

REGISTERED CHARITY NUMBER: SC053666

**Report of the Trustees and
Unaudited Financial Statements
for the Period 23rd September 2024 to 31st December 2025
for
Cromarty Firth Watershed Environmental
Trust**

Frame Kennedy
4th Floor Metropolitan House
31-33 High Street
Inverness
Inverness-shire
IV1 1HT

**Cromarty Firth Watershed Environmental
Trust**

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for the period 23rd September 2024 to 31st December 2025**

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**Cromarty Firth Watershed Environmental
Trust**

**Report of the Trustees
for the period 23rd September 2024 to 31st December 2025**

The trustees present their report with the financial statements of the charity for the period 23rd September 2024 to 31st December 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Incorporation

The charitable company was incorporated on 23rd September 2024 and commenced trading on the same date.

Objectives and activities

Charitable Purposes

Our vision is to:

- Support connection and innovation between people and nature.
- Restore health and resilience to our valuable and diverse ecosystems.
- Ensure that the local economy and livelihoods thrive.

Situated in the heart of the Scottish Highlands, the Cromarty Firth watershed covers over 2,800km², from the heights above Kinlochewe in the west, to the Soutars at mouth of the Cromarty Firth in the east. It contains six major river systems - the rivers Conon, Alness (Averon), Allt Graad (Glass), Balnagown, Peffrey and Sgitheach, which feed into the Firth. CFWET's aims include the maintenance of the native Atlantic salmon populations of these rivers, in addition to the extensive terrestrial and aquatic biodiversity in their catchments.

A 100-year strategy and plan for the catchment is being co-developed with communities, landowners and professionals in the area. To achieve our goals CFWET will establish a collaborative programme of terrestrial and aquatic ecological restoration, carbon sequestration and river stewardship, aimed at improving biodiversity, and tackling effects of climate change. This will link with similar projects in other Highland watershed areas, sharing knowledge and experience to generate a cohesive network with coordinated and complementary aims.

Activities

CFWET started employing staff on the summer /autumn of 2025 and initial activities focussed on administrative functions. The Trust has secured a suitable office in Dingwall, with IT equipment for three members of staff. CFWET has established local legal advice through a solicitor in Dingwall and accountancy and back up administration services with Frame Kennedy in Inverness.

The Trust has maintained its strong links with the Cromarty Firth District Salmon Fishery Board (CFDSFB) and has provided funding for previously agreed projects. New ecological work has begun with the establishment of a full set of catchment audits to underpin the identification of future projects that will come together within a strategic plan of action. This has led to the establishment of effective links with landowners, local authorities, potential supporters and funders and other similar catchment scale initiatives around the Moray Firth including those on the Deveron, Spey, Findhorn, Beauly, Ness and Kyle of Sutherland. These links will form the bedrock of the future collaborative projects.

**Cromarty Firth Watershed Environmental
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**Report of the Trustees
for the period 23rd September 2024 to 31st December 2025**

Achievements and performance

Planned Woodland Creation on Upper River Alness. CFWET is coordinating the creation of native woodlands over 40ha adjacent to tributaries of the River Alness on Kildermorie Estate. Funding from SSEN has been secured for the work, subject to final costing. Groundwork is due to start once initial survey work is complete later in the year.

River Orrin spawning. The CFWET has part-funded the creation of fish spawning habitat on the River Orrin, a major tributary of the River Conon, the principal river in the Cromarty Firth Watershed. The work was undertaken by the CFDSFB with major sponsorship coming from SSEN and SSER, and aims to restore spawning gravels lost from the river downstream of the major hydro dam built in the late 1950s. Assessments by the CFDSFB indicate that the section of river between the dam and where the Orrin joins the River Conon should be capable of producing approximately 14,000 salmon smolts but this section was almost completely devoid of spawning habitat. Previous artificial stocking of salmon eggs over recent years produced smolts but the lack of spawning beds meant these could not breed when they returned from their sea migration.

Since the gravel deposition, returning fish have been seen using the new spawning area. Electrofishing in summer 2026 is expected to demonstrate its effectiveness.

