



Trustees' Annual Report and Accounts

Year ended 31 March 2020

Cromarty Harbour Trust

Annual Report and Accounts

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About Cromarty Harbour

Cromarty harbour is a grade A listed structure designed by the engineer John Smeaton and originally built in 1783. Over the centuries it has played a major role in the economic development of Cromarty and the wider hinterland. During World War I it was further extended by the Admiralty and played an important role as part of the Naval defence strategy.

Today the harbour continues to be a working harbour with access at all stages of the tide. It supports a small fleet of inshore fishing boats, a dolphin watching business, leisure vessels and work boats associated with the commercial activities of the Cromarty Firth.

About Cromarty Harbour Trust

Cromarty Harbour is a trust port, a not-for-profit statutory body run for the benefit of its stakeholders and the community. The Trust was established by an Act of Parliament (1834) amended by Harbour Revision Orders (1879 and 1976). The Trust comprises six trustees.

The management of the harbour is delegated to a Harbour Working Group comprising trustees, officers and volunteers. It is this Group that oversees the day-to-day operation of the harbour, providing berths for commercial vessels and for leisure users; conserving, improving and interpreting an important historic structure whilst maintaining open access to the harbour for all to enjoy and appreciate.

Current Trustees

Colin Dickie (Chair and Treasurer (resigned 1 October 2020))

Ian Blackford MP

Craig Fraser

John Nightingale of Cromarty

Sarah Pern

Sheriff Principle Derek Pyle

Officers

Jonathan Ashcroft (Treasurer, appointed 1 October 2020)

Nigel Shapcott (Clerk)

Ronald Young (Harbourmaster)

Contact address

The Manse
Denny Road
Cromarty
Ross-shire
IV11 8YT

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Recruitment and appointment of Trustees

All of the Trustees are appointed by the provisions included within the governing documents mentioned above.

Chair's report

It has been an incredibly busy year and whilst not exhaustive, the following sections give good insight on what has been achieved and what can be expected to be delivered in the near future. However, none of this could have been done without the support of the volunteer working group who deserve every credit for their tireless and unpaid endeavours in helping bring our harbour back to life. I would also like to give thanks to our funders, for their support, engagement and interest in what the working group has delivered to Cromarty Harbour.

1. Cromarty Harbour Repair and Restoration Project

Whilst it is extremely disappointing that the Covid-19 put a halt to all work at the harbour, we are none the less pleased to be able to report on progress so far.

The Harbour Trust, in conjunction with our newly formed charitable body Friends of Cromarty Harbour and the Harbour Working Group, has raised over £750,000 towards the Repair and Restoration Project. This has been achieved by a combination of grants from The Highland Council (HC), Highland and Islands Enterprise (HIE), Viridor, SSE Sustainable Communities Fund, The Cromarty Trust, Marine Scotland, Fisheries Local Action Group (FLAG) and most significantly, Historic Environment Scotland (HES). Local fundraising and other small grants have also boosted our funds and we are very grateful to the local community and businesses for their generous support, including a sharing of funds raised at a Hogmanay Ceilidh.

The present journey started back in 2017 with the successful application to FLAG and the granting of some £98,000 towards the modernisation of the harbour subject to us raising an additional 25% in matched funding. This was successfully raised from the Cromarty Trust and the SSE Sustainable Communities Fund and allowed resources to be allocated towards railings, new sheds, improved electrics, lighting, CCTV, rubber D fenders, interpretative signs and seating. This success gave the working group the strength and impetus to apply for more grants, especially to those organisations who were likely to be sympathetic to our cause. The discovery of issues around the bridge and Smeaton Mole area accelerated our efforts with grant applications to HES, HC and Viridor, all of which provided successful outcomes.

So, in early summer 2018, the first phase of the project started and replaced the broken harbour railings on the west pier. The harbour notice board was then replaced, and new seating installed on the grass areas facing the harbour. When circumstances permit three new interpretation panels are ready to be installed.

