

Company number: SC194021

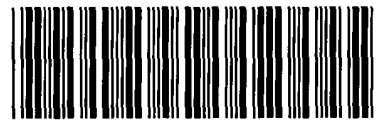
Charity number: SC028778

Clan Sinclair Trust
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 December 2016

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Clan Sinclair Trust
(A company limited by guarantee)

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Report of the trustees
For the year ended 31 December 2016

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ending 31 December 2016 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 applicable in the UK and Republic of Ireland (FRS 102).

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

An even better year for visitors as the castle becomes well known and features in more articles about the north of Scotland. The naming of the north coast road as the North Coast 500 has increased visitor numbers to the area. There has been interest in Noss Head and following the year end it was sold.

Financial review

Principal funding sources

The trust continues to be funded by grants and donations from foundations, companies, trusts and individuals. Any donations received are 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.

Report of the trustees
For the year ended 31 December 2016

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:	Saffery Champness Kintail House Beechwood Park Inverness IV2 3BW
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

Report of the trustees
For the year ended 31 December 2016

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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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: 21/9/17

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 2016 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: 22/9/17

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 2016

	Note	Restricted funds £	Unrestricted funds £	2016 total £	2015 total £
Income and endowments from:					
Donations and legacies	3	-	1,000	1,000	1,000
Other	4	-	-	-	10,748
Total income		-	1,000	1,000	11,748
Expenditure on:					
Charitable activities	5	4,074	22,493	26,567	11,906
Total resources expended		4,074	22,493	26,567	11,906
Net income/(expenditure)		(4,074)	(21,493)	(25,567)	(158)
Other recognised gains/(losses):					
Amounts written off fixed asset investments		(122,263)	(2,448)	(124,711)	-
Net movement in funds		(126,337)	(23,941)	(150,278)	(158)
Reconciliation of funds:					
Total funds brought forward		374,465	20,662	395,127	395,285
Total funds carried forward		248,128	(3,279)	244,849	395,127

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

Balance sheet
As at 31 December 2016

		2016		2015	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	9		110,907		115,703
Investments	10		158,500		280,763
Total fixed assets			<u>269,407</u>		<u>396,466</u>
Current assets:					
Debtors	11	1,494		16,262	
Cash at bank and in hand		1,399		820	
Total current assets		<u>2,893</u>		<u>17,082</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	(27,451)		(18,421)	
Net current liabilities			<u>(24,558)</u>		<u>(1,339)</u>
Net assets	13		<u>244,849</u>		<u>395,127</u>
The funds of the charity:					
Restricted funds	15		248,128		374,465
Unrestricted funds	14		(3,279)		20,662
Total funds			<u>244,849</u>		<u>395,127</u>

Balance sheet (continued)
As at 31 December 2016

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

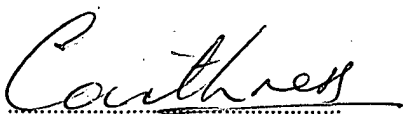
Directors' responsibilities:

- 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.

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

Approved by the board for issue on21/9/17.....



The Rt Hon The Earl of Caithness
Trustee

Company registration number SC194021

Notes to the financial statements
For the year ended 31 December 2016

1 Accounting policies

Company information

Clan Sinclair Trust is a private company limited by guarantee and incorporated in Scotland. The registered office is Clan Sinclair Study Centre, 1 Nosshead Lighthouse, Wick, Caithness, KW1 4QT.

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 preparation

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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The Clan Sinclair Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

These financial statements for the year ended 31 December 2016 are the first financial statements of Clan Sinclair Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

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;
- it is probable that the income will be received; and
- the amount can be measured reliably.

Notes to the financial statements (continued)
For the year ended 31 December 2016

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.

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:

- Expenditure on charitable activities includes costs undertaken to further the purposes of the charity.

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

1.6 Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office costs, finance and governance costs which support the charities activities. These costs have been allocated to expenditure on charitable activities.

1.7 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

1.8 Investments

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

Notes to the financial statements
For the year ended 31 December 2016

1.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

1.10 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.

1.11 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 discounts due.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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 £	2016 £	2015 £
Donations	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

All of the income from donations and legacies in the current and prior year was unrestricted.

Notes to the financial statements (continued)
For the year ended 31 December 2016

4 Other income

	Unrestricted £	2016 £	2015 £
Expenses recharged	-	-	10,748
	-	-	10,748

All of the other income in the current and prior year was unrestricted.

5 Analysis of expenditure on charitable activities

	Unrestricted £	Restricted £	2016 £	2015 £
Rent and rates	679	-	679	850
Insurance	2,431	-	2,431	2,167
Property upkeep	9,450	-	9,450	803
Light and heat	6,342	-	6,342	198
Legal and professional fees	765	-	765	1,269
Bookkeeping	617	-	617	458
Independent examiner's fees	1,050	-	1,050	1,250
General expenses	437	-	437	116
Depreciation	722	4,074	4,796	4,795
	22,493	4,074	26,567	11,906

Expenditure on charitable activities was £26,567 (2015 - £11,906) of which £22,493 was unrestricted (2015 - £7,832) and £4,074 was restricted (2015 - £4,074).

6 Net incoming resources for the year

	2016 £	2015 £
Net incoming resources is stated after charging:		
Depreciation	4,796	4,795
	4,796	4,795

Notes to the financial statements (continued)
For the year ended 31 December 2016

10 Fixed asset investments

	Shares in subsidiary £	Loan to subsidiary £	Total £
Cost			
At 1 January and at 31 December 2016	162,986	117,777	280,763
Impairment			
At 1 January 2016	-	-	-
Impairment losses	4,486	117,777	122,263
At 31 December 2016	4,486	117,777	122,263
Net book value			
At 31 December 2016	158,500	-	158,500
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.

Notes to the financial statements (continued)
For the year ended 31 December 2016

11 Debtors

	2016 £	2015 £
VAT recoverable	5	-
Prepayments	1,489	1,169
Other debtors	-	15,093
	<u>1,494</u>	<u>16,262</u>

12 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	3,001	1,647
Taxation and social security	-	274
Accruals	1,350	1,500
Other creditors	23,100	15,000
	<u>27,451</u>	<u>18,421</u>

13 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	21,279	89,628	110,907
Investments	-	158,500	158,500
Current assets	2,893	-	2,893
Current liabilities	(27,451)	-	(27,451)
	<u>(3,279)</u>	<u>248,128</u>	<u>244,849</u>

14 Unrestricted funds

	At 1 January 2016 £	Incoming resources £	Outgoing resources £	Other gains/ (losses) £	At 31 December 2016 £
General fund	20,662	1,000	(22,493)	(2,448)	(3,279)

(A company limited by guarantee)
For the year ended 31 December 2016

15 Restricted funds

	At 1 January 2016 £	Incoming resources £	Outgoing resources £	Other gains/ (losses) £	At 31 December 2016 £
Noss Head Estates Limited	280,763	-	-	(122,263)	158,500
Noss Head library	93,702	-	(4,074)	-	89,628
	<u>374,465</u>	<u>-</u>	<u>(4,074)</u>	<u>(122,263)</u>	<u>248,128</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).

16 Related party transactions

At 31 December 2016 the charity owed £23,100 (2015 - £15,000) 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.