

SC194021

CLAN SINCLAIR TRUST
FINANCIAL STATEMENTS
31 DECEMBER 2009



Saffery Champness
CHARTERED ACCOUNTANTS

CLAN SINCLAIR TRUST

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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COMPANY INFORMATION

Patron

HRH The Prince Charles, Duke of Rothesay

Directors and Trustees

The Rt Hon The Earl of Caithness – Chief Executive
The Rt Hon The Viscount Thurso
Euan Sinclair

Secretary

Euan Sinclair

Registered Office

Clan Sinclair Study Centre
Nosshead
Wick
Caithness
KW1 4QT

Company Number

SC194021

Scottish Charity Number

SC028778

Reporting Accountants

Saffery Champness
Kintail House
Beechwood Park
Inverness
IV2 3BW

Bankers

Bank of Scotland
Citymark
150 Fountainbridge
Edinburgh
EH3 9PE

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2009

The directors, as trustees of the Charity, have pleasure in presenting their report and financial statements of Clan Sinclair Trust for the year ended 31 December 2009.

The financial statements are presented in a form to comply with current statutory requirements and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005).

Structure, Governance and Management

Legal and administrative details

The legal and administrative details are listed on page 1.

The following directors have held office since 1 January 2008.

The Rt Hon The Earl of Caithness
The Rt Hon The Viscount Thurso
Euan Sinclair

Governing document

The Trust is a charitable company limited by guarantee, incorporated on 4 March 1999 under the name of Sinclair and Girnigoe Castle Trust, and recognised by the Inland Revenue as a Scottish Charity on 19 October 1999. The company was established under a Memorandum of Association which established the objects and powers of the charitable company, and is governed under its Articles of Association. On 19 October 1999 the company changed its name to Clan Sinclair Trust to reflect its wider objects.

The liability of the members is limited. Every member of the company undertakes to contribute such amount as may be required (not exceeding £1) to the company's assets if it should be wound up while they are a member, or within one year after they cease to be a member, for payment of the debts and liabilities of the company contracted before they ceased to be a member.

Recruitment and appointment of new directors

The directors of the company are also charity trustees for the purposes of charity law. The rules governing their appointment are laid down in the company's Articles of Association.

Risk management

The directors, as trustees, have assessed the major strategic, business and operational risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to such risks.

REPORT OF THE DIRECTORS**FOR THE YEAR ENDED 31 DECEMBER 2009**

Objectives and Activities

The Trust is established for the purpose of the preservation and promotion of Sinclair and Girnigoe Castles; for the promotion of the history of the Castles and the Sinclair Clan; and the establishment of a visitor centre.

Achievements and Performance

The 2009 season of excavation has been richly rewarding with significant advances in our understanding of the castle. During April and May, excavations within the Outer Ward were completed. Though this landmark stage in the project was low-key, it represented a major step on the long road to full conservation and presentation of the castle. This session was followed by recording and reinstatement, which has seen the protection of the archaeology within the buildings of the Outer Ward for future generations, and the newly turfed courtyard looks good enough for picnicking. The last session in August saw the initiation of the exciting Moat Project which is exploring the dry moat to the south of the castle and all the secrets that lie within it.

Excavation in the Outer Ward finished with the investigation of the ground floor of the west gatehouse, the room next to the entrance archway. Once the rubble deposit had been fully excavated, the dimensions and proportions of the room could once again be appreciated along with the window openings on the south side. The room stands up to ceiling height, although sadly the vaulted ceiling had long since caved in. Nonetheless, the space can be understood as originally intended with a series of wall recesses, perhaps for lights, within the wider storeroom. The last use of the room by Commonwealth troops left its mark, and intriguing evidence for occupation of the room was left behind. Three scars in the floor indicated that the room had been divided into three separate rooms with interlinking doorways. In the innermost room a soldier had been positioned, perhaps on lookout, and a substantial pile of tobacco pipes had accumulated. The atmosphere in these rooms must have become quite offensive!

