

Charity number: SC028778
Company number: SC194021

Clan Sinclair Trust
(A company limited by guarantee)

Financial Statements
For the Year Ended 31 December 2011



Saffery Champness
CHARTERED ACCOUNTANTS

Clan Sinclair Trust
(A company limited by guarantee)

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For the Year Ended 31 December 2011

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Company Information

Patron

HRH The Prince Charles, Duke of Rothesay

Directors and Trustees

The Rt Hon The Earl of Caithness
The Rt Hon The Viscount Thurso
Mr Euan Sinclair
Ms Isla St Clair

Chief Executive

(resigned 4 November 2011)
(appointed 4 November 2011)

Secretary

Euan Sinclair
The Rt Hon The Earl of Caithness

(resigned 4 November 2011)
(appointed 4 November 2011)

Registered Office

Clan Sinclair Study Centre
Nosshead
Wick
Caithness
KW1 4QT

Company Number

SC194021

Scottish Charity Number

SC028778

Independent Examiners

Saffery Champness
Kintail House
Beechwood Park
Inverness
IV2 3BW

Bankers

Bank of Scotland
Citymark
150 Fountainbridge
Edinburgh
EH3 9PE

Report of the Trustees for the year ended 31 December 2011

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 2011.

Structure, Governance and Management

Legal and administrative details

The legal and administrative details are listed on page 1.

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.

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

After all the activity of previous years, 2011 was a relatively quiet year. Besides visits from a number of organisations including the Scottish Castles Association and a number of visitors from the largest privately owned yacht The World when she visited Wick, ten students and three staff from Sinclair College, Dayton, Ohio arrived to dig at the castle. None of them were archaeological students or done anything like this in their lives before. They were taught how to survey, set out and start a dig, what to look for, locate and register a find and then catalogue and mark it. It was an intensive week of work and learning for them. The Trust has long wanted to start this educational aspect of our work and hope this is the first of many visits. We aim to develop links with a number of academic institutions and become a centre of excellence and learning.

Report of the Trustees for the year ended 31 December 2011

As a result of a move to Canada to further his career there, Euan Sinclair, a founder Director and Trustee, resigned but remains an advisor to the Trust. We are all very grateful for his advice and guidance in the past and the benefit of his wisdom in the future.

The Trustees of the Clan Sinclair Trust are delighted to announce that Isla St Clair has agreed to become a Trustee of the Trust. Isla is known to millions for her numerous television appearances. She is one of Britain's foremost traditional singers and has received an honorary degree as Master of the University of Aberdeen for her contribution to traditional music. She brings to the Trust her commercial and marketing experience gleaned from a long career in the entertainment industry.

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

Given the economic climate and the difficulty all charities are having in raising funds, 2012 is expected to be another quiet year but hopefully Sinclair College will be able to send some more students over as part of the Trust's education programme. The Trustees will consider plans for future work in the middle of the year.

Trustees responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the year end and of its surplus for the financial year. In doing so the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make sound 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 charity will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company, 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Trustees for the year ended 31 December 2011

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 15 of the Companies Act 2006 relating to small companies.

On behalf of the Board



.....

The Rt Hon The Earl of Caithness
Trustee

Date: 11 August 2012

Independent Examiner's Report to the Trustees of Clan Sinclair Trust

I report on the financial statements of the charity for the year ended 31 December 2011 which are set out on pages 6 to 14.

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 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 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 FCCA

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

Date: 11/08/12

Statement of Financial Activities (including Income & Expenditure Account) for the year ended 31 December 2011

	Notes	Restricted Funds £	Unrestricted Funds £	2011 Total £	2010 Total £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	-	13,728	13,728	30,650
Total incoming resources		-	13,728	13,728	30,650
Resources expended					
Costs of generating funds	3	-	-	-	1,724
Charitable activities	4	-	16,021	16,021	37,413
Governance costs	5	-	1,320	1,320	1,935
Total resources expended		-	17,341	17,341	41,072
Net incoming/(outgoing) resources		-	(3,613)	(3,613)	(10,422)
Total funds at 1 January 2011		382,613	28,180	410,793	421,215
Total funds at 31 December 2011		382,613	24,567	407,180	410,793

Balance Sheet as at 31 December 2011

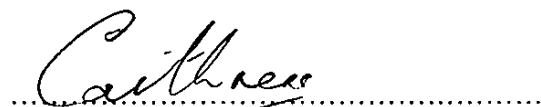
	Notes	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	8		114,083		116,268
Investments	9		<u>280,763</u>		<u>280,763</u>
			394,846		397,031
Current assets					
Cash at bank and in hand		12,667		12,595	
Debtors	10	<u>1,148</u>		<u>4,509</u>	
		13,815		17,104	
Creditors: amounts falling due within one year	11	<u>1,481</u>		<u>3,342</u>	
			<u>12,334</u>		<u>13,762</u>
Net assets			<u>407,180</u>		<u>410,793</u>
Funds					
Restricted	12		382,613		382,613
Unrestricted	12		<u>24,567</u>		<u>28,180</u>
			<u>407,180</u>		<u>410,793</u>

For the financial year ended 31 December 2011 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 11/08/12



The Rt Hon The Earl of Caithness

Company Registration No. SC194021

Notes to the Financial Statements for the year ended 31 December 2011

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.

(a) 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), 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

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.

(c) 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.

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

(d) Funds 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 subjected to restrictions on their expenditure imposed by the donor.

