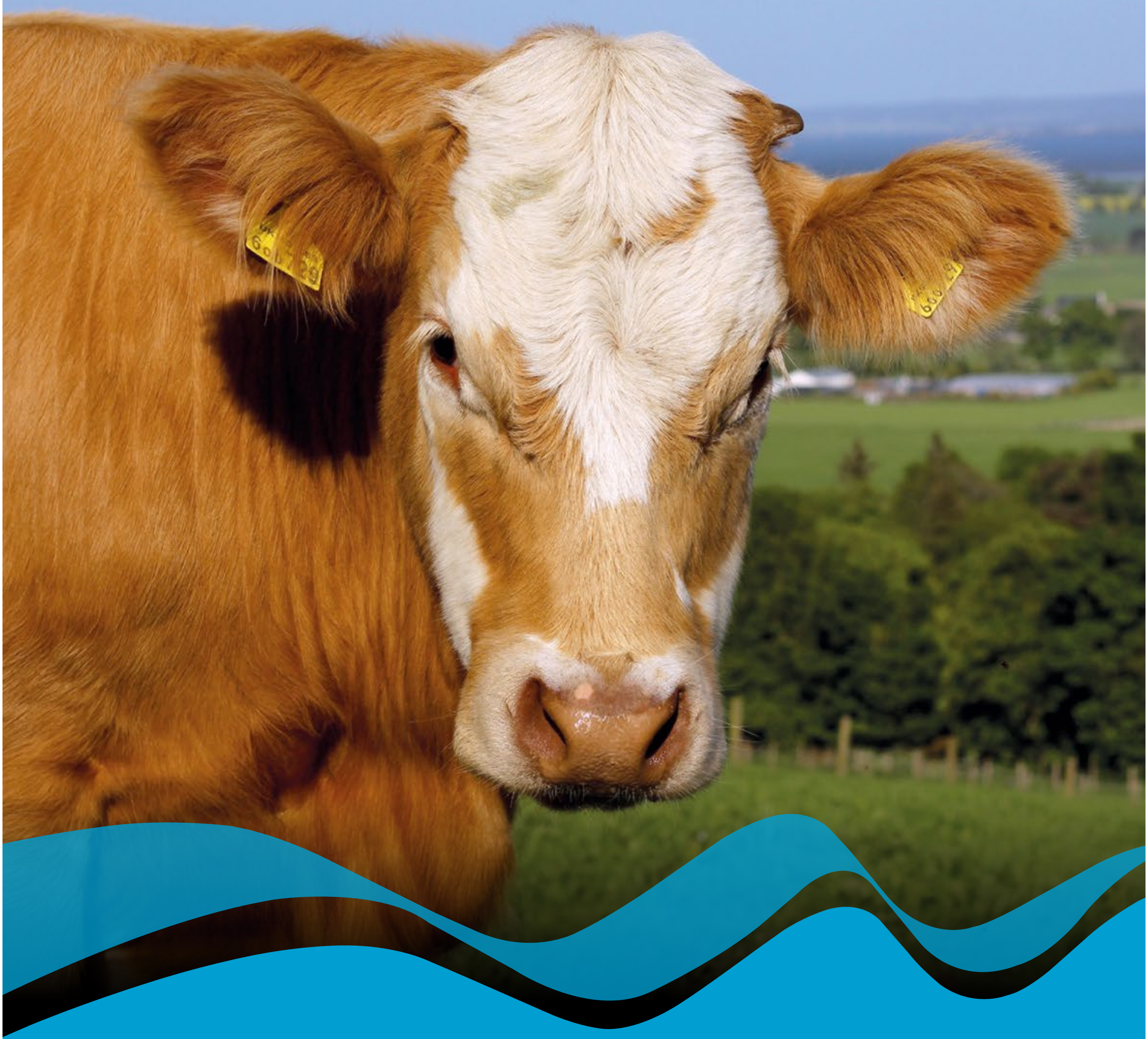
CROFTING COMMISSION
COIMISEAN NA CROITEARACHD



CROFTING COMMISSION

Annual Report & Accounts 2024/25

Crofting Commission Annual Report and Accounts 2024/25

Laid before the Scottish Parliament in pursuance of Section 2B and Schedule 1, paragraph 19 of the Crofters (Scotland) Act 1993 as amended by the Crofting Reform (Scotland) Act 2007 and the Crofting Reform (Scotland) Act 2010 and the Crofting (Amendment) (Scotland) Act 2013.

To the Right Honourable John Swinney
His Majesty's First Minister.

Dear First Minister

We have the honour to present the thirteenth Annual Report and Accounts of the Crofting Commission covering the year 2024/25.

SG/2025/189

Net Zero Scotland
Scottish Government

Crofting Commission
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Our Year in figures

2,161
cases discharged

14,932
crofters on the register

20,162
annual notices issued

75.5%
return rate

74
members of staff across Scotland

21,836
crofts on the register

84%
of costs on staff salaries

93%
of invoices paid within 10 days

CROFTING COMMISSION
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Performance Report

This section provides a review of the work of the Crofting Commission in 2024/25, including analysis of our delivery and performance and our position at the end of the year.

Chair's Foreword


Andrew Thin

As Chair of the Crofting Commission, I am pleased to present this annual report. Having assumed the role at the beginning of 2025, I have been impressed by the dedication and hard work of the Commission's staff and board members.

A significant highlight of the year was the 'Proud to be a Crofter' campaign. This initiative successfully engaged with crofting communities and their supporters, celebrating the economic and environmental contribution of crofting to communities across the Highlands and Islands. The positive response demonstrated the strong sense of identity and pride within the sector.

This year, the Commission also focused on strengthening its connection with crofters through direct engagement. For example, our team's visit to Uist to discuss local food production highlighted the vital role crofting plays in maintaining sustainable and resilient communities whilst also catering for the tourist market. We've contributed our collected knowledge to many public sector consultations throughout the past year, ensuring that crofting is recognised as an important factor in the decision-making process in Scotland.

The Commission remains committed to supporting the sustainable future of crofting, and I look forward to working with stakeholders to ensure its continued success.

Andrew Thin

Andrew Thin
Chair

Chief Executive's Overview

Gary Campbell

This annual report marks my first full year as Chief Executive of the Crofting Commission. It has been a period of focused activity, aimed at strengthening how effective and responsive the Crofting Commission is.

A key achievement has been our progress in reducing the caseload for regulatory applications. Through streamlined processes and dedicated effort, we have made significant strides in addressing backlogs. This means crofters are getting decisions faster. This improved efficiency is vital for supporting the sustainable development of crofting.

Engagement with crofting stakeholders has remained a priority. We have actively sought to understand the challenges and opportunities facing crofting communities. Visits across the crofting counties have provided valuable insights. For example, discussions in Shetland concerning agricultural diversification demonstrated the resilience and innovation within the crofting sector.

We have also focused on providing clear and accessible information to crofters, ensuring they are well-informed about their rights and responsibilities. Importantly, I want to acknowledge the work of our staff in facilitating positive outcomes in crofting. Notably, their diligent enforcement of duties has led to successful outcomes, such as the resolution of long-standing land management issues on several crofts.

These positive stories, often shared through our social media channels, demonstrate the Commission's commitment to ensuring crofting duties are upheld, contributing to the overall health and sustainability of crofting communities. The Commission remains committed to supporting the unique and valuable contribution of crofting to Scotland's rural landscape and economy.

Gary Campbell

Gary Campbell
Chief Executive & Accountable Officer

Case Studies

Over the course of 2024/25 the Commission has made a positive impact on many remote rural communities across the Crofting Counties. The following are a few examples.

Decrofting for Community Benefit: A Case Study in Inshes, Inverness

The Crofting Commission recognises that in certain situations, carefully considered decrofting can bring positive social and wider public benefits. A recent case in Inshes, Inverness exemplifies this approach.

The Challenge: Addressing a Housing Need

The application concerned a section of croft land at Inshes. The owner-occupier crofter applied to decroft part of the owner-occupied croft at Inshes, Inverness extending to 6.652 hectares as a site for a housing development which will involve building 131 houses which equates to an average extent of 0.05 hectares per dwelling house.

Balancing Interests: Croft Land and Community Needs

The Commission acknowledged the potential impact on the remaining croft land with the loss of this area. In the circumstances however, the Commission considered that any detriment to the good of the croft by the loss of the land, was outweighed by the public interest in utilising the site to build 131 houses, especially as 25% of the development will be for social housing.

The Positive Outcome: Housing Solutions and a Thriving Community

The Commission's approval of the decrofting application paved the way for the creation of much-needed housing. This directly addresses a need for local residents, potentially attracting new families and contributing to a more vibrant community.

A Measured Approach to Decrofting

This case study underscores the Crofting Commission's commitment to a balanced approach. While the Commission prioritises the preservation of crofting land, it also recognises situations where decrofting can serve a demonstrably positive purpose for the wider crofting community and the surrounding area. By carefully evaluating each application and its potential impact, the Commission aims to ensure decisions support the long-term sustainability and well-being of crofting across Scotland.

Securing the Future: Creating new opportunities by constituting non-croft land as croft: A Case Study in Kilmore and Kilbride, Argyll

The Crofting Commission recognises that constituting non-croft land as a croft can benefit the applicant and new croft tenant, while also having a positive impact on the public interest and bring wider social and economic benefits. This is exemplified in a recent application to constitute non-croft land at Kilmore and Kilbride as a croft.

The Challenge: Providing new opportunities by creating new crofts

The Commission noted that if the application to create the new croft were to be approved, the applicant intended to follow-up by making a subsequent application to the Commission for consent to let the tenancy of the new croft to an individual who had resided in a caravan on the holding in recent years. In approving the application, the Commission noted that the individual who was residing in the caravan had displayed a great interest in getting started in crofting, and as opportunities getting into crofting are scarce and often expensive in the local area, that the applicant wanted to assist with this by the applying to the Commission to constitute the land as a new croft.

The Commission's Role: Bringing social or economic benefits

The Commission considered that the proposal was likely to see social economic benefits from securing crofting status for this holding. By gaining crofting status this holding also contributes to the retention or development of population and the effective use of land for crofting purposes. Creating a new croft will allow a new tenant to gain a secure tenancy, enabling them to start a new crofting business in the area. Gaining crofting status may enable a new tenant to secure funding for infrastructure projects from schemes such as the **Crofting Agricultural Grant Scheme** and **Croft House Grant Scheme.**

The Commission's Role: Bringing wider public benefits

The Commission considered that wider public interest is served by allowing the continuation of a traditional land use in a marginal area where alternative employment is difficult to find. It will increase economic activity in the area and depending on the enterprise undertaken on the croft, could increase the availability of local produce.

Who We Are

The constitution, powers and duties of the Crofting Commission are set out in The Crofters (Scotland) Act 1993 as amended by the Crofting Reform (Scotland) Act 2007, the Crofting Reform (Scotland) Act 2010 and the Crofting (Amendment) (Scotland) Act 2013.

The Crofting Reform (Scotland) Act 2010 created the Crofting Commission (hereafter referred to as 'the Commission', 'us' or 'we'), which came into being on 1 April 2012, taking over from the Crofters Commission. The Commission is a Non-Departmental Public Body (NDPB) which operates on a day-to-day basis independently of the Scottish Government, but for which the Scottish Ministers are ultimately responsible.

The Commission Board consists of six elected Commissioners and three Commissioners appointed by the Scottish Government, led by a Chair. The Board of Commissioners are supported by a staff of 73[1] led by a Chief Executive.

OUR VISION

That crofts and crofting communities continue to enhance the social, cultural, economic, and environmental fabric of the crofting areas.

OUR PURPOSE

To regulate the crofting system fairly, and to protect and strengthen it for future generations.

OUR VALUES

The Commission has developed corporate values which reflect what is important to us as an organisation and are at the heart of how we strive to operate on a day-to-day basis.

- Caring for crofting communities and the environment
- Positive teamwork
- Commitment to service quality and improvement
- Encourage staff and Commissioner development
- Being fair and impartial.

1 As at 31 March 2025. Further information is available within the Commission's Staff Report on pages 61-62.

Business Model

The principal functions of the Commission as defined in the Crofters (Scotland) Act 1993 (the Act) are: regulating crofting, re-organising crofting, promoting the interests of crofting and keeping under review matters relating to crofting. The Act also places a duty on the Commission to investigate reports of breaches of duty by tenants and owner-occupier crofters.

The Commission also advises the Scottish Ministers on matters relating to crofting and collaborates with stakeholders on the economic development and social improvement of the Crofting Counties.

The Scottish Parliament
The Scottish Government
Crofters (Scotland) Act 1993

Crofting Commission
Regulator of the Crofters (Scotland) 1993 Act

Board of Commissioners
Chief Executive / Executive Team / Staff

Corporate, Policy and Business Plans

Organisational Structure

Board of 9 Commissioners, including Chair

Chief Executive & Accountable Officer

Executive Team
(Further information is available within the Governance Report on page 45)

Compliance Team
Communications Team
Customer Services Team
Finance Team
Geographic Information System Team
Grazings Team
Information Systems Team
Policy Team
Regulatory Support Team
Regulatory & Registration Team
Residency & Land Use Team

Objectives and Strategies

The Outcomes in the Commission's Corporate Plan are closely linked to help deliver 4 of The **Scottish Government's National Performance Framework outcomes**. You can view our full Corporate Plan at **www.crofting.scotland.gov.uk**

Scottish Government's National Performance Framework

National Performance Framework We value, enjoy, protect and enhance our environment	**Our Corporate Plan** 1 2 3

How we contribute: We recognise the potential that lies within crofts and common grazings and we believe that by ensuring crofts are well managed and by facilitating development of crofts and common grazings through our decision making, we can enable an increase in productive use of croft land for a diverse range of activities. We acknowledge the detrimental impact that unworked crofts have on the well-being and productiveness of crofting communities and the land they occupy. By working with crofters to ensure they are fulfilling their duties in relation to cultivating and maintaining the land and working to increase the number of grazings committees in office, we contribute to better land management across the crofting counties.

National Performance Framework We live in communities that are inclusive, empowered, resilient and safe	**Our Corporate Plan** 2 3

How we contribute: We understand that crofts without a resident crofter or crofter family can create holes in communities which can have far-reaching impacts. Our action to promote and enforce residency makes a direct contribution to maintaining sustainable communities. We also support initiatives, such as the **Scottish Land Matching Service**, to facilitate new entrants to crofting. In addition, we work with communities to help them understand the value of croft land as an asset and encourage more grazings committees into office to help fulfil the land's potential through better management of shared assets.

National Performance Framework We have a globally competitive entrepreneurial, inclusive and sustainable economy	**Our Corporate Plan** 2 3 4

How we contribute: We recognise the potential within croft land to support local food and drink production, and also within common grazings to support renewable energy and carbon reduction and we are mindful of this through our decision making, enabling use of crofting assets to support these industries. Within the organisation, we are ensuring that our working practices are mindful of our carbon footprint and energy consumption and are working to progress changes to reduce these.

National Performance Framework We respect, protect and fulfil human rights and live free from discrimination	**Our Corporate Plan** 1 2 4

How we contribute: By providing evidence-based information to Scottish Ministers and working with other crofting stakeholders, the Commission has a vital role in ensuring that the legislation and policies regarding crofting are fit for purpose both now and in the future. Further, by ensuring that our workforce is high performing and that the organisation operates in a straightforward and transparent way through process review and change, we can deliver significant improvements in service to the people of Scotland.

