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CLAN SINCLAIR TRUST

FINANCIAL STATEMENTS

31 DECEMBER 2002

SC 794021



Saffery Champness

CHARTERED ACCOUNTANTS

CLAN SINCLAIR TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

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COMPANY INFORMATION

Directors

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

Secretary

Euan Sinclair

Registered Office

Clan Sinclair Study Centre
Nosshead
Wick
Caithness

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 2002

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 2002.

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 October 2000.

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 2002.

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

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 year

- Preservation and promotion of the Castles

This has been a year of progress but the main results will not be available until next year. Work on the Conservation Plan headed by Field Archaeology Specialists of the University of York is well under way and progressing satisfactorily. Castle Sinclair and Castle Girnigoe are much more interesting and complicated than was originally thought. This work is being funded by Heritage Lottery Fund, Historic Scotland, Caithness and Sutherland Enterprises, Highland Council and the Trust. The key stone at the east end of the entrance archway in Sinclair Castle slipped and the whole arch then started to move. Emergency shoring up works were undertaken to prevent further deterioration. There have been signs of the urgency for remedial works but these must await the results of the Conservation Plan and an agreed future programme of work with Historic Scotland.

DIRECTORS' AND TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2002

- Clan Study Centre at Noss Head

More books have been donated and are in the library which is being properly catalogued. The Trust agreed not to take office space at Noss Head to keep costs to a minimum.

Finance

It is difficult to fund raise when one does not know exactly on what the funds will be spent. Until the Trust receive the Conservation Plan and the way forward is agreed with Historic Scotland it is impossible to be precise about the castles, what will be done and the costs.

Thus it has been a year of keeping up the contacts and meeting potential donors both in the UK and USA so that when the information is ready there is no delay in the next stage of fund raising. Expenses and outgoings have been kept to a minimum in the current financial year.

Future plans

Once the Conservation Plan and way forward has been agreed with Historic Scotland then the proposed works can be costed and phased. It is anticipated this will be completed by mid – late summer 2003. A fund raising programme can then begin in earnest building on the contacts made in the last year with the aim of starting to carry out the schedule in 2004. Much will depend on timings for grant applications and processing so given the limited working 'window' it might be 2005 before the works are fully underway.

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 2002

Directors' responsibilities (Continued)

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



.....
Euan Sinclair
Director

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

FOR THE YEAR ENDED 31 DECEMBER 2002

We report on the financial statements for the year ended 31 December 2002 set out on pages 6 to 11.

Respective responsibilities of directors and reporting accountants

As described on page 3 the company's directors are responsible for the preparation of the financial statements and they consider the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we consider necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

1. the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985,
2. having regard only to, and on the basis of, the information contained in those accounting records:
 - a) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - b) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time, within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B9(1).



Saffery Champness
Chartered Accountants
Reporting Accountants
Inverness

23 September 2003

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2002**

	Notes	Restricted Funds £	Unrestricted Funds £	2002 Total £	2001 Total £
Incoming resources					
Donations	2	-	18,650	18,650	10,275
Investment income and interest	3	-	104	104	40
Total incoming resources		-	18,754	18,754	10,315
Cost of generating funds	4	-	(684)	(684)	(1,369)
Net incoming resources available for charitable application		-	18,070	18,070	8,946
Charitable expenditure					
Costs of activities in furtherance of charitable objectives:					
Conservation costs	5	-	4,741	4,741	-
Noss Head library costs	5	-	750	750	525
Management and administration	6	-	324	324	1,963
Total charitable expenditure		-	5,815	5,815	2,488
Total resources expended		-	6,499	6,499	3,857
Net incoming resources		-	12,255	12,255	6,458
Total funds at 1 January 2002		-	8,498	8,498	2,040
Total funds at 31 December 2002		-	20,753	20,753	8,498

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002**

	Notes	2002 £	2001 £
Income		18,650	10,275
Operating expenses		6,499	3,857
Operating surplus		<u>12,151</u>	<u>6,418</u>
Interest receivable		104	40
Surplus on ordinary activities before taxation	6	12,255	6,458
Taxation	7	-	-
Surplus for the year		<u>12,255</u>	<u>6,458</u>

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

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

The notes on pages 9 to 11 form part of these financial statements.

