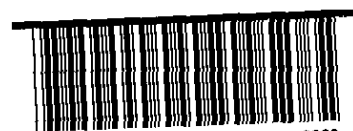


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CLAN SINCLAIR TRUST  
FINANCIAL STATEMENTS  
31 DECEMBER 2000





SCT SR5VV5K3 0099  
COMPANIES HOUSE 07/11/01

SCT SQUUE30J 0100  
COMPANIES HOUSE 24/10/01

**Saffery Champness**

CHARTERED ACCOUNTANTS

**CLAN SINCLAIR TRUST**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

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**COMPANY INFORMATION**

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**Directors**

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

**Secretary**

Euan Sinclair

**Registered Office**

Kintail House  
Beechwood Park  
Inverness  
IV2 3BW

**Company Number**

SC194021

**Scottish Charity Number**

SC028778

**Accountants**

Saffery Champness  
Kintail House  
Beechwood Park  
Inverness  
IV2 3BW

**Bankers**

Bank of Scotland  
Teviot House  
41 South Gyle Crescent  
Edinburgh

**DIRECTORS' AND TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2000**

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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 2000.

The results for the year are presented in a form to comply with the revised Statement of Recommended Practice for charities, as issued by the Charity Commission in October 1995 and as identified in the Charities Act 1993.

*This Directors' and Trustees' Report and full accompanying Financial Statements are published and distributed to all members in accordance with statutory regulations for registered companies.*

**Legal and Administrative Details**

The legal and administrative details are listed on Page 1.

The following Directors have held office since 1 January 2000.

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

**Objects**

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.

**Organisation**

*The Trust was 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 March 1999. The Trust changed its name to Clan Sinclair Trust on 19 October 1999 to reflect its wider objects.*

**Review of the Development, Activities and Achievements of the Trust during the Period**

- Royal Patron

Her Majesty, Queen Elizabeth the Queen Mother, graciously accepted the office of Patron of the Trust.

- Preservation and Promotion of the Castles

The legalities of the transfer of the Castles to the Trust were completed this year

**DIRECTORS' AND TRUSTEES' REPORT (Continued)****FOR THE PERIOD ENDED 31 DECEMBER 2000**

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Following meetings with Historic Scotland, plans were submitted to and agreed by Historic Scotland for Ancient Monument consent for the works to be carried out to stabilise the deteriorations of Girnigoe Castle. The Trust's application for grant to help with the cost of the work, estimated at £1 million, was submitted to the Heritage Lottery Fund.

Following meetings in New York and London an application has been submitted to the World Monument Fund for inclusion in their 2002 list of the most endangered sites worldwide. This list is published every two years and contains 100 properties worldwide that the Fund considers being in most danger of being lost and worthy of retention. Naturally the competition is extremely fierce to be included on the list and usually only two or three properties from the UK become successful.

- Promotion of the history of the Castles and Sinclair Clan

This year saw the First International Gathering of the Clan, which took place in London, Edinburgh and around Caithness. Over 160 Sinclairs from the United States of America, Canada, Australia, New Zealand, South Africa and Sweden took part. Everyone on the trip was given a guided tour of the Castles and Lachlan Stewart, the Trust's architect, explained the plans. The promotional value of the Gathering – and the goodwill it generated locally, as well as with those who took part – will benefit the Trust in the future. It has also formed a solid base for a better understanding and relationship amongst the Trust and the clan worldwide.

- Establishment of a Visitor Centre

The Clan Sinclair Study Centre was completed last year in time for the International Gathering. The Niven Sinclair Library, forming part of the Study Centre, now houses the books and other artefacts gifted to the Trust and part of the Library was furnished with the Trust's financial assistance. The Library was officially opened during the Gathering by the eponymous Niven Sinclair.

The owner, Noss Head Estates Limited (in which Ian Sinclair, a Director of the Trust, has a material interest) had offered to sell the Study Centre to the Trust at value, but this was clearly impossible due to the Trust's current financial position. The Trust continued negotiation with Noss Head Estates Limited and agreed to rent part of the Centre for office purposes. An independent valuer acceptable to both parties determined the rental value.