Summary of Key Risks and Issues We Face

The two interlinked strategic challenges currently facing the Commission are based upon our commitment to ensuring that crofting continues to thrive, which means holding crofters accountable for their responsibilities. This commitment is based upon the expectation that the Commission will continue to be resourced adequately to meet this challenge, while continuing to drive forward an ongoing program of process improvements being led by a dedicated staffing resource. Our major strategic risks focus on the possibility that progress in either or both objectives could be inadequate.

The Commission's focus throughout the year has been to continue to address its outstanding casework position. It has been encouraging to record a consistent downwards trajectory regards casework median turnaround times[2], and live cases under consideration, combined with increased customer satisfaction levels. A more in-depth analysis of our performance measures is available within the Performance Analysis Report on page 16.

As the Commission continues to make strides in improvements to its regulatory work, our focus must shift to improving outcomes on Duties work. Whilst crofting provides crofters with substantial rights it also has certain duties. A significant challenge lies in the fact that some crofters are not meeting these duties. There is a risk around the Commission having insufficient understanding of this issue and the influences on it. The Commission's role in tackling breaches of duties is clearly set out in legislation and enacted by its residency and land use work. There is a substantial risk that this is insufficient to the scale of the problem. A flexible approach to resourcing teams, a focus on streamlining efficiencies within processing systems and an extension of work connected to the outputs from the **Annual Notice** will be used to mitigate this risk as far as is possible without further substantial recruitment.

As with all public bodies, whether our operational budget increases in line with future pay inflation is a key risk at this present time of financial restraint. The Scottish Government determines both the Commission's budget and the pay settlement for our staff each year, but the Commission mitigates this risk via dialogue with the Scottish Government, by being clear about our priorities, and by seeking efficiency improvements wherever possible. However, as 84%[3] of our annual expenditure is on staff pay, this remains a key area of risk.

Significant Commission focus was undertaken during the reporting year to determine a vision for the future of crofting, and this work will continue into 2025/26. This is tackling issues head on by defining the scale of the challenges faced and establishing a vision and route to addressing these issues.

A more in-depth analysis of our key risks is available within the Performance Analysis Report on page 26.

2 Time taken from initial application stage to notification of a decision.

3 Further information is available within the Notes to the Financial Statements on page 80.

Financial Summary

The 2024/25 annual report and accounts were audited by Audit Scotland who were appointed by the Auditor General for Scotland as auditors to the Commission from 1 April 2022.

For this period, the Commission has received an unmodified external audit report.

These accounts were prepared under the Accounts Direction issued by the Scottish Ministers detailed on page 85. They were prepared on a going concern basis, which means the Commission intends to continue its business for the foreseeable future and is able to do so.

The Commission operated within its Grant-in-Aid budget for the reporting year. The financial position of the Commission for the reporting year reflected total expenditure of £4.538M (£4.184M 2023/24) which was solely funded by the Scottish Government. Further detail on financial performance is provided within our Performance Analysis on page 40.

Commissioners and our Chief Executive meet the team at Kilbride Campsite in Uist, who have diversified their crofting business to add real value to the local community.

Performance Summary

The Commission measured its performance for the year 2024/25 against the strategic objectives in the **2023 – 2028 Corporate Plan.** The strategic objectives reflect the outcomes that matter most to the Commission and its stakeholders and cover the major areas of the Commission's remit.

Performance Indicators

Each of the outcomes detailed in our Corporate Plan are delivered through actions in the Business Plan which also detail specific performance improvement targets for that year. The table below provides a summary of the results pertaining to each.

Achieved Not Achieved

High Level Indicator	Objective	2024/25 Overall Success	2023/24 Overall Success
Number of breaches of duty resolved through Commission action	Increase	Achieved	Achieved
Number of regulated grazings with committee in office	Increase	Not Achieved	Not Achieved
Regulatory application turnaround times	Stop Increasing and Start to Decrease	Achieved	Achieved
Reduce the number of live applications awaiting decision	Decrease	Achieved	Achieved
Customer satisfaction rates	Increase	Achieved	Achieved
Staff engagement rating	Increase	Not Achieved	Not Achieved
Corporate carbon emissions from travel	Decrease	Not Achieved	Achieved

Case Studies

Over the course of 2024/25 the Commission has made a positive impact on many remote rural communities across the Crofting Counties. The following are a few examples.

Ensuring Active Crofting through Residency Engagement

Following up on information provided in **Annual Notice** returns, the Commission's Residency and Land Use Team actively engages with tenants to ensure compliance with residency duties and encourage active croft use. This proactive approach has yielded significant positive outcomes during 2024/25, bringing new life to crofts and communities.

- **New Entrants and Family Homes:** In Sheshader, Stornoway, contact initiated following the 2022 Annual Notice led to a tenant living on the mainland assigning their croft. This facilitated a fresh start for an individual new to crofting and the area, who, along with her family, now resides in the croft house and actively works the land. Similarly, following the 2023 Annual Notice, contact with a non-resident tenant in Crowlista resulted in a successful assignation to a new entrant who now lives on the croft, directly boosting local residency and engagement.
- **Supporting Community Members:** In Leurbost, a tenant living outside Scotland was identified through the 2023 Annual Notice as not meeting residency requirements. Engagement with the tenant led to an application to assign the tenancy to a family member already living on the croft. The approval ensures the croft remains actively managed by a resident who is part of the community and fulfils all crofting duties.

These examples demonstrate how regulatory follow-up, prompted by Annual Notice data, directly contributes to key Commission objectives: securing active land use, facilitating opportunities for new entrants, and strengthening crofting communities by ensuring crofts are occupied and worked by resident crofters.

Performance Analysis

The outcomes in the Commission's **Corporate Plan** are delivered through actions in the Business Plan and sets out the Commission's key objectives for the reporting year.

In our **Business Plan 2024/25** we identify key milestones that we wanted to achieve so we can deliver our Corporate Plan Outcomes. We have published this information within our website and is available for review at **www.crofting.scotland.gov.uk**

Performance improvement measures and targets have been set which are reported on below.

Operational Performance

Key Achieved Partially Achieved Not Achieved

Corporate and Business Plan: Outcome 1 CROFTING IS REGULATED IN A FAIR, EFFICIENT AND EFFECTIVE WAY		
Aim/Measure	**Target**	**Result**
1.1 Aim Decrease in median turnaround times (**Tier 1** approvals). **Measure** Time taken from application to notification of decision.	*(Baseline* *Assignation – 14.4 weeks* *Decrofting CHSGG – 18.07 weeks* *Decrofting Part Croft – 27.07 weeks)* **Target** Assignation – 14 weeks Decrofting CHSGG – 16 weeks Decrofting Part Croft – 22 weeks	Achieved

Result:

Assignation – 10.14 weeks

Decrofting CHSGG – 13.86 weeks

Decrofting Part Croft – 19 weeks

The Regulatory Team focused on clearing older cases and targeting points of potential delays throughout 2024/25. As the volume of older cases reduced the median turnaround times stabilised and remain steady. The Regulatory and Registration functions have been restructured and combined to offer better skill sharing and resilience, and the team benefited from a period of historically low staff turnover.

Corporate and Business Plan: Outcome 1
CROFTING IS REGULATED IN A FAIR, EFFICIENT AND EFFECTIVE WAY

Aim/Measure	Target	Result
1.2 Aim Decrease in number of live regulatory cases at a point in time. **Measure** Number of live regulatory cases on 31 March 2025.	*(Baseline 767 cases on 29 February 2024)* **Target** Reduce to 700 or below.	Achieved

Result:
The regulatory outstanding casework figure at the end of the reporting year was 639. The volume of older cases reduced at a higher rate than the overall outstanding volumes, as a result of consistent, targeted approach to not only bring the overall outstanding figure down, but to clear cases that have been outstanding for more than 52 weeks.

Aim/Measure	Target	Result
1.3 Aim All customer contacts that require escalation to a caseworker cleared within the agreed timescale. **Measure** Administrative Records.	*(Baseline 95.1% on 29 February 2024)* **Target** 97%	Partially Achieved

Result:
Across the year 96.5% of initial call back requests were completed within the agreed timescale. Although this is just below the benchmark of 97%, the average call back time remains well below the 10 days turnaround time.

Aim/Measure	Target	Result
1.4 Aim Customer satisfaction rates. **Measure** Average 'overall satisfaction' score on a scale of 1 (unsatisfied) to 5 (satisfied).	*(Baseline 4.08 in period April 2023-February 2024)* **Target** Average of 4.25	Achieved

Result:
The customer satisfaction score is gathered alongside the Annual Notice submissions. Any crofters who received a decision on a regulatory application in the year prior to the issuance of the Annual Notice letter are asked to rate their overall customer satisfaction on a scale of 1 (unsatisfied) to 5 (satisfied). The customer satisfaction score, based on 390 submissions was 4.36.

Key Achieved Partially Achieved Not Achieved

Corporate and Business Plan: Outcome 2
CROFTING CONTINUES TO THRIVE AND EVOLVE

Aim/Measure	Target	Result
2.1a Aim Maintain or increase in number of common grazings with a Committee in office.	*(Baseline 474 on 31 March 2024)* **Target** Maintain at 500 or above.	

Result:
On 31st March 2025, we recorded 482 Committees in office and of particular note, we have had 18 long-term out of office situations being resolved within the reporting year. An example being on the Island of Eigg where there had been no committee since 2012.

The overall number of grazings committees is still an important figure and provides a valuable indicator on the overall health of the crofting system and so will continue to be monitored but will not be a Key Performance Indicator in future years as the success is predominantly dependent on the grazings shareholders themselves.

Aim/Measure	Target	Result
2.1b Aim Increase in number of grazings committees who have adopted the new regulation template regulations.	*(Baseline 1 new set of regulations was concluded by February 2024)* **Target** 12	

Result:
With the Grazings function resourcing situation having now been addressed, we are beginning to progress proposed new regulations which have been submitted to the Commission. Within Quarter 4, Waterloo, Marrel and Diabeag common grazings all have new regulations confirmed using the Commission's regulatory template.

Carried forward to next reporting year with a focus on clearing all historic regulations.

Aim/Measure	Target	Result
2.2 Aim Establish correct shareholdings on common grazings by researching and updating records of shareholder situations. **Measure** Records of administrative action.	*(Baseline 54 single or multiple share investigations concluded by February 2024)* **Target** No numerical target as demand led. Investigation and response to be carried out within 28-day time period.	**No target**

Corporate and Business Plan: Outcome 2
CROFTING CONTINUES TO THRIVE AND EVOLVE

Result:
Within the year, the team have carried out 83 investigations in total.

Aim/Measure	Target	Result
2.3 Aim Meetings or other substantial engagement with Grazings Committees and shareholders (as required) to support them with the regulation and management of common grazings.	*(Baseline 17 significant engagements by February 2024)* **Target** No numerical target as demand led. Aim to keep significant engagements below 20 cases through early intervention, provision of guidance, training and mediation as required.	**No target**

Result:
7 new situations have arisen within the final quarter of the reporting year which are currently being worked on bringing the overall total to 20 common grazings which have experience issues which required a significant engagement. It is noted that 3 of these cases have a significant Police involvement which demonstrates how much these situations can escalate. 11 of these situations are now detailed as being closed either through a resolution being obtained or no further communications being received.

The Grazings Team also contributed to a face-to-face Grazings Clerk meeting in Ullapool arranged by the Farm Advisory Service which had 14 attendees and was well received.

Aim/Measure	Target	Result
2.4 Aim To raise awareness of the importance of considering croft succession, including 'living succession', which is passing on the croft within the crofter's lifetime.	*(Baseline 2,050 crofters contacted about croft succession during 2023/24)* **Target** Contact at least 2,000 crofters about croft succession.	**N/A**

Result:
Postponed until 2025/26 due to Scottish Government Emergency Spending Controls introduced in August 2024 to assist with balancing the overall Scottish Government budget for 2024/25.

Key Achieved Partially Achieved Not Achieved

Corporate and Business Plan: Outcome 3
CROFTS ARE OCCUPIED AND USED

Aim/Measure	Target	Result
3.1 Aim Number of formerly vacant crofts let by the landlord or the Commission following the Commission initiating action under the unresolved succession (section 11) or vacant croft (section 23) provisions of the 1993 Act. **Measure** Records of administrative action.	*(Baseline 4 in April 2023 to December 2023)* **Target** At least 45 permanent resolutions to breaches of duty, unresolved successions or vacant crofts delivered through Commission action. (numbers will be reported separately for 3.1-3.4 but the target relates to the total of the four categories of intervention).	

Result:

Unresolved succession (section 11):

The Commission are currently dealing with 24 cases where the succession to the tenancy remains unresolved after 3 years of the death of the crofter. The Residency and Land Use Team is in correspondence with parties to assist the resolving of these successions. If these efforts are unsuccessful, the cases will progress to the issuing of notices under section 11 intestate succession proposing to terminate the tenancy, declare the croft vacant and require the landlord to submit letting proposals.

Vacant croft (section 23):

The Commission approved 4 re-letting proposals following the issue of section 23(5) notices. All of these were in Lewis, 1 to an existing crofter and 3 to new entrants to crofting. The Commission are currently liaising with private landlords in Jura and Kilfinnan with a view to letting 12 vacant crofts created under the constituting non-croft land as croft provisions set out at section 3A of the 1993 Act. To date the Commission have approved applications to let 5 of the crofts at Kilfinnan to new entrants to crofting. The Commission are also currently liaising with a public sector landlord with a view to letting 5 vacant crofts where the tenancy was terminated under the duties enforcement provisions of the 1993 Act. Of those 5, the Commission have approved 1 letting to a new entrant and are in the process of considering 2 other letting applications.

Corporate and Business Plan: Outcome 3 CROFTS ARE OCCUPIED AND USED		
Aim/Measure	**Target**	**Result**
3.2 Aim Number of Residency and Land Use breaches resolved by a crofter or an owner-occupier crofter (i) in breach of their residency duty taking up residence on their croft; or (ii) in breach of their duty to cultivate and maintain the croft resuming cultivation and maintenance of the croft. **Measure** Records of administrative action.	*(Baseline 5 in 2023/24)* **Target** (Refer to Aim 3.1)	Achieved

Result:

In the course of the year:

- 11 crofters have resolved their breach of duty by taking up residence on their crofts
- 10 crofters/owner-occupier crofters have resolved their breach of duty by cultivating and maintaining their crofts.

In addition:

- 19 suspected breach of duties reports were received
- 2 reports of suspected failure by owners of vacant crofts to reside and/or cultivate and maintain the vacant croft were received
- 1 previous reported breach of duties case, resulted in a finding following an investigation that there was no breach
- 28 cases are progressing through the duties enforcement action.

Aim/Measure	**Target**	**Result**
3.3 Aim Number of Residency and Land Use breaches resolved by the assignation or renunciation of a tenanted croft, or the letting or sale of an owner-occupied croft. **Measure** Records of administrative action.	*(Baseline 19 in April 2023 to December 2023)* **Target** (Refer to Aim 3.1)	Achieved

Result:

In the course of the year:

- 32 crofters resolved their breach of duty by assigning the tenancy of their crofts
- 2 owner-occupier crofters sold/transferred ownership of their crofts
- 1 croft tenancy was renounced and is now available to let.

