

Scottish Charity Number: SC029221

THE CROMARTY FIRTH FISHERIES TRUST
TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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THE CROMARTY FIRTH FISHERIES TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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THE CROMARTY FIRTH FISHERIES TRUST
TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Reference and Administrative Details of the Charity, its Trustees and Advisers

Charity Number : SC029221

Trustees : George S Cameron
Andrew M H Matheson
Alastair B Stephen
Charles H Finch-Knightly, Earl of Aylesford
Ronald R L Munro Fergusson
Okain J McLellan
Alexander J Duncan

Director: Simon McKelvey

Registered Address: Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA

Solicitors and Treasurers: Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA

Investment Advisers: Brewin Dolphin
Sixth Floor Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Independent Examiner: Neil Ritchie
Chartered Accountant
Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA

THE CROMARTY FIRTH FISHERIES TRUST

TRUSTEES' ANNUAL REPORT (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Establishment of Trust

The trust was formed by Deed of Trust dated 7 June 1999 and achieved recognition with the HM Revenue & Customs as a charity from that date under Scottish Charity Number: SC029221.

Appointment of Trustees

New trustees are appointed by the current board of trustees. New trustees are briefed on the aims and objectives of the trust.

Risk Policy

The trustees have assessed the risks to which the trust is exposed, in particular those related to the operations and future of the trust and are satisfied that systems are in place to mitigate all exposure to major risks.

OBJECTIVES AND ACTIVITIES

Trust purposes

The principal objective of the trust is the promotion and undertaking of research into the fresh water fishery resources (including salmon and sea trout) and associated habitat in the area of the Cromarty Firth (extending from Tarbat Ness in the North to the South Soutar in the South) and covering the catchment area of all rivers flowing into the Firth and for the benefit of all persons interested in such fishery resources. In addition its object is to advance education of all persons interested in such fishery resources and associated habitats by raising their awareness and understanding of the importance of such fishery resources, habitats and their conservation and in addition such other purposes as are recognised by Law as exclusively charitable within the meaning of the Income and Corporation Taxes Act 1988 or any Act amending or replacing the same relating to conservation and management of fishery resources, water, water quality and environmental conservation as the trustees may from time to time in their sole discretion select.

Grant making policy

With consideration to the aim of the fund, applications are submitted to the trustees. The applications are considered annually and a decision is then made on whether each grant application has been successful, and where appropriate, the subsequent level of award.

ACHIEVEMENTS AND PERFORMANCE

There were important changes to the Structure of Scottish Fishery Management in 2017. The Association of Salmon Fishery Boards and Rivers and Fisheries Trusts Scotland merged to form a new umbrella body for wild fisheries called Fishery Management Scotland. The Cromarty Firth Fishery Trust is a member of Fishery Management Scotland. With the changes announced to the Wild Fishery Reform process in 2017, the Cromarty Firth Fishery Board will remain as the statutory body responsible for the management of salmon and sea trout in the region.

It was a very successful year for the trust in terms of its core aim of delivering a programme of applied research to inform management actions. This has been achieved by working in partnership with; Marine Scotland Science, Scottish and Southern Energy and two departments from Glasgow University.

Smolt tracking work with Glasgow University has now provided a robust scientific basis for an agreement with SSE to progress a project to trap and transport smolts at Loch Meig. The aim of this project is to mitigate for high smolt mortality in the hydro lochs. Some of this research has now been published in the Journal of Fish Biology.

Nutrient restoration research with Neil Metcalfe's team from Glasgow University is ongoing. This research is attracting interest from FMS and Marine Scotland as the basis for the development of management options to restore upper catchments.

Results from the long term PIT tagging project on the Bran have been analysed by Marine Scotland Science and submitted for publication in the Journal of Fish Biology.

A summary of the research papers published from field work in the region is attached (See Paper 1).