**Finance**

Approval has been given in the United States of America by the IRS for US citizens to donate to the Trust in a Tax efficient manner and this has already proved helpful in securing donations.

As anticipated in last year's Report fundraising both in the UK and overseas suffered as a result of the time commitment given by the Earl of Caithness to organising and running the Gathering. Nevertheless two useful visits were made to the USA and one to Australia. The interest in the project is growing and the Gathering confirmed the belief that potential donors really need to see the Castles personally, to better appreciate their splendour and their plight.

**DIRECTORS' AND TRUSTEES' REPORT (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2000**

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As also anticipated in last year's Report the Trust now has a trading subsidiary called Sinclair Bay Trading Company Ltd. It is being mainly run through the clan website [www.clansinclair.org](http://www.clansinclair.org) by Euan Sinclair, a Director. The range of goods for sale will be expanded as finance permits.

The Trust continues to restrict its expenditure and the Directors have borne a lot of the costs of their work for the Trust personally.

**Future Plans**

The determination of grant application to the Heritage Lottery Fund will help the Directors to decide the programme for the coming year. The Trust will instruct further work to be carried out by the Architects and the Engineers in consultation with Historic Scotland.

New approaches for funding will be made and existing contacts followed up.

The result of the application to the World Monument Fund for inclusion in their 2002 Watch List will not be known until Autumn 2001. If successful, this will be of great importance to the Trust.

**Directors' Responsibilities**

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 company and of the profit or loss of the company for that period. In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**DIRECTORS' AND TRUSTEES' REPORT (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2000**

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The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This Report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board

A handwritten signature in dark ink, appearing to read 'Euan Sinclair', written over a horizontal dotted line.

Euan Sinclair  
Director

**ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE  
UNAUDITED ACCOUNTS OF CLAN SINCLAIR TRUST**

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As described on page 4 you are responsible for the preparation of the financial statements for the year ended 31 December 2000, set out on pages 7 to 12 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Saffery Champness

Chartered Accountants

22 Oct 2001  
.....

Kintail House  
Beechwood Park  
Inverness  
IV2 3BW



**BALANCE SHEET**  
**31 DECEMBER 2000**

	Notes	2000 £	£	1999 £	£
<b>Heritable property</b>	7		1		-
<b>Investment</b>					
Sinclair Bay Trading Company Ltd			2		
<b>Current assets</b>					
Cash at bank and in hand		4,044		14,056	
Taxation recoverable		<u>1,523</u>		<u>-</u>	
			5,567		14,056
<b>Creditors</b>					
Amounts falling due within one year	8		<u>3,530</u>		<u>1,175</u>
<b>Net current assets</b>			<u>2,040</u>		<u>12,881</u>
<b>Funds</b>					
Restricted	12		-		-
Unrestricted	12		<u>2,040</u>		<u>12,881</u>
			<u>2,040</u>		<u>12,881</u>

For the year ended 31 December 2000 the company was entitled to exemption under Section 249A (2) of the Companies Act 1985.


No members have required the company to obtain an audit of its accounts for the year in question in accordance with Section 249B (2).

- i) The Directors acknowledge their responsibility for:  
Ensuring the company keeps accounting records which comply with Section 221; and
- ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with Section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The notes on pages 9 to 12 form part of these Financial Statements.

The Financial Statements were approved by the Board on 15 September 2001.

The Financial Statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

  
 The Rt Hon The Earl of Caithness

  
 Euan Sinclair

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	1999 £
<b>Income</b>		22,745	19,018
Operating expenses		<u>33,869</u>	<u>6,180</u>
<b>Operating (deficit)/surplus</b>		(11,124)	12,838
Interest receivable		<u>281</u>	<u>43</u>
<b>(Deficit)/surplus on ordinary Activities before taxation</b>	<b>6</b>	(10,843)	12,881
Taxation	<b>10</b>	<u>-</u>	<u>-</u>
<b>(Deficit)/surplus for the year</b>		<u>(10,843)</u>	<u>12,881</u>

The Company has no recognised gains or losses other than the deficit for the year.

The Company's income and expenses all relate to continuing operations.

The notes on pages 9 to 12 form part of these Financial Statements.