**BALANCE SHEET
AS AT 31 DECEMBER 2002**

			2002	2001
	Notes	£	£	£
Fixed assets				
Tangible assets	9		1	1
Investments	10		2	2
			<u>3</u>	<u>3</u>
Current assets				
Cash at bank and in hand		19,947	4,977	
Debtors	11	<u>803</u>	<u>3,812</u>	
		20,750	8,789	
Creditors: amounts falling due within one year	12	<u>-</u>	<u>294</u>	
			20,750	8,495
Net assets			<u>20,753</u>	<u>8,498</u>
Funds				
Restricted	14		-	-
Unrestricted	14		<u>20,753</u>	<u>8,498</u>
			<u>20,753</u>	<u>8,498</u>

The notes on pages 9 to 11 form part of these financial statements.

The financial statements were approved by the Board on *3 September 2003*

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

For the year ended 31 December 2002 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.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies**(a) Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, the Charities Accounts (Scotland) Regulations 1992 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) issued in October 2000.

(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

Resources expended are accounted for on an accruals basis and are allocated to the specific activities of the charity.

The Trust is not registered for VAT and accordingly expenditure includes VAT where applicable.

2 Donations

	2002 £	2001 £
Gift Aid	-	2,692
Deeds of Covenant	962	962
Prior year adjustment – additional tax recovered	-	1,485
Other donations	17,688	5,136
	<u>18,650</u>	<u>10,275</u>

3 Investment income and interest

	2002 £	2001 £
Interest on cash deposits	53	40
Tax repayment supplements	51	-
	<u>104</u>	<u>40</u>

4 Cost of generating funds

	2002 £	2001 £
Advertising and promotion	<u>684</u>	<u>1,369</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

5 Costs of activities in furtherance of charitable objectives

	2002 £	2001 £
Conservation costs		
Sinclair and Girmigoe Castles		
Shoring up of archway	3,877	-
Structural engineers' survey	864	-
	<u>4,741</u>	<u>-</u>
 Noss Head library (Clan archive)		
Insurance	<u>750</u>	<u>525</u>

6 Management and administration

	2002 £	2001 £
Motor and travelling expenses	-	192
Office rent	-	900
Miscellaneous expenses	30	2
Accountancy	294	869
	<u>324</u>	<u>1,963</u>

7 Taxation

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

8 Related party transactions

There were no related party transactions during the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2002

9 Tangible assets

The ruins of Sinclair and Girmigoe 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.

10 Investments

	2002 £	2001 £
Shares in subsidiary Sinclair Bay Trading Company Ltd	<u>2</u>	<u>2</u>

11 Debtors

	2002 £	2001 £
Income tax recoverable	<u>803</u>	<u>3,812</u>

12 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade and other creditors	<u>-</u>	<u>294</u>

13 Share capital

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

14 Reconciliation of movements in funds

	2002		2001	
	Restricted Funds £	Unrestricted Funds £	Restricted Funds £	Unrestricted Funds £
Opening funds	-	8,498	-	2,040
Surplus for the year	<u>-</u>	<u>12,255</u>	<u>-</u>	<u>6,458</u>
Closing funds	<u>-</u>	<u>20,753</u>	<u>-</u>	<u>8,498</u>

CLAN SINCLAIR TRUST**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2002**

	£	2002 £	£	2001 £
Income				
Donations		18,650		10,275
Bank interest (net)		53		40
Tax repayment supplement		51		-
		<u>18,754</u>		<u>10,315</u>
Expenditure				
Structural repairs	4,741		-	
Noss Head library expenses - insurance	750		525	
Travel and motor expenses	-		192	
Advertising and promotion	684		1,369	
Rent of office	-		900	
Audit and accountancy	294		869	
Miscellaneous expenses	30		2	
		<u>6,499</u>		<u>3,857</u>
Surplus for the year		<u>12,255</u>		<u>6,458</u>