Work commenced in the early spring of last year (2019) to repair the stonework of the western end of the Smeaton pier where it supports the

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bridge. The contractors, Lochshell, were additionally successful in winning the contract to build a new deck under where the replacement sheds were to be constructed and to install new fenders and ladders on the inner Admiralty Pier. Constructing a new reinforced raised deck was a substantially cheaper option than repairing the deck from underneath. This has also the benefit of mitigating the effects of rising sea levels and storm surges and provided a good base to which the sheds could be anchored.

In July 2019, specialist concrete repair contractors, the Fraser Bruce Group commenced work to repair the WW1 concrete columns and decks of the Inner Admiralty pier. This work proved more extensive than had been anticipated and work had to be prioritised to ensure the structural stability of the pier. New railings have also been installed around the seaward side of the Inner Admiralty pier to enhance public safety.

Work to build the new sheds commenced recently having been delayed by high winds and storm surges. This has also delayed the installation of new LED floodlights and CCTV cameras. The installation of the new greenheart fenders and ladders was also put on hold over the winter because of weather conditions and the dangers of working with the tides and limited daylight. Additional ladders are also planned for the west and east pier.

2. Shed rental

With new sheds due, it has afforded us the opportunity to reassess our needs and lead us to the conclusion that the Trust should seek to rent the space. This project is progressing well, and we have interest in all three of our sheds (one large and two small units).

3. Research

With assistance from HIE, the Trust was able to appoint The University of the Highlands & Islands to undertake a study of the impacts of wave and tidal action on the structure of the harbour. This study will inform any future projects to mitigate its effects and potentially allow us to provide an increased mooring capacity.

4. Maintenance and good governance

The working group has also been working on repairing and upgrading the facilities on the pontoons, replacing the anchoring chains, new cleats, replaced boards, other general fabric items and generally tidying up the area around the harbour. The harbour is looking much better as a result. Work to develop Health and Safety policies, Harbour Rules and Oil spill response plans has also been undertaken.

We have also advanced our thoughts on expanding the footprint of the pontoon to accommodate four more vessels. This project is currently under discussion with a potential funder to try and bring it to a successful outcome.

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The Trust is close to finalising a proposed new Harbour Revision Order to bring the harbour into line with current guidance on the management of Trust Ports.

5. Finances

We have invested significantly in the harbour (courtesy of funders and using our own resources) and as a consequence our forward-looking finances will be strained. Fundamentally, we do not have the strength of income revenues needed to support a heritage asset such as Cromarty Harbour. That said, it has been a conscious policy of ensuring that we can improve the harbour within the constraints in which we operate, and all being well, we can start to focus on building reserves from 2021 onwards, especially if shed rental and planned additional capacity income streams start to come through.

Summer 2020 revenues will also be challenging due to the impact of Covid-19. Income from commercial customers could be hit simply because they are prevented or restricted in how they can supply services. We will help them where we can. The biggest revenue loss would come if the ferry were unable to operate. Where possible we would intend to apply for any support packages that may become available to us to financially assist us through any prolonged downturn period.

Bringing matters up to date, at the time of writing this report (October 2020), Covid-19 has continued to have a significant impact upon the finances of the harbour with no visitor income during the season; a delayed start resulting in reduced income from pontoon berth holders; and the ferry did not operate at all this summer. Further impacts were felt in that all contractors were then able to commence work at the same time, but due process meant that it took time to reclaim those expended costs from funders. We also committed to taking advantage of an opportunity to purchase and install two new pontoons to increase capacity within the harbour. I am however pleased to say that these issues have been largely mitigated through the award of a Small Business Grant of £10,000 and in addition we have successfully sold a limited number of long-term pontoon leases to bolster our finances. The additional capacity secured will also prove revenue positive in due course.

6. The Harbour Working Group

Lastly, I must again pay thanks to our volunteers who give their time freely and have remained committed to improving our harbour. The achievements, particularly given the wider public health issue, have been quite astounding; the harbour looks much better for it. The comprehensive article in the Black Isle's 'Chatterbox Autumn 2020' magazine said it all. Well done and thank you.

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Trustee remuneration and expenses

The Trustees did not receive any remuneration during the year.

No trustee claimed reimbursement of expenses incurred in direct support of their duties. Colin Dickie claimed £225.82 to recover costs in relation to harbour expenditure.

