Charity registration number: SC003018

Cromarty Arts Trust

Annual Report and Financial Statements

for the Year Ended 31 July 2017

H.E. Young CA CTA
Independent examiner
A9 Accountancy Limited
Elm House
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Cromarty Arts Trust

Contents

Reference and Administrative Details	1
Trustees' Report	2
Independent Examiner's Report	15
Statement of Financial Activities	16
Balance Sheet	17
Notes to the Financial Statements	18 -36

Cromarty Arts Trust

Reference and Administrative Details

Trustees

John Nightingale

Philip Hamilton-Grierson (Resigned 31 January 2017)

Alexander Nightingale

Rachel Robertson

Torquil Macleod (Resigned 30 September 2016)

Annie Stewart

David Cowan

Mary Peteranna

Jeremy Price (appointed 27 June 2017)

Simon Evans (appointed 12 December 2017)

Principal Office

Ardyne
19 Bank Street
Cromarty
Ross & Cromarty, IV11 8YE

Charity Registration Number

SC003018

Solicitors

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

Bankers

Bank of Scotland
High Street
Dingwall, IV15 9HL

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Independent Examiner

H.E. Young CA CTA
Independent examiner
A9 Accountancy Limited
Elm House
Cradlehall Business Park Inverness
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Cromarty Arts Trust

Trustees' Report

FORMATION AND OBJECTIVES

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

Purposes: The purposes of the trust are

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

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

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

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

Values:

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

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

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

Aims:

To engage the people of Cromarty and the Highlands in the work and the mission of the Trust

To encourage and broaden a range of partners to support our work and mission

To 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.

Cromarty Arts Trust

Trustees' Report

Trustees, Staff, Advisors and Organisational Structure

The Trust said farewell to two Trustees during the year (see page 2 of this Report for full details of Trustees and Advisers). Torquil Macleod retired on 30 September 2016, following his move to Edinburgh to take up a senior position at Events Scotland. He had given much good advice and encouragement to the Trust, drawing on his deep experience of the events industry. Philip Hamilton Grierson retired as a Trustee on 31 January 2017 after 25 years as a Trustee. A farewell lunch held in January provided a chance to look back over what the Trust had achieved over those years and to thank him for his unstinting support and hands-on involvement throughout this period – helping with its academic conferences, its programme of classical concerts and its other events, chairing its Local Management Group and bringing his very considerable financial and budgetary experience to the benefit of the Trust. But above all he should be thanked for helping instil the combination of values that guide the work of the Trustees: a recognition that their task and responsibilities are serious ones but that this should not preclude Trustees enjoying what they do.

Following the year end two further Trustees were welcomed on board. Both live locally and bring a wealth of valuable experience to the Trust: Jeremy Price, a retired police superintendent, former chair of the Cromarty and District Community Council, and regular contributor as a writer and actor to the Trust's Crime and Thriller weekends, was appointed on 27 August 2017; Simon Evans, a recently retired NHS consultant at Raigmore hospital and active contributor, as a gifted violinist, to the Trust's chamber music programme, was appointed on 8 December 2017. Trustees are appointed by the existing trustees on the basis of the relevant experience and commitment that they can bring to the work of the Trust. The Trustees undertake periodic appraisals of the skill sets which the Trustees can offer with a view to identifying areas where further experience would be desirable. Care is taken to ensure all new Trustees are given a full induction into the work of the Trust.

Following the much lamented death in December 2015 of the Trust's previous Arts Development Manager, Caroline Hewat, the Trustees were greatly indebted to their co-trustee David Cowan for taking on day-to-day operational control of the Trust's activities, ably assisted by Gail Stuart-Martin and Gail Pocock, whilst they undertook a full review of the Trust's activities and staffing. The upshot of the review was that the Trustees appointed Georgia Macleod as an arts development officer in September 2016; Georgia brings much valuable experience to the Trust from her role as an events and project co-ordinator for a series of arts and community projects in the Highlands over the previous ten years, and she should be congratulated for picking up the reins of the Trust's events programme so quickly. Along with Georgia's appointment, the Trust also took on two other additional staff members, Kelliane Lynas and Katherine McDonald, to help with the running of the Old Brewery, where bookings continued to increase throughout the year. Along with Georgia they have joined the Trust's existing Administrative Officer, Gail Stuart-Martin and Operations Supervisor, Gail Pocock; all five are employed on a part-time basis but together they make an effective and highly professional team.

Cromarty Arts Trust

Trustees' Report

The Trustees met twice during the year to review activities, to approve budgets and reports, set strategy, and take major decisions. A Local Management Group consisting of four of the Trustees, Administrative Officer, Arts Development Officer and Operations Supervisor and three co-opted local members, Vanessa Halhead, Carsten Flieger and Jim Pennie, met bi-monthly to discuss and take decisions associated with the detailed delivery of the Trust's programme. A Health and Safety Committee, chaired by Trustee David Cowan, meets twice a year and has oversight of all health and safety matters across the Trust's properties. The minutes and reports of both committees are reviewed by the main Board.