Excavation within the moat saw several new discoveries made, including the investigation of the south entrance. Outside the entrance the remains of late 16th-century formal landscaping was found. The landscaping had created a plateau or terrace immediately outside the entrance, linked to a formal path leading out of the dry moat. It appears that the area was dedicated to pleasure walks and promenading rather than defence. Immediately inside the entrance were the remains of an earlier doorway, itself made of reused fabric. Here, were the remains of ornate stonework, probably derived from an armourial frieze or dedication stone. Fragments of roof slate, iron nails, lead from the window lights and a piece of window glass were also recovered, and probably relate to the stripping out of the Tower House in the late 17th century. Work was also begun below the bakehouse where a section of curtain wall is missing. The natural bedrock below the bakehouse has a natural fissure within it, which might explain the structural failure at this point. Excavation of deposits included evidence for erosion of archaeological deposits from within the bakehouse as a mid-17th century coin was also found. Both areas of excavation have started to change the appearance of the south side of the castle and the dry moat. The features of the late 16th-century garden are much easier to appreciate and the informal access route into the castle from the bakehouse has been removed, making the south wall of the castle much clearer.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2009

Financial Review

The Trust continues to be funded by grants and donations from Foundations, Companies, Trusts and individuals. Further donations were received during the year and these were used to finance the ongoing restoration projects. Expenditure is only committed when sufficient funds are available to cover the agreed and costed phase of the project.

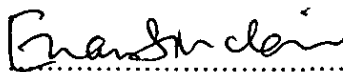
Plans for Future Periods

Next year it is hoped that work will continue in the moat area and will include the excavation of a large portion of fallen masonry from the gatehouse. The masonry appears to represent a piece of first floor wall, including two window openings, which will help our understanding of the appearance of the gatehouse before its momentous collapse. Interpretation panels will be erected, and the outer ward will be opened to the public after some more surveying and consolidation work has been completed.

Given the economic climate and the difficulty all charities are having in raising funds, we will continue our policy of only carrying out works for which we have funds, and the intensity of work seen over the last four years will reduce.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

On behalf of the Board



Euan Sinclair
Director

Dated: 18/September 2010

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
ON THE UNAUDITED FINANCIAL STATEMENTS OF CLAN SINCLAIR TRUST**

I report on the financial statements of the charity for the year ended 31 December 2009 which are set out on pages 6 to 13.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 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.

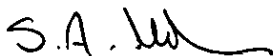
Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. 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 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave 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.



Name: S A Mathieson

Professional qualification/professional body: Chartered Accountant

Address: Saffery Champness
Kintail House
Beechwood Park
Inverness, IV2 3BW

Dated: 21 September 2010

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	Restricted Funds £	Unrestricted Funds £	2009 Total £	2008 Total £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	-	66,559	66,559	19,393
Activities for generating funds		-	-	-	-
Investment income	3	-	16	16	2,012
Total incoming resources		<u>-</u>	<u>66,575</u>	<u>66,575</u>	<u>21,405</u>
Resources expended					
Costs of generating funds	4	-	5,582	5,582	5,681
Charitable activities (including support costs)	5	-	76,800	76,800	87,000
Governance costs		-	-	-	45
Total resources expended		<u>-</u>	<u>82,382</u>	<u>82,382</u>	<u>92,726</u>
Net outgoing resources		-	(15,807)	(15,807)	(71,321)
Total funds at 1 January 2009		382,613	54,409	437,022	508,343
Total funds at 31 December 2009		<u>382,613</u>	<u>38,602</u>	<u>421,215</u>	<u>437,022</u>

BALANCE SHEET
AS AT 31 DECEMBER 2009

			2009		2008 (restated)
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		118,453		119,933
Investments	9		280,763		280,763
			<u>399,216</u>		<u>400,696</u>
Current assets					
Cash at bank and in hand		25,794		30,407	
Debtors	10	<u>3,056</u>		<u>11,752</u>	
		28,850		42,159	
Creditors: amounts falling due within one year	11	<u>6,851</u>		<u>5,833</u>	
			21,999		36,326
Net assets			<u>421,215</u>		<u>437,022</u>
Funds					
Restricted	12		382,613		382,613
Unrestricted	12		38,602		54,409
			<u>421,215</u>		<u>437,022</u>

For the financial year ended 30 June 2010 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for 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 profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

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

Approved by the Board for issue on 18 September 2010.



The Rt Hon The Earl of Caithness



Euan Sinclair

Company Registration No. SC194021

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1 Accounting Policies

(a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

(b) Incoming resources

Income is recognised in the period in which the charity is entitled to receipt. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

(c) Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred and is allocated to the specific activities of the charity.

(d) Funds accounting

Funds held by the charity are either:

Unrestricted general funds. These are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds. These are funds set aside by the trustees, out of unrestricted general funds, for specific future purposes or projects.