Notes to the Financial Statements for the year ended 31 December 2011

(e) 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 & buildings	-	no depreciation
Library books	-	no depreciation
Equipment	-	12.5% straight line method
Furniture	-	no depreciation

(f) Investments

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

2 Voluntary income

	2011 £	2010 £
Grants:		
Highlands and Islands Enterprise	-	5,953
Scottish National Heritage	-	6,825
Highland Council	7,178	5,000
NHMF Lottery Fund	-	4,667
	<u>7,178</u>	<u>22,445</u>
Donations:		
The Clare Foundation	-	7,000
Gift Aid donations	-	1,125
Other UK donors	6,550	50
Overseas donors	-	30
	<u>6,550</u>	<u>8,205</u>
Total voluntary income	<u>13,728</u>	<u>30,650</u>

Notes to the Financial Statements for the year ended 31 December 2011

3 Costs of generating funds

	2011 £	2010 £
Laird's Retreat costs	-	1,056
Professional fees - grant applications	-	668
	<u>-</u>	<u>1,724</u>

4 Charitable activities (including support costs)

	2011 £	2010 £
Direct costs:		
Building works	-	6,864
Archaeological excavation costs	3,600	13,970
Interpretation costs – display panels	-	10,755
	<u>3,600</u>	<u>31,589</u>
Support costs:		
Insurance	508	820
Office expenses	482	83
Property upkeep – maintenance and grass cutting	2,968	1,280
Publicity and website costs	4,101	624
Light and heat	2,177	832
Depreciation	2,185	2,185
	<u>12,421</u>	<u>5,824</u>
Total charitable activities	<u>16,021</u>	<u>37,413</u>

5 Governance costs

	2011 £	2010 £
Independent examiners' fees	1,320	1,935
	<u>1,320</u>	<u>1,935</u>

6 Taxation

As a charity, Clan Sinclair Trust is exempt from tax on income falling within section 505 of the Income & Corporation Taxes Act 1988.

7 Trustee remuneration

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

Notes to the Financial Statements for the year ended 31 December 2011

8 Tangible assets

	Land & buildings £	Library books £	Equipment £	Furniture £	Total £
Cost					
At 1 January 2011	1	104,663	17,485	3,750	125,899
Additions	-	-	-	-	-
At 31 December 2011	1	104,663	17,485	3,750	125,899
Depreciation					
At 1 January 2011	-	-	9,631	-	9,631
Charge for the year	-	-	2,185	-	2,185
At 31 December 2011	-	-	11,816	-	11,816
Net book values					
At 31 December 2011	1	104,663	5,669	3,750	114,083
At 31 December 2010	1	104,663	7,854	3,750	116,268

The ruins of Sinclair and Girmigoe Castles, 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.

9 Fixed asset investments

	Shares in subsidiary £	Loan to subsidiary £	Total £
Cost			
At 1 January 2011	162,986	117,777	280,763
At 31 December 2011	162,986	117,777	280,763

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 30 November 2011 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.

Notes to the Financial Statements for the year ended 31 December 2011

10 Debtors

	2011	2010
	£	£
Tax recoverable on gift aid donations	225	225
VAT recoverable	415	4,284
Prepayments	508	-
	<u>1,148</u>	<u>4,509</u>

11 Creditors: amounts falling due within one year

	2011	2010
	£	£
Trade creditors	481	2,592
Accruals	1,000	750
	<u>1,481</u>	<u>3,342</u>

12 Analysis of net assets between funds

	Unrestricted	Restricted	Total
	£	£	£
Tangible fixed assets	12,233	101,850	114,083
Investments	-	280,763	280,763
Current assets	13,815	-	13,815
Current liabilities	(1,481)	-	(1,481)
Net assets at 31 December 2011	<u>24,567</u>	<u>382,613</u>	<u>407,180</u>

Notes to the Financial Statements for the year ended 31 December 2011

12 Analysis of funds

	At 1 January 2011 £	Incoming resources £	Outgoing resources £	At 31 December 2011 £
Unrestricted funds:				
General fund	28,180	13,728	(17,341)	24,567
	<u>28,180</u>	<u>13,728</u>	<u>(17,341)</u>	<u>24,567</u>
Restricted funds:				
Noss Head Estates Ltd	280,763			280,763
Noss Head Library	101,850			101,850
	<u>382,613</u>			<u>382,613</u>
Total funds	<u>410,793</u>	<u>13,728</u>	<u>(17,341)</u>	<u>407,180</u>

Purposes of restricted funds

Noss Head Estates Ltd – This was funds donated to finance the purchase of Noss Head Estates Ltd in 2006.

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

Detailed Income and Expenditure Account for the year ended 31 December 2011

	£	2011 £	£	2010 £
Income				
Grants				
Highlands and Islands Enterprise	-		5,953	
Scottish National Heritage	-		6,825	
Highland Council	7,178		5,000	
NHMF Lottery Fund	-		4,667	
		7,178		22,445
Donations				
The Clare Foundation	-		7,000	
Gift Aid donations	-		1,125	
Other UK donations	6,550		50	
Overseas donations	-		30	
		6,550		8,205
		<u>13,728</u>		<u>30,650</u>
Expenditure				
Costs of charitable activities				
Building costs	-		6,864	
Archaeological excavation costs	3,600		13,970	
Interpretation costs – display panels	-		10,755	
Insurance	508		820	
Office expenses	482		83	
Property upkeep	2,968		1,280	
Depreciation on equipment	2,185		2,185	
Publicity and website costs	4,101		624	
Light and heat	2,177		832	
	16,021		37,413	
Costs of generating funds				
Laird's Retreat costs	-		1,056	
Professional fees - grant applications	-		668	
	-		1,724	
Governance costs				
Independent examiners' fees	1,320		1,935	
	1,320		1,935	
		17,341		41,072
Deficit for the year		<u>(3,613)</u>		<u>(10,422)</u>