

Charity number: SC028091
Company number: SC184105

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Directors' report and financial statements
for the year ended 31 March 2011

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MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

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MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Legal and administrative information

Charity number SC028091
Company registration number SC184105

Business address Bank of Scotland Building
Station Road
Oban
PA34 4LN

Registered office Bank of Scotland Buildings
Station Road
Oban
PA34 4LN

Directors Morag MacDougall Morley
Alasdair Henry James Oatts
Robin Hamish MacDougall Morley
Margaret Jill Riba Haslam
Alison McNab
David Mudie
Graham MacQueen

Secretary Michael J Robertson

Accountants R A Clement Associates
Chartered Accountants
5 Argyll Square
Oban
Argyll
PA34 4AZ

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2011

The directors present their report and the financial statements for the year ended 31 March 2011. The directors, who are also trustees of MacDougall of Dunollie Preservation Trust for the purposes of charity law and who served during the year and up to the date of this report are set out on page 1.

Structure, governance and management

Organisational Structure

The charity is a company limited by guarantee and is governed in accordance with its memorandum and articles of association. Membership of the charity is open to any individual or organisation interested in supporting the objectives of the charity, subject to the approval of the Trustees.

There are two categories of membership:

a) Voting members which includes the "MacDougall of Dunollie Members" comprising Mrs Morag MacDougall Morley and her successors as the hereditary Clan Chief, together with not less than two other members of the MacDougall of Dunollie family. This category is open to any individual residing in the UK, or any organisation a majority of whose members are resident in the UK.

b) Non voting members, which category is open to any other individual or organisation interested in supporting the objectives of the charity

Trustees

There must be a minimum of three Trustees serving on the Board, and one third of the Trustees must retire at the AGM. The hereditary Clan Chief of the Clan MacDougall is entitled to appoint a Trustee to the Board who is not subject to the retirement provisions. The Board may co-opt any person duly qualified to be appointed as a Trustee to fill a vacancy, with the appointment valid until the date of the next AGM.

Investment powers, policy and performance

In accordance with the Memorandum & Articles of Association, the Trustees have the power to invest in such stocks and shares, investments and property in the UK as they see fit. The Trustees have considered the most appropriate policy for investing in funds and have retained investment managers to manage the funds and investments of the charity on a professional basis. The Trustees regularly review the performance of the investments made on behalf of the charity.

Governance and internal control

The Board of Trustees continues to assess and identify any major risks, both external and internal, to which the charity is exposed and monitors the systems set up to mitigate these risks.

Objectives and activities

Charitable objectives

The objectives of the charity are that of preserving for the benefit of future generations, the historic castles and property belonging to the family of the MacDougalls of Dunollie, Oban, Argyll, hereditary chiefs of the Clan MacDougall and to preserve and retain in Scotland the artefacts, paintings and others also belonging to the MacDougalls of Dunollie.

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2011

Achievements and performance

Activities of the Trust

Progress was made with a number of different projects. The Dunollie Collection of approximately 2000 artefacts spanning seven centuries of the MacDougall Clan to the present time were catalogued. Important historic tartans were discovered and a whole new project set in motion to produce modern replicas of the 18th century tartan.

Academic research was carried out into the costumes at Dunollie together with work to research and catalogue the archive which is confirmed as being of national historical importance. Renovation work and fire precaution work was carried out within the section of Dunollie House known as the 1745 House, which will be the base for exhibitions and academic research work. During the period, three members of staff were involved, an overall Project Director, a Museum Curator, and a Project Officer with the task of developing the tartan project.

At Dunollie Castle extensive work was carried out in order to comply with the complicated, pre-application, requirements of the European based SRDP funding. Leader and other funding applications were submitted and approved for the creation of a carpark and access path, both at Dunollie House and up to the Castle.

Statement of directors' responsibilities

The directors (who are also trustees of MacDougall of Dunollie Preservation Trust under charity law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Report of the directors (incorporating the trustees' report)
for the year ended 31 March 2011

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

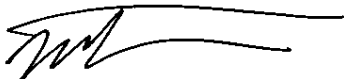
Duncan Grout of R A Clement Associates was deemed to be reappointed as independent examiner and the directors recommend that Duncan Grout remains in office until further notice.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Board on

5/8/11 and signed on its behalf by



Michael J Robertson
Secretary

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Independent examiner's report to the directors on the unaudited financial statements of MacDougall of Dunollie Preservation Trust.