Staff appraisal is undertaken on an annual basis and additional staff training is provided where this is considered appropriate. During the year members of staff attended a food and hygiene training course in connection with their work and responsibilities at the Old Brewery.

All grant applications and grant acceptances are approved in advance by a delegated Trustee. The Trust has a detailed health and safety policy and has risk management policy and procedures in place for the Old Brewery. These are subject to regular review. The Trust is committed to equal opportunities.

Objectives, Achievements and Performance: the year under review

As the year end brought the Trust to the eve of its 30th anniversary, it is an appropriate moment to look back on what it has achieved over this period. The Old Brewery and Stables now fill such a central place in the cultural and community life of Cromarty that it is hard to remember how in 1987 both were in the final throes of decrepitude, roofs open to the sky, collapsing floors, wind whistling through former doorways and windows. The vision of restoring them was a bold one. But the challenge of using the restoration of these remarkable listed buildings to breathe new life into the community seemed a prize worth working for.

A later section of this report on the history of the Trust describes how the work of the Trust subsequently evolved from one which simply raised money and restored buildings to be operated by others, to one which took on the responsibility of managing them itself as the base for an ambitious, varied and vibrant arts programme – one would be hard pushed to find another community of Cromarty's size that punches so far above its weight. The rest of this report gives the detail of this programme but a couple of points deserve emphasising at the outset.

First, the Trustees have set great store by the breadth and diversity of their programme. Inevitably this comes at a cost – it is easier to market an annual festival or build up a reputation in one particular arts specialism but this restricts its appeal to a more limited audience rather than doing what the Trust sees as its priority, namely engaging with and enriching the community as a whole.

Second, the Trustees have laid great emphasis on sustainability. Arts organisations tend to live precarious existences and all too often they are undermined by overly ambitious dreams.

Cromarty Arts Trust

Trustees' Report

That the Cromarty Arts Trust is still going from strength to strength thirty years on, securing a surplus and operating its arts programme with little or no public subsidy, is a testimony to the care its Trustees and staff have taken to ensure its dreams are combined with prudent financial planning. Here it was perhaps characteristic of the Trust that it didn't mark its 30th anniversary with any celebrations or fireworks. Trustees and staff marked this milestone by simply getting on with the normal work of the Trust – by making a success of what it does year in and year out one would like to think the foundations are being laid for the next thirty years.

Last year's report noted that the Trustees' principal goals for the coming year were to make a success of the operation of the Old Brewery and to continue to steer the course that has been set over the last few years in terms of maintaining the programmes and workshops in music, the visual arts and mixed media which they have already developed, and to continue to build up arts activities at the Stables and Old Brewery which deliver the Trust's strategic objectives. Particular mention was also made of the Trust's plan to establish an annual award in memory of Caroline Hewat. The detailed account that follows describes how the Trust's other objectives for the year were successfully delivered.

Caroline Hewat Prize: Last year's report highlighted the Trust's plan to establish an annual award in memory of Caroline Hewat, to be awarded to Fortrose Academy's best art student as nominated by the school. This was inaugurated in Summer 2017 with the award going to one of its final year students, Joe Inman, who took up an internship with the Trust after the year end in August 2017. The award attracted considerable publicity as did the subsequent work of Joe who used his internship to develop ideas and publicity for the Trust's Creative Cromarty Prize which for the first time attracted entries from primary school children across the Black Isle.

The Old Brewery: This was the third year of operation since the Trust took over direct management of the Old Brewery in September 2014. The initial decision to take full control was a big step for the Trust. It not only required a significant programme of upgrades to the electrical wiring, equipment, furniture and furnishings, and the embedding of health and safety policies and risk assessments, but also required the Trust to build up a dedicated team of staff to run the building. Three years on one can see just how well the team have risen to this challenge as the Old Brewery operation not only covers its costs but contributes substantially to the overall financial sustainability of the Trust.

In running the Old Brewery with its 22 beds in 12 bedrooms, studios, dining room and kitchen, the Trust has adopted a model that sets out to provide simple accommodation with really clean and comfortable rooms, a friendly team of staff, and great home-made food - all to be enjoyed in conjunction with the building's magical location in Cromarty overlooking the shore and the Firth. The very positive feedback and increasing number of repeat bookings suggests that this is working very well. The dedication of the Trust's team of staff is an absolutely crucial ingredient here and this is an appropriate place both to congratulate and thank them for everything they have done.

Cromarty Arts Trust

Trustees' Report

During the year usage of the building continued to attract an impressive range of academic, arts, and educational users. These included the Arts Trust's own programme of events such as the Crime and Thrillers Weekend, Harp Village, residential workshops in silversmithing, stone lettering, stained glass and visual arts, and a regular series of music gigs. External bookings included residential use by Aberdeen University, Bangor University, UHI, ScotGrad, RSPB, Black Isle Fiddle School, the Feis Ross Ceilidh Trail, the Cromarty Film Festival and a number of other organisations running summer music and art schools, jazz weekends, a kayaking symposium, writers' weekend retreats. 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.

