

Company number: SC194021  
Charity number: SC028778

**Clan Sinclair Trust**  
**(A company limited by guarantee)**

**Trustees' report and**  
**unaudited financial statements**

**For the year ended 31 December 2014**

FRIDAY



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COMPANIES HOUSE

**Saffery Champness**  
CHARTERED ACCOUNTANTS

**Clan Sinclair Trust**  
**(A company limited by guarantee)**

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Legal and administrative information

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<b>Patron</b>	HRH The Prince Charles, Duke of Rothesay	
<b>Trustees</b>	The Rt Hon The Earl of Caithness The Rt Hon The Viscount Thurso Ms Isla St Clair	(Chief Executive)
<b>Secretary</b>	The Rt Hon The Earl of Caithness	
<b>Registered office</b>	Clan Sinclair Study Centre 1 Nosshead Lighthouse Wick Caithness KW1 4QT	
<b>Company registration number</b>	SC194021	
<b>Charity registration number</b>	SC028778	
<b>Independent examiner</b>	Mrs Shirley Mathieson Saffery Champness Kintail House Beechwood Park Inverness IV2 3BW	
<b>Bankers</b>	Bank of Scotland Citymark 150 Fountainbridge Edinburgh EH3 9PE	

**Trustees' annual report (incorporating the directors' report)**  
**For the year ended 31 December 2014**

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The trustees present their report and the financial statements for the year ended 31 December 2014. The trustees, who are also directors for the purposes of company law, who served during the year and up to the date of this report are set out on page 1.

**Structure, governance and management**

*Governing document*

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

*Recruitment and appointment of new trustees*

The rules governing the appointment of new trustees are laid down in the trust's Articles of Association.

*Risk management*

The 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.

**Objectives and activities**

The trust was established for the purpose of:

- the preservation and promotion of Sinclair and Girnigoe Castles;
- the promotion of the history of the castles and the Sinclair Clan; and
- the establishment of a visitor centre.

**Achievements and performance**

2014 was another quiet year with no work carried out at the castle, but a good number of visitors came to view the castle and were impressed by what had been achieved and the quality of the signage and interpretation.

**Trustees' annual report (incorporating the directors' report)**  
**For the year ended 31 December 2014**

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**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 to when sufficient funds are available to cover the agreed and costed phase of the project.

**Plans for future periods**

Given the economic climate and the difficulty that all charities are having in raising funds, we will continue our policy of only carrying out works for which we have funds.

**Statement of trustees' responsibilities**

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and or the surplus or deficit of the company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

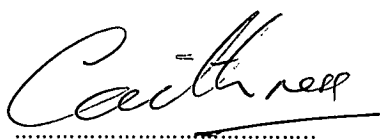
The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust, and to enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' annual report (incorporating the directors' report)  
For the year ended 31 December 2014

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

On behalf of the board

A handwritten signature in cursive script, appearing to read 'Caithness', with a horizontal line underneath it.

The Rt Hon The Earl of Caithness  
Trustee

Date: 30/08/15

**Independent examiner's report to the trustees of Clan Sinclair Trust**

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I report on the financial statements of the charity for the year ended 31 December 2014 which are set out on pages 6 to 16.

**Respective responsibilities of trustees and examiner**

The charity's trustees 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 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 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 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.

  
.....

Mrs Shirley Mathieson FCCA

Date: 02/09/15

Saffery Champness  
Kintail House  
Beechwood Park  
Inverness  
IV2 3BW

Statement of financial activities (incorporating the income and expenditure account) for the year ended 31 December 2014

	Note	Restricted funds £	Unrestricted funds £	2014 total £	2013 total £
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income	2	-	404	404	12,743
Activities for generating funds	3	-	3,856	3,856	8,261
Other incoming resources	4	-	-	-	275
<b>Total incoming resources</b>		-	4,260	4,260	21,279
<b>Resources expended</b>					
Charitable activities	5	4,074	6,753	10,827	19,888
Governance costs	6	-	950	950	1,100
<b>Total resources expended</b>		4,074	7,703	11,777	20,988
<b>Net movement in funds</b>		(4,074)	(3,443)	(7,517)	291
<b>Total funds brought forward</b>		382,613	20,189	402,802	402,511
<b>Total funds carried forward</b>		378,539	16,746	395,285	402,802

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



Balance sheet  
As at 31 December 2014

	Note	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		120,498		126,531
Investments	10		280,763		280,763
			<u>401,261</u>		<u>407,294</u>
<b>Current assets</b>					
Debtors	11	3,450		1,424	
Cash at bank and in hand		3,560		5,093	
		<u>7,010</u>		<u>6,517</u>	
<b>Creditors: amounts falling due within one year</b>	12	(12,986)		(11,009)	
<b>Net current liabilities</b>			<u>(5,976)</u>		<u>(4,492)</u>
<b>Net assets</b>	13		<u>395,285</u>		<u>402,802</u>
<b>Funds</b>					
Restricted funds	15		378,539		382,613
Unrestricted funds	14		16,746		20,189
<b>Total funds</b>			<u>395,285</u>		<u>402,802</u>

Balance sheet (continued)  
As at 31 December 2014

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For the financial year ended 31 December 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

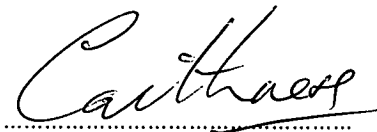
Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

Approved by the board for issue on ...~~30/08/15~~...



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The Rt Hon The Earl of Caithness  
Trustee

Company registration number SC194021

Notes to the financial statements  
For the year ended 31 December 2014

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## **1 Accounting policies**

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

### **1.1 Basis of accounting**

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

### **1.2 Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subject to restrictions on their expenditure imposed by the donor.