I report on the accounts for the year ended 31 March 2011 set out on pages 2 to 16.

This report is made to the charity's Trustees, who are also directors of the company, in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the charity's Trustees and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees, as a body, for my work or this report.

Respective responsibilities of trustees and independent examiner

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

Basis of Independent examiner's statement

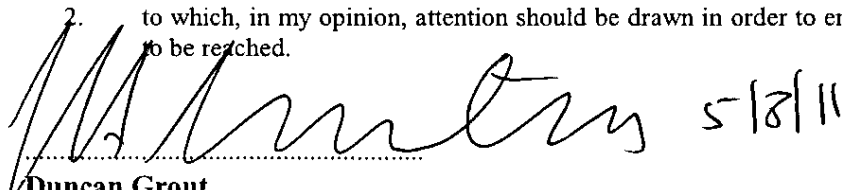
My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual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

Independent examiner's statement

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

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Regulations
 - to prepare accounts which agree with the accounting records, comply with Regulation 8 of the 2006 Regulations
 - have not been met, or

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



Duncan Grout
ACCA
Independent examiner

Of R A Clement Associates
5 Argyll Square
Oban
Argyll
PA34 4AZ

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Statement of financial activities (incorporating the income and expenditure account)

For the year ended 31 March 2011

		Unrestricted	Restricted	Designated	2011	2010
		funds	funds	& Endowment	Total	Total
	Notes	£	£	funds	£	£
Incoming resources						
Incoming resources from generating funds:						
Voluntary income	2	65,945	4,128	-	70,073	25,095
Investment income	3	27,424	-	-	27,424	27,100
Other incoming resources	4	1,650	-	-	1,650	1,904
Total incoming resources		<u>95,019</u>	<u>4,128</u>	<u>-</u>	<u>99,147</u>	<u>54,099</u>
Resources expended						
Costs of generating funds:						
Cost of generating voluntary income		88	-	-	88	208
Investment management costs	5	4,661	-	-	4,661	4,262
Charitable activities	6	79,480	4,128	-	83,608	83,675
Governance costs		15	-	-	15	-
Total resources expended		<u>84,244</u>	<u>4,128</u>	<u>-</u>	<u>88,372</u>	<u>88,145</u>
Net incoming/(outgoing) resources before transfers		10,775	-	-	10,775	(34,046)
Transfer between funds		(5,160)	-	5,160	-	-
Net incoming/(outgoing) resources for the year		5,615	-	5,160	10,775	34,046
Realised gains on disposal of investment assets		-	-	11,563	11,563	28,630
Other recognised gains and losses						
Gains on revaluation of investment assets	11	-	-	11,669	11,669	86,640
Net movement in funds		5,615	-	28,392	34,007	81,224
Total funds brought forward		29,224	-	571,215	600,439	519,215
Total funds carried forward		<u>34,839</u>	<u>-</u>	<u>599,607</u>	<u>634,446</u>	<u>600,439</u>

The notes on pages 9 to 16 form an integral part of these financial statements.

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Balance sheet
as at 31 March 2011

SC184105

	Notes	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	11		13,501		8,501
Heritage assets	12		5,000		5,000
Investments	13		603,398		570,698
			<u>621,899</u>		<u>584,199</u>
Current assets					
Debtors	14	7,855		6,205	
Cash at bank and in hand		8,747		14,090	
			<u>16,602</u>	<u>20,295</u>	
Creditors: amounts falling due within one year	15	(4,055)		(4,055)	
Net current assets			12,547		16,240
Net assets			<u>634,446</u>		<u>600,439</u>
Funds	16				
Endowment/Designated funds:			565,722		584,538
Revaluation reserve			33,885		(13,323)
Total designated funds			<u>599,607</u>		<u>571,215</u>
Unrestricted income funds			34,839		29,224
Total funds			<u>634,446</u>		<u>600,439</u>

The directors statements required by s475(2) and s475(3) are shown on the following page which forms part of the Balance Sheet.

The notes on pages 9 to 16 form an integral part of these financial statements.

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Balance sheet (continued)

SC184105

Directors' statements required by the Companies Act 2006
for the year ended 31 March 2011

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by section 477 of the Companies Act 2006 ;

(b) that no notice has been deposited at the registered office of the company pursuant to section 476 of the Companies Act 2006 requesting that an audit be conducted for the year ended 31 March 2011.