THE CROMARTY FIRTH FISHERIES TRUST

TRUSTEES' ANNUAL REPORT (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2017

The trust's other main aim is deliver an education programme to promote an understanding and appreciation of the regions wild fishery resource and freshwaters. This year has seen further development of this programme. In 2017, 10 local schools and over 370 children were involved in a range of educational activities. These activities included classroom and bankside river ecology sessions, tree planting and, with the support of the SSE Fairburn Windfarm Fund, a series of introduction to angling days. As well as working with local primary schools the Trust is now working with secondary schools and expanding the range of educational activities provided. Following the success of the schools angling sessions a Cromarty Firth Junior Angling Club was formed. With coaching support from Fishery Board bailiffs and local angling club members 84 children learned how to fish, with many of them catching their first trout. (See Paper 2)

The trust's **invasive species** programme is ongoing. With Heritage Lottery support the Trust will receive funding for the next four years through the Scottish Invasive Species Initiative. This funding will enable the continuation of mink control and the clearance of invasive plant species from the region's riverbanks.

The development of **volunteering** is an important part of the delivery of the trust's aims and objectives. Supporting a network of volunteers is a core part of the SISI project, volunteers will continue to be involved in mink monitoring and clearance of invasive plant species. The trust's research programme has also been aided by students who have volunteered to gain experience of research techniques. Many of these students have greatly benefited from this experience when applying for post graduate positions. In 2018 we are hoping to recruit more volunteers from local angling clubs to help with junior angling days.

Finally it is with great sadness we report the death of Dr Derek Mills. Derek's pioneering work during and after the construction of the Conon hydro scheme in the 1960's remains of great value today. His work formed the basis for some of our most important management projects including; the smolt trapping and transportation project on the Bran and the construction of the fish pass at Corriefoel on the Meig. He inspired several generations of fishery biologists and managers and retained a great interest in the work of the Cromarty Trust.

FINANCIAL REVIEW

Voluntary income received amounted to £10,089.59 (2016: £115,846.09). This was from grants received from the Rivers and Fisheries Trust (£10,009.59) and others (£80).

Investment income arising during the year was £12,871.99 (2016: £10,299.72). The annual £3,396.25 deficit (2016: £11,376.85 surplus) has been deducted from the accumulated balance held in reserves.

The market value of the investments held at 31 December 2017 is £388,427 (2016: £352,980). Cash held at 31 December 2017 amounts to £48,630.02 (2016: £52,026.27). Total net assets of the trust at 31 December 2017 were £437,057.02 (2016: £405,006.27). It should be noted that the credit due from Brodies LLP of £1,500.00 regarding their fee last year of £4,740.00 was received during this year and therefore this years figure for fees has been reduced accordingly.

The trust has operated as a grant-making body and does not have any employees or commitments. It has not given any guarantees and there are no loans secured over its assets. No remuneration or expenses have been paid to any trustee during the year.

Investment Policy

The trust used the services of Brewin Dolphin as investment advisers. The policy is to adopt a low risk investment strategy based on maximising income while maintaining capital growth.

Reserves Policy

It is the policy of the trust to maintain unrestricted funds at a level sufficient to cover management, administration and support costs. The trustees consider the level of reserves is appropriate to meet the charity's ongoing objects.

THE CROMARTY FIRTH FISHERIES TRUST

TRUSTEES' ANNUAL REPORT (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2017

PLANS FOR FUTURE PERIODS

By continuing to award grants the trust provides a long term commitment to meeting its objectives.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the trustees' Annual 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 period.

In preparing Financial Statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the trust will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to 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 charity's constitution. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that the Financial Statements comply with the above requirements.

Approved by the trustees and signed on their behalf by:

Andrew M H Matheson, Chairman



29 June 2018

THE CROMARTY FIRTH FISHERIES TRUST
INDEPENDENT EXAMINER'S REPORT ON THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017

I report on the accounts of the charity trust year ended 31 December 2017 which are set out on pages 6 to 10.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1)(d) 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 statement

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

Independent examiner's statement

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

1. which gives me reasonable cause to believe that in, any material respects the requirements:
 - to keep accounting records in accordance with Section 41(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 9 of the 2006 Accounts Regulations have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Neil Ritchie
Chartered Accountant
Brodies LLP
15 Atholl Crescent
Edinburgh
EH3 8HA