The Trust's Arts and Events Programme: The following catalogue of some 40 arts events held at the Old Brewery and the Stables during the course of the year under review gives some idea of the range and vibrancy of the arts programme which was organised or hosted by the Trust:

2016:

5 August: Feis Rois Ceilidh Trail at the Stables

13 August: Attic Saturday (community stalls at the Old Brewery)

12 to 21 August: Cromarty Group Exhibition at the Stables

27 to 28 August: Celtic Illumination workshop with Stables artist Thomas Keyes

17 to 18 September: Harp Village with Corrina Hewat and Heather Downie at the Stables and Old Brewery

21 to 30 September: Exhibition of Stables artist Jonathan Shearer's paintings at the Stables

October: Student Prize Residency of Benjamin Cluness with exhibition (Adderstanes) on 27 October

3 to 8 October: Stone Letter Carving Course with Robbie Schneider at the Stables

29 to 30 October: Oliver Reed's workshop at the Stables for students preparing portfolios for art schools

11 November: Rachel Newton Trio in concert at the Old Brewery

24 November: Book Week Scotland at the Old Brewery with Inverness author Jennifer Morag Henderson and publisher Moira Forsyth.

25 to 27 November – Craft Fair at the Old Brewery

Cromarty Arts Trust

Trustees' Report

2 to 4 December: Cromarty Film Festival at the Old Brewery, Stables and throughout Cromarty

2017

14 January: Life Drawing workshop at the Stables with Zev Robinson

11 February: Attic Saturday (community stalls at the Old Brewery)

18 to 19 March: Celtic Connections Ukulele School at the Old Brewery

25 March, 8 April and 3 June: paper clay workshops with artist Kathleen Madigan

30 March to 2 April: Residential workshop and exhibition of mixed media (colour and collage, stained glass and textiles) with Morag Tweedie and Anne Ferguson at the Stables and Old Brewery

6 April: Jazz trio Liane Carroll, Sara Colman and Sophie Bancroft in concert at the Stables

7 to 9 April: Vocal Jazz workshop at the Old Brewery led by Sophie Bancroft

15 to 16 April: The Shee in concert at the Stables followed by music workshop at the Old Brewery

22 April: Leon Patchett's Wood Sculpture Course at the Stables

25 April: Isosceles in concert at the Stables (Songs that Matter)

28 to 30 April: Cromarty writing retreat with author Morag Joss at the Old Brewery

4 to 7 May: Cromarty Crime & Thrillers weekend with Ian Rankin, Sara Sheridan, Douglas Lindsay, and Rosemarkie Man

13 May: Sing Your Heart Out: music workshop with Kate O'Connell at the Stables

13 May: Martin Stephenson in concert at the Stables

18 May: The Furrow Collective: Rachel Newton, Lucy Farrell, Emily Portman and Alasdair Roberts in concert at the old Brewery

2 June: Evening with Daudi Matsiko and Izzie Yardley in concert at the Old Brewery

11 June: St Mary's String Quartet in concert at the Stables

17 June: Creative art workshop (resist ink techniques) with Theresa Brown at the Stables

Cromarty Arts Trust

Trustees' Report

24 June to 2 July: Redcastle Art Exhibition at the Stables

1 to 2 July: Visual Arts Workshop with Jonathan Shearer at the Old Brewery

1 July: The Routes Quartet in concert at the Old Brewery

7 to 9 July: The Black Isle fiddle weekend with Lauren MacColl at the Old Brewery

22 July: Feis Rois Ceilidh trail

23 to 28 July: Outside Track Summer School: a week of music workshops at the Old Brewery including a concert at the Stables on 25 July

Amidst this catalogue of riches the following deserve a particular mention:

Chanter Class: The Trust seeks to attract participants of every age in its programmes but it has a particular emphasis on young people, believing that engagement with people at an early age can stimulate a lifelong interest in creativity. It is therefore very pleased that its Chanter Class for Cromarty's primary age children is now in its seventh year and has continued to produce wonderful results thanks to the children's energy and desire to learn, the skill and patience of their tutor Canon Mel Langille, and the Middleton Trust which has continued to provide financial support for the class.

Letter Carving Workshop: Previous reports have described the Trust's vision of rekindling the Highlands tradition of stone lettering, exemplified by the work of Hugh Miller. In 2011 the Trust commissioned Richard Kindersley, the doyenne of stone-letter carving, to establish and run an intensive eight-day course at the Stables. He subsequently repeated this annually but in 2015 passed the baton for leading the course to Robbie Schneider, who attended the first of Richard's courses and subsequently went on to build a reputation as one of the most innovative stone letter carvers in Scotland. Robbie's first course in September 2015 was a tremendous success and the Trust was pleased that he returned to run another equally successful course in September 2016. As in previous years a mix of new apprentices and experienced practitioners produced some quite remarkable work by the end of the course.

Harp Village: The Trust's sixth Harp Village in September 2016 again filled venues throughout Cromarty with a rich mix of acoustic, electric and wire harps, as those of every level from raw beginners to seasoned maestros came together for a long weekend of workshops and concerts. Harp Village has now become firmly ensconced in the music calendar of the Highlands with a wonderful follow-on after the year end in September 2017.