In addition:

- 36 crofters resolved their breach on a temporary basis by subletting their crofts
- 3 owner-occupier crofters resolved their breach on a temporary basis by letting their owner-occupied croft on a short let
- 39 crofters obtained consent to be absent from their crofts.

Key Achieved Partially Achieved Not Achieved

Corporate and Business Plan: Outcome 3
CROFTS ARE OCCUPIED AND USED

Aim/Measure	Target	Result
3.4 Aim Number of Residency and Land Use breaches concluded by tenancy terminations orders (section 26H), or approval of letting proposals submitted by owner-occupier crofters following a direction to do so (section 26J). **Measure** Records of administrative action.	*(Baseline 7 in April 2023 to December 2023)* **Target** (Refer to Aim 3.1)	

Result:
In the course of the year the Commission:

- Issued 57 notices of suspected breach of duty under section 26C(1)
- Made 40 decisions that a crofter was in breach of duty under section 26C(5)
- Made 5 decisions that a crofter was not in breach of duty under section 26C(5)
- Issued 19 notices providing crofters with the opportunity to provide an undertaking to comply with the duty within a timescale the Commission consider reasonable under section 26D(1)
- Made 9 decision accepting an undertaking to comply with the duty within a timescale the Commission consider reasonable under section 26D(5)
- Considered in 2 cases that there was a good reason not to make an order terminating the crofter's tenancy under section 26(H)
- Issued 5 orders terminating crofter's tenancies; 1 each in Lewis, Shetland, Skye, Lochaber, and Sutherland.

Grazings Workshop in Stornoway.

Corporate and Business Plan: Outcome 4 OUR WORKFORCE IS SKILLED AND MOTIVATED, AND OUR GOVERNANCE PROCESSES ARE BEST PRACTICE

Aim/Measure	Target	Result
4.1 Aim Increase in Employee engagement rating. **Measure** Scottish Government Employee Survey 2024.	*(Baseline 60% in October 2023).* **Target** 67% or above.	Not Achieved

Result:
Results of 2024 People Survey give the Commission a static employee engagement score of 60%. Therefore, the target has not been reached. However, there was an improved score in the majority of core areas of the survey, which showed a direct co-relation between issues and actions taken in the Staff Survey Action Plan. The target set at 67% is considerably higher than the Civil Service baseline of 63%.

Aim/Measure	Target	Result
4.2 Aim Reduce corporate carbon emissions. **Measure** Baseline now captures Scope 1, 2 & 3 including emissions relating to remote workers. Note that this is measured a year in arrears.	*(Baseline business travel 10.2 tCO2e in 2022/23).* **Target (reports 1 year in arrears)** Below 10.2 tCO2e in 2023/24 with a view to embedding a carbon management plan in 2024/25.	Not Achieved

Result:
2023/24 = 18.5 tCO2e.
A Carbon Management Plan to set out how the Commission will reduce its emissions is in place. Indicators are more detailed than in prior years. Business travel is higher than in recent years due to the Board/Executive Team strategy of re-engaging with crofting communities. Emissions are higher due to this activity combined with the Commission refining and improving emissions reporting.

Aim/Measure	Target	Result
4.3 Aim Redeploy efficiency savings within £4.5m core budget. **Measure** Commission Management Accounts.	*(Baseline 3% target 2023/24).* **Target** 3%	Achieved

Result:
Various efficiency measures were identified. In addition, managed lead in times for recruitment contributed to the achievement of the target. Overall, the Commission recorded 4.9% or approximately £221,000 of efficiency savings during 2024/25 (3.8%, £152,000 2023/24).

Key Achieved Partially Achieved Not Achieved

To regulate the crofting system fairly, and to protect and strengthen it for future generations.

The Commission's main function is to regulate crofting in a manner that is fully compliant with the Crofters (Scotland) Act 1993. Therefore, the majority of the work carried out by the Commission is processing regulatory applications and recording notifications.

As reported last year, the reference date for the following statistics has changed from the 'Initiation Date' (date set up on our Croft Information System) to the 'Recorded Date' (actual date received by the Commission), which is a more transparent reflection of the reality. Prior year figures have been restated accordingly to reflect this refined approach.

The number of decisions will differ from the number of applications received due to applications received which were carried over from previous years.

Application/Notification Type	Received	Approved	Refused	Invalid	Withdrawn
Apportionment	36	37	5	10	3
Assignation - 3(4) Share	3	-	-	2	-
Assignation - Holding	377	347	2	42	13
Consent to be absent	64	41	6	18	4
Consent to be absent - Extension	5	3	-	1	1
Create a new croft	26	9	-	4	1
Decrofting - Croft House Site and Garden Ground	134	115	-	28	7
Decrofting - Part Croft	304	286	4	54	12
Decrofting - S17 & S18 Feu	18	4	-	10	2
Decrofting - Whole Croft	11	6	3	4	2
Decrofting - Whole Croft - House Site Only	-	-	-	-	-
Division - Owner-Occupier Crofter	15	13	-	5	1
Division - Tenant	15	17	-	4	2
Exchange of croft land	-	4	-	1	-
Intestate Succession	115	127	-	10	2
Letting - Landlord of a vacant croft	50	52	-	9	2
Letting - Owner-Occupier Crofter	25	24	-	7	1
Short Term Letting	41	54	-	4	2
Subletting	102	164	-	16	4
Testate Succession - Bequest of Croft Tenancy	158	164	-	11	3
Totals 2024/25	**1,499**	**1,467**	**20**	**240**	**62**
Totals 2023/24 (Restated)	1,351	1,399	23	178	90
Totals 2023/24 (Prior to restatement)	1,351	1,289	20	176	90

Delegated Decision Making

The Board of Commissioners have been delegating decision making on straightforward regulatory cases to officers. These cases must be within the agreed parameters and meet all the legislative and policy requirements, if not they are escalated to a higher level. The cases for which decisions are taken on are typically on applications and not notifications, so the numbers presented are different to the previous table.

The table below shows the different levels of decision making used within the Commission and the number of cases considered at each level. The overall figure of cases decided has again increased this year, particularly the number of cases decided at **Tier 1**. The number of cases at **Tier 2** and **Tier 3** have reduced. This can be accounted for by changes to the decision-making parameters which allows for more decisions to be made at Tier 1.

Level of Decision Making (by volume)	No of Cases Decided 2024/25	*No of Cases Decided 2023/24*	*No of Cases Decided 2022/23*	*No of Cases Decided 2021/22*
Tier 1 (Case officers)	1,037	*808*	*686*	*570*
Tier 2 (Senior Officials)	151	*227*	*145*	*130*
Tier 3 (Commissioners)	8	*37*	*32*	*37*
Decision by full Board of Commissioners	-	*5*	-	-
Totals	**1,196**	**1,077**	**863**	**737**

Level of Decision Making (as a percentage)	No of Cases Decided 2024/25	*No of Cases Decided 2023/24*	*No of Cases Decided 2022/23*	*No of Cases Decided 2021/22*
Tier 1 (Case officers)	87	*75*	*79*	*77*
Tier 2 (Senior Officials)	12	*21*	*17*	*18*
Tier 3 (Commissioners)	1	*3.5*	*4*	*5*
Decision by full Board of Commissioners	-	*0.5*	-	-

The total cases completed by the Commission has **increased by 11%** in comparison to 2023/24.

Analysis of Key Risks and Issues We Face

Corporate Plan Outcome	Risk Description	Action Taken
Crofts are occupied and used.	Too many crofts have no active, resident crofter.	The Residency and Land Use Team follows up hundreds of cases of suspected breach of duty by tenant and owner-occupier crofters, including a selection of those who do not respond to the '**Annual Notice'**, and all reported cases of breach of duty. In 2024/25 the Commission introduced a pilot system of selecting cases for inspection by Scottish Government Rural Payments and Inspection Division staff to determine whether the land use duties are being complied with. This successful trial will be extended further in the next year. The Commission has also extended its activities to accept reports of suspected non-residence and non-use by owners of vacant crofts. The Commission will investigate and potentially serve a notice requiring owners to submit proposals to let the crofts to tenants who will comply with the residence and land use duties. During the year additional staff resource was allocated to the Residency and Land Use Team to assist the expansion into these new areas of enforcement activities.[4]
Our workforce is skilled and motivated, and our governance processes are best practice.	Future budget uncertainty as the Scottish public sector enters a period of financial restraint.	We revise our Medium-Term Financial Plan and Workforce Plan at least once per year. We are undertaking a range of efficiencies and reviewing our priorities, as well as continuing to discuss the financial needs of the organisation with the Scottish Government. Current low staff turnover is allowing us to invest in increasing the skill level of staff who are benefitting from in-depth specialised training.

4 Further information on planned action for 2025/26 can be located within our 'Governance Issues Going Forward' update on page 52.

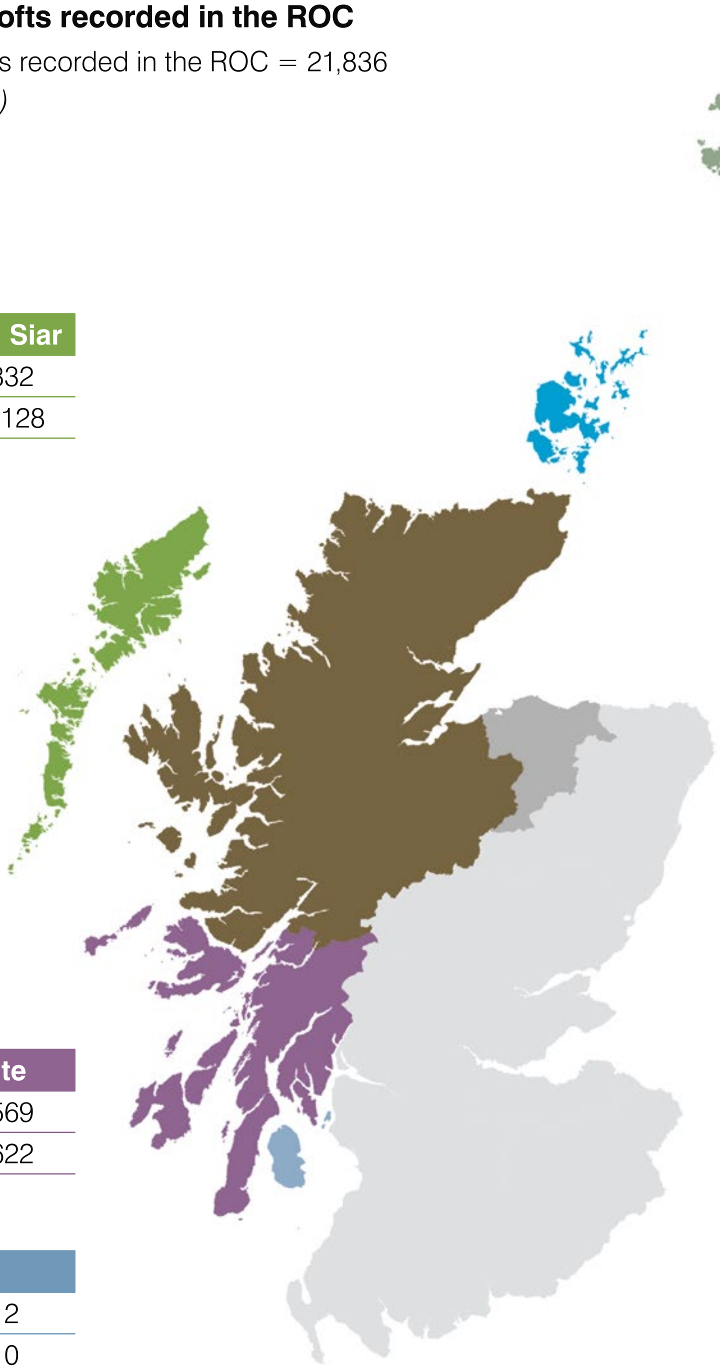
Register of Crofts (ROC)

The Commission maintains its own ROC which holds information on the name, location, rent, the extent of each croft, details of the tenant, landlord and any rights held in a common grazings.

We made minor amendments to the ROC as a result of approximately **1,400** individuals (2023: 750) providing us with additional information which was missing or inaccurate as part of their 2024 **Annual Notice** return.

Number of Crofts recorded in the ROC

Number of Crofts recorded in the ROC = 21,836
(2023/24: 21,673)



Na h-Eileanan Siar	
Owned	332
Tenanted	6,128

Shetland	
Owned	1,283
Tenanted	2,150

Orkney	
Owned	396
Tenanted	69

Argyll & Bute	
Owned	569
Tenanted	622

Highland	
Owned	4,025
Tenanted	6,259

Ayrshire	
Owned	2
Tenanted	0

Moray	
Owned	0
Tenanted	1

Number of Crofters recorded in the Register of Crofts

A correction has been made to these statistics, to prevent an identified double count of a crofter in certain circumstances*. This leads to adjusted counts for previous years.

AGE	No of Crofters 2024/25	*No of Crofters 2023/24 (Restated)*	*No of Crofters 2022/23 (Restated)*
<21	26	*20*	*26*
21 - 40	1,204	*1,198*	*1,213*
41 - 60	4,853	*4,998*	*5,011*
61 - 80	5,675	*5,519*	*5,393*
> 80	1,400	*1,285*	*1,247*
Date of Birth Unknown	1,774	*1,763*	*1,841*
Total	**14,932**	***14,783***	***14,731***
Total prior to restatement*	**-**	***14,890***	***16,651***

* Where a crofter is both tenant and owner-occupier of crofts they were being counted twice.

Commissioners and our Chief Executive meet with Archie MacLean and his family who have operated the Gearradhmor abattoir on Barra for over 40 years.

Crofting Register

In addition to processing regulatory applications, we also assess the competency of Croft Registration applications for the Keeper of the Registers of Scotland (RoS).

Croft Registration applications

First Registrations

Subsequent Event affecting a registered croft

There were also **240** (2023/24: 163) rectifications processed.

An overall total of **10,505** crofts (2023/24: 9,677 crofts) are now entered in the RoS Crofting Register.

Further information on the RoS Crofting Register can be found on our website **www.crofting.scotland.gov.uk/crofting-register**

Crofters Duties

The Commission's Residency and Land Use Team are tasked with the work of ensuring that both tenanted and owner-occupied crofts are occupied and worked.

There are three main elements to the work of the team:

- Dealing with notifications of suspected breaches of statutory duties by tenant and owner-occupier crofters
- Working with public and private estates to ensure vacant crofts are let
- Working with executors and landlords to resolve long outstanding successions to croft tenancies.

In terms of the Crofters (Scotland) Act 1993 ("the 1993 Act"), tenant and owner-occupier crofters have a duty to:

Be ordinarily resident on, or within 32 kilometres of, their croft

To cultivate and maintain the croft, or put it to another purposeful use

Not to misuse or neglect the croft.

There are two types of notifications of breaches of duties, one where a person who is entitled to do so submits a notification of a suspected breach of duty to the Commission, and the situation where tenant and owner-occupier crofters indicate in their **Annual Notice** that they are in breach of one or more of their statutory duties.

In the course of the year, the Commission commenced engagement with **196** individuals as a result of them either indicating in the Commission's 2023 Annual Notice to be in breach of one or more of their crofting duties or failing to return their Annual Notice. In addition to this the Commission received **19** notifications of suspected breaches of duties.

In writing to crofters who have indicated in their Annual Notice to be in breach of one or more of their crofting duties, we give the crofter the options available to them to resolve the breach at their own hands and give them a reasonable timescale to advise us as to how they intend to comply with their duties.

