,949</u>	<u>81,825</u>

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

#### **Remuneration of key management personnel**

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

### 9 Gains and losses on investments

	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>funds</b>	<b>funds</b>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Gains/(losses) arising on:		
Revaluation of investments	(22,063)	14,851

# CROMARTY ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2023

#### 10 Tangible fixed assets

	Heritage asset land and buildings £	Furniture and equipment £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 August 2022	136,816	7,256	18,406	162,478
Additions	-	-	14,412	14,412
At 31 July 2023	136,816	7,256	32,818	176,890
<b>Depreciation and impairment</b>				
At 1 August 2022	129,960	7,256	10,611	147,827
Depreciation charged in the year	6,856	-	3,282	10,138
At 31 July 2023	136,816	7,256	13,893	157,965
<b>Carrying amount</b>				
At 31 July 2023	-	-	18,925	18,925
At 31 July 2022	6,856	-	7,795	14,651

#### 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 2023

#### 11 Fixed asset investments

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 August 2022	199,275
Valuation changes	(22,063)
At 31 July 2023	<u>177,212</u>
<b>Carrying amount</b>	
At 31 July 2023	<u>177,212</u>
At 31 July 2022	<u>199,275</u>

	<b>2023 £</b>	<b>2022 £</b>
Investments at fair value comprise:		
Cost	158,749	158,749
Valuation in 2020	8,353	8,353
Valuation in 2021	17,322	17,322
Valuation in 2022	14,851	14,851
Valuation in 2023	(22,063)	-
	<u>177,212</u>	<u>199,275</u>

#### 12 Stocks

	<b>2023 £</b>	<b>2022 £</b>
Stocks	<u>848</u>	<u>848</u>

#### 13 Debtors

	<b>2023 £</b>	<b>2022 £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	2,919	2,055
Other debtors	1,132	-
	<u>4,051</u>	<u>2,055</u>

# CROMARTY ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2023

#### 14 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		5,085	6,283
Deferred income	15	1,609	1,423
Trade creditors		9	1,514
Other creditors		823	-
Accruals		5,150	1,850
		<u>12,676</u>	<u>11,070</u>

#### 15 Deferred income

	2023 £	2022 £
Other deferred income	<u>1,609</u>	<u>1,423</u>

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	<u>1,609</u>	<u>1,423</u>
Movements in the year:		
Deferred income at 1 August 2022	1,423	8,902
Released from previous periods	(1,423)	(7,479)
Resources deferred in the year	<u>1,609</u>	<u>-</u>
Deferred income at 31 July 2023	<u>1,609</u>	<u>1,423</u>

#### 16 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

## CROMARTY ARTS TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 JULY 2023

#### 17 Unrestricted funds

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

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

# CROMARTY ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2023

#### 17 Unrestricted funds (Continued)

Previous year:	At 1 August 2021	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 July 2022
	£	£	£	£	£	£
Ardyne project fund	13,696	-	(6,840)	-	-	6,856
Ardyne repairs fund	7,000	-	-	-	-	7,000
Arts fund	8,500	-	-	-	-	8,500
Development fund	9,000	-	-	-	-	9,000
Marine research fund	14,650	-	-	-	-	14,650
Stables repairs fund	30,627	-	-	-	-	30,627
RGU Old Brewery repairs fund	60,000	-	-	(3,750)	-	56,250
Grant reserve	(1,654)	2,394	-	-	-	740
Caroline Hewat Trust	366	-	-	-	-	366
Caroline Hewat art prize	500	-	-	-	-	500
General funds	156,587	160,818	(180,842)	3,750	14,851	155,164
	<u>299,272</u>	<u>163,212</u>	<u>(187,682)</u>	<u>-</u>	<u>14,851</u>	<u>289,653</u>

# CROMARTY ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2023

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#### 17 Unrestricted funds (Continued)

##### The Ardyne Project Fund

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

##### Ardyne Repairs Fund

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

##### The Arts Fund

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

##### The Development Fund

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

##### The Stables Repairs Fund

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

##### Marine Research Fund

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

##### RGU Old Brewery Repairs Fund

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

##### Grant Reserve

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

##### Caroline Hewat Trust

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

##### Caroline Hewat Art Prize

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

##### 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 2023

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#### 18 Operating lease commitments

##### Lessee

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

	2023	2022
	£	£
Within one year	2	2
Between two and five years	8	8
In over five years	82	84
	<hr/>	<hr/>
	92	94
	<hr/> <hr/>	<hr/> <hr/>

##### The Old Brewery and Stables

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

##### Eathie Salmon Fishing Bothy

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

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

#### 19 Related party transactions

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

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

## **CROMARTY ARTS TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 JULY 2023**

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##### **20 Donated facilities and services, including volunteers**

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

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

## CROMARTY ARTS TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 JULY 2023

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#### 21 Appendix

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

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

# CROMARTY ARTS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2023

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#### 21 Appendix (Continued)

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