Meig genetics CFWET funded a project in collaboration with the CFDSFB to investigate the health of the salmon population on the River Meig, a major tributary of the River Conon. Smolts generated from eggs produced in the CFDSFB fish hatchery must be caught using rotary screw traps and physically transported downstream to bypass two hydro reservoirs where previous assessments have shown survival rates are severely impacted. During the annual transportation process non-lethal tissue sampling of the smolts was carried out and the fish were released to continue their journey to the sea unharmed. Tissue samples taken from thousands of river Meig salmon smolts were subjected to cutting-edge genetic analysis by the genomics laboratory at the Institute of Biodiversity and Freshwater Conservation (IBFC) based at Inverness College, part of the University of the Highlands and Islands (UHI). Modern statistical techniques are able to establish whether the smolts arise from a small or large population of parents. This in turn helps to determine management strategies.

Ussie Burn The Ussie Burn is a 5.16 km long tributary to the River Conon. The burn both originates, and feeds into, areas that are recognised nationally and internationally for the important habitats and species they support. Historic modifications for land drainage have adversely impacted the watercourse and the wider catchment, and action is required to maximise biodiversity, reduce flooding in the local village and mitigate against rising water temperatures to increase climate resilience.

In partnership with Lockett Agri-Environmental Ltd., and with support from NatureScot through the Nature Restoration Fund, we are in the process of developing a restoration plan for the Ussie Burn. This will identify measures to expand, diversify and connect biodiversity-rich riparian and floodplain habitats in the catchment, while also improving fish spawning habitat. This phase of the project is expected to be completed by March 2026.

**Cromarty Firth Watershed Environmental
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**Report of the Trustees
for the period 23rd September 2024 to 31st December 2025**

Financial review

CFWET has been supported by external funding. The main source of funding in early 2025 (and over the next two years) was from grants made by The European Nature Trust (TENT) and Fishmongers' Co. CFWET received £63,000 from these two organisations.

CFWET Brewin Dolphin Assets

When the Cromarty Firth Fisheries Trust was established a reserve fund was created and this was held, invested and managed by RBC Brewin Dolphin UK. At that time the annual interest was used to support suitable small projects organised and run by the CFDSFB.

With the establishment of CFWET with a broader scope of aims the Trustees agreed to use a limited amount of the capital assets (15%) to help establish the CFWET operation over the first two years. The capital draw down agreed was £75,000. A second change in process beginning in March 2025 was the withdrawal of the monthly interest accrued on the remaining assets which amounted to £9,204.71. During 2025, £25,000 of the capital draw down was used to support staff recruitment and the new activities. The remaining £50,000 was retained in an interest-bearing account for transfer in 2026.

Reserves policy

The Trustees' policy is to retain 3 months worth of normal running costs in order to meet commitments and to cover any unexpected expenditure. Three months expenditure currently stands at £32,500 with current reserve assets of approximately £435,000.

Plans for future period

The main thrust of future work is to help develop appropriate catchment scale habitat restoration projects to fulfil the strategic plan across the Cromarty Firth watershed and to encourage and liaise with similar initiatives within adjacent catchments by working with like-minded charities around the Moray Firth. Our business model requires that these projects do not make a profit but will cover CFWET costs in their entirety.

A substantive issue going forward is the maintenance of a strong financial base. In addition to our existing sponsors, we are seeking core funding from a number of companies who are actively working in our catchments and who are seeking nature restoration projects to fulfil their obligations funding for ecological restoration. These include SSEN and the Cromarty and Inverness Green Free Port.

In addition to providing a pipeline of "shovel ready" projects CFWET aims to help develop links with primary, secondary and tertiary education providers to embed the development of appropriate environmental projects within local communities and in time develop training and apprenticeships for young people to allow them to work in the areas in which they grew up.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and is constituted as a Scottish Charitable Incorporated Organisation (SCIO) under the Charities and Trustee Investment (Scotland) Act 2005.