If a crofter offers a temporary solution to their breach (such as sublet, short term let, consent to be absent) then the Commission explains that by the end of the period granted for the temporary solution, the crofter must decide on a permanent solution to the breach.

In the course of the year the Commission, in collaboration with colleagues at the Scottish Government Rural Payments and Inspections Directorate (SGRPID), conducted **29** site visits to crofters who had failed to submit their Annual Notices. These visits assessed compliance with crofting duties, ensuring that crofters are actively managing their land. Out of these visits **8** crofters were found to not be cultivating and maintaining their crofts or putting them to another purposeful use. The Residency and Land Use Team will advise the crofters on the options available to them to resolve their breach and ensure compliance with their crofting duties.

Towards the end of the reporting year, the Commission launched a system of investigating notifications where owners of vacant crofts are not resident on, or within 32 kilometres of, their croft and/or not working the croft to determine whether a notice should be issued under section 23(5) of the 1993 Act requiring the person to submit proposals for letting the croft. **2** notifications have been received and are being processed.

Outcomes for the year taken by tenant crofters/owner-occupier crofters:

Temporary Outcomes	
Consent to be Absent (tenant and owner-occupier crofters)	39*
Sublet croft (tenant crofters)	36
Short Term Let (owner-occupier crofters)	3

Permanent Outcomes	
Took up residence (tenant and owner-occupier crofters)	11
Commenced cultivating/maintaining croft (tenant and owner-occupier crofters)	10
Assigned tenancy of croft (tenant crofters)	32
Sold/transferred ownership of croft (owner-occupier crofters)	2
Renounced tenancy of croft (tenant crofters)	1

* This comprises of 36 applications for consent to be absent and 3 applications for extensions of consent for absence. In addition, the Commission refused 5 applications for consent to be absent.

As a result of duties enforcement action

57
section 26C(1) notices of suspected breach of duty were issued

40
section 26C(5) decisions made that duties were not being complied with

5
section 26C(5) decisions made that duties were being complied with

19
section 26D(1) notices providing the crofter with an opportunity to give an undertaking to comply with their breach of duty were issued

9
decisions accepting undertakings to comply with the duty under section 26C(5) were issued

This year's report on duties enforcement action has been summarised in an effort to make it more accessible for the reader. Future reports will include prior year comparisons.

Termination Orders

In the course of the year, the Commission was satisfied that it was in the general interest of the crofting community to issue **5** Orders terminating the crofter's tenancy due to a breach of duty. The crofting communities were based within Lewis, Lochaber, Shetland, Skye, and Sutherland.

In **2** cases the Commission considered there was a good reason not to make an order terminating the crofter's tenancy in terms of section 26H of the 1993 Act.

Unresolved succession

The Commission issued **1** section 11(4) notice proposing to terminate the tenancy of a croft in Sutherland, which will result in termination and let if it progresses to the section 11(8) termination stage.

Letting of vacant crofts

The Commission approved **4** re-letting proposals following the issue of section 23(5) notices. All of these were in Lewis – **1** to an existing crofter and **3** to new entrants to crofting.

The Commission also liaised with:

- a public sector landlord with a view to letting **5** vacant crofts where the tenancies were terminated under the duties enforcement provisions of the 1993 Act. Of those **5**, the Commission approved **1** letting to a new entrant in Skye and are currently considering **2** other letting applications in Skye
- private landlords in Jura and Kilfinnan with a view to letting **12** vacant crofts which were created under the provisions as set out at section 3A of the 1993 Act to constitute non-croft land as a croft. In the course of the year the Commission approved applications to let **5** of the **7** crofts at Kilfinnan to new entrants to crofting. Proposals for letting **2** of the **5** crofts on Jura are at an advanced stage. The remaining cases have not yet reached a resolution, but we continue to engage with the landlords to ensure the crofts are let.

General Enquiries

During the course of the year, the Residency and Land Use Team responded to **46** general enquiries. (36: 2023/24).

Crofting Annual Notice 2024

Crofters have a legal obligation to complete and return an **Annual Notice** for each of their crofts and grazing shares.

Requests for Annual Notice completion were issued on **20,162** (2023/24: 19,917) Register of Croft entries, consisting of **17,995** (2023/24: 17,800) general crofts and **2,167** (2023/24: 2,117) grazing shares (deemed crofts).

Overall, **15,228** (2023/24: 13,679) submissions were received by the Commission. This is equivalent to a **75.5%** (2023/24: 68.7%) return rate.

For the first time as part of the Annual Notice we asked individuals who had submitted an application during 2024 to take part in a customer satisfaction survey. **390** individuals responded with an overall final rating of **4.36** out of a possible **5-star** response scale.

Tenants and owner-occupier crofters have a duty to:

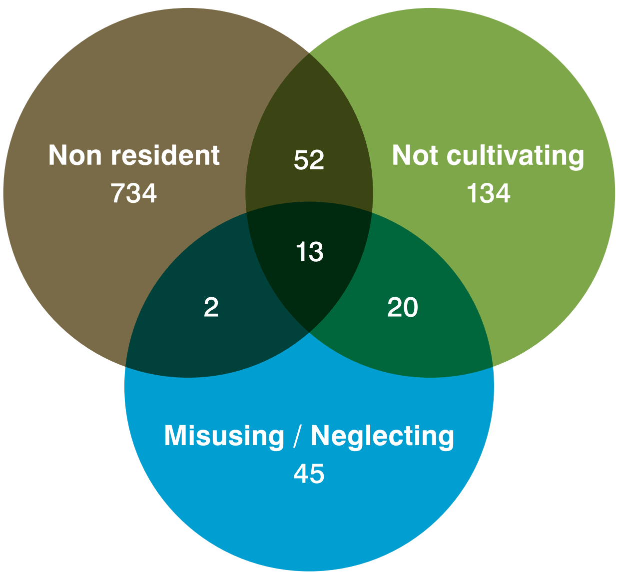
Be ordinarily resident on, or within 32km of their Croft
95% (2023/24: 95%)

Not to misuse or neglect the croft
99% (2023/24: 99%)

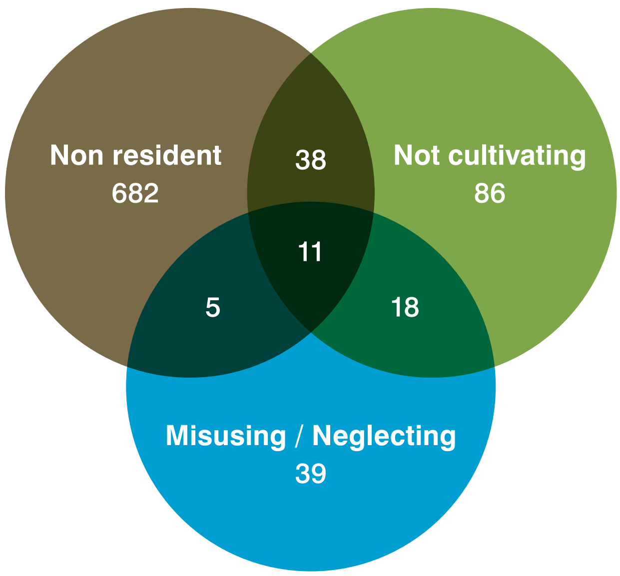
Cultivate and maintain the croft or put to another purposeful use
98% (2023/24: 99%)

Number of crofters not complying with their Duties as notified to the Commission.
TOTAL: 1,000 (2023/24: 879)

2024 Annual Notice Returns



2023 Annual Notice Returns



The numbers represent crofts only and are the numbers of crofts that fall solely into each category.

Common Grazings

There are over 1,000 common grazings covering an area in excess of 500,000ha across the Crofting Counties of Scotland.

The Scottish Government and the Commission agree that the shared management and beneficial use of common grazings is essential for the sustainability and development of the crofting system.

Primarily these areas have been used for extensive agriculture through low density livestock grazing, as well as where conditions permit, the growing of a narrow range of crops.

The use of these large high nature value areas is evolving with a growing focus on biodiversity, climate mitigation projects, green energy production, forestry and also the potential to meet a growing housing need in rural locations.

The Commission recognises that having active grazings committees in office, representing the shareholders and managing, maintaining and improving the common grazings to allow common grazings to deliver the potential benefits detailed above is essential.

The Commission continues to encourage shareholders to form grazings committees and support them throughout their 3-year term of office. It is estimated that there are currently over 2,000 individuals who are serving on a grazings committee.

The reporting year has reflected a modest increase in activity with 482 committees in office. (2023/24 474).

Our Grazings Team continue to offer support and guidance to committees and shareholders upon request and we continue to work with the **Farm Advisory Service** to deliver bespoke training sessions covering various aspects of running a common grazings at locations throughout the crofting counties.

In the reporting period we delivered 14 Grazings workshops with an average attendance of 14 people at each. (2023/24 8 Grazings workshops).

Freedom of Information/ Environmental Regulations/ Data Protection

The Commission is committed to complying with legislation that gives members of the public the right to request information and for that information to be provided unless an exemption applies. This legislative requirement falls under the Freedom of Information (Scotland) Act 2002, Data Protection Act 2018, General Data Protection Regulation and the Environmental Information (Scotland) Regulations 2004.

Further information can be found at **www.crofting.scotland.gov.uk**

Complaints

The Commission is committed to providing first-class customer service and we use feedback from customers who are dissatisfied to improve our services. The reporting year reflected a continued declining trend in complaints.

During 2024/25 we received **19** complaints (2023/24: 29).

Frontline Resolution	2024/25	*2023/24*	*2022/23*
Upheld	6	*6*	*9*
Partially Upheld	1	*2*	*6*
Not Upheld	4	*5*	*6*
Investigation in Progress	-	-	-
Escalated	-	-	-
Totals	**11**	*13*	*21*

Investigation Stage	2024/25	*2023/24*	*2022/23*
Upheld	3	*7*	*6*
Partially Upheld	3	*4*	*10*
Not Upheld	2	*2*	*5*
Invalid	-	-	*1*
Withdrawn	-	3	*2*
Investigation in Progress	-	-	*2*
Totals	**8**	*16*	*26*

Further information can be located on our website **www.crofting.scotland.gov.uk**

Engaging with Stakeholders: The Commission's Communication Strategy

Connecting with You

During the reporting year, the Commission focused on making sure we communicated clearly and effectively with everyone interested in crofting. This includes the general public, people and organisations we work with, and importantly, crofting communities themselves. We used a mix of online tools, printed materials, and face-to-face events to do this.

Online Communication: Getting Involved

Social media websites like Facebook, X (formerly Twitter), Instagram, and YouTube were important ways for us to connect. More and more people in crofting areas are using these platforms, which helps us reach the right audiences. We used social media to:

- **Share Important Updates:** We quickly let people know about things like office closures or changes to our services
- **Promote Our Work:** Social media helped us spread the word about our campaigns. For example, our posts and interactive content on our duties campaign was very popular with crofters.

Radio and TV

We also used radio to reach a wider audience, our Communications Officer also arranged for the Commission to appear on television when opportunities arose, making sure our views or expertise were heard.

Printed Information: Staying Visible

We sent out press releases to national and local newspapers to highlight specific campaigns or important issues the Commission was dealing with. While national newspapers mostly covered general interest stories or topics outside our specific work, local newspapers and newsletters remained useful ways to share information. We also wrote articles for relevant publications like the Press and Journal's Farming North, The Crofter, and The Scottish Farmer.

Meeting People: Building Relationships

Agricultural shows provided a great chance for us to talk directly with crofters. We actively took part in these events, used social media to let people know we would be there, and had interesting displays. We also made sure we had ways for crofters to give us their feedback.

We also promoted workshops, held in conjunction with the **Farm Advisory Service**, on topics like managing common grazings land, through social media and press releases.

By using this wide range of communication methods in 2024/25, the Commission made sure we were open, engaged with people, and communicated effectively with everyone involved. This helps create a well-informed and cooperative environment for crofting to continue to thrive across Scotland.

Our Social Media Following

Platform	Total Followers March 2025	Total Followers March 2024
X	2,517	2,599
Facebook	3,976	3,745
YouTube	214	201
Instagram	757	684

We have been working with organisations across Scotland to inform the public and private sector the benefits that crofting can bring both economically and environmentally, to communities.

Human Rights

Equality, diversity and inclusiveness

The Commission is committed to equality of opportunity and has policies and procedures in place to ensure this is achieved. It also fully recognises its legal responsibilities, particularly in respect of race relations, age, sex, and disability discrimination and complies with all Scottish Government policies in relation to Human Rights and Equality.

Equality Duty

The Commission is subject to the Equality Act 2010 (General Duties) (Scotland) Regulations. The Commission must also publish statements on equal pay and information about Board Members.

The Commission is committed to providing an update as part of the organisation's Annual Report and a summary has been provided below for that purpose.

Those subject to the equality duty, through the delivery of their functions, have a responsibility to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not.

Recognising the importance of Gaelic language and culture within the crofting community, the Commission is committed to expanding its communication reach. We incorporate Gaelic language posts on our social media channels, ensuring vital information reaches Gaelic speakers. Additionally, key documents are translated into Gaelic, fostering greater accessibility and inclusivity for Gaelic-speaking crofters.

The full report of the programme of mainstreaming initiatives that the Commission has been working to deliver, together with progress towards delivery of the equality outcomes, can be found on our website. **www.crofting.scotland.gov.uk**

Community and charity work

The Commission recognises the benefits that community and charity work by colleagues can bring to the wider community and applauds its staff for their individual efforts.

In August 2024 Commission staff undertook the Great Glen Challenge and raised £720 for **RSABI** to assist crofters and farmers throughout Scotland.

Subject to operational requirements, the Commission supports staff who wish to undertake voluntary activities such as community care work, participating in conservation projects and the administration of public events.

Environmental Matters

The **Scottish Government** has an ambitious target to transition Scotland to net zero greenhouse gas emissions by 2045. As a public body, the Commission must play its part regards contributing towards the achievement of this goal.

The Commission recognises the importance of sustainability in ensuring the long-term viability of the crofting system. The Commission has taken a number of steps to promote sustainability in accordance with its **Climate Emergency Charter**, including:

- **Improving appropriate measurements for corporate carbon emissions:** During the reporting year work on developing our Carbon Management Plan has progressed, and the Commission now captures commuting and home working emissions which provides a more transparent environmental review of the Commission's emissions
- **Annual Climate Change Report:** In line with the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order 2020, the Commission submitted an **Annual Climate Change Report** to the Scottish Government in November 2024.

Regarding the matter of how the Commission encourages climate and biodiversity friendly practices across crofting is challenging because the levers – such as agricultural subsidies – are not in our hands. But there is a facilitative role the Commission can play, which may grow into something more.

Our endeavours throughout the year have continued to focus upon:

Raising Awareness: The Commission recognises the role of crofting in active stewardship of land, protecting and enhancing natural capital for future generations. Crofting practices often involve traditional land management techniques that promote biodiversity and protect the environment. The Commission highlights the contribution of crofting to environmental sustainability. Crofting can play an important role in supporting sustainable food production and preserving biodiversity.

Providing Support: The Commission offers guidance and resources to help crofters to better understand carbon sequestration so that they can develop and implement peatland restoration plans. Further information is available on our website **www.crofting.scotland.gov.uk/peatland-restoration**

Facilitating Collaboration: The Commission encourages collaboration between crofters, landowners, and environmental organisations to develop peatland restoration projects.