Crime & Thrillers Weekend: The Trust had another sell-out Crime & Thrillers Weekend in April 2017 with its line-up of Ian Rankin, Sara Sheridan and Douglas Lindsay. A particular highlight was the presentation by Simon Gunn and Mary Peteranna on the remains of a fifth- or sixth-century man who had been ritually buried (and gruesomely murdered) in one of the caves which they excavated along the Cromarty-Rosemarkie coastline; the detailed forensic

analysis and reconstruction of the remains by a participant in the previous year's Crime and Thrillers Weekend, the forensic anthropologist Dr Sue Black had attracted worldwide publicity. A growing number of visitors are now coming to Cromarty from across the UK and beyond for the weekend. It also remains particularly noteworthy for the way it attracts a range of participants who do not normally attend arts events and more generally highlights the very direct benefits that arts events can bring to the local economy as queues form outside many of Cromarty's shops.

Visual and Applied Arts Courses: A normal centrepiece of the Trust's applied arts programme, namely the silversmithing course led by Ndidi Ekubia, did not run during the year since Ndidi was looking after a new baby, but plans are in place to resume it in 2018. But in her absence there was a rich array of other weekend courses in visual and applied arts which built on the foundations of the pilot courses that were run in 2015/16 with the aid of an Awards for All Grant: Thomas Keyes ran a pair of Celtic art workshops which taught participants how to work with traditional pigments and parchment, Oliver Reed ran an art workshop for students preparing portfolios for arts schools, and Jonathan Shearer repeated a popular course on landscape painting. On the applied front Leon Patchett ran a further workshop on wood sculpture and mixed media courses were run by Anne Ferguson (kiln fired glass and leaded stained glass) and Morag Tweedie (textiles). As a group these courses provides a good complement to the Trust's silversmithing and stone lettering courses and clearly helps the Trust deliver on its core mission, values and aims. It should also be highlighted that four of the tutors, Thomas Keyes, Kathleen Madigan, Leon Patchett and Jonathan Shearer, were drawn from the seven artists who occupied the Stables Studios; as such they exemplify the Trust's objective of using these studios to encourage the individual development of artists and to enrich the arts in the Highlands more generally.

Artist Residencies: In October 2016 the Trust welcomed Benji Cluness, the winner of its Student Prize Residency award. Benji's month in Cromarty led him to make a short film *Adderstanes*, which looks at local folk lore and mixes it with the history of industry as seen in the oil rigs of the Cromarty Firth. Like many previous winners, the experience of living and working in Cromarty gave him inspiration and clarity regarding the way he wanted to develop his work and career.

Concerts, Recitals, Exhibitions and Theatre: As in previous years, the Trust continued to organise and host a lively musical programme. Jazz, folk and experimental music were very much to the fore with a series of well-attended gigs every two or three months at the Old Brewery which were organised by Trustee David Cowan: Alongside these, Sophie Bancroft and friends gave a concert at the Stables when she returned to run another jazz vocal course at the Stables and Outside Track did the same in connection with the Summer School it ran for a second year running at the Old Brewery in July 2017. And as in previous years the Old Brewery hosted the Ukulele School, run by Finlay Allison and the Black Isle Fiddle Weekend, run by Lauren MacColl, and the Stables welcomed the Feis Rois Ceilidh trail at both the beginning and end of the year. The classical line-up was more modest than in previous years

but this is expected to change following the appointment as a Trustee of Simon Evans who will take a lead in organising the Trust's classical programme.
On the exhibition front the Stables saw its fullest year to date. It started in August 2016 with another well-attended annual exhibition by the Cromarty Group – an event which has a longer track record than the Trust itself. But this was followed in September by an exhibition by the Stables studio artist Jonathan Shearer and then by the Redcastle Art Group in Summer 2017. The success of all three exhibitions has demonstrated the potential to build up this aspect of the trust's arts programme and this is something the Trustees plan to consider further in 2018.

Resumé and Thanks: All this again underlines just what an exciting place both the Old Brewery and the Stables have become, the latter with its core of seven artists based in the vaulted workshops and an ever-changing array of visiting artists-in-residence, classical concerts, ceilidhs, exhibitions, workshops, classes and open studio days in the more public spaces. Alongside those organised by the Trust, many others were run by other local organisations such as Cromarty's much loved "My Favourite Film" festival which again used the Stables and the Old Brewery as their core venues with three days of films and talks in early December 2016.

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

That all this was possible was again thanks to the Trust's funders to whom it is immensely grateful. The Trust again received support for its core running costs and general arts programme from the Cromarty Trust and Highland Council. The Middleton Trust again provided a small grant towards the chanter class. The Trustees received a further grant from Global Energy Group together with a commitment that it would continue its welcome support over a three year period; although the worlds of the oil industry and an arts charity might seem a world apart both Global Energy and the Trust share a commitment to securing a better future for the Highlands through the development of individuals' skills and aspirations.

