

**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 2017**



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

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**Report of the trustees**  
**For the year ended 31 December 2017**

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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 2017 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**

Another good year for visitor numbers with North Coast 500 becoming firmly embedded as a noted tourist route thus increasing the number of tourists to the county.

The sale of Noss Head was completed and the funds from this have been invested to provide an income to the trust. The books and few items belonging to the trust in the former library there have been moved and can be seen at Dunbeath Heritage Centre which also has some artefacts from Sinclair Girnigoe Castle on display there.

**Financial review**

*Principal funding sources*

The proceeds from the sale of Noss Head have been invested to produce an income to the trust and capital growth.

The trust will continue to apply for grants and donations from foundations, companies, trusts and individuals as and when appropriate. Any donations received are used to finance restoration and maintenance 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 2017**

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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: Saffery Champness LLP  
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 2017

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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).

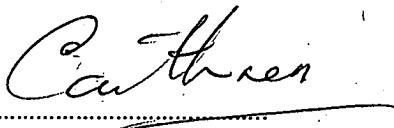
Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and applications of resources, including the income and expenditure, of the charity for that period. 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;
- 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: 22 September 2018

**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 2017 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.

Eunice M Adam

Eunice McAdam CA

Date: 26 September 2018

Saffery Champness LLP  
Kintail House  
Beechwood Park  
Inverness  
IV2 3BW

**Statement of financial activities (including the income and expenditure account)**  
**For the year ended 31 December 2017**

	Note	Restricted funds £	Unrestricted funds £	2017 total £	2016 total £
<b>Income and endowments from:</b>					
Donations and legacies	3	-	58,110	58,110	1,000
<b>Total income</b>		-	58,110	58,110	1,000
<b>Expenditure on:</b>					
Charitable activities	4	4,074	19,394	23,468	26,567
<b>Total resources expended</b>		4,074	19,394	23,468	26,567
<b>Net gains/(losses) on investments</b>		(31,610)	-	(31,610)	(124,711)
<b>Net income/(expenditure)</b>		(35,684)	38,716	3,032	(150,278)
<b>Transfers between funds</b>		(126,890)	126,890	-	-
<b>Net movement in funds</b>		(162,574)	165,606	3,032	(150,278)
<b>Reconciliation of funds:</b>					
Total funds brought forward		248,128	(3,279)	244,849	395,127
<b>Total funds carried forward</b>		85,554	162,327	247,881	244,849

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

Balance sheet  
As at 31 December 2017

		2017		2016	
	Note	£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	8		87,916		110,907
Investments	9		-		158,500
<b>Total fixed assets</b>			<u>87,916</u>		<u>269,407</u>
<b>Current assets:</b>					
Debtors	10		-	1,494	
Cash at bank and in hand		169,760		1,399	
<b>Total current assets</b>		<u>169,760</u>		<u>2,893</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	11	(9,795)		(27,451)	
<b>Net current assets/(liabilities)</b>			<u>159,965</u>		<u>(24,558)</u>
<b>Net assets</b>	12		<u><u>247,881</u></u>		<u><u>244,849</u></u>
<b>The funds of the charity:</b>					
Restricted funds	14		85,554		248,128
Unrestricted funds	13		162,327		(3,279)
<b>Total funds</b>			<u><u>247,881</u></u>		<u><u>244,849</u></u>



Balance sheet (continued)  
As at 31 December 2017

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For the financial year ended 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

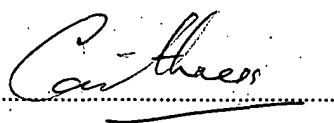
Directors' responsibilities:

- 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 on 22 September 2018



The Rt Hon The Earl of Caithness  
Trustee

Company registration number SC194021

**Notes to the financial statements**  
**For the year ended 31 December 2017**

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**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 £.

**1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 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 2017

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**1.4 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.

**1.5 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.

**1.6 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 heading:

- 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.

**1.7 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.

**1.8 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

**1.9 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 2017

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**1.10 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.