By promoting sustainable practices and recognising the environmental benefits of crofting, the Commission is contributing to a more sustainable future for Scotland.

Financial Performance

The Scottish Government allocated the Commission a budget of £4.500M (£4.170M 2023/24). An allocation of £0.065M (£0.065M 2023/24) was also provided for non-cash costs such as depreciation and amortisation.

Payment Practice Code

In line with the Scottish Government policy, the Commission requires that all suppliers' invoices not in dispute are paid within 10 working days of receipt. The Commission aims to pay 100% of invoices, including disputed invoices once the dispute has been settled, on time and in these terms. During the year ended 31 March 2025, the Commission paid 93% (100% in 30 days) of its invoices within these terms (93% 10 days, 100% 30 days in 2023/24).

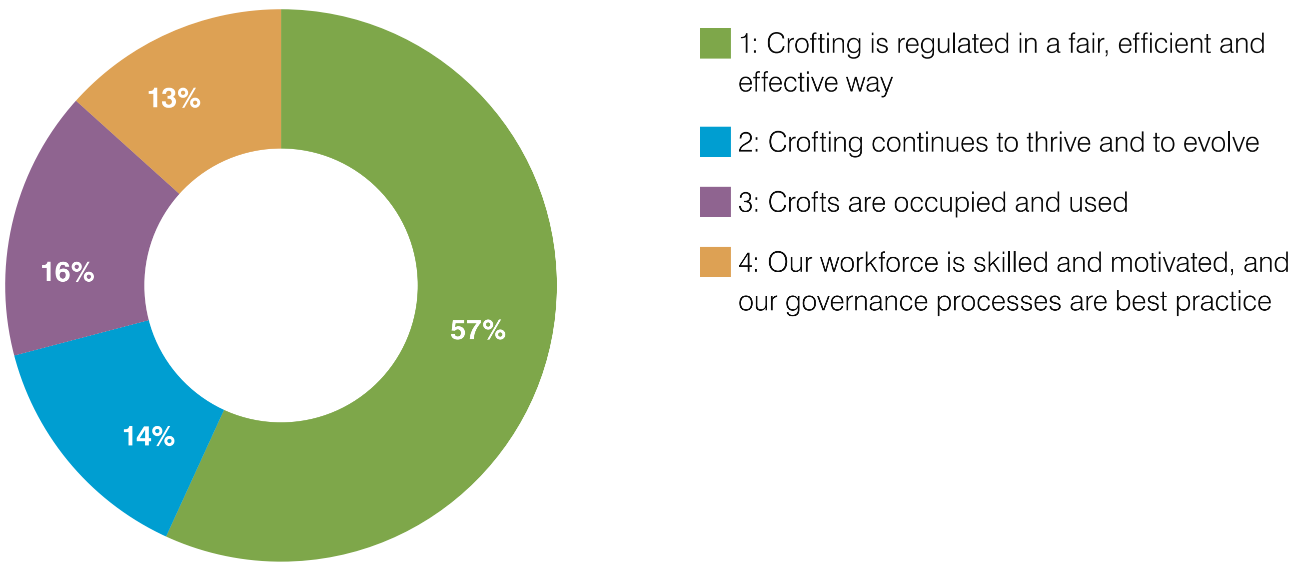
Strategic Outcomes

Reducing our costs to maximise funding for our regulatory work continues to be a priority. During the year, the Commission continued to review its staff structure to ensure resources were focussed upon frontline tasks. Participating within Scottish Government collaborative contracts, combined with further travel cost economies being achieved via hybrid working practices has contributed towards additional efficiency savings. These examples contributed towards the Commission meeting the Scottish Government's target for efficiency savings of 3% on our 2024/25 baseline budget of £4.500M. Overall, we recorded 4.9% or approximately £221,000 of efficiency savings during 2024/25 (3.8%, £152,000 2023/24).

Additional financial analysis is provided within the Accountability Report on page 45.

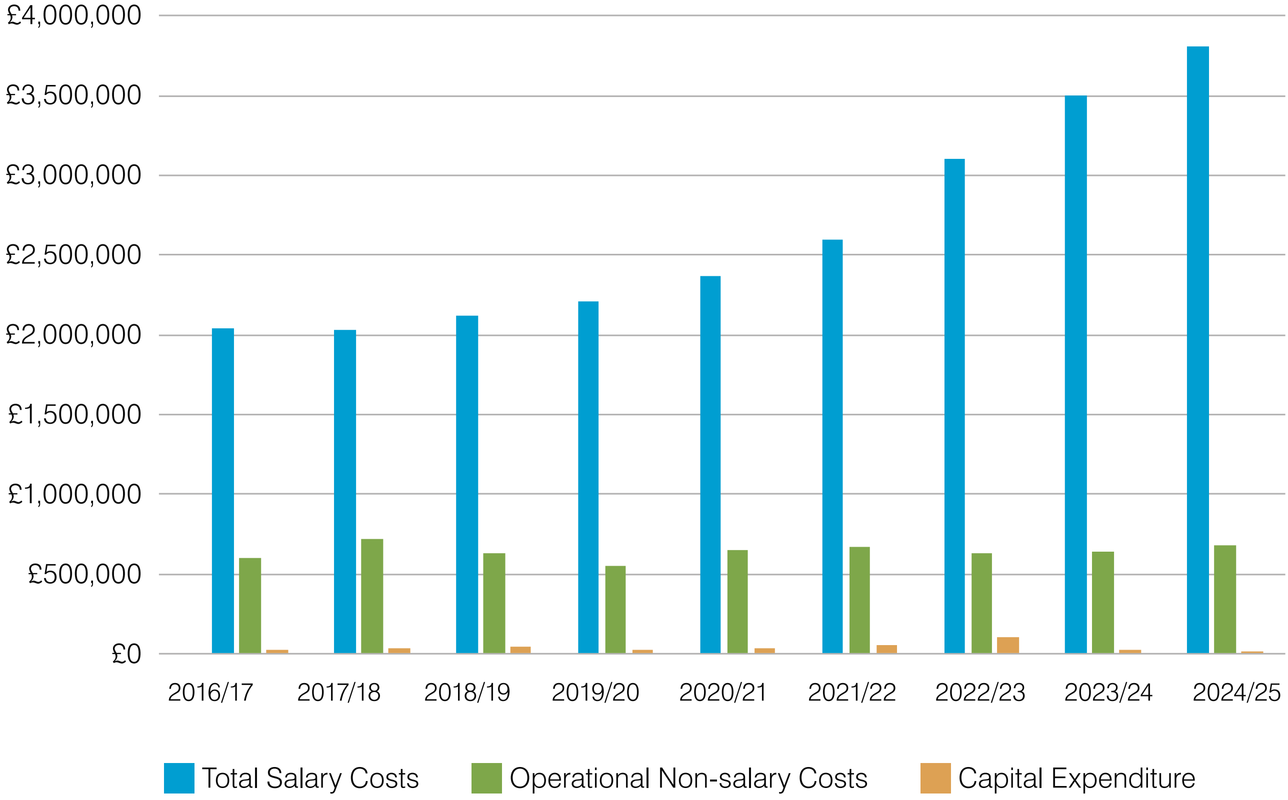
How we allocated resources in 2024/25

We are funded by the Scottish Government and as a regulatory body approximately 84%* of our overall expenditure was staff related.



*Not including Board Member remuneration.

Resource Allocation Trend Analysis



Planning Ahead

The Commission has been allocated a 2025/26 resource budget of £4.870M which has been approved by the Scottish Parliament.

Anti-Corruption and Anti-Bribery Matters

The Commission is committed to the highest standards of ethical conduct and integrity and is committed to the prevention of bribery and corruption, as we recognise the importance of maintaining our reputation and the confidence of our stakeholders. No instances of corruption or bribery were recorded in 2024/25.

Gary Campbell
Chief Executive and Accountable Officer
29 October 2025

Gary Campbell

Case Study

Promoting Understanding of Crofter Duties

During the reporting year, the Commission launched a new initiative centred around a dedicated visual identity – a new logo – specifically designed to raise awareness and support crofters in fulfilling their statutory duties. Recognising the importance of clear communication regarding responsibilities such as residency, cultivation, and maintenance, this project aimed to provide a positive and easily recognisable symbol associated with good crofting practice.

The purpose behind creating this specific logo was to offer a distinct visual cue that could be used in communications and materials focused purely on crofter duties, separate from general corporate branding. It served as a focal point for resource and engagement activities designed to encourage and assist crofters in meeting these fundamental requirements of the crofting system.

The initiative proved popular within the crofting community. Promotional materials featuring the new logo were well-received, with window stickers proving to be a particularly sought-after item among crofters. Engagement was further bolstered through discussions and outreach at various agricultural shows throughout the year, where Commission staff highlighted the importance of statutory duties and the support available.

Building on this positive reception, the Commission plans to further this work in the coming year, continuing to use the dedicated logo and associated messaging to promote education and provide ongoing support to crofters in understanding and meeting their duties.

CROFTING COMMISSION
COIMISEAN NA CROITEARACHD

Accountability Report 2024/25

Key statements and reports that enable us to meet accountability requirements and demonstrate compliance with good corporate governance.

Corporate Governance Report

Directors' Report

Board of Commissioners during 2024/25

Commissioner		Method of Appointment	Attendance at Board Meetings during 2024/25	Attendance at Audit and Finance Committee Meetings during 2024/25
	Colin Kennedy[*1]	Elected	8/9*	-
	Donald MacDonald[*1]	Elected	9/9*	-
	Duncan Gray[*1]	Elected	9/9*	1/1*
	Iain Maciver[*1]	Elected	8/9*	-
	Mairi Renwick Mackenzie[*1]	Elected	9/9*	-
	Rod Mackenzie[*1]	Elected	9/9*	3/3*
	Andrew Thin[*2]	Appointed by Cabinet Secretary	9/9*	4/4*
	Duncan Macaulay[*3]	Appointed by Cabinet Secretary	5/9*	3/4*
	Malcolm Mathieson[*4]	Appointed by Cabinet Secretary	6/6*	-

* = Number of attendances/Number of meetings possible to attend
1 = Elected (or re-elected) to the Crofting Commission on a 5-year term with effect from 18 March 2022.
2 = 3-year appointment by the Scottish Government from 1 September 2022., subsequently appointed Chair of the Crofting Commission from 3 February 2025 to 18 March 2027 by the Minister for Agriculture and Connectivity.
3 = 3-year appointment by the Scottish Government from 1 September 2022 to 31 August 2025.
4 = Appointment as Chair and Board Member of the Crofting Commission expired as at close of business 31 December 2024.

Full details of the Commissioners' Register of Interests can be found on our website. **www.crofting.scotland.gov.uk/meet-the-commissioners**

Executive Team

Gary Campbell, Chief Executive Officer and Accountable Officer– Responsible for the overall operations and management of the Commission, including financial controls. Oversees the delivery of effective, consistent, and transparent regulatory services. Also ensures that the Scottish Ministers, the Commission's Chair and Commissioners receive accurate information and objective advice, and that the Commission executes its statutory duties and powers fully and effectively. Has a central role in building external relations, co-operation and communications with key stakeholders and the wider public.

David Findlay, Solicitor – Responsible for providing the Commission with legal advice, and deals with litigation involving the Commission.

Jane Thomas, Director of Corporate Services – The Commission's Standards Officer, who also has responsibility for Governance, Finance and IT. Also leads on Staffing issues, Complaints, Freedom of Information requests and Data Protection/GDPR.

Aaron Ramsay, Director of Operations – Responsible for the delivery of services to regulatory applicants, for continuous improvement in the Commission's regulatory work, and for customer satisfaction.

Financial Performance

Summary of Deficit/(Surplus) for the year	2024/25 £000	2023/24 £000
Total Operating Expenditure	4,538	4,184
Grant-in-Aid Drawn Down	(4,500)	(4,170)
Deficit/(Surplus)	38	14
Reconciliation of operational expenditure on an accrual basis to Grant-in-Aid drawn down	**2024/25 £000**	**2023/24 £000**
Deficit/(Surplus)	38	14
Exclude non-cash:		
Depreciation and Amortisation	(51)	(56)
Working capital adjustments involving:		
Debtors	(31)	19
Creditors	22	12
Movement in provisions	-	-
Investing activities	14	18
Grant-in-Aid drawn down in deficit/(excess) of Cash expenditure	(8)	7

On an income and expenditure accrual basis, the financial outcome for the year on normal business activities reports a deficit of £0.038M (2023/24 Deficit £0.014M). This deficit arises as a result of accounting adjustments, such as depreciation and working capital movements to the financial statements, that do not involve the flow of cash. On a cash accounting basis, the Commission's actual Grant-in-Aid draw down exceeded its cash operating expenditure requirements by £0.008M (2023/24 £0.007M Deficit).

Total operating expenditure for 2024/25 was £4.538M (2023/24 £4.184M). This expenditure is met solely from Grant-in-Aid. The Commission operated within its Grant-in-Aid allocation for year 2024/25.

Further details of the Commission's employee, Commissioner and operational expenditure to 31 March 2025 are disclosed in note 2 (page 80) to the accounts.

Pensions

Commission staff members are eligible to be members of the Principal Civil Service Pension Scheme. Details of the scheme and the pension entitlements of the Commission's Executive Team are given in the Remuneration and Staff Report (page 58) and note 1.5 (page 77) to these accounts.

Non-Audit Fees

The Auditor General for Scotland has appointed Audit Scotland as auditor. Details of the audit fee for the year to 31 March 2025 are disclosed in note 2 (page 80) to the accounts. Audit Scotland were not engaged or paid for any non-audit work during the year.

Statement of Accounting Officer's Responsibilities

In accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 and Schedule 1 paragraph 19 of the Crofters (Scotland) Act 1993 as amended, Scottish Ministers have directed the Commission to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction issued by the Scottish Ministers.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission and of its income and expenditure, application of resources, changes in taxpayer's equity and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting manual (FReM) and in particular to:

- observe the Accounts Direction issued by Scottish Ministers including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Permanent Secretary and Principal Accountable Officer of the Scottish Government has appointed the Chief Executive of the Commission as Accountable Officer.

Statement by Accountable Officer

As Accountable Officer, I am responsible for the regularity and propriety of the public finances for which I am answerable, for keeping proper records and for safeguarding the Commission's assets, as set out in the Memorandum to Accountable Officers for Parts of the Scottish Administration issued by the Scottish Ministers.

Disclosure of Information to the Auditors

As Accountable Officer, as far as I am aware, there is no relevant audit information of which the Commission's external auditor is unaware. I have taken all reasonable steps to make myself aware of any relevant audit information and to establish that the Commission's external auditor is aware of the information.

Accountable Officer Confirmation on the Annual Report and Accounts

As Accountable Officer I confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

Background

The Corporate Governance Statement records the stewardship of the Commission and supplements the Annual Report and Accounts. This statement also draws together position statements and evidence on governance, risk management and control, to provide a coherent and consistent reporting mechanism.

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, set by the Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities set out in the **"Accountable Officer's Memorandum"**.

In the discharge of my personal responsibilities, I ensure organisational compliance with the Scottish Public Finance Manual (SPFM). The SPFM is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary, and administrative requirements, emphasises the need for economy, efficiency, and effectiveness, and promotes good practice and high standards of propriety.

Our Framework Document, which is our agreement with the Scottish Government and sets out our relationship is published on our website. **www.crofting.scotland.gov.uk**

Governance Framework

The Board

The Chair leads the Board, and the Chief Executive leads the Executive Team of the Commission.