Goals for 2017-18

Looking forwards to 2017-18, the Trustees are clear that their principal goals for the coming year are to continue to make a success of the operation of the Old Brewery and to steer the course that has been set over the last few years in terms of maintaining the programmes and workshops in music, the visual arts and mixed media, and other arts activities at the Stables and Old Brewery which deliver the Trust's strategic vision. In doing so they will continue to place emphasis on maintaining the Trust's operations on a sustainable basis. More specifically they hope to reinvigorate the Trust's programme of classical concerts, following the appointment of Simon Evans as a Trustee, and to develop a programme of activities

associated with Cromarty's treescapes in recognition of their Trust's charitable aims relating to the conservation and stimulation of public interest in the landscape, ecology and character of the area

Background Information: a brief history of the Cromarty Arts Trust

The Grade B listed Old Brewery was restored and converted by the Trust in 1988-89 to provide building residential accommodation for up to 22 students together with a large studio and smaller rooms for teaching and seminars. The conversion of the Grade A listed Stables Building and Game Store was completed in 1994-5 to provide workshop, studio and exhibition spaces with a flat for an artist or academic in residence.

The Trust was fortunate in having Robert Gordon's University (RGU) as its partner at the outset. The Trust restored both the Brewery and the Grade A listed Stables so that RGU could use them for its own arts and architecture courses and for its wider outreach programme. The Trust also helped encourage the University of Aberdeen establish a marine research station at the lighthouse station in Cromarty. A change of policy led RGU to withdraw first from the Stables in 2000 and then from the Brewery in 2004. Whereas the Trustees granted a ten year lease to a local operator, the Cromarty Training Centre Ltd, to run the latter, they decided to take direct responsibility for running the Stables. This took the Trust into a new phase of its existence – from a body which restored buildings for others to one which managed them itself and organised its own arts and cultural programmes. In fact it had already begun moving in this direction, organising a series of artist residencies from the mid-1990s and beginning to plan for Hugh Miller's 2002 bicentenary with academic conferences in Cromarty and Edinburgh in 2000 and 2001.

It was in 2002 that this new phase really came of age, with the decision to use the vaulted bays in the Stables as incubator studios for seven local artists (one to each vaulted bay) in a number of different mediums with a view to nurturing their talent and encouraging their development from amateur to professional status. The first floor gallery was made available for the Trust's own programme of recitals, performances, workshops and exhibitions as well as being hired to other charitable and community organisations for uses which were in accordance with the Trust's aims and charitable objectives; to help with overheads it was also made available for occasional commercial hire such as wedding receptions but the Trustees set clear limits to such activity so that it would not diminish the charitable and artistic use of the building in any way.

At the same time as it established the Stables studios, the Trust launched its full Miller 2002 bicentenary programme – an international academic conference in Cromarty, the restoration of the salmon bothy at Eathie as part of an interpretative trail, the commission of Richard Kindersley to produce the Emigration Stone inscribed with Miller's moving words and the names of the 39 ships that embarked from Cromarty to the new world, and the lectures, travelling exhibitions and interpretative trails it organised across Scotland. Fifteen years on, the Stables Studios remain a hub of artistic endeavour, the two published volumes of papers on Miller are a testament to the breadth and depth of its trio of academic conferences, and the

Emigration Stone has become a central and much-loved part of Cromarty's landscape as it stands silhouetted against the sea and the Sutors.

Rather than rest on their laurels these achievements emboldened the Trustees to take on new challenges. They raised another £160,000 in 2004-5 to restore Ardyne, a handsome but ruinous listed townhouse in the centre of Cromarty, to provide five suites of rooms for visiting artists, marine scientists and others involved in education and the arts as well as the Trust's own office in one of the ground floor rooms. Over the five years 2007-12 the Trust also carried out a number of improvements to the Stables: it installed ground source heating which not only reduced the Trust's carbon footprint but also contributed to the long-term financial sustainability of the building; it installed a new lighting and hanging system in the first floor gallery which did much to transform the gallery as an exhibition and performance space; and it improved access arrangements with the installation of external Caithness flagstone paths which can be used by wheelchairs.

The Trust's establishment of an office at Ardyne in 2005 reflected another important shift in the life of the Trust; its increasing programme of activities and the responsibilities that came with them meant it could no longer rely wholly on the voluntary labours of its Trustees, however indefatigable they might seem. The employment of a part-time arts development manager since 2004 allowed the Trust to develop its arts programme in new and exciting ways and crucially, keep the whole show going from day to day, more recently with additional help from a part-time administrator and operations supervisor.

The Trust's experience of running the Stables as an arts hub for over ten years, coupled with the dedication and commitment of its team of staff, gave the Trustees the confidence to take another big step, when it took on the direct management of the Old Brewery in September 2014, following the end of the ten year lease to the Cromarty Training Centre. This new chapter in the life of the Trust forms the story of the earlier sections of this Report.

All of this has of course only been possible thanks to the dedication of the Trustees and their staff and the generous support of other charities, donors and agencies – here it is worth noting that since its formation the Trust has secured over £2 million in funding and income for its charitable activities.