Transactions with connected persons

The Trust undertook a number of transactions during the year with trustees or persons connected to the harbour.

Colin Dickie (Chair), Nigel Shapcott (Clerk) and Sarah Pern (as the business owner of EcoVentures) are harbour users and pay prescribed fees to have their vessels berthed on the harbour pontoon.

John Nightingale is a trustee of Cromarty Trust, a registered charity that has given grants to The Trust on a number of occasions.

Colin Dickie is also a trustee of Friends of Cromarty Harbour, an arm's length registered charity (SC049166) that supports the Harbour and the Working Group in their effort to restore the harbour.

Reserves

The Trust held net reserves of £35,139 at the year end.

Approved by the Trustees and signed on their behalf.



Trustee

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Statement of Financial Activities

Revenue and Expenditure to year end 31 March

	Notes	2020	2019
		£	£
Sales			
Sales - Harbour Services		15,378	13,777
Sales Discounts	1	(570)	(435)
Sale of Assets		0	275
Other income		354	317
Donation received	2	7,548	1,799
Grants received	3	546,076	85,731
Interest received		134	44
Total Sales		568,919	101,508
Overheads			
Marketing and merchandise		122	2,009
Rates & Utilities	4	666	1,509
Administration, Travel and Carriage		115	371
Legal and Professional		500	7,756
Insurance		1,508	2,632
Harbour Maintenance - Repairs and renewals	5	526,975	73,080
Bank charges and interest		2	1
VAT Supplement		0	222
Bad Debts		300	275
Miscellaneous Expenses		554	550
FLAG Project	5	40,331	17,322
Total Overheads		571,033	105,727
NET PROFIT / LOSS		(2,114)	(4,219)

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Balance Sheet as at		31-Mar-20	31-Mar-19
		£	£
ASSETS			
Current Assets			
Trade Debtors	6	29,774	30,151
Cash		1	25
Cromarty Harbour Trustees Current Account		11	942
Cromarty Harbour Trust Reserve		27,701	44,068
	TOTAL		
	ASSETS	57,487	75,185
LIABILITIES			
Current Liabilities			
Trade Creditors	7	26,108	40,312
Accruals		3,530	5,000
VAT		(7,290)	(7,380)
	TOTAL		
	LIABILITIES	22,348	37,932
	TOTAL NET		
	ASSETS	35,139	37,253
RESERVES			
Net Profit / Loss (prior year(s))		37,253	41,472
Net Profit / Loss (current year)		(2,114)	(4,219)
TOTAL RESERVES (carried forward)		35,139	37,253

Approved by the Trustees and signed on their behalf.



Trustee

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Notes to the accounts

1. Discounts are in the form of rebates to standard published berthing rates to reflect circumstances where the user may have had some disruption in service or opted for a longer period of stay and in return received a better berthing rate, typically at the end of a summer season where the user wishes to continue for a short period.
2. From fundraising efforts via an auction of promises, dinner and quiz. Going forward such fundraising efforts will now be driven by Friends of Cromarty Harbour.
3. Funds received from Historic Environment Scotland, Viridor, SSE Community Fund and Cromarty Trust.
4. Reflects the cost of supporting the utility infrastructure of the harbour. Electricity costs in 2020 are low due to the pier area being powered down during the renovation works.
5. Renovation and refurbishment spend.
6. Outstanding grants yet to be received.
7. Outstanding works completed but not yet paid for.

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Independent Examiner's Report to the Trustees of Cromarty Harbour Trust



GJC – Chartered Certified Accountants
GJC is a trading style of Gareth Jones Compliance Limited
Company Registration Number: SC498367 Registered in Scotland
Registered Office: 2 Denny Road/Cromarty/Ross-shire/IV11 8YT

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I report on the accounts for the year ended 31st March 2020

Basis of the independent examiner's report

My examination includes a review of the accounting records kept by the Trust and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

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 accounts prepared are not in accordance with the accounting records.

or

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

Gareth Jones FCCA
Gareth Jones Compliance Ltd
Chartered Certified Accountants
2 Denny Road
Cromarty
Ross-shire
IV11 8YT

Date: 9th October 2020