The Board is comprised of 9 Commissioners, 6 of whom are elected by registered crofters, and 3 appointed by the Scottish Government. The Chair is selected from within the Board by the Minister for Agriculture and Connectivity.

More information on the Commissioners can be found on pages 44-45.

The role of the Board is to provide strategic leadership for the organisation, setting the policy direction and taking direct responsibility for the more significant or contested casework decisions. Commissioners set out their policy position by submitting a Policy Plan to the Scottish Ministers. They also oversee the work of the organisation, and the Chief Executive is accountable to them for its performance.

During the year, the Board undertook a number of key activities:

- Re-aligning the Strategic Risk register with the Corporate Plan and engaging in discussion with senior management on risk appetite, leading to an affirmation of the Risk Appetite Statement and a focus on process alignment to increase efficiencies
- Agreeing new parameters for deciding applications, thus reducing median turnaround times
- Introducing changes to streamline the process for dealing with Objections
- Changing delegated parameters to allow more decisions to be taken by staff at Tier 1

- Changes to the Scheme of Delegation to remove references to "Invalid" or "Incomplete" decisions, resulting in improved efficiency of case processing
- Authorising commissioned work on the Value of Crofting, to create an essential tool in the promotion of crofting in Scotland
- Working with staff to complete initial work on the Future Vision for Crofting, to help guide the trajectory of the organisation
- Authorising Scottish Government Rural Payments and Inspection Division to conduct a number of croft inspections based on a sample of Annual Notice non-returners.

The Board is committed to high standards of corporate governance and believes that a sound governance structure engenders a successful organisation. The board meets in public and board papers are available on the Commission's website. **www.crofting.scotland.gov.uk**

The Board's Code of Conduct can be obtained from the Commission's website. **www.crofting.scotland.gov.uk**

The Board is supported by the Audit & Finance Committee.

Audit and Finance Committee (AFC)

Three Commissioners are appointed by the Board to serve on the AFC. This Committee meets 4 times a year with additional meetings if required.

More information on the Committee Members can be found on pages 44 to 45.

In order to comply with best practice guidance, the Commission has appointed a Chair of the Committee, and the Commission Chair does not attend meetings of the Committee. The external and internal auditors are invited to attend all AFC meetings. They are given the opportunity to speak confidentially to the Committee members. The purpose of the AFC is to monitor and review risk, control, and corporate governance. It operates independently and reports to the Board.

Within the reporting year the AFC co-opted an external member to the Committee to provide additional independent assurance that the Commission is maintaining and developing a strong corporate governance culture through constructive challenge where required such as on risks arising from fiscal and resource constraints. Information on the associated remuneration of this appointment can be located on page 55.

The AFC terms of reference can be obtained from the Commission's website. **www.crofting.scotland.gov.uk**

The Chair of the Crofting Commission

The Chair is responsible to the Scottish Ministers on behalf of the Commission for ensuring that the Commission's policies and actions support delivery of the statutory functions and the wider strategic policies of the Scottish Ministers; and that the Commission's affairs are conducted with probity. The Chair shares with other Commissioners the corporate responsibilities set out above for the Board and in particular for ensuring that the Commission fulfils the aims and objectives set by Scottish Ministers.

More information on the Chair can be found on pages 44 to 45.

Executive Team

The Executive Team is responsible for dealing with matters that concern the Commission as a whole, including: its organisation; leadership; priorities; culture; governance; management; compliance with legal and other obligations; the management of the relationship with the Board and Committees; risk management; people, premises and use of financial resources.

The Executive Team is committed to high standards of corporate governance and strives to provide the leadership, strategic oversight and the control environment required to deliver the Commission's key aims.

More information on the Executive Team can be found on page 45.

Risk and Control Framework

All bodies subject to the requirements of the SPFM must operate a risk management strategy in accordance with relevant guidance issued by the Scottish Ministers.

The risk and control mechanism is based on an ongoing process designed to identify the principal risks to the achievement of the Commission's policies, aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The Commission maintains both strategic and operational risk registers which record internal and external risks and identify the mitigating actions required to reduce the threat of these risks occurring and their impact. The Risk Management Strategy and Operational Risk Register are regularly updated and reviewed as a standing item by senior staff and the AFC. Each individual risk is allocated an owner who ensures that mitigating action is carried out. Likewise, the Strategic Risk Register is regularly reviewed by the Executive Team and is considered by the AFC and the Board at least four times per year.

Our systematic and structured risk management approach is designed to provide assurance that the opportunities and threats facing the Commission are being appropriately identified, assessed and effectively managed; and all the key information is reported to managers, the AFC and the Board.

The Commission is subject to a variety of risks and uncertainties. Key risks regarded as most relevant to the organisational performance during the year to 31 March 2025 can be found within page 12.

The Commission follows the Scottish Government policy on Information Security and has a Senior Information Risk Owner in place to manage risk information.

The governance, risk and control processes applied within the Commission accord with guidance given in the SPFM and have been in place for the year ended 31 March 2025 and up to the date of the approval of the annual report and accounts.

Review of Effectiveness of Internal Control and Risk Management

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control and risk management arrangements. My review is informed by:

1) Letters of assurance supported by a completed internal control checklist, agreed by the Executive Team that the controls are working well and if applicable stating areas of concern
2) The work of internal auditors, who submit regular reports to the Commission's AFC (this includes their independent and objective opinion on the adequacy and effectiveness of the Commission's systems of internal control together with recommendations for improvement)
3) Comments made by external audit in their audit reports
4) The annual report provided by the Chair of the AFC to the Board, detailing the work of that committee during the year
5) Quarterly reviews by the AFC of the organisation's Operational and Strategic Risk Registers and by the Board for the Strategic Risk Register and the work of internal audit in assessing effectiveness of risk management arrangements; and
6) Letters of assurance from NatureScot and the Scottish Government who provide shared finance and payroll/HR services respectively to the Commission.

During the year and up to the date of signing the accounts the following governance arrangements were put in place:

- The Health & Safety Committee worked through a strategic action plan to deliver a robust Health and Safety Management System
- The Workforce Plan was augmented by increased information regards succession planning
- Multiple new releases of the Croft Information System (CIS) software, improving key functionalities, with a focus on ease of use, data accuracy and document management
- The Digital Application System was improved and expanded, with new functions including a visual status tracker and tighter coupling with the CIS system
- A Revised Business Continuity Plan was approved, with 3 new Disaster Recovery Plans tested and training delivered to the Crisis Management Team
- A Regulatory Improvement Officer introduced a variety of process and system improvements to add efficiencies to the Commission's case handling system
- A dedicated Performance Management role was introduced within the Regulatory Team
- Arrangements for securing Best Value were strengthened by incorporating an annual self-assessment into the Commission's governance procedures.

The Commission will continue to review the system of internal control and risk management to ensure that this continues to provide reasonable assurances regarding its responsibilities under the Crofters (Scotland) Act 1993.

Assurance

Based on the above assurances, and established internal controls, I am content that the overall operation of governance requirements at the Commission was satisfactory for the financial year 2024/25.

Conflicts of Interest Procedures

The Commission operates strict and comprehensive procedures to deal with potential conflicts of interest. The Commission displays the Register of Interests of Commissioners on its website. This is formally reviewed on an annual basis, but Commissioners provide updates to the Commission Standards Officer as they occur or within 4 weeks of any change occurring, at the latest. The Register of Interests can be viewed on our website. **www.crofting.scotland.gov.uk**

Commissioners record any potential conflicts of interest at the start of every Commission Board meeting and absent themselves from decisions on any matters in which they have an interest. These declarations are recorded in the minutes of the meeting. Staff and Commissioners also complete an annual Declaration of Interests and the Commission's **Conflict of Interest policy** is reviewed annually.

External Audit

The Auditor General for Scotland has appointed Audit Scotland as the Commission's external auditor for the five-year period from 1 April 2022.

Internal Audit

The internal audit function is an integral part of the internal control system. An internal audit strategy and plan for 2024/25 was prepared for consideration and approved by the AFC at its meeting on 22 April 2024.

Levels of assurance provided in internal audit report opinions

The following internal audit reviews were undertaken during 2024/25:

Internal audit review	Report classification
Financial Planning	Limited Risk
Use of Management Information	Limited Risk
Regulatory Function Processes	Moderate Risk
Communications/ Stakeholder Engagement	Limited/Moderate Risk

The internal audit findings were presented in the individual reports issued during the year to the Executive Team and the AFC. Internal audit recommendations have been captured within a progress report which is monitored by the AFC as a standing item at its quarterly meetings.

Each year the Internal Audit provider issues an annual report which includes an opinion on the system of internal control. The opinion for year 2024/25 is that:

"In our opinion, the Crofting Commission has a framework of governance, risk management and controls that provides reasonable assurance regarding the effective and efficient achievement of objectives".

Significant Governance Issues

No significant governance issues were recorded during 2024/25.

Governance Issues Going Forward

The key governance challenges going forward centre on delivery of outcomes in the context of a tight financial climate. They will involve:

Governance Issue	Action Planned
Chief Executive and Chair focus for 2025/26	Newly appointed in February 2025, a priority for the Chair will be a focus on outcomes that demonstrate value for money, for the public investment in the Commission. For the Chief Executive developing a flexible workforce, driving forward continuous improvement will be a focus. Aligned with the above will be a concentration on communicating a wider understanding of what is possible within the remit of the Commission.
A focus on end-to-end processing times and customer service standards	The Commission Regulatory function will focus on reducing the end-to-end journey times for all application types through the review of processes, policies and applicant guidance to enhance efficiency and minimise lost time. The Commission will continue its strong focus on customer service standards and customer satisfaction, monitoring both of these on an ongoing basis against corresponding business key performance indicators.
Delivering modern technical solutions for applicants	The Commission will introduce several new services that will complement its current digital offerings, and which will contribute to fraud prevention, crofter awareness and help minimise mapping errors and delays. These solutions include a subscription notification service for desired crofting areas and user-facing customer map creation tools both planned to launch through 2025/26.
Focus on Duties work, with a strong focus on new methods of identifying potential breaches and enforcement actions.	The Commission will expand its physical croft visits through 2025/26 and will include new criteria to widen the selection pool. The Commission will also explore an enhanced use of data and analytical reporting to streamline the identification of potential breaches of residency and take early preventative steps to try and resolve these before they reach the stage of formal duties action.

Information and Data Security

The Commission has in place a range of systems and measures which ensure that information held by the organisation and held by third parties on behalf of the organisation, is secure. The Commission's Compliance Hub monitors compliance concerning the release of data from the organisation. In addition, the Commission has implemented the Scottish Government guidance on data security and information risk through the creation of an information asset register, which includes assessment of risk and awareness training for staff.

During 2024/25, under our hybrid working policy, almost all staff have been working exclusively from home. Staff and Commissioners have been given guidance on maintaining information security at home, and all staff and Commissioners have been asked to review and sign the IS Acceptable Use policy, which covers information security.

All new staff have received direct training on GDPR and a refresher course for staff was delivered in October 2024, as well as staff continuing to complete the annual mandatory online training.

No data breach incidents were reported to the Information Commissioner's Office in 2024/25.

Whistleblowing

The Commission is committed to dealing responsibly, openly and professionally with any genuine concern held by staff and Commissioners. The Commission encourages staff and Commissioners to report any concerns about wrongdoing or malpractice within the Commission which they believe has occurred or is likely to occur. Staff and Contractors are covered by the Scottish Government's Policy on Whistleblowing and a stand-alone policy has been developed to cover Commissioners which reflect the provisions of the Public Interest Act 1998.

To assess the effectiveness of our whistleblowing arrangements the policies are reviewed by the AFC on an annual basis. The policies are circulated to staff to ascertain their confidence in the arrangements.

Remuneration and Staff Report

Unaudited

Remuneration policy

Board Members

The Commission Board comprises up to 9 Commissioners. Commissioners' remuneration is approved by Scottish Ministers and is determined according to the "Public Sector Pay Strategy for Chairs, Board Members and Public Appointments."

Refer to **www. scotland.gov.scot/publications** for further detail.

Current Board Member appointments are non-pensionable. Current Elected Board Members appointments are for 5 years commencing 18 March 2022. Terms and appointment dates for Board Members who have been appointed by the Cabinet Secretary for Rural Affairs, Land Reform and Islands, can be viewed within the Commission's website **www.crofting.scotland.gov.uk**

Staff

All permanent and fixed-term staff are civil servants and Scottish Government employees and are part of the Scottish Government main collective bargaining unit for the determination of salary. Remuneration is determined by the Scottish Government and, in determining policy, account is taken of the need for pay to be set at a level which will ensure the recruitment, retention and motivation of staff. Also taken into account are the Government's policies on the Civil Service and public sector pay and the need to observe public spending controls. The Commission has no role in negotiating pay rates for its staff.

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

The majority of officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission may be found at **https://civilservicecommission.independent.gov.uk**

Audited

Board remuneration

Commissioners were due remuneration as follows:

	2024/25 £000	2023/24 £000
Malcolm Mathieson[1]	15-20	20-25
Andrew Thin[2]	10-15	5-10
(Full year equivalent for Chair)	(20-25)	(20-25)
Colin Kennedy[3]	10-15	5-10
Donald MacDonald[3]	10-15	5-10
Duncan Gray[3]	10-15	5-10
Duncan Macaulay[4]	-	-
Iain Maciver[5]	10-15	5-10
Mairi Mackenzie[5]	10-15	5-10
Rod Mackenzie[5]	10-15	5-10
(Full year equivalent)	(10-15)	(5-10)

1 = Appointment as Chair and Board Member of the Crofting Commission expired as at close of business 31 December 2024.
2 = Appointed by the Scottish Government from 1 September 2022. Appointed Chair of the Crofting Commission from 3 February 2025 to 18 March 2027 by the Minister for Agriculture and Connectivity.
3 = Elected to the Crofting Commission on a 5-year term with effect from 18 March 2022.
4 = 3-year appointment by the Scottish Government from 1 September 2022 to 31 August 2025. Waived remuneration for the duration of time in post.
5 = Re-elected to the Crofting Commission on a 5-year term with effect from 18 March 2022.

Commissioner appointments are non-pensionable.

Co-opted AFC external member remuneration

	2024/25 £000	2023/24 £000
James Munro[1]	0-5	0-5
(Full year equivalent)	(0-5)	(0-5)

1 = Co-opted external member of AFC. Appointed from 25 September 2023. Appointment ended 12 March 2025. Time commitment was one day (7.5 hours) a quarter, which is equivalent to a rate of £189.23 per day. This rate is based upon the Scottish Government Public Sector Pay Strategy for Chairs, Board Members and Public Appointments 2024/25. This appointment is non-pensionable.