Summary of results and reserves policy

The financial statements show income of £150,864 (2015/16: £140,561) and expenditure of £143,916 (2015/16: £137,684) resulting in a surplus of £6,948 (2015/16: £2,877) before the inclusion of unrealised investment gains of £5,200 (2015/16: £3,028).

The reserves policy of the Trustees is to maintain funds at a sufficient level to cover administration, building repair and support costs of the charity. The charity has established a series of designated funds to hold monies donated for particular purposes and to provide the necessary funds for future repairs to the Stables and Ardyne; the notes to the accounts provide detailed information on each fund. The Trust held part of these designated funds in the form of investments in M&G Charifund and the Charities Property Fund. The market value of the investments at 31 July 2017 was £123,186 (2015/16: £117,986). The remainder of the Trust's designated funds and reserves were held on deposit in a Charities Official Investment Fund Account.

Cromarty Arts Trust

Statement of Trustees' Responsibilities

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

The law applicable to charities 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 period. 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 business.

The trustees are responsible for keeping proper 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 Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006, and the provisions of the constitution. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 28 March 2018 and signed on its behalf by:

John Nightingale

John Nightingale
Trustee

Cromarty Arts Trust

Independent Examiner's Report to the trustees of Cromarty Arts Trust

I report on the accounts of the charity for the year ended 31 July 2017 which are set out on pages 16 to 36.

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. The charity 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 independent examiner's report

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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In 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 comply with Regulation 8 of the 2006 Accounting 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.

Heather Young

.....

H.E. Young CA CTA
Independent examiner

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

Date: 28 March 2018

Cromarty Arts Trust

Statement of Financial Activities for the Year Ended 31 July 2017

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income and Endowments from:					
Donations and legacies	2	10,111	600	10,711	16,063
Charitable activities	3	134,200	-	134,200	118,957
Investment income	4	5,953	-	5,953	5,541
Total Income		150,264	600	150,864	140,561
Expenditure on:					
Charitable activities	5	(143,316)	(600)	(143,916)	(137,684)
Total Expenditure		(143,316)	(600)	(143,916)	(137,684)
Gains/losses on investment assets	13	5,200	-	5,200	3,028
Net movement in funds		12,148	-	12,148	5,905
Reconciliation of funds					
Total funds brought forward		270,317	-	270,317	264,412
Total funds carried forward	18	282,465	-	282,465	270,317

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2016 is shown in note 18.

Cromarty Arts Trust

(Registration number: SC003018)
Balance Sheet as at 31 July 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	9,205	7,658
Heritage assets	12	41,056	47,896
Investments	13	123,186	117,986
		173,447	173,540
Current assets			
Debtors	14	3,234	3,431
Cash at bank and in hand		120,004	111,392
		123,238	114,823
Creditors: Amounts falling due within one year	15	(14,220)	(18,046)
Net current assets		109,018	96,777
Net assets		282,465	270,317
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		91,936	68,138
Designated funds		190,259	202,179
Total funds	18	282,465	270,317

The financial statements on pages 4 to 25 were approved by the trustees, and authorised for issue on 28 March 2018 and signed on their behalf by:

John Nightingale
Trustee

1 Accounting policies

Statement of compliance
The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of preparation
Cromarty Arts Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Exemption from preparing a cash flow statement
The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern
The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Transition to FRS 102
In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. See note 21 for description of reclassifications of income required. Except for those detailed in note 21 there were no other remeasurements or reclassifications.

Judgements
The use of judgement when applying accounting policies is not deemed to have had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty
There are deemed to be no key sources of estimation uncertainty on the carrying amounts of assets and liabilities included within the financial statements

Income and endowments
Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

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 an 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 for which, it has been received. Such income is only deferred when:

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

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

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

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

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.

Taxation
The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets
Individual fixed assets costing £1,000 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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 and amortisation
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:

Asset class	Depreciation method and rate
Improvements to heritage assets	depreciated over 20 years
Furniture and equipment	depreciated over 4 years to 10 years

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

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if there is not an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Fund structure

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

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

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

Pensions and other post retirement obligations

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

Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2 Income from donations and legacies

	Unrestricted funds				
	Designated £	General £	Restricted funds £	Total 2017 £	Total 2016 £
Donations and legacies;					
Donations from individuals	-	311	-	311	110
Grants, including capital grants;					
Enterprise Music Awards	-	-	-	-	2,000
Highland Council	-	800	-	800	400
Middleton Trust	-	-	600	600	600
RSA Residency	-	-	-	-	1,700
Harp Village	-	-	-	-	2,253
Cromarty Trust	-	6,000	-	6,000	9,000
Global Energy Group	-	2,000	-	2,000	-
Student Prize	1,000	-	-	1,000	-
	1,000	9,111	600	10,711	16,063

3 Income from charitable activities

	Unrestricted funds		
	General £	Total 2017 £	Total 2016 £
Arts' Events and Activities	31,221	31,221	32,263
Publication and Prints	279	279	104
The Old Brewery income	62,640	62,640	53,084
Stables Hire	21,200	21,200	15,510
Ardyne Rental	18,860	18,860	17,996
	134,200	134,200	118,957