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

2 Voluntary income

	2009 £	2008 £
Grants:		
World Monuments Fund	3,536	-
Highlands and Islands Enterprise	17,050	10,101
	<u>20,586</u>	<u>10,101</u>
Donations:		
Gift Aid – gross	-	3,125
Tax recovery disallowed	(500)	-
Other UK donors	100	5,375
Overseas donors	46,373	792
	<u>45,973</u>	<u>9,292</u>
Total voluntary income	<u>66,559</u>	<u>19,393</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2009

3	Investment income	2009	2008
		£	£
	Interest on cash deposits	<u>16</u>	<u>2,012</u>
4	Costs of generating funds	2009	2008
		£	£
	Laird's Retreat costs	2,049	3,555
	Publicity and website costs	<u>3,533</u>	<u>2,126</u>
		<u>5,582</u>	<u>5,681</u>
5	Charitable activities (including support costs)	2009	2008
		£	£
	Direct costs:		
	Building works	2,998	46,548
	Archaeological excavation costs	39,590	34,148
	Bat survey	604	-
	Heraldic panel	<u>925</u>	<u>-</u>
		<u>71,077</u>	<u>80,696</u>
	Support costs:		
	Insurance	1,318	1,561
	Professional fees	2,030	2,235
	Office expenses	190	361
	Subscriptions	-	50
	Depreciation on equipment	<u>2,185</u>	<u>2,097</u>
		<u>76,800</u>	<u>87,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2009

6 Taxation

The Company is recognised by the Inland Revenue as a charity for the purposes of Section 505, Income and Corporation Taxes Act 1988.

7 Related party transactions

There were no related party transactions during the year.

8 Tangible assets

	Land & Buildings £	Library Books £	Equipment £	Furniture £	Total £
Cost					
At 1 January 2009	1	104,663	16,780	3,750	125,194
Additions	-	-	705	-	705
At 31 December 2009	<u>1</u>	<u>104,663</u>	<u>17,485</u>	<u>3,750</u>	<u>125,899</u>
Depreciation					
At 1 January 2009	-	-	5,261	-	5,261
Charge for the year	-	-	2,185	-	2,185
At 31 December 2009	<u>-</u>	<u>-</u>	<u>7,446</u>	<u>-</u>	<u>7,446</u>
Net book values					
At 31 December 2009	<u>1</u>	<u>104,663</u>	<u>10,039</u>	<u>3,750</u>	<u>118,453</u>
At 31 December 2008	<u>1</u>	<u>104,663</u>	<u>11,519</u>	<u>3,750</u>	<u>119,933</u>

The ruins of Sinclair and Girnigoe Castle, which were gifted to the Trust, are included in the accounts at a nominal value of £1. The directors do not consider the cost of valuing the sites to be justified in terms of assessing their performance.

In 2003 books, maps and manuscripts were donated to the Trust by Niven Sinclair. The books, etc are housed in the Noss Head library and Study Centre with the object of providing a centre of learning for the study of the history of the Sinclair family and related subjects. For the purposes of these accounts the books are included at a valuation of £100,000. The acquisition of additional books is shown at cost.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2009

9 Fixed asset investments

	Shares in Subsidiary £	Loan to Subsidiary £	Total £
Cost			
At 1 January 2009	162,986	117,777	280,763
At 31 December 2009	<u>162,986</u>	<u>117,777</u>	<u>280,763</u>

The company holds 100% of the share capital of Noss Head Estates Limited, a company incorporated in England.

Noss Head Estates Limited has negative aggregate capital and reserves of £10,158 as at 31 December 2009 and did not trade during the year ended on that date.

Clan Sinclair Trust occupies property owned by Noss Head Estates Limited for use as a Study Centre and to provide letting accommodation.

10 Debtors

	2009 £	2008 £
Grants receivable	-	10,101
Income tax recoverable	-	625
VAT recoverable	3,056	521
Prepayments	-	505
	<u>3,056</u>	<u>11,752</u>

11 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	5,851	4,833
Accrued expenses	<u>1,000</u>	<u>1,000</u>
	<u>6,851</u>	<u>5,833</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2009

12 Reconciliation of movements in funds

	2009		2008	
	Restricted Funds £	General Funds £	Restricted Funds £	General Funds £
Opening funds	382,613	54,409	101,850	406,493
Reallocation of funds			280,763	(280,763)
Incoming resources	-	66,575	-	21,405
Outgoing resources	-	(82,382)	-	(92,726)
Closing funds	<u>382,613</u>	<u>38,602</u>	<u>382,613</u>	<u>54,409</u>

13 Analysis of Restricted Funds

	2009 £	2008 £
Funds donated to provide books for the Noss Head Library:		
Gifted by Niven Sinclair in 2003 – books at valuation	100,000	100,000
Other donations	<u>1,850</u>	<u>1,850</u>
	101,850	101,850
Funds donated to finance purchase of Noss Head Estates Limited in 2006	<u>280,763</u>	<u>280,763</u>
Total Restricted Funds	<u>£382,613</u>	<u>£382,613</u>

14 Share capital

The company does not have a share capital as it is limited by guarantee.