Charity constitution

The Trust is a Scottish Charitable Incorporated Organisation (SCIO). It was registered in its current legal form on 23rd September 2024. The Trust, previously known as the Cromarty Firth Fisheries Trust since its inception in 1999, changed its name and remit to reflect changes in environmental priorities

**Cromarty Firth Watershed Environmental
Trust**

**Report of the Trustees
for the period 23rd September 2024 to 31st December 2025**

Structure, governance and management

Appointment of Trustees

There are currently eight Trustees. Four of the original Trustees of the Cromarty Firth Fisheries Trust remain and four new Trustees have been appointed with a variety of knowledge and skills to complement the existing ones. A management committee made up of four of the Trustees meets monthly, normally on the first Monday of each month.

Full Trustee meetings are held 3 times a year. In addition to the Board of Trustees CFWET has an advisory group made up of representatives of various supportive organisations and interests. These include The European Nature Trust (TENT), Fishmongers' company, the Cromarty Firth District Salmon Fishery Board (CFDSFB), and Lockett Agri-Environmental. The advisory group meets 3 times a year and reports to the Board of Trustees.

Reference and administrative details

Registered Charity number

SC053666

Registered office

CFWET
Robertson House
Greenhill Street
Dingwall
IV15 9QR

Trustees

Alastair Stephen	Chair
Andrew Easton	Deputy Chair
Alison MacLennan	
Melanie Smith	
Dave Smith	
Charles Aylesford	
Ronald Munro- Ferguson	
Richard Fyfe	

Independent Examiner

Jillian Munro MA CA
Frame Kennedy
4th Floor Metropolitan House
31-33 High Street
Inverness
Inverness-shire
IV1 1HT

Approved by order of the board of trustees on 25th August 2026 and signed on its behalf by:

A B Stephen - Trustee



**Independent Examiner's Report to the Trustees of
Cromarty Firth Watershed Environmental
Trust**

I report on the accounts for the period 23rd September 2024 to 31st December 2025 set out on pages six to fourteen.

Respective responsibilities of trustees and examiner

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

Basis of the independent examiner's report

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

Independent examiner's statement

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

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

have not been met; or

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



Jillian Munro MA CA
The Institute of Chartered Accountants of Scotland

Frame Kennedy
4th Floor Metropolitan House
31-33 High Street
Inverness
Inverness-shire
IV1 1HT

25th August 2026

**Cromarty Firth Watershed Environmental
Trust**

**Statement of Financial Activities
for the period 23rd September 2024 to 31st December 2025**

		Unrestricted fund £	Restricted fund £	Total funds £
	Notes			
Income and endowments from				
Donations and legacies	2	518,588	2,150	520,738
Investment income	3	<u>8,910</u>	<u>-</u>	<u>8,910</u>
Total		<u>527,498</u>	<u>2,150</u>	<u>529,648</u>
 Expenditure on				
Raising funds	4	3,535	-	3,535
Charitable activities	5			
Charitable Activities		<u>78,337</u>	<u>-</u>	<u>78,337</u>
Total		<u>81,872</u>	<u>-</u>	<u>81,872</u>
 Net gains on investments		<u>40,603</u>	<u>-</u>	<u>40,603</u>
 NET INCOME		<u>486,229</u>	<u>2,150</u>	<u>488,379</u>
 Total funds carried forward		<u>486,229</u>	<u>2,150</u>	<u>488,379</u>

The notes form part of these financial statements

**Cromarty Firth Watershed Environmental
Trust**

**Balance Sheet
31st December 2025**

	Notes	£
Fixed assets		
Tangible assets	9	2,078
Investments	10	<u>431,606</u>
		433,684
Current assets		
Debtors	11	527
Cash at bank		<u>56,520</u>
		57,047
Creditors		
Amounts falling due within one year	12	<u>(2,352)</u>
Net current assets		<u>54,695</u>
Total assets less current liabilities		<u>488,379</u>
NET ASSETS		<u><u>488,379</u></u>
Funds	14	
Unrestricted funds		486,229
Restricted funds		<u>2,150</u>
Total funds		<u><u>488,379</u></u>

The trustees have elected to prepare the accounts without an audit in accordance with the provisions of section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005.