4 Investment income

	Unrestricted funds	Total	Total
	General	2017	2016
	£	£	£
Income from dividends;			
Dividends receivable from other listed investments	5,656	5,656	5,145
Interest receivable and similar income;			
Interest receivable on bank deposits	297	297	396
	5,953	5,953	5,541

5 Expenditure on charitable activities

	Note	Unrestricted funds		Total	Total
		General	Restricted funds	2017	2016
		£	£	£	£
Depreciation, amortisation and other similar costs		8,836	-	8,836	8,206
Staff costs	9	60,071	-	60,071	21,044
Allocated support costs	6	73,544	600	74,144	107,571
Governance costs	6	865	-	865	863
		143,316	600	143,916	137,684

6 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds			
	General	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Contract labour	1,797	-	1,797	24,190
Staff training, travel and other costs	1,364	-	1,364	2,743
Arts events and activities	21,550	600	22,150	29,281
Insurance	6,163	-	6,163	5,990
Repairs, maintenance & utility costs	36,298	-	36,298	41,849
Office costs and licenses	2,692	-	2,692	1,713
Marketing	3,268	-	3,268	1,560
Accountancy fees	412	-	412	230
Bank charges	-	-	-	15
	73,544	600	74,144	107,571

Governance costs

	Unrestricted funds		
	General	Total 2017	Total 2016
	£	£	£
Independent examiner fees			
Examination of the financial statements	865	865	863
	865	865	863

7 Net incoming/outgoing resources

Net incoming resources for the year include:

	2017	2016
	£	£
Depreciation of fixed assets	8,836	8,206

8 Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

£Nil (2016: £24) of expenses were reimbursed during the year.

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

9 Staff costs

The aggregate payroll costs were as follows:

	2017 £	2016 £
Staff costs during the year were:		
Wages and salaries	59,734	21,044
Pension costs	337	-
	60,071	21,044

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2017 No	2016 No
Charitable activities	3	2

3 (2016 - 0) of the above employees participated in the Defined Contribution Pension Schemes.

No employee received emoluments of more than £60,000 during the year

The increase in staff costs reflects the reduction in contract labour from £24,190 in the previous year to £1,797 in the current year (see note 5) and the appointment of a new Arts Development Officer in September 2016 following a 7-month vacancy in the previous year.

10 Independent examiner's remuneration

	2017 £	2016 £
Examination of the financial statements	865	863

11 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 August 2016	10,390	10,390
Additions	3,543	3,543
At 31 July 2017	13,933	13,933
Depreciation		
At 1 August 2016	2,732	2,732
Charge for the year	1,996	1,996
At 31 July 2017	4,728	4,728
Net book value		
At 31 July 2017	9,205	9,205
At 31 July 2016	7,658	7,658

12 Heritage assets

	Improvements to the Ardyne freehold property £	Total £
Cost		
At 1 August 2016	136,816	136,816
At 31 July 2017	136,816	136,816
Depreciation		
At 1 August 2016	88,920	88,920
Charge for the year	6,840	6,840
At 31 July 2017	95,760	95,760
Net book value		
At 31 July 2017	41,056	41,056
At 31 July 2016	47,896	47,896

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.

13 Fixed asset investments

	Listed investments £	Total £
Cost or Valuation		
At 1 August 2016	117,986	117,986
Revaluation	5,200	5,200
At 31 July 2017	123,186	123,186
Net book value		
At 31 July 2017	123,186	123,186
At 31 July 2016	117,986	117,986

14 Debtors

	2017 £	2016 £
Other debtors	3,234	3,431
	3,234	3,431

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,277	3,368
Other taxation and social security	5,694	5,274
Other creditors	65	-
Accruals	865	4,321
Deferred income	5,319	5,083
	14,220	18,046

Deferred income	2017 £
Deferred income at 1 August 2016	5,083
Resources deferred in the period	4,398
Amounts released from previous periods	(4,162)
Deferred income at 31 July 2017	5,319

Deferred income comprises deposits received in advance of events and rentals.

16 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Land and buildings		
Within one year	2	2
Between one and five years	8	8
Over five years	94	101
	104	111

Old Brewery and Stables

The Trust entered into a 50 year lease with Michael Nightingale & Co Ltd on the 1 April 1987 for the premises known as the Old Brewery and the Stables. The lease is at an annual rent of £1, with full repairing obligations. The Trust entered into a sublet of the Old Brewery to Robert Gordon University from 2 March 1989 to 31 March 2037 but the latter surrendered the lease with effect from 29 October 2004 having agreed to make a payment to the Trust of £120,000 in connection with the surrender. With effect from the same date of 29 October 2004 the Trust granted a full repairing sub-lease of the Old Brewery to the Cromarty Training Centre Ltd for a period of ten years to 30 September 2014. The Cromarty Training Centre Ltd handed back the building to the Trust on this date and since then it has been operated by the Trust.