18/7/2018

THE CROMARTY FIRTH FISHERIES TRUST
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted Funds £	2017 Total £	2016 Total £
Receipts				
Voluntary income	6	10,089.59	10,089.59	115,846.09
Investment income		12,871.99	12,871.99	10,299.72
Total Receipts		<u>22,961.58</u>	<u>22,961.58</u>	<u>126,145.81</u>
Payments				
Investment management costs	7	2,283.30	2,283.30	1,930.01
Donations	8	21,123.00	21,123.00	27,030.15
Administration costs	9	600.00	600.00	4,740.00
Investments purchased - net	10	2,351.53	2,351.53	81,068.80
Total Payments		<u>26,357.83</u>	<u>26,357.83</u>	<u>114,768.96</u>
(Deficit) / surplus for year		<u>(3,396.25)</u>	<u>(3,396.25)</u>	<u>11,376.85</u>

THE CROMARTY FIRTH FISHERIES TRUST

STATEMENT OF BALANCES

AS AT 31 DECEMBER 2017

	Note	£ Unrestricted Funds	£ 2017 Total	£ 2016 Total
Cash Funds				
Opening cash at bank and in hand		52,026.27	52,026.27	40,649.42
Add:				
Receipt and Payments (deficit)/ surplus		(3,396.25)	(3,396.25)	11,376.85
		<u>48,630.02</u>	<u>48,630.02</u>	<u>52,026.27</u>
Bank and cash balances				
Brewin Dolphin - income cash		641.47	641.47	617.49
Brewin Dolphin - additional income held		198.20	198.20	301.63
Brewin Dolphin - capital cash		7,070.57	7,070.57	11,718.00
Brodies LLP - cash		6,191.87	6,191.87	-
The Royal Bank of Scotland Solicitors Special Deposit Account		34,527.91	34,527.91	37,089.15
Add outstanding lodgement		-	-	2,300.00
		<u>48,630.02</u>	<u>48,630.02</u>	<u>52,026.27</u>
Investments				
Investments at market value as detailed in appendix 1	10	<u>388,427.00</u>	<u>388,427.00</u>	<u>352,980.00</u>
Total Reserves			<u>437,057.02</u>	<u>405,006.27</u>
Other Assets				
Brodies LLP - credit note re fees			<u>-</u>	<u>1,500.00</u>

Approved by the trustees on 29 June 2018, and signed on their behalf by



Andrew M H Matheson, Chairman

THE CROMARTY FIRTH FISHERIES TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1 Basis of Accounting

These accounts have been prepared on the Receipts and Payments basis in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulation 2006 (as amended).

2 Nature and Purpose of Funds

Unrestricted funds are those that may be used at the discretion of the trustees in furtherance of the objects of the charity. The trustees maintain a single unrestricted fund for this charity. Restricted funds may only be used for specific purposes. Restrictions arise when specified by the donor or when funds are raised for specific purposes.

3 Investments

Investments are quoted on International Stock Exchanges and stated at market value. Investments are reviewed at least yearly by stockbrokers and changes in the portfolio are made on their recommendation.

4 Taxation

The trust is a charity and is recognised as such by HM Revenue and Customs for taxation purposes. As a result there is no liability to taxation on any of its income.

5 Trustees Remuneration

No trustees received any remuneration or expenses during the year (2016: £nil).

6 Voluntary Income

	2017	2016
	£	£
Rivers & Fisheries Trust of Scotland		
Contribution towards Scottish Mink initiative	-	1,246.00
Contribution re INNPS Control Programme	10,009.59	10,999.00
Contribution re development phase of Scottish invasive species initiative	-	1,221.09
The Fishery Board	-	100,000.00
Hydroplan - re electro fishing survey at Wyvis Estate	-	2,300.00
Other donations	80.00	80.00
	10,089.59	115,846.09

THE CROMARTY FIRTH FISHERIES TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7 Investment Management Costs	2017	2016
	£	£
Brewin Dolphin - portfolio management fee	2,283.30	1,930.01
	<u>2,283.30</u>	<u>1,930.01</u>