Remuneration of senior officials

The following section provides details of the remuneration and pension interests of the most senior officials of the Commission who can influence the decisions of the body as a whole:

	Salary		Pension benefits (see note 1 below)		Total	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Chief Executive						
Gary Campbell	85-90	20-25[1]	33	8[4]	115-120	25-30[4]
Bill Barron	N/A	65-70[2]	N/A	14[4]	N/A	80-85[4]
Executive Team						
David Findlay	85-90	80-85	33	32[4]	115-120	115-120[4]
Aaron Ramsay	60-65	55-60	25	23[4]	85-90	80-85[4]
Jane Thomas	60-65	40-45[3]	64	20[4]	120-125	60-65[4]

1. Gary Campbell joined the Commission on 3 January 2024 as Chief Executive Officer and Accountable Officer. His salary banding is calculated from this date. The full year equivalent for 2023/24 was £80k-£85k.
2. Bill Barron's Accountable Officer and Chief Executive status was transferred to Gary Campbell on 3 January 2024. Mr Barron retired from the Crofting Commission on 19 January 2024. The full year equivalent for 2023/24 was £80k-£85k.
3. Jane Thomas was promoted to the Executive Team on a temporary basis from 4 July 2023. Her salary banding is calculated from this date. The full year equivalent for 2023/24 was £55k-£60k.
4. Accrued pension benefits for senior officials were not included in the 2023/24 Annual Report publication due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy. This data is now available and has been included within current report for comparison purposes.

Salary

Salary includes gross salary, overtime, and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made within the year by the Commission.

Benefits in kind

2024/25 £nil (2023/24 £nil).

Bonuses

There were no bonuses within 2024/25 (2023/24: £nil).

Note 1: *the value of pension benefits accrued during the year is defined as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights. Nor does it include any increases (or decreases) because of any changes during the year in the actuarial factors used to calculate CETVs.*

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Fair Pay Disclosure

The Commission aims to be one of the best places to work in Scotland and holds Living Wage Employer accreditation.

The Commission's permanent and fixed term contracted staff are civil servants and are therefore part of the Scottish Government's main collective bargaining unit for the determination of salary. The Scottish Living Wage as a gross salary equivalent was £22,932 as at 31 March 2025 and the lowest salary across the Scottish Government as at 31 March 2025 was £25,235. Staff on temporary employment contracts are paid at the equivalent gross salary rate as civil servants who are undertaking similar duties.

When a contract with the Commission is up for renewal or tender, participants are actively encouraged to consider implementing the Living Wage if they have not already done so.

You can find more on the Living Wage here.
https://www.livingwage.org.uk

Exit Packages

2024/25 £nil (2023/24 £nil).

Pay multiples

Reporting bodies are required to disclose the relationship between the banded remuneration of the highest paid director (staff member) in their organisation and the 25th percentile pay ratio, median pay ratio, and 75th percentile pay ratio of the organisation's workforce. We have also disclosed the average percentage change from the previous financial year in respect of the employees of the Commission taken as a whole*.

	2024/25	2023/24
Banded remuneration of highest-paid staff member and actual % change in remuneration from the previous financial year	£85k-£90k (6% increase)	£80k-£85k (0% increase)
Average % change from the previous financial year in respect of the employees of the Commission taken as a whole.*	£39,818 (3.7% increase)	£38,400 (1% decrease)
75th percentile pay ratio of workforce	£41,944 (Ratio 2.1)	£39,177 (Ratio 2.1)
Median pay ratio of workforce	£35,203 (Ratio 2.5)	£32,571 (Ratio 2.5)
25th percentile pay ratio of workforce	£30,415 (Ratio 2.9)	£28,457 (Ratio 2.9)

* The calculation is based upon the total salaries for all employees on an annualised basis, excluding the highest paid official, divided by the WTE 12-month average number of employees (also excluding the highest paid official).

Remuneration is determined by the Scottish Government as referred to on page 54. Minor movement within the ratios between the financial years are primarily attributable to the significant expansion of our staffing and the Commission recruiting staff starting at the entry level within pay grades in 2022/23 with subsequent progression up the pay scales in the reporting year.

In 2024/25 £nil (2023/24 £nil) employees received remuneration in excess of the Chief Executive. Remuneration (including the Chief Executive) ranged from £25,235 to £86,237 (2023/24 £23,735 to £83,725).

Pension Benefits

	Accrued pension at pension age as at 31/03/25 and related lump sum £000		Real increase in pension and related lump sum at pension age £000		CETV at 31/03/25 £000	CETV at 31/03/24 £000	Real increase in CETV as funded by employer £000
	Pension	Lump sum	Pension	Lump sum			
Chief Executive							
Gary Campbell	0-5	N/A	0-2.5	N/A	41	8	26
Bill Barron	N/A	N/A	N/A	N/A	N/A	881	N/A
Other senior staff							
David Findlay	15-20	N/A	0-2.5	N/A	277	231	21
Aaron Ramsay	5-10	N/A	0-2.5	N/A	100	75	14
Jane Thomas	20-25	N/A	2.5-5	N/A	341	357	31

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Unaudited

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – **classic, premium, and classic plus** provide benefits on a final salary basis, whilst **nuvos** provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and **alpha** are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the **partnership** pension account.

In **alpha**, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to **alpha** from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of **classic**, **premium,** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. The pension figures in this report show pension earned in PCSPS or **alpha** – as appropriate. Where a member has benefits in both the PCSPS and **alpha**, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to **alpha**. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the "McCloud judgment").

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy[5] is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of **alpha** from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and

5 **www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension**

31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the **alpha** scheme for the period from 1 April 2015 to 31 March 2022

The **partnership** pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Master trust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website **www.civilservicepensionscheme.org.uk**

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Audited Staff Report

Staff Costs and Numbers

	Permanently employed staff £000	Board Members £000	Others £000	Total 2024/25 £000	Total 2023/24 £000
Salaries	2,651	92	-	2,743	2,548
Social security costs	275	3	-	278	251
Other pension costs	755	-	9*	764	670
Temporary staff	-	-	22	22	24
Total	3,681	95	31	3,807	3,493

	2024/25 £000	2023/24 £000
* Pensions paid to former Commissioners under "other pension costs"	9	12

There were no off-payroll arrangements for staff during 2024/25 (£nil 2023/24).

Average number of whole-time equivalent persons employed during the year

	2024/25		2023/24	
	Directly employed staff	Agency	Directly employed staff	Agency
Directly employed: Permanent contract	69.05		67.95	
Temporary staff contract		0.3		0.3
Total	69.05	0.3	67.95	0.3

Unaudited

Gender Note

	Males 31 March 2025	Females 31 March 2025	Males 31 March 2024	Females 31 March 2024
Commissioners	7	1	8	1
Chief Executive	1	-	1	-
Employees	26	47	26	46

The figures above are the total numbers of staff as at 31 March 2025 (including agency) not full-time equivalents.

Sickness Absence*

	2024/25 Crofting Commission	2023/24 Crofting Commission	2024/25 Scottish Government Comparative	2023/24 Scottish Government Comparative
Average working days lost per member of staff	6.3	8.9	8.7	8.2
Due to short-term absence	3.3	2.8	4.1	3.9
Due to long-term absence (periods of ≥ 21 days)	3.0	6.1	4.6	4.3

* Relates to staff on permanent contracts.

Our overall staff sickness levels have decreased by an average of 2.6 days per person in comparison to the previous year. The Commission has been proactive facilitating support for staff in managing their health and wellbeing, with a particular focus upon mental health awareness.

Staff Turnover

	2024/25	2023/24	2022/23
Average Whole Time Equivalent (WTE) Directly Employed Staff in Post	69.05	67.95	56.12
Turnover as a % of Average Whole Time Equivalent Directly Employed Staff	3%	6%	2%
Leavers	2	4	1

Analysis of Staff Turnover

	2024/25	2023/24	2022/23	3 Year Trend
Securing Promotion or transfer to Scottish Government	1	2	1	4 (57%)
Retired	-	2	-	2 (29%)
Other	1	-	-	1 (14%)

The 2024/25 turnover trend remains low . A combination of factors are potential contributors, including the steps taken to both expand our staffing, review the grading structure within key Commission operational areas and a recruitment freeze within the Scottish Government. Hybrid working has also provided more flexibility for staff, which has scored well within recent staff surveys, and has enabled the Commission to recruit staff who live across the crofting counties, which has contributed to secure jobs in these communities, some of which are economically vulnerable because of their remoteness.

Policies in Relation to Disabled Persons

As a Non-Departmental Public Body of the Scottish Government, the Commission follows relevant disability policy and adheres to the requirements of the **Equality Act 2010**.

Focus Upon Staff Wellbeing:

The Commission's staff are essential to the successful delivery of its strategic objectives. We are committed to developing and retaining a motivated and skilled workforce. Open communication between the Board, Executive Team and staff is encouraged and as such, continuous engagement is vital to the long-term success of the organisation.

The health and wellbeing of staff has continued to be a high priority for the Board and Executive Team. There has been considerable activity by the Commission's Health & Safety Committee during the reporting year which has included a focus upon the mental health and wellbeing of colleagues.

Staff Training

The knowledge requirements for regulatory staff at the Commission are unique and challenging due to the need to understand the legislation, policy and process, in addition to the vast range of croft and crofter scenarios.

An experienced regulatory trainer has delivered one to one online training for colleagues within the Regulatory Team. Supplementary training is also delivered from various sources within and out with the Commission, some of which is generic (health, safety & welfare, GDPR and data management compliance etc), and some of which is specialised dependent upon a colleague's continued professional development requirements. In addition, during the year we continued classes online in conversational Gaelic at a Beginner and Intermediate level, which have been regularly attended by several staff.

Staff Engagement Group

The purpose of this working group is to discuss and resolve organisational issues that affect staff engagement, identifying issues and potential solutions which aid cultural changes leading to a positive working environment for all. Members of the group are volunteers from all areas of the Commission and reflect a cross section of employment grades and length of service.

Employee Involvement

The Commission actively encourages feedback and communication from staff through several channels, including a digital staff suggestion box. Submissions may be anonymous to ensure honest and constructive input.

Staff are also encouraged to participate within the Scottish Government's People Survey.

Employee engagement is a workplace approach designed to ensure that employees are committed to their organisation's goals and values and are motivated to contribute to organisational success.

Five questions in the People Survey measure employee engagement and combine these responses into a summary index score to tell you where they sit on a scale of very disengaged (0%) through to very engaged (100%).

Although the overall Staff Engagement score remained static in 2024, the majority of the core questions that contribute to the score showed an improvement. On the core themes covered in the survey, the 2024 responses were mainly positive compared to 2023 and show a direct co-relation with the actions delivered as a result of the 2023 Staff Survey Action Plan.

An Action Plan for 2025 has been drawn up in collaboration with the Executive Team and Staff Engagement Group. This will focus on those areas which represent a negative swing compared to 2023.

Progress will be reviewed by the AFC on a 6-monthly basis.

	2024/25	2023/24	2022/23	2024/25 Civil Service Benchmark
The Scottish Government People Survey				
Staff Engagement Score	60% (42 responses)	60% (53 responses)	67% (45 responses)	64% (354,962 participants from 103 organisations)

The Trade Union (Facility Time Publication Requirements) Regulations 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require public sector employers to publish information relating to facility time. The Commission does not currently have staff acting in a trade union official capacity.

Relevant trade union officials	2024/25	2023/24
Number of employees who were relevant union officials during the relevant period	-	-
Full-time equivalent employee number	-	-

Percentage of time spent on facility time	2024/25 (Number of employees)	2023/24 (Number of employees)
0%	-	-
1%-50%	-	-
51%-99%	-	-
100%	-	-

Percentage of pay bill spent on facility time	2024/25 £000	2023/24 £000
Total cost of facility time	-	-
Total pay bill	3,807	3,493
Percentage of total pay bill spent on facility time	-	-

Paid trade union activities	2024/25	2023/24
Time spent on paid trade union activities as a percentage of total paid facility time	-	-

Further information can be obtained from the Commission's website. **www.crofting.scotland.gov.uk**

Equal Opportunities and Diversity Policies

The Commission undertakes to develop all staff and positively values the different perspectives and skills each brings to our work. Our **Equality and Diversity Plan** outlines our continued commitment to delivering our functions in a manner that encourages equal opportunities, and aims to eliminate unlawful discrimination and other conduct prohibited by equality legislation.

Parliamentary Accountability and Audit Report Audited

Losses and special payments
In accordance with the SPFM, we are required to disclose losses and special payments above £300,000. During 2024/25 there were no losses or special payments within these criteria (2023/24: £nil).

Gifts and Charitable Donations
2024/25 £nil. (2023/24: £nil).

Remote Contingent Liabilities
The Commission is required to report any liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability under IAS37. There are currently no remote contingent liabilities. (2023/24: £nil).

Gary Campbell

Gary Campbell
Chief Executive and Accountable Officer
Date 29 October 2025

Independent Auditor's Report

Independent auditor's report to the members of the Crofting Commission, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of the Crofting Commission for the year ended 31 March 2025 under the Crofters (Scotland) Act 1993 as amended by the Crofting Reform (Scotland) Act 2007, the Crofting Reform (Scotland) Act 2010 and the Crofting (Amendment) (Scotland) Act 2013. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2025 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 FReM; and
- have been prepared in accordance with the requirements of the Crofters (Scotland) Act 1993 as amended by the Crofting Reform (Scotland) Act 2007, the Crofting Reform (Scotland) Act 2010 and the Crofting (Amendment) (Scotland) Act 2013 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the **Code of Audit Practice** approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 27 May 2025. My period of appointment is three years, covering 2024/25 to 2026/27. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the **Audit Scotland website**.

Risks of material misstatement

I report in my separate Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the central government sector to identify that the Crofters (Scotland) Act 1993 as amended by the Crofting Reform (Scotland) Act 2007, the Crofting Reform (Scotland) Act 2010 and the Crofting (Amendment) (Scotland) Act 2013 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website **www.frc.org.uk/auditorsresponsibilities**. This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Crofters (Scotland) Act 1993 as amended by the Crofting Reform (Scotland) Act 2007, the Crofting Reform (Scotland) Act 2010 and the Crofting (Amendment) (Scotland) Act 2013 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Crofters (Scotland) Act 1993 as amended by the Crofting Reform (Scotland) Act 2007, the Crofting Reform (Scotland) Act 2010 and the Crofting (Amendment) (Scotland) Act 2013 and directions made thereunder by the Scottish Ministers; and

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Crofters (Scotland) Act 1993 as amended by the Crofting Reform (Scotland) Act 2007, the Crofting Reform (Scotland) Act 2010 and the Crofting (Amendment) (Scotland) Act 2013 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Patricia Fraser

Patricia Fraser CPFA
Senior Audit Manager
Audit Scotland
4th Floor, 102 West Port
Edinburgh
EH3 9DN

29 October 2025

CROFTING COMMISSION
COIMISEAN NA CROITEARACHD

Financial Statements 2024/25

The Financial Statements for the Crofting Commission, alongside supporting and explanatory notes.

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2025

	Note	2025 £000	2024 £000
Staff costs	2	3,807	3,493
Depreciation and Amortisation	2,3,4	51	56
Other operating expenditure	2	680	635
Total operating expenditure		4,538	4,184
Net operating expenditure		**4,538**	**4,184**

The notes on pages 76 to 84 form an integral part of these accounts.

Statement of Financial Position

as at 31 March 2025

	Note	2025 £000	2024 £000
Non-current assets:			
Information Technology Equipment	3	62	89
Intangible assets (Software)	4	3	13
Total non-current assets		**65**	**102**
Current assets			
Trade and other receivables	5	37	68
Cash and cash equivalents	6	232	224
Total current assets		**269**	**292**
Total assets		**334**	**394**
Current liabilities			
Trade and other payables	7	165	198
Other liabilities	7	139	128
Total current liabilities		**304**	**326**
Total assets less current liabilities		**30**	**68**
Taxpayers' equity			
General fund		30	68
Total equity		**30**	**68**

Gary Campbell

Gary Campbell
Chief Executive and Accountable Officer
Date 29 October 2025

The Crofting Commission Board authorised these financial statements for issue on 29 October 2025.