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 in the financial statements was £Nil (2016 - £Nil).

17 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £337 (2016 - £Nil).

Notes to the Financial Statements for the Year Ended 31 July 2017

18 Funds

	Balance at 1 August 2016 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 July 2017 £
Unrestricted funds						
General						
Unrestricted Income Fund	68,138	148,958	(134,110)	3,750	5,200	91,936
Designated						
Ardyne Project Fund	48,649	-	(6,840)	-	-	41,809
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	78,750	-	-	(3,750)	-	75,000
Grant Reserve	4,943	-	(1,366)	-	-	3,577
Caroline Hewat Trust	60	306	-	-	-	366
Student Prize	-	1,000	(1,000)	-	-	-
	202,179	1,306	(9,206)	(3,750)	-	190,529
Total unrestricted funds	270,317	150,264	(143,316)	-	5,200	282,465
Restricted funds						
Middleton Trust	-	600	(600)	-	-	-
Total funds	270,317	150,864	(143,916)	-	5,200	282,465

Cromarty Arts Trust

Notes to the Financial Statements for the Year Ended 31 July 2017

	Balance at 1 August 2015 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 July 2016 £
Unrestricted funds						
General						
Unrestricted Income Fund	45,011	135,948	(123,217)	7,368	3,028	68,138
Designated						
Ardyne Project Fund	55,489	-	(6,840)	-	-	48,649
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	82,500	-	-	(3,750)	-	78,750
Old Brewery Education Fund	3,618	-	-	(3,618)	-	-
Grant Reserve	6,309	-	(1,366)	-	-	4,943
Awards For All	1,708	-	(1,708)	-	-	-
Caroline Hewat Trust	-	60	-	-	-	60
	219,401	60	(9,914)	(7,368)	-	202,179

Notes to the Financial Statements for the Year Ended 31 July 2017

	Balance at 1 August 2015 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 July 2016 £
Total unrestricted funds	264,412	136,008	(133,131)	-	3,028	270,317
Restricted funds						
Middleton Trust	-	600	(600)	-	-	-
Highland Council - Harp Village	-	2,253	(2,253)	-	-	-
RSA Residency Fund	-	1,700	(1,700)	-	-	-
Total restricted funds	-	4,553	(4,553)	-	-	-
Total funds	264,412	140,561	(137,684)	-	3,028	270,317

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 £41,056 which represents the Book Value of the improvements carried out by the Trust in 2003 and 2004.

Ardyne Repairs Fund

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

The Arts Fund

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

The Development Fund

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

The Stables Repairs Fund

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

Marine Research Fund

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

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 incurred in the period.

Old Brewery Education Fund

This fund was designated to hold payments totalling £18,618 which were paid by the Cromarty Training Centre Ltd under the terms of its lease of the Old Brewery. In 2014/15 £15,000 of this total was transferred from this fund to meet the costs of upgrades to the property. The remaining balance of £3,618 was transferred to the unrestricted general fund for the same purpose during the prior year and the fund was closed.

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.

Middleton Trust

A grant of £600 was received in 2016/17 towards the costs of a chanter class and expended on this purpose during the year.

RSA Residency Fund

A grant of £1,700 was received from The Royal Scottish Academy for one residency for an artist in 2015 and was expended on this purpose during the prior year.

Highland Council -Harp Village

A grant of £2,253 was received towards the cost of digital tutorial filming for the 2015 Harp Village and was expended on this purpose in the prior year.

Transfers between funds

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

During the prior year £3,618 was transferred from the Old Brewery Education Fund to the General Unrestricted Fund to meet the costs of upgrades to the property in that year.

19 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Tangible fixed assets	9,205	9,205
Heritage assets	41,056	41,056
Fixed asset investments	123,186	123,186
Current assets	123,238	123,623
Current liabilities	(14,220)	(13,550)
Total net assets	282,465	283,520

20 Related party transactions

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

The same two Trustees are also directors of Michael Nightingale & Co Ltd. The Trust entered into a 50 year lease with Michael Nightingale & Co Ltd on the 1 April 1987 for the premises known as the 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.

One of the Trustees was an employee of AOC Archaeology Group which has hired the Studio at Ardyne from the Trust with effect from 1 November 2015 for use as its base for archaeological activities in the Highlands. This Trustee took no part in agreeing the terms proposed by the other Trustees who determined both that AOC's use of the Studio furthered the charitable objectives of the Trust and that the financial arrangements were advantageous to the Trust.

21 Transition to FRS 102

Statement of Financial Activities for the year ended 31 July 2016

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Income and Endowments from:					
Donations and legacies		-	16,063	-	16,063
Charitable activities		134,910	(15,953)	-	118,957
Voluntary income		110	(110)	-	-
Investment income		5,541	-	-	5,541
Total income		140,561	-	-	140,561
Expenditure on:					
Charitable activities		(137,684)	-	-	(137,684)
Gains/(losses) on investments		3,028	-	-	3,028
Net income		5,905	-	-	5,905
Net movement in funds		5,905	-	-	5,905