**ACCOUNTING POLICIES**

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**Basis of Accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice "Accounting by Charities".

**Value Added Tax**

The Trust is not registered for Value Added Tax and accordingly expenditure includes Value Added Tax where applicable.

**Grants and Donations**

Revenue grants and donations are accounted for when receivable.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000**

**1 Statement of Financial Activities**

	Notes	Unrestricted Funds	Restricted Funds	2000 Total	1999 Total
		£	£	£	£
<b>Income and expenditure</b>					
Incoming resources:					
Donations and gifts		20,725	-	20,725	19,018
Clan Gathering 2000		2,022	-	2,022	-
Investment income		281	-	281	43
Total incoming resources		<u>23,028</u>	<u>-</u>	<u>23,028</u>	<u>19,061</u>
Resources used:					
Direct charitable expenditure			-		-
Fundraising and publicity	2	15,081	-	15,081	1,981
Management and administration	3	6,939	-	6,939	4,199
Noss Head Library	4	2,562	-	2,562	-
Sinclair and Girnigoe Castles	5	6,287	-	6,287	-
Grant to International Clan Associations		<u>3,000</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Total resources used		<u>33,869</u>	<u>-</u>	<u>33,869</u>	<u>6,180</u>
Net (expenditure)/income for year		<u>(10,841)</u>	<u>-</u>	<u>(10,841)</u>	<u>12,881</u>
Balances carried forward		<u>(10,841)</u>	<u>-</u>	<u>(10,841)</u>	<u>12,881</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

	Unrestricted Funds £	Restricted Funds £	2000 Total £	1999 Total £
<b>2 Fundraising and publicity</b>				
Consultancy fees	2,083	-	2,083	1,637
Travel and entertaining expenses	1,385	-	1,385	156
Advertising and promotion	11,613	-	11,613	188
	<u>15,081</u>	<u>-</u>	<u>15,081</u>	<u>1,981</u>
<b>3 Management and administration</b>				
Consultancy fees	4,000	-	4,000	2,000
Travel and motor expenses	796	-	796	505
Office and miscellaneous expenses	58	-	58	227
Telephone	322	-	322	180
Accountancy	1,763	-	1,763	1,175
	<u>6,939</u>	<u>-</u>	<u>6,939</u>	<u>4,199</u>
<b>4 Noss Head library (Clan archive)</b>				
Shelving and carpets	2,363	-	2,363	-
Books	126	-	126	-
Miscellaneous expenses	73	-	73	-
	<u>2,562</u>	<u>-</u>	<u>2,562</u>	<u>-</u>
<b>5 Sinclair and Girnigoe Castles</b>				
Architects fees	3,066	-	3,066	-
Structural engineers survey	3,221	-	3,221	-
	<u>6,287</u>	<u>-</u>	<u>6,287</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

	2000	1999
	£	£
<b>6 Deficit on ordinary activities before taxation</b>		
Deficit on ordinary activities before taxation is stated after charging:		
Sums paid to third parties for directors' services	4,000	-
Directors' remuneration	<u>-</u>	<u>2,000</u>

**7 Heritable property**

The ruins of Sinclair and Girnigoe Castles were gifted to the Trust during the year. The property is included in the accounts at a nominal valuation of £1. The Directors do not consider the cost of valuing the sites to be justified in terms of assessing their performance

**8 Creditors: amounts falling due within one year**

	2000	1999
	£	£
Trade and other creditors	<u>3,530</u>	<u>1,175</u>
	<u>3,530</u>	<u>1,175</u>

**9 Share capital**

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

**10 Taxation**

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

**11 Related party transactions**

During the year, the Company made a payment of £4,000 for consultancy fees, to a company of which the Rt Hon the Earl of Caithness is a director.

**12 Reconciliation of movements in funds**

	2000		1999	
	Unrestricted	Restricted	Unrestricted	Restricted
	Funds	Funds	Funds	Funds
	£	£	£	£
Opening funds	12,881	-	-	-
(Deficit)/surplus for the year	<u>(10,841)</u>	<u>-</u>	<u>12,881</u>	<u>-</u>
Closing funds	<u>2,040</u>	<u>-</u>	<u>12,881</u>	<u>-</u>