8 Donations	2017	2016
	£	£
Cromarty Firth Fishery Board Donation as agreed	20,000.00	24,800.00
Rivers & Fisheries Trust of Scotland		
Contribution towards INNPS data management system	-	87.22
Annual subscription	-	1,250.00
Contribution to strategic control of mink in N Scotland initiative	-	769.93
Fisheries Management Scotland		
Annual subscription	1,000.00	-
Esri UK		
ArcGis for desktop, Advanced for non-profit programme	123.00	123.00
	<u>21,123.00</u>	<u>27,030.15</u>

9 Administration Costs	2017	2016
	£	£
Brodies LLP – administration costs	600.00	4,740.00
	<u>600.00</u>	<u>4,740.00</u>

THE CROMARTY FIRTH FISHERIES TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

10 Investments	2017	2016
	£	£
Investments purchased during year	33,945.66	117,159.84
Investments realised during year	31,594.13	36,091.04
Net purchases during year	<u>2,351.53</u>	<u>81,068.80</u>
Reconciliation - market value		
Opening market value at 1 January	352,980.00	251,289.00
Acquisitions at cost	33,945.66	117,159.84
Disposals at opening market value	(31,301.20)	(35,049.00)
Gain/(Loss) on revaluation in year	32,802.54	19,580.16
Closing market value at 31 December	<u>388,427.00</u>	<u>352,980.00</u>
Historical cost as at 31 December	<u>286,273.27</u>	<u>271,106.91</u>

11 Guarantees and Commitments

There are no contingent liabilities at the balance sheet date.

APPENDIX 1

SECURITY	CAPITAL AT CLOSE OF LAST ACCOUNT			ACQUISITIONS		DISPOSALS				CAPITAL AT CLOSE OF THIS ACCOUNT		
	Nominal Amount	Book Value £	Market Value £	Nominal Amount	Book Value £	Nominal Amount	Proceeds £	Book Value £	Market Value £	Nominal Amount	Book Value £	Market Value £
National Grid Gas 4.1875% Index-linked Bonds 14/12/2022	£ 5,000	7,896.19	10,699							£ 5,000	7,896.19	10,430
AstraZeneca ordinary US\$0.25	235	5,965.42	10,417							235	5,965.42	12,034
Aviva Investors Funds Multi-strategy Target 2	11,850	11,881.51	11,733							11,850	11,881.51	11,016
Bankers Investment Trust ordinary 25p	1,515	4,487.63	10,582							1,515	4,487.63	13,340
BHP Billiton ordinary USD0.50	350	6,151.87	4,570							350	6,151.87	5,329
BNY Mellon Fund - Newton Asian Inc W Net	5,158.716	4,506.61	6,115							5,158.716	4,506.61	6,524
Close Bros Group ordinary 25p	540	7,527.18	7,806							540	7,527.18	7,819
Coupland Cardiff Japan Inc & Growth 6/12/17 bought				480	8,039.31					480	8,039.31	8,158
Croda International ordinary 10.357143p	275	6,332.65	8,778							275	6,332.65	12,166
Deutsche Telekom NPV	990	10,452.30	13,825							990	10,452.30	13,002

APPENDIX 1

SECURITY	CAPITAL AT CLOSE OF LAST ACCOUNT			ACQUISITIONS		DISPOSALS				CAPITAL AT CLOSE OF THIS ACCOUNT		
	Nominal Amount	Book Value £	Market Value £	Nominal Amount	Book Value £	Nominal Amount	Proceeds £	Book Value £	Market Value £	Nominal Amount	Book Value £	Market Value £
Diageo ordinary 28 101/108p	880	5,948.30	18,566							880	5,948.30	23,980
DS Smith ordinary 10p	1,880	7,473.43	7,669							1,880	7,473.43	9,729
FIL Moneybuilder Inc Reduced Dur Net Y Inc converted to FIL Moneybuilder Inc Y 26/2/17 equalisation 25/7/17 sold	915	9,338.77	9,029	7,397.93	(12.60)	915 7,397.93	9,110.57	9,326.17	9,029.00	-	-	-
GlaxoSmithKline ordinary 25p	280	3,474.26	4,372							280	3,474.26	3,703
Greene King ordinary 12.5p	635	4,953.58	4,428.00							635	4,953.58	3,524
HSBC Hldgs ordinary US\$0.50	1,400	9,739.25	9,194							1,400	9,739.25	10,737
Jupiter UTM 31/12/16 equalisation	17,550	11,962.93	11,658							17,550	11,962.93	11,651
JP Morgan US Equity Inc C 1/12/17 bought				2,950	8,897.95					2,950	8,897.95	8,918
Meggitt ordinary 5p	1,610	7,471.72	7,379							1,610	7,471.72	7,763
Mercantile Inv Trust ordinary 25p	1,010	17,626.79	17,291							1,010	17,626.79	22,008