The financial statements were approved by the Board of Trustees and authorised for issue on 25th August 2026 and were signed on its behalf by:

A B Stephen - Trustee



The notes form part of these financial statements

**Cromarty Firth Watershed Environmental
Trust**

**Notes to the Financial Statements
for the period 23rd September 2024 to 31st December 2025**

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the SCIO, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

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

Expenditure

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 20% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

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

Fair value

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

**Cromarty Firth Watershed Environmental
Trust**

**Notes to the Financial Statements - continued
for the period 23rd September 2024 to 31st December 2025**

2. Donations and legacies

	£
Donations	518,588
Grants	<u>2,150</u>
	<u><u>520,738</u></u>

Grants received, included in the above, are as follows:

	£
Lockett Agri-Environmental	<u><u>2,150</u></u>

3. Investment income

	£
Deposit account interest	5
Brokers dividends	6,548
Brokers interest	<u>2,357</u>
	<u><u>8,910</u></u>

4. Raising funds

Investment management costs

	£
Brokers management fees	3,063
Brokers dealing fees	<u>472</u>
	<u><u>3,535</u></u>

**Cromarty Firth Watershed Environmental
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**Notes to the Financial Statements - continued
for the period 23rd September 2024 to 31st December 2025**

5. Charitable activities costs

	Direct Costs £	Support costs £	Totals £
Charitable Activities	<u>75,673</u>	<u>2,664</u>	<u>78,337</u>

6. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

Depreciation - owned assets	£ <u>520</u>
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7. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the period ended 31st December 2025.

Trustees' expenses

There were no trustees' expenses paid for the period ended 31st December 2025.

8. Staff costs

	£
Wages and salaries	40,097
Other pension costs	<u>2,283</u>
	<u>42,380</u>

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

Employees	<u>1</u>
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No employees received emoluments in excess of £60,000.

**Cromarty Firth Watershed Environmental
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**Notes to the Financial Statements - continued
for the period 23rd September 2024 to 31st December 2025**

9. Tangible fixed assets

	Computer equipment £
Cost	
Additions	<u>2,598</u>
Depreciation	
Charge for year	<u>520</u>
Net book value	
At 31st December 2025	<u><u>2,078</u></u>

10. Fixed asset investments

	Brokers portfolio £
Market value	
Additions	501,523
Disposals	(110,048)
Revaluations	<u>40,131</u>
At 31st December 2025	<u>431,606</u>
Net book value	
At 31st December 2025	<u><u>431,606</u></u>

There were no investment assets outside the UK.

Cost or valuation at 31st December 2025 is represented by:

	Brokers portfolio £
Valuation in 2025	9,501
Cost	<u>422,105</u>
	<u><u>431,606</u></u>

Cromarty Firth Watershed Environmental
Trust

Notes to the Financial Statements - continued
for the period 23rd September 2024 to 31st December 2025

11. Debtors: amounts falling due within one year

Broker's dividends pending	£ <u>527</u>
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12. Creditors: amounts falling due within one year

Other creditors	£ 726
Accrued expenses	<u>1,626</u>
	<u>2,352</u>

13. Analysis of net assets between funds

	Unrestricted fund £	Restricted fund £	Total funds £
Fixed assets	2,078	-	2,078
Investments	431,606	-	431,606
Current assets	54,897	2,150	57,047
Current liabilities	<u>(2,352)</u>	<u>-</u>	<u>(2,352)</u>
	<u>486,229</u>	<u>2,150</u>	<u>488,379</u>

14. Movement in funds

	Net movement in funds £	At 31/12/25 £
Unrestricted funds		
General fund	486,229	486,229
Restricted funds		
Ussie fund	<u>2,150</u>	<u>2,150</u>
TOTAL FUNDS	<u>488,379</u>	<u>488,379</u>

**Cromarty Firth Watershed Environmental
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**Notes to the Financial Statements - continued
for the period 23rd September 2024 to 31st December 2025**

14. Movement in funds - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	527,498	(81,872)	40,603	486,229
Restricted funds				
Ussie fund	2,150	-	-	2,150
TOTAL FUNDS	<u>529,648</u>	<u>(81,872)</u>	<u>40,603</u>	<u>488,379</u>

15. Related party disclosures

There were no related party transactions for the period ended 31st December 2025.