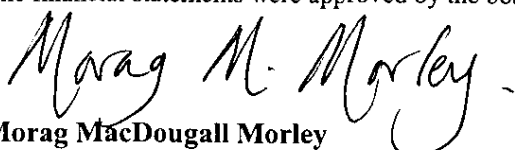
(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps proper accounting records which comply with section 386 of the Companies Act 2006, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the year then ended in accordance with the requirements of sections 394 and 395, and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on 5/8/11 and signed on its behalf by


Morag MacDougall Morley
Director

The notes on pages 9 to 16 form an integral part of these financial statements.

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 March 2011

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1. Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and the Companies Act 2006.

1.2. Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from investments is included in the year in which it is receivable.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

1.3. Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 March 2011

1.4. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	No depreciation is being charged
Fixtures, fittings and equipment	-	25% straight line
Replica Brooch of Lorne	-	No depreciation is being charged

Depreciation is charged in the year following acquisition.

1.5. Heritage assets

The charity holds heritage assets, which are tangible fixed assets of historical, artistic or scientific importance that are held to advance preservation and conservation objectives of the charity. Newly purchased heritage assets are capitalised and included at cost including any incidental expenses of acquisition.

Where heritage assets were acquired in past accounting periods and not capitalised, it can be difficult or costly to attribute a cost or value to them. In such cases, these assets are excluded from the balance sheet if reliable cost information is not available and conventional valuation approaches lack sufficient reliability or significant costs are involved in the reconstruction or analysis of past accounting records or in valuation, which are onerous compared with the additional benefit derived by users of the accounts in assessing the directors stewardship of the assets.

The very long expected lives of heritage assets, due to their nature, value and need to be protected and preserved means that depreciation is not material and is, therefore, not provided.

1.6. Investments

Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the statement of financial activities.

2. Voluntary income

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Donations	10,232	-	10,232	9,175
Dunollie Project Appeal	-	4,128	4,128	-
Legacies	55,713	-	55,713	-
NHMF Lottery Fund	-	-	-	2,920
Oban Common Good Fund	-	-	-	2,500
Argyll & Bute Council	-	-	-	10,500
	<u>65,945</u>	<u>4,128</u>	<u>70,073</u>	<u>25,095</u>

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 March 2011

3. Investment income

	Unrestricted funds £	2011 Total £	2010 Total £
Income from UK investment properties	11,131	11,131	10,804
Income from listed investments	16,277	16,277	16,283
Bank interest receivable	16	16	13
	<u>27,424</u>	<u>27,424</u>	<u>27,100</u>

4. Other incoming resources

	Unrestricted funds £	2011 Total £	2010 Total £
Tax reclaimed on donations	1,650	1,650	1,904
	<u>1,650</u>	<u>1,650</u>	<u>1,904</u>

5. Investment management costs

	Unrestricted funds £	2011 Total £	2010 Total £
Investment management fees	532	532	419
Investment property management costs	3,044	3,044	2,640
Property maintenance	1,085	1,085	1,203
	<u>4,661</u>	<u>4,661</u>	<u>4,262</u>

6. Costs of charitable activities - by fund type

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Trust Properties	9,539	-	9,539	9,030
Dunollie House Museum	63,941	4,128	68,069	50,645
Community Ferry	6,000	-	6,000	6,000
Homecoming celebration	-	-	-	13,000
MacDougall Collection Grant	-	-	-	5,000
	<u>79,480</u>	<u>4,128</u>	<u>83,608</u>	<u>83,675</u>

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 March 2011

7. Costs of charitable activities - by activity

	Activities undertaken directly £	Grant funding activities £	Support costs £	2011 Total £	2010 Total £
Trust Properties	6,836	-	2,703	9,539	9,030
Dunollie House Museum	54,569	13,500	-	68,069	50,645
Community Ferry	6,000	-	-	6,000	6,000
Homecoming celebration	-	-	-	-	13,000
MacDougall Collection Grant	-	-	-	-	5,000
	<u>67,405</u>	<u>13,500</u>	<u>2,703</u>	<u>83,608</u>	<u>83,675</u>

8. Employees

Employment costs	2011 £	2010 £
Wages and salaries	<u>28,152</u>	<u>6,600</u>

No employee received emoluments of more than £60,000 (2010 : None).

Number of employees

The average monthly numbers of employees (excluding the directors) during the year, was as follows:

	2011 Number	2010 Number
Employees	<u>3</u>	<u>1</u>

No trustee received any remuneration, benefits in kind or reimbursement of expenses during the year in their capacity as trustees.