### **1.3 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 are recognised when the charity becomes unconditionally entitled to the grant.

### **1.4 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:

Charitable activity 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.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independent examiner's fees and costs linked to the strategic management of the charity.

Notes to the financial statements (continued)  
For the year ended 31 December 2014

### 1.5 Fixed assets

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

Land and buildings	- 2% per annum straight line basis
Library books	- 4% per annum straight line basis
Equipment	- 5% to 12.5% per annum straight line basis
Furniture	- 5% per annum straight line basis

### 1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

### 1.7 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group financial statements.

## 2. Voluntary income

	Unrestricted £	2014 £	2013 £
Donations	404	404	12,743
	<u>404</u>	<u>404</u>	<u>12,743</u>

## 3. Activities for generating funds

	Unrestricted £	2014 £	2013 £
Rent received	3,856	3,856	8,261
	<u>3,856</u>	<u>3,856</u>	<u>8,261</u>

Notes to the financial statements (continued)  
For the year ended 31 December 2014

4. Other incoming resources

	Unrestricted £	2014 £	2013 £
Compensation received	-	-	275
	-	-	275

5. Costs of charitable activities

	Unrestricted £	Restricted £	2014 £	2013 £
Insurance	2,183	-	2,183	1,378
Property upkeep	1,978	-	1,978	12,185
Printing, postage and stationery	-	-	-	126
Publicity and website costs	-	-	-	50
Light and heat	204	-	204	1,451
Legal and professional fees	-	-	-	1,515
Bookkeeping	369	-	369	730
General expenses	-	-	-	148
Depreciation	2,019	4,074	6,093	2,305
	6,753	4,074	10,827	19,888

6. Governance costs

	Unrestricted £	2014 £	2013 £
Independent examiner's fee	950	950	1,100
	950	950	1,100

Notes to the financial statements (continued)  
For the year ended 31 December 2014

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7. Net incoming resources for the year

	2014	2013
	£	£
Net incoming resources is stated after charging:		
Depreciation	6,093	2,305
	<u>6,093</u>	<u>2,305</u>

8. Trustees' remuneration

No members of the board of trustees received any remuneration during the year.

Notes to the financial statements (continued)  
For the year ended 31 December 2014

9. Tangible fixed assets

	Land and buildings £	Library books £	Equipment £	Furniture £	Total £
<b>Cost</b>					
At 1 January 2014	15,001	104,663	19,424	3,750	142,838
Additions	60	-	-	-	60
At 31 December 2014	15,061	104,663	19,424	3,750	142,898
<b>Depreciation</b>					
At 1 January 2014	-	-	16,307	-	16,307
Charge for the year	301	4,187	1,418	187	6,093
At 31 December 2014	301	4,187	17,725	187	22,400
<b>Net book value</b>					
At 31 December 2014	14,760	100,476	1,699	3,563	120,498
At 31 December 2013	15,001	104,663	3,117	3,750	126,531

The ruins of Sinclair and Girnigoe Castles, which were gifted to the trust, are included in the accounts at a nominal value of £1. The trustees 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 and the acquisition of additional books is shown at cost.

Notes to the financial statements (continued)  
For the year ended 31 December 2014

10. Fixed asset investments

	Shares in subsidiary £	Loan to subsidiary £	Total £
<b>Cost</b>			
At 1 January and at 31 December 2014	162,986	117,777	280,763
<b>Net book value</b>			
At 1 January and at 31 December 2014	162,986	117,777	280,763

**Holdings of more than 20%**

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

Subsidiary	Country of registration or incorporation	Shares held	
		Class	%
Noss Head Estates Limited	England	Ordinary	100

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

Subsidiary	Principal activity	Capital and reserves £	Profit/(loss) for the year £
Noss Head Estates Limited	Dormant	(10,158)	-

The last relevant financial year of Noss Head Estates Limited was 30 November 2014.

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

11. Debtors

	2014 £	2013 £
VAT recoverable	342	738
Prepayments	998	686
Other debtors	2,110	-
	<u>3,450</u>	<u>1,424</u>



Notes to the financial statements (continued)  
For the year ended 31 December 2014

12. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	1,427	8,822
Accruals	1,559	1,650
Other creditors	10,000	537
	<u>12,986</u>	<u>11,009</u>

13. Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	22,722	97,776	120,498
Investments	-	280,763	280,763
Current assets	7,010	-	7,010
Current liabilities	(12,986)	-	(12,986)
	<u>16,746</u>	<u>378,539</u>	<u>395,285</u>

14. Unrestricted funds

	At 1 January 2014 £	Incoming resources £	Outgoing resources £	At 31 December 2014 £
General fund	20,189	4,260	(7,703)	16,746

Notes to the financial statements (continued)  
For the year ended 31 December 2014

**15. Restricted funds**

	At 1 January 2014 £	Incoming resources £	Outgoing resources £	At 31 December 2014 £
Noss Head Estates Limited	280,763	-	-	280,763
Noss Head library	101,850	-	(4,074)	97,776
	<u>382,613</u>	<u>-</u>	<u>(4,074)</u>	<u>378,539</u>

**Purposes of restricted funds**

Noss Head Estates Limited - funds donated to finance the purchase of Noss Head Estate in 2006.

Noss Head library - includes the value of books gifted by Niven Sinclair in 2003 (£100,000) and other donations towards the cost of the library (£1,850).

**16. Control**

The charity is a company limited by guarantee not having a share capital. As a result, no single party has control.

**17. Company limited by guarantee**

Clan Sinclair 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 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.

**18. Related party transactions**

At 31 December 2014 the charity owed £10,000 (2013 - nil) to The Rt Hon The Earl of Caithness. This loan is interest free and will not be repaid until the charity has sufficient funds to do so.