The notes on pages 76 to 84 form an integral part of these accounts.

Statement of Cash Flows

for the year ended 31 March 2025

	Note	2025 £000	2024 £000
Cash flows from operating activities			
Net operating expenditure	SoCNE	(4,538)	(4,184)
Adjustment for non-cash transactions			
Depreciation and Amortisation	2,3,4	51	56
Movements in working capital			
(Increase)/Decrease in trade and other receivables	5	31	(19)
Increase/(Decrease) in trade and other payables	7	(22)	(12)
Net cash outflow from operating activities		**(4,478)**	**(4,159)**
Cash flows from investing activities			
Purchase of information technology equipment	3	(14)	(11)
Purchase of intangible assets	4	-	(7)
Net cash flow from investing activities		**(14)**	**(18)**
Total cash outflows		(4,492)	(4,177)
Cash flows from financing activities			
Grant-in-Aid		4,500	4,170
Net Increase/(Decrease) in cash and cash equivalents		**8**	**(7)**
Cash & cash equivalents at the beginning of the period		224	231
Cash & cash equivalents at the end of the period		232	224

The notes on pages 76 to 84 form an integral part of these accounts.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2025

	General Fund £000
Balance at 1 April 2023	**82**
Grant-in-Aid	4,170
	4,252
Comprehensive net expenditure for the year	(4,184)
Balance at 31 March 2024	**68**
Balance at 1 April 2024	68
Grant-in-Aid	4,500
	4,568
Comprehensive net expenditure for the year	(4,538)
Balance at 31 March 2025	**30**

The notes on pages 76 to 84 form an integral part of these accounts.

Notes to the Financial Statements

1. Statement of accounting policies

The Crofters (Scotland) Act 1993, paragraph 19 of schedule 1 requires an annual statement of accounts to be prepared.

These financial statements have been prepared in compliance with the Accounts Direction (page 85) issued by the Scottish Ministers and the 2024/25 Government's FReM issued by HM Treasury.

The FReM sets out the format of the annual accounts. Grant-in-Aid is included in the General Reserve in the Statement of Changes in Taxpayers' Equity rather than included in the Statement of Comprehensive Net Expenditure. All other income and expenditure is included in the Statement of Comprehensive Net Expenditure. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Commission for the purposes of giving a true and fair view has been selected. The particular policies adopted by the Commission are described below. They have been applied consistently in dealing with items that are considered material to the financial statements.

The financial statements included in this report have been prepared on a going concern basis, as the Accountable Officer considers the Commission to have adequate resources to continue in operational existence for the foreseeable future.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention.

1.2 Information Technology Equipment

Equipment represents Information technology hardware items with a cost of over £5,000. Where individual items cost less than £5,000, but where the type of asset in aggregate costs over £5,000, they are capitalised. In particular this applies to purchase of desktop and laptop PCs, servers, and associated hardware, which are depreciated over their useful economic lives, considered to be 3 years. Depreciation has been provided at a rate calculated to write off cost in equal annual instalments over the estimated useful lives of assets. IT assets are carried at historical cost, which is used as a proxy for fair value.

1.3 Intangible assets

Intangible assets include purchased software licences and internally developed software, both of which have a capitalisation threshold of £5,000. When capitalising internally generated intangible assets such as software, only directly attributable costs including staff costs and staff-related costs, are included, where it is deemed that the assets will generate future economic benefit in the way of savings or improvements to the internal processes. Intangible assets are valued at cost which is used as proxy for fair value. Amortisation has been provided at a rate calculated to write off cost in equal instalments over the estimated useful lives on assets.

Amortisation Policy:
Internally developed software 9 years
General operating system or application programme licences 3 years.

1.4 Value Added Tax

Irrecoverable VAT is included with the relevant costs and charged to the Statement of Comprehensive Net Expenditure in the period to which it is incurred.

1.5 Employee Benefits

Short-Term Employee Benefits

Salaries and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following year.

Pension Costs

Commission employees are civil servants who are entitled to be members of the Principal Civil Service Pension Scheme (PCSPS). PCSPS is an unfunded multi-employer defined benefit scheme in which the Commission is unable to identify its share of the underlying assets and liabilities. The scheme is accounted for as a defined contribution scheme under the multi-employer exemption permitted in IAS 19 *Employee Benefits*. A full actuarial valuation was carried out by HM Treasury during 2020 which incurred an increase to employer pension contributions which came into force from 1 April 2024. The Commission makes payments of superannuation contributions to PCSPS at rates set by the Government Actuary. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (**www. civilservicepensionscheme.org.uk**)

Further pension details can be found in the remuneration report on pages 59 to 60.

1.6 Trade Receivables

Where income has been recognised but settlement in cash has not taken place, a debtor is recorded on the Statement of Financial Position.

1.7 Trade Payables

Where expenditure has been recognised but settlement in cash has not taken place, a creditor is recorded on the Statement of Financial Position.

1.8 Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash with the bank.

1.9 Grant-in-Aid

The Commission receives Grant-in-Aid from the Scottish Government to finance its net expenditure. Grant-in-Aid is credited to the general reserve in the period in which it is received. The net cost of the Commission is charged to this fund.

1.10 Provisions

The Commission provides for legal or constructive obligations that are of uncertain timing or amount at the statement of financial position date on the best estimate of the expenditure likely to be required to settle the obligation.

1.11 Contingent Liabilities

Contingent liabilities are recognised in respect of possible obligations arising from past events whose existence will be confirmed by the occurrence of uncertain future events outwith the Commission's control or present obligations arising from past events where it is possible, but not probable, that resources will be required to settle the obligation, or it is not possible to measure it reliably.

1.12 Contingent Assets

Contingent assets are disclosed in respect of possible assets arising from past events whose existence will be confirmed by the occurrence of uncertain future events outwith the Commission's control.

1.13 Third Party Assets

Assets belonging to third parties (such as funds collected on behalf and for forwarding to another agency) are not recognised in the accounts since the Commission has no beneficial interest in them. However, they are disclosed in a separate note (note 10) to the accounts in accordance with the requirements of the FReM.

1.14 Adoption of New and Revised Accounting Standards

a) Standards, amendments and interpretations effective in the current year

In the current year, the Commission has applied a number of amendments to IFRS Standards and Interpretations that are effective for an annual period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

- **Amendments to IAS 1:** Classification of Liabilities as Current or Non-current
- **Amendments to IAS 1:** Non-current Liabilities with Covenants
- **Amendments to IFRS 16**: Lease Liability in a Sale and Leaseback
- **Amendments to IAS 7 and IFRS 7:** Supplier Finance Arrangements.

b) Standards, amendments and interpretations early adopted this year

There are no new standards, amendments or interpretations early adopted this year.

c) Standards, amendments and interpretations issued but not adopted this year

At the date of authorisation of these financial statements, the Commission has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- **Amendments to IAS 21:** Lack of exchangeability. Applicable for periods beginning on or after 1 January 2025
- **Amendments to IFRS 9 and IFRS 7:** Amendments to the Classification and Measurement of Financial Instruments. Applicable for periods beginning on or after 1 January 2026
- **Amendments to IFRS 9 and IFRS 7:** Contracts Referencing Nature-dependent Electricity. Applicable for periods beginning on or after 1 January 2026
- **IFRS 18**: Presentation and Disclosure in Financial Statements. Applicable for periods beginning on or after 1 January 2027
- **IFRS 19**: Subsidiaries without Public Accountability: Disclosures.

The Commission does not expect that the adoption of the Standards listed above will have a material impact on the financial statements in future periods.

1.15 Critical Accounting Judgements and Key Sources of Estimation

In the application of the Commission's accounting policies as described in Note 1, the Accountable Officer is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The Commission is aware of a small number of live or potential appeals to the Scottish Land Court which might, depending on the Court's decisions, lead to costs being awarded against the Commission. The likelihood of appeals and the amounts of any resulting liabilities cannot be estimated with certainty. Having considered the potential for these cases to be decided against the Commission and costs to be awarded, the Commission has not disclosed a provision.
The overall potential liability estimated by the Commission is also not sufficiently substantial to require a contingent liability to be recorded.

The Accountable Officer does not consider there to be any other sources of estimation uncertainty requiring disclosure.

Judgements

There are no critical accounting judgements requiring disclosure beyond application of the policies above. While judgement is exercised in the determination of the level of depreciation and amortisation to recognise on IT equipment and software, the recognition of trade and other receivables, the recognition of trade and other payables and the recognition of other liabilities, these judgements are in line with standard practice and are not considered critical given the immaterial size of the amounts involved. There would be no material impact from the application of alternative judgement in any of these areas.

2. Expenditure

	2025 £000	2024 £000
Board Member and Staff Costs		
Salaries	2,743	2,548
Social security costs	278	251
Other pension costs	764	670
Temporary Staff	22	24
Total of staff costs	**3,807**	**3,493**
Other operating expenditure		
Accommodation expenses	127	120
Information systems & telecommunications	204	201
Training	23	25
Communication	69	66
Regulatory advertising expenses	33	33
Assessors' conference & travel expenses	-	6
Travel & subsistence - staff	29	22
Travel & subsistence - Commissioners	25	23
Legal fees	45	14
External Auditor's remuneration	24	24
Internal Auditor's remuneration	20	20
Other running costs	81	81
Total of other operating expenditure	**680**	**635**
Non-cash items		
Depreciation	41	46
Amortisation	10	10
Total of Non-cash items	**51**	**56**
Overall total	**4,538**	**4,184**

3. Information Technology Equipment

	£000
Cost	
1 April 2023	261
Additions	11
Disposals	(92)
31 March 2024	**180**
Depreciation	
1 April 2023	(137)
Charged in year	(46)
Disposals	92
31 March 2024	**(91)**
Net book value at	
31 March 2023	124
31 March 2024	89
Cost	
1 April 2024	180
Additions	14
Disposals	-
31 March 2025	**194**
Depreciation	
1 April 2024	(91)
Charged in year	(41)
Disposals	-
31 March 2025	**(132)**
Carrying value at	
31 March 2024	89
31 March 2025	**62**
Asset Financing:	
Owned	62
Carrying value as at 31 March 2025	**62**

4. Intangible assets – Software

	£000
Cost	
1 April 2023	149
Additions	7
Disposals	-
31 March 2024	**156**
Amortisation	
1 April 2023	(133)
Charged in year	(10)
Disposals	-
31 March 2024	**(143)**
Net book value at	
31 March 2023	16
31 March 2024	13
Cost	
1 April 2024	156
Additions	-
Disposals	-
31 March 2025	**156**
Amortisation	
1 April 2024	(143)
Charged in year	(10)
Disposals	-
31 March 2025	**(153)**
Carrying value at	
31 March 2024	13
31 March 2025	**3**
Asset Financing:	
Owned	3
Carrying value as at 31 March 2025	**3**

5. Trade receivables, Financial and other assets

Amounts falling due within one year:

	2025 £000	2024 £000
Prepayments	37	68
Total	**37**	**68**

6. Cash and cash equivalents

	2025 £000	2024 £000
Balance at 1 April	224	231
Net change in cash & cash equivalents	8	(7)
Balance at 31 March	**232**	**224**
The following balances at 31 March were held with the Government Banking Service	232	224
Balance at 31 March	**232**	**224**

7. Trade payables and other current liabilities

Amounts falling due within one year:

	2025 £000	2024 £000
Other Taxation and Social Security	139	128
Trade Payables	4	25
Accruals	161	173
Total	**304**	**326**

8 Related party transactions

The Commission is an NDPB sponsored by the Scottish Government. The Scottish Government is responsible for providing the statutory framework within which the Commission operates.

The Scottish Government's Agriculture and Rural Economy Directorate (the Sponsor Directorate) and the Commission had significant financial transactions during the year. Financial transactions with the Directorate comprised Grant-in-Aid of £4.500M (2023/24 £4.170M) as disclosed in the Changes in Taxpayers Equity statement on page 75.

The Board and Executive Team influence the Commission's financial and operating policies. The total remuneration paid to Board Members and Executive Team Officials is shown within the Remuneration Report (pages 55-56). The Board and Executive Team have the responsibility to adhere to a Code of Conduct which requires them to declare an interest in matters that directly or indirectly may influence or be thought to influence their judgement or decisions taken during the course of their work. There were no related party transactions with Board Members or Executive Team Officials.

9 Financial instruments

Financial assets and financial liabilities are recognised when the Commission becomes party to the contractual provision of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The Commission only has financial assets and 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.

For normal operating purposes, the Commission holds no cash or cash-equivalent balances other than those required to pay current creditors – salaries and trade creditors. The Commission's financial assets consist primarily of cash at bank.

Cash authorisation is provided by the Scottish Government to the extent that expenditure is covered by budget authority. The Commission is not therefore exposed to liquidity risks.

The Commission does not have any material debtors and is therefore not exposed to credit risk. Similarly, the Commission transacts in fixed terms in Sterling only and is not exposed to market risk.

10 Third party assets

Assets held at 31 March to which a monetary value can be assigned:

	2025 £000	2024 £000
Bank balance – Registers of Scotland	48	73
Third party funds in transit	18	22
Total monetary assets	**66**	**95**

Third party funds in transit are funds which, at the year-end, have been received but not lodged into a bank account due to the fact that the competency of the application for registration in the RoS Crofting Register is still pending determination.

THE CROFTING COMMISSION

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in accordance with paragraph 19 of Schedule 1 to the Crofters (Scotland) Act 1993, as amended, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2013, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers D C Barnes

Dated 26/10/12

Glossary of Financial Terms

Full definitions are available in the Financial Reporting Manual (FReM)

Accruals basis
The Commission's accounts are prepared on an accruals basis. This means that expenditure and income are recognised in the accounts when incurred or earned – not when the money is received or paid.

Amortisation
Similar to depreciation but applied to intangible assets i.e., the measure of the value of an asset used during the year.

Assets
Something that the Commission owns or uses e.g., IT Equipment or software rights.

Capital expenditure
Spending on non-current assets.

Cash Flow
The movement of cash through the Commission, contrasting with accrued income and expenditure.

Contingent liability
A potential liability that may occur, depending on the outcome of an uncertain future event. A contingent liability is recorded in the accounting records if the contingency is probable, and the amount of the liability can be reasonably estimated.

Current assets
An asset that is expected to be converted to cash within the next 12 months.

Current liability
A liability that is expected to be settled within the next 12 months.

Deficit
Where expenditure exceeds income in an accounting period.

Depreciation
The measure of the value of an IT asset used during the year.

FReM
Financial Reporting Manual issued by HM Treasury.

Going concern basis
Financial statements are prepared on this basis assuming that the Commission will continue operating into the foreseeable future.

Grant-in-Aid
Funding received from the Scottish Government.

Intangible assets
An asset, such as a right to use software, that cannot be touched.

Liability
A debt owed by the Commission to another entity.

Prepayments
An amount paid for in advance such as software licences. Initially recognised as an asset, then transferred to expense in the period when the benefit is enjoyed.

Provision
Liability of uncertain timing or amount.

SPFM
The Scottish Public Finance Manual is issued by the Scottish Ministers to provide guidance on the proper handling and reporting of public funds.

Taxpayers' equity
The net assets of the Commission.

Trade payables
Amounts due for payment to suppliers of goods and services.

Trade receivables
Amounts due from third parties.