**1.11 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.

**1.12 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.

**1.13 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 £	2017 £	2016 £
Donations	58,110	58,110	1,000
	<u>58,110</u>	<u>58,110</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 2017

**4 Analysis of expenditure on charitable activities**

	Unrestricted £	Restricted £	2017 £	2016 £
Rent and rates	1,222	-	1,222	679
Insurance	1,394	-	1,394	2,431
Property upkeep	-	-	-	9,450
Light and heat	464	-	464	6,342
Legal and professional fees	10,585	-	10,585	765
Bookkeeping	392	-	392	617
Independent examiner's fees	1,420	-	1,420	1,050
General expenses	-	-	-	437
Depreciation	113	4,074	4,187	4,796
(Gains)/losses on disposal of fixed assets	3,804	-	3,804	-
	<u>19,394</u>	<u>4,074</u>	<u>23,468</u>	<u>26,567</u>

Expenditure on charitable activities was £23,468 (2016 - £26,567) of which £19,394 was unrestricted (2016 - £22,493) and £4,074 was restricted (2016 - £4,074).

**5 Net incoming resources for the year**

	2017 £	2016 £
Net incoming resources is stated after charging:		
Depreciation	4,187	4,796
	<u>4,187</u>	<u>4,796</u>

**6 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 (2016 - nil).

**7 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 2017

**8 Tangible fixed assets**

	Land and buildings £	Library books £	Equipment £	Furniture £	Total £
<b>Cost</b>					
At 1 January 2017	15,061	104,663	19,424	3,750	142,898
Disposals	(15,060)	-	(19,424)	(3,750)	(38,234)
At 31 December 2017	1	104,663	-	-	104,664
<b>Depreciation</b>					
At 1 January 2017	903	12,561	17,965	562	31,991
Charge for the year	-	4,187	-	-	4,187
On disposals	(903)	-	(17,965)	(562)	(19,430)
At 31 December 2017	-	16,748	-	-	16,748
<b>Net book value</b>					
At 31 December 2017	1	87,915	-	-	87,916
At 31 December 2016	14,158	92,102	1,459	3,188	110,907

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. 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 2017

9 Fixed asset investments

	Shares in subsidiary £	Loan to subsidiary £	Total £
<b>Cost</b>			
At 1 January and at 31 December 2017	162,986	117,777	280,763
<b>Impairment</b>			
At 1 January 2017	4,486	117,777	122,263
Impairment losses	158,500	-	158,500
At 31 December 2017	162,986	117,777	280,763
<b>Net book value</b>			
At 31 December 2017	-	-	-
At 31 December 2016	158,500	-	158,500

Following the year end Noss Head Estates Limited, the subsidiary of Clan Sinclair Trust, was dissolved. The investment in this company has therefore been written down to nil.

10 Debtors

	2017 £	2016 £
VAT recoverable	-	5
Prepayments	-	1,489
	-	1,494

11 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,507	3,001
Accruals	3,288	1,350
Other creditors	5,000	23,100
	9,795	27,451

Notes to the financial statements (continued)  
For the year ended 31 December 2017

12 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Tangible fixed assets	2,362	85,554	87,916
Current assets	169,760	-	169,760
Current liabilities	(9,795)	-	(9,795)
	<u>162,327</u>	<u>85,554</u>	<u>247,881</u>

13 Unrestricted funds

	At 1 January 2017 £	Incoming resources £	Outgoing resources £	Gains/ (losses) on investments £	Transfers £	At 31 December 2017 £
General fund	(3,279)	58,110	(19,394)	-	126,890	162,327

14 Restricted funds

	At 1 January 2017 £	Incoming resources £	Outgoing resources £	Gains/ (losses) on investments £	Transfers £	At 31 December 2017 £
Noss Head Estates	158,500	-	-	(31,610)	(126,890)	-
Noss Head library	89,628	-	(4,074)	-	-	85,554
	<u>248,128</u>	<u>-</u>	<u>(4,074)</u>	<u>(31,610)</u>	<u>(126,890)</u>	<u>85,554</u>

Purposes of restricted funds

Noss Head Estates - funds donated to finance the purchase of Noss Head Estate in 2006. Noss Head Estate was sold in 2017 and therefore the balance of this fund has been transferred to the general fund.

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).



**(A company limited by guarantee)**  
**For the year ended 31 December 2017**

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**15 Related party transactions**

At 31 December 2017 the charity owed £5,000 (2016 - £23,100) to The Rt Hon The Earl of Caithness.  
This loan is interest free and repayable on demand.