10. Taxation

The charity's activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 March 2011

11. Tangible fixed assets	Land and buildings freehold £	Fixtures, fittings and equipment £	Replica Brooch of Lorne £	Total £
Cost				
At 1 April 2010	2,345	-	6,156	8,501
Additions	-	5,000	-	5,000
At 31 March 2011	<u>2,345</u>	<u>5,000</u>	<u>6,156</u>	<u>13,501</u>
Net book values				
At 31 March 2011	<u>2,345</u>	<u>5,000</u>	<u>6,156</u>	<u>13,501</u>
At 31 March 2010	<u>2,345</u>	<u>-</u>	<u>6,156</u>	<u>8,501</u>

12. Heritage assets	Burial Ground £	Total £
Cost		
At 1 April 2010 and At 31 March 2011	<u>5,000</u>	<u>5,000</u>
Net book values		
At 31 March 2011	<u>5,000</u>	<u>5,000</u>
At 31 March 2010	<u>5,000</u>	<u>5,000</u>

Heritage Assets

Heritage assets held by the Trust consist of the following properties which were gifted to the Trust. No values are included in the accounts in respect of these assets - see accounting policy regarding heritage assets.

Gylen Castle
Dunollie Castle
Brooch of Lorne (original)

The Burial Ground was purchased in a separate transaction and is shown at cost.

Over the past 8 years the Trust has carried out extensive works to Gylen Castle to preserve and maintain it to enhance and improve public access and enjoyment.

The total amount spent as of 31 March 2011 was **£414,604**

MacDougall of Dunollie Preservation Trust
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Notes to financial statements
for the year ended 31 March 2011

13. Fixed asset investments		Subsidiary undertakings		Subsidiary loans		Listed investments		Investment properties		Cash held as part of the investment portfolio		Total
		shares	£	£	£	£	£	£	£	£	£	£
Valuation												
At 1 April 2010		10,000		-		434,343		120,754		5,601		570,698
Additions		-		-		146,663		-		182,211		328,874
Disposals		-		-		(120,648)		-		(187,195)		(307,843)
Revaluations		-		-		11,669		-		-		11,669
At 31 March 2011		10,000		-		472,027		120,754		617		603,398
Investments held outside of the UK		-		-		11,660		-		-		11,660
Investments held within the UK		10,000		-		460,367		120,754		617		591,738
Historical cost as at 31 March 2011		10,000		-		438,142		120,754		5,601		574,497

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 March 2011

13.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Subsidiary undertaking				
Dunollie Projects Limited	Scotland	Operation of the Dunollie House Museum	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Dunollie Projects Limited	9,708	586

14. Debtors

	2011 £	2010 £
Trade debtors	2,334	2,334
Other debtors	5,521	3,871
	<u>7,855</u>	<u>6,205</u>

**15. Creditors: amounts falling due
within one year**

	2011 £	2010 £
Accruals and deferred income	<u>4,055</u>	<u>4,055</u>

16. Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total funds £
Fund balances at 31 March 2011 as represented by:			
Tangible fixed assets	13,501	5,000	18,501
Investment assets	10,000	593,398	603,398
Current assets	15,393	1,209	16,602
Current liabilities	(4,055)	-	(4,055)
	<u>34,839</u>	<u>599,607</u>	<u>634,446</u>

MacDougall of Dunollie Preservation Trust
(A company limited by guarantee)

Notes to financial statements
for the year ended 31 March 2011

17. Unrestricted funds	At	Incoming resources	Outgoing resources	Transfers	At
	1 April 2010 £				31 March 2011 £
Unrestricted Fund	29,224	95,019	(84,244)	(5,160)	34,839

18. Designated funds	At	Transfers	Gains and losses	At
	1 April 2010 £			31 March 2011 £
Listed investments gifted to Trust	445,461	5,160	23,232	473,853
Investment properties	120,754	-	-	120,754
Heritage assets	5,000	-	-	5,000
	<u>571,215</u>	<u>5,160</u>	<u>23,232</u>	<u>599,607</u>

Purposes of endowment/designated funds

The listed investments gifted to the Trust to provide income to enable it to pursue its objectives have been transferred to a separate designated fund. Income from this fund is recognised in unrestricted income.

Properties originally gifted to the Trust have been transferred into a separate designated fund. Income from these properties is recognised in unrestricted income.

19. Company limited by guarantee

MacDougall of Dunollie Preservation Trust is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.