

Registered No SC 385993

Scottish Charity No. SC 042160

The Highlanders' Museum Limited

(a company limited by guarantee)

Report and Financial Statements

31 March 2012

WEDNESDAY



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25/07/2012

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COMPANIES HOUSE

The Highlanders' Museum Limited

Registered No: SC385993

Scottish Charity No. SC042160

Directors

Brigadier Charles Grant OBE

Major General Seymour Monro CBE, LVO, DL

Captain Neil McKerrrow

Michael Chowen DL

James Gray

Ronald Munro Ferguson

Thomas Prag

David Sutherland CBE

(resigned 14 May 2012)

Secretary

Major John Bailey MBE

Independent Examiner

Peter Mearns

Ernst & Young LLP

Barony House

Stoneyfield Business Park

Stoneyfield

Inverness

IV2 7PA

Bankers

Royal Bank of Scotland

29 Harbour Road

Inverness

IV1 1NU

Registered Office

Fort George

Ardersier

Inverness

IV2 7TD

Trustees' annual report

The trustees, who are also directors of the company for the purposes of company law, present their report and financial statements for the year ended 31 March 2012.

Principal activity and review of company affairs

The Highlanders' Museum Limited operates as a charity. The constitution of the charity is a private company registered in Scotland on 27 September 2010. The company is limited by guarantee not having a share capital, with the liability of each member restricted to a maximum of £1. Charitable status was granted by the Office of the Scottish Charity Regulator on 10 March 2011.

The objects of the charity as stated by its constitution are firstly, the advancement of the arts, heritage and culture by receiving, maintaining, restoring, conserving, caring for and displaying artefacts of the regimental collections of the Seaforth, Camerons, Queen's Own Highlanders, The Highlanders, The Highland Battalion and the Lovat Scouts regiments, all of which, other than the Lovat Scouts, have been disbanded and incorporated into the 4th Battalion, the Royal Regiment of Scotland, and secondly the advancement of education by the promotion and undertaking of educational activities relating to Highland military history.

It has achieved these objectives in the period by the raising of finance to fund the redevelopment of the Highlanders Museum, based in Fort George, Inverness.

Fort George is one of the most outstanding fortifications in Europe and was built following the 1745 Jacobite rebellion as a Government army base. It can house two infantry regiments of 1,600 men. The Fort is operated by Historic Scotland and is also still a fully operational army barracks, currently home to The Black Watch, 3rd Battalion, Royal Regiment of Scotland.

The museum is housed in the former Lieutenant Governor's House with artefacts displayed on three floors. The collection is probably the largest regimental display outside London. Founded over 60 years ago, the Museum houses more than 5,000 gallantry awards and campaign medals, including 16 Victoria Crosses. It also contains a set of Colours carried at the Battle of Waterloo. In addition there is a library and archive with personal letters and diaries as well as regimental diaries, books and magazines.

The geographic area covered by the charity is primarily the Highlands of Scotland.

Results

The aims of the directors are to redevelop the Highlanders Museum and raise sufficient funds to enable it to be self financing in the future. These plans have been long in the planning. The Museum trustees, who are a separate body from the Highlanders Museum directors, and other charitable bodies have been raising funds for many years. In the current year, sufficient funding had been obtained or promised to start the work.

In the current year, as well as employing consultants to plan the work, the Museum also employed suitably qualified staff to oversee the project through to completion. Grant funding was requested from various bodies and this was used to cover the costs incurred. A surplus of £157,880 was recorded on total income of £474,854. Of this surplus, £153,496 arose from restricted funds not yet expended at the year-end.

Reserves policy

The unrestricted fund represents funds arising from past events that may be expended on any of the charity's objects. The directors' policy will be to try to maintain sufficient unrestricted funds at any time to enable the charity to fund its expenditure for a period of at least 3 months.

Trustees' annual report

Trustees

The charity being a company limited by guarantee, the responsibility for its management rests with the trustees/directors who are appointed by the members in accordance with the Companies Act. Prior to appointment, directors receive full information regarding the work of the charity from the company secretary and are kept informed of developments by the company secretary and also by a report presented to each meeting of trustees by the organiser.

Plans for future periods

The directors aim to continue the development and preservation of The Highlanders Museum. The Museum closed in autumn 2011 to allow the redevelopment to take place and will reopen in spring 2013. Development is budgeted to cost £2.9m. The trustees believe that the charity will continue to develop once the benefits of the redevelopment encourages more visitors to the Museum.

Risk management

The directors have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate the exposure to such risks.

Trustees/directors

The trustees/directors during the year were those listed on page 1.

Small company provisions

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

By order of the Board



Major John Bailey MBE
Secretary

Date: 9.7.12

Independent examiner's report

to the trustees of The Highlanders' Museum Limited

I report on the financial statements of the charity for the period ended 31 March 2012 which are set out on pages 5 to 10.

This report is made solely to the trustees as a body. This examination has been undertaken so that I might state to the trustees those matters that are required to be stated to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for this examination, for this report, or for the statements made.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the 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 do not apply. It is my responsibility to examine the financial statements 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements.

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 the financial statements 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 financial statements to be reached.



Peter Mearns MA CA
Ernst & Young LLP
Inverness

Date: 23/7/12

Statement of financial activities and income and expenditure account

for the year ended 31 March 2012

	Note	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income – grants and donations	4	422,423	14,549	436,972	-
Activities for generating funds		19,959	17,920	37,879	-
Investment income		-	3	3	-
Total incoming resources		442,382	32,472	474,854	-
Resources expended					
<i>Costs of generating funds</i>					
Fundraising trading cost of goods sold and other costs		11,979	4,849	16,828	-
<i>Charitable activities</i>					
Costs associated with the operation of the Museum		276,907	22,489	299,396	-
<i>Governance costs</i>					
Independent examiner's fees		-	750	750	-
Total resources expended		288,886	28,080	316,974	-
Net incoming resources and net income for the period	5	153,496	4,384	157,880	-
Total funds brought forward		-	-	-	-
Total funds carried forward	8	153,496	4,384	157,880	-

Balance sheet

at 31 March 2012

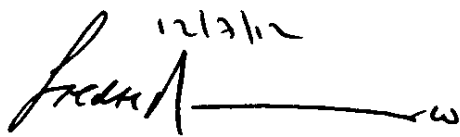
Company number: SC385993

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	6	916	-
Current assets			
Debtors		6,648	-
Cash at bank		166,232	-
		<u>172,880</u>	<u>-</u>
Creditors: amounts falling due within one year	7	15,916	-
Net current assets		<u>156,964</u>	<u>-</u>
		<u>157,880</u>	<u>-</u>
Reserves			
Unrestricted funds	8	4,384	-
Restricted funds	8	153,496	-
		<u>157,880</u>	<u>-</u>

For the period ended 31 March 2012 the company was entitled to exemption from an audit under section 477 of the Companies Act 2006. The members have not required the company to obtain an audit under section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of financial statements.

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

12/3/12


Major General Seymour Monro CBE, LVO, DL
Trustee

The notes on pages 7 to 9 form part of these financial statements.

Notes to the financial statements

at 31 March 2012

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards, the Statement of Recommended Practice "Accounting by Charities" (SORP 2005) issued in December 2005 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Taxation

No provision for corporation tax is necessary due to the company's charitable status.

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. Donations are recorded as income when the cash is received.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided as rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	over three years straight line
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Capital grants

In accordance with the charity SORP, grants received towards capital expenditure have been recognised as income on receipt and a depreciation charge allocated against the fund so as to reduce the fund over the estimated useful life of the asset concerned. Compliance with the charity SORP means that there is non-compliance with the FRSSE which requires such grants to be treated as deferred income in the balance sheet.

2. Staff costs

	2012 £	2011 £
Wages and salaries	62,211	-
Employer's national insurance	5,654	-
	<u>67,865</u>	<u>-</u>

The average number of employees during the years was 3 (2011 – none).

No employee received annual emoluments of more than £60,000.

3. Trustees' remuneration

No trustee received any remuneration for their services during the period.

Notes to the financial statements

at 31 March 2012

4. Grants and donations

During the year, the company received voluntary funding from the following sources:

	<i>Restricted</i>	<i>Unrestricted</i>	<i>Total</i>	<i>Total</i>
	<i>2012</i>	<i>2012</i>	<i>2012</i>	<i>2011</i>
		£	£	£
Drum, public donations and newsletter	19,463	14,549	34,012	-
The Queen's Own Highlanders Museum Fund	47,836	-	47,836	-
European Regional Development Fund	67,587	-	67,587	-
Bord na Gaidhlig	20,000	-	20,000	-
HLF	58,685	-	58,685	-
Highlands & Islands Enterprise	23,890	-	23,890	-
The Highland Council	68,000	-	68,000	-
Regimental Fundraising	14,635	-	14,635	-
The Prince of Wales Charitable Trust	2,000	-	2,000	-
Sylvia Aitken Charitable Trust	1,000	-	1,000	-
Radcliffe Trust	5,000	-	5,000	-
Dulverton Trust	10,000	-	10,000	-
Highlanders Trustees	20,000	-	20,000	-
House of Bruar	1,000	-	1,000	-
David F Sutherland	10,000	-	10,000	-
Michael Chowen	20,000	-	20,000	-
Other individual donations	33,327	-	33,327	-
Total incoming resources	422,423	14,549	436,972	-

5. Net incoming resources/net income

This is stated after charging:

	<i>2012</i>	<i>2011</i>
	£	£
Depreciation on owned fixed assets	459	-
Independent examiner's fees	750	-

Notes to the financial statements

at 31 March 2012

6. Tangible fixed assets

	<i>Computer equipment</i> £	<i>Total</i> £
<i>Cost</i>		
At 1 April 2011	-	-
Additions in year	1,375	1,375
At 31 March 2012	1,375	1,375
<i>Depreciation</i>		
At 1 April 2011	-	-
Charge for period	459	459
At 31 March 2012	459	459
<i>Net book value</i>		
At 31 March 2012	916	916
At 31 March 2011	-	-

7. Creditors: amounts falling due within one year

	<i>2012</i> £	<i>2011</i> £
Trade creditors	10,987	-
Bank overdraft	3,800	-
Social security and other taxes	379	-
Other creditors and accruals	750	-
	15,916	-

8. Movement on reserves

Fund balances as at 31 March 2012

	<i>Restricted Fund</i> £	<i>Unrestricted fund</i> £	<i>Total funds</i> £
At 1 April 2011	-	-	-
Net incoming resources for the year	153,496	4,384	157,880
At 31 March 2012	153,496	4,384	157,880

Notes to the financial statements

at 31 March 2012

9. Analysis of net assets between funds

	<i>Unrestricted Fund</i>	<i>Restricted fund</i>	<i>Total funds</i>
	£	£	£
Fixed assets	916	-	916
Net current assets	152,580	4,384	156,964
	<u>153,496</u>	<u>4,384</u>	<u>157,880</u>

The restricted fund represents funding raised to fund the redevelopment of the Highlanders Museum in Fort George.

10. Controlling party

The charitable company is controlled by its trustees.

11. Members' liability

The company is limited by guarantee and has no share capital. The liability of the members is restricted to £1 each.