APPENDIX 1

SECURITY	CAPITAL AT CLOSE OF LAST ACCOUNT			ACQUISITIONS		DISPOSALS				CAPITAL AT CLOSE OF THIS ACCOUNT		
	Nominal Amount	Book Value £	Market Value £	Nominal Amount	Book Value £	Nominal Amount	Proceeds £	Book Value £	Market Value £	Nominal Amount	Book Value £	Market Value £
Murray International Trust ordinary 25p	760	4,963.53	9,014							760	4,963.53	9,637
National Grid ordinary 11.3953p converted to ordinary 12.431289p 6/6/17 fractions	1,050	6,563.78	9,983	962		1,050	5.46			962	6,563.78	8,418
NB Global Floating Rate Inc Fd Red ordinary NPV	8,500	9,110.80	8,226							8,500	9,110.80	8,050
Nestle SA CHF0.10	120	4,347.73	6,985							120	4,347.73	7,626
Nestle SA CHF0.10	80	2,898.48	4,651							80	2,898.48	5,079
New City High Yield Fund ordinary NPV	11,250	5,973.05	6,652							11,250	5,973.05	7,003
NN Investment Partners Global Conv Opp I	112	11,355.03	11,265							112	11,355.03	11,744
RIT Capital Partners ordinary £1	1,105	5,280.33	20,818							1,105	5,280.33	21,680
Royal Dutch Shell B Eur0.07	315	5,877.52	7,414							315	5,877.52	7,902
Royal London UTM Corp Bond Inst Inc Z Nav	12,980	13,222.91	13,305							12,980	13,222.91	13,733

APPENDIX 1

SECURITY	CAPITAL AT CLOSE OF LAST ACCOUNT			ACQUISITIONS		DISPOSALS				CAPITAL AT CLOSE OF THIS ACCOUNT		
	Nominal Amount	Book Value £	Market Value £	Nominal Amount	Book Value £	Nominal Amount	Proceeds £	Book Value £	Market Value £	Nominal Amount	Book Value £	Market Value £
Scottish Mortgage Inv Trust ordinary 3/10/16 bought	4,725	15,999.00	15,139							4,725	15,999.00	21,215
Sky ordinary 50p	900	6,419.79	8,921							900	6,419.79	9,108
SSE ordinary 50p 30/11/17 sold	910	6,018.26	14,146			910	12,321.74	6,018.26	14,146.00			
TR Property Investment Trust ordinary 1/12/17 bought				2,110	8,057.61					2,110	8,057.61	8,389
Unilever ordinary 3.1111p 30/11/17 sold	717	9,970.86	23,589			247	10,156.36	3,434.87	8,126.20	470	6,535.99	19,390
Vanguard Inv Series Gov Bd Instl Pls Inc	165	19,915.45	18,761.00							165	19,915.45	18,857
Vanguard Inv Series Grade Bond Idx Instl 31/7/17 bought				80	8,963.39					80	8,963.39	8,765
		<u>271,106.91</u>	<u>352,980</u>		<u>33,945.66</u>		<u>31,594.13</u>	<u>18,779.30</u>	<u>31,301.20</u>		<u>286,273.27</u>	<u>388,427</u>
Gain / (loss) on sale								12,814.83	292.93			
							<u>31,594.13</u>	<u>31,594.13</u>				