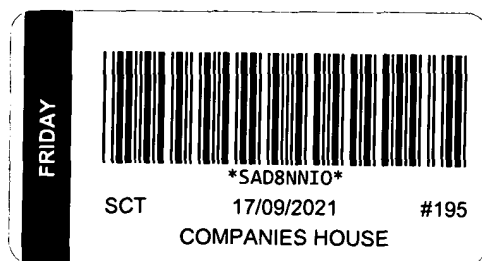


Clan Sinclair Trust

Accounts

Year Ended 31 December 2020



Saffