

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 2015**



**Saffery Champness**  
CHARTERED ACCOUNTANTS

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

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**Trustees' annual report (incorporating the directors' report)**  
**For the year ended 31 December 2015**

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The trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31 December 2015 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

**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**

Another good year for visitors. It was decided that Noss Head was now surplus to requirements and arrangements were put in hand for its sale.

**Financial review**

*Principal funding sources*

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.

*Reserves policy*

Expenditure is only committed to when sufficient funds are available to cover the agreed and costed phase of the project.

Trustees' annual report (incorporating the directors' report)  
For the year ended 31 December 2015

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**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.

**Reference and administrative details**

Company registration number: SC194021

Charity registration number: SC028778

Registered office: Clan Sinclair Study Centre  
1 Nosshead Lighthouse  
Wick  
Caithness  
KW1 4QT

Patron: HRH The Prince Charles, Duke of Rothesay

Trustees: The Rt Hon The Earl of Caithness (Chief Executive)  
The Rt Hon The Viscount Thurso  
Ms Isla St Clair

Secretary: The Rt Hon The Earl of Caithness

Trustees' annual report (incorporating the directors' report)  
For the year ended 31 December 2015

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**Statement of trustees' responsibilities**

The charity trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

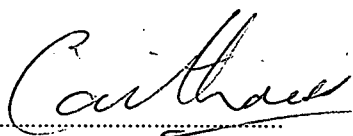
Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and applications of resources, including the income and expenditure, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

On behalf of the board



The Rt Hon The Earl of Caithness  
Trustee

Date: 22/09/16

**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 2015 which are set out on pages 5 to 15.

**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: 26/09/16

Saffery Champness  
Kintail House  
Beechwood Park  
Inverness  
IV2 3BW

Statement of financial activities (including the income and expenditure account)  
For the year ended 31 December 2015

	Note	Restricted funds £	Unrestricted funds £	2015 total £	2014 total £
<b>Income and endowments from:</b>					
Donations and legacies	3	-	1,000	1,000	404
Charitable activities	4	-	-	-	3,856
Other	5	-	10,748	10,748	-
<b>Total income</b>		-	11,748	11,748	4,260
<b>Expenditure on:</b>					
Charitable activities	6	4,074	7,832	11,906	11,777
<b>Total resources expended</b>		4,074	7,832	11,906	11,777
<b>Net movement in funds</b>		(4,074)	3,916	(158)	(7,517)
<b>Reconciliation of funds:</b>					
Total funds brought forward		378,539	16,746	395,285	402,802
<b>Total funds carried forward</b>		<b>374,465</b>	<b>20,662</b>	<b>395,127</b>	<b>395,285</b>

The notes on pages 8 to 15 form part of these financial statements.

Balance sheet  
As at 31 December 2015

		2015		2014	
	Note	£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	10		115,703		120,498
Investments	11		280,763		280,763
<b>Total fixed assets</b>			<u>396,466</u>		<u>401,261</u>
<b>Current assets:</b>					
Debtors	12	16,262		3,450	
Cash at bank and in hand		820		3,560	
<b>Total current assets</b>		<u>17,082</u>		<u>7,010</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	(18,421)		(12,986)	
<b>Net current liabilities</b>			<u>(1,339)</u>		<u>(5,976)</u>
<b>Net assets</b>	14		<u><u>395,127</u></u>		<u><u>395,285</u></u>
<b>The funds of the charity:</b>					
Restricted funds	16		374,465		378,539
Unrestricted funds	15		20,662		16,746
<b>Total funds</b>			<u><u>395,127</u></u>		<u><u>395,285</u></u>



Balance sheet (continued)  
As at 31 December 2015

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For the financial year ended 31 December 2015 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 January 2015).

The notes on pages 8 to 15 form part of these financial statements.

Approved by the board for issue on ...22/09/16...



The Rt Hon The Earl of Caithness  
Trustee

Company registration number SC194021

Notes to the financial statements  
For the year ended 31 December 2015

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**1 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**1.1 Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

**1.2 Incoming resources**

Items of income are recognised and included in the financial statements when all of the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the items of income have been met or are fully within the control of the charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

**1.3 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

**1.4 Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work.

Notes to the financial statements (continued)  
For the year ended 31 December 2015

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**1.5 Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading.
- Expenditure on charitable activities includes costs undertaken to further the purposes of the charity.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**1.6 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

**1.7 Investments**

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

**1.8 Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.9 Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Notes to the financial statements  
For the year ended 31 December 2015

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**2 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

**3 Income from donations and legacies**

	Unrestricted £	2015 £	2014 £
Donations	1,000	1,000	404
	<u>1,000</u>	<u>1,000</u>	<u>404</u>

**4 Income from charitable activities**

	Unrestricted £	2015 £	2014 £
Rent received	-	-	3,856
	<u>-</u>	<u>-</u>	<u>3,856</u>

**5 Other income**

	Unrestricted £	2015 £	2014 £
Expenses recharged	10,748	10,748	-
	<u>10,748</u>	<u>10,748</u>	<u>-</u>

Notes to the financial statements (continued)  
For the year ended 31 December 2015

**6 Analysis of expenditure on charitable activities**

	Unrestricted £	Restricted £	2015 £	2014 £
Rent and rates	850	-	850	-
Insurance	2,167	-	2,167	2,183
Property upkeep	803	-	803	1,978
Light and heat	198	-	198	204
Legal and professional fees	1,269	-	1,269	-
Bookkeeping	458	-	458	369
Independent examiner's fees	1,250	-	1,250	950
General expenses	116	-	116	-
Depreciation	721	4,074	4,795	6,093
	<u>7,832</u>	<u>4,074</u>	<u>11,906</u>	<u>11,777</u>

**7 Net incoming resources for the year**

	2015 £	2014 £
Net incoming resources is stated after charging:		
Depreciation	4,795	6,093
	<u>4,795</u>	<u>6,093</u>

**8 Analysis of trustee remuneration and expenses**

The charity trustees were not paid and did not receive any other benefits from the charity during the year (2014 - nil).

**9 Taxation**

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation and Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Notes to the financial statements (continued)  
For the year ended 31 December 2015

10 Tangible fixed assets

	Land and buildings £	Library books £	Equipment £	Furniture £	Total £
<b>Cost</b>					
At 1 January 2015	15,061	104,663	19,424	3,750	142,898
At 31 December 2015	15,061	104,663	19,424	3,750	142,898
<b>Depreciation</b>					
At 1 January 2015	301	4,187	17,725	187	22,400
Charge for the year	301	4,187	120	187	4,795
At 31 December 2015	602	8,374	17,845	374	27,195
<b>Net book value</b>					
At 31 December 2015	14,459	96,289	1,579	3,376	115,703
At 31 December 2014	14,760	100,476	1,699	3,563	120,498

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 2015

11 Fixed asset investments

	Shares in subsidiary £	Loan to subsidiary £	Total £
<b>Cost</b>			
At 1 January and at 31 December 2015	162,986	117,777	280,763
<b>Net book value</b>			
At 1 January and at 31 December 2015	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 2015.

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

12 Debtors

	2015 £	2014 £
VAT recoverable	-	342
Prepayments	1,169	998
Other debtors	15,093	2,110
	16,262	3,450

Notes to the financial statements (continued)  
For the year ended 31 December 2015

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	1,647	1,427
Taxation and social security	274	-
Accruals	1,500	1,559
Other creditors	15,000	10,000
	<u>18,421</u>	<u>12,986</u>

14 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	22,001	93,702	115,703
Investments	-	280,763	280,763
Current assets	17,082	-	17,082
Current liabilities	(18,421)	-	(18,421)
	<u>20,662</u>	<u>374,465</u>	<u>395,127</u>

15 Unrestricted funds

	At 1 January 2015 £	Incoming resources £	Outgoing resources £	At 31 December 2015 £
General fund	16,746	11,748	(7,832)	20,662



Notes to the financial statements (continued)  
For the year ended 31 December 2015

**16 Restricted funds**

	At 1 January 2015 £	Incoming resources £	Outgoing resources £	At 31 December 2015 £
Noss Head Estates Limited	280,763	-	-	280,763
Noss Head library	97,776	-	(4,074)	93,702
	<u>378,539</u>	<u>-</u>	<u>(4,074)</u>	<u>374,465</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).

**17 Control**

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

**18 Related party transactions**

At 31 December 2015 the charity owed £15,000 (2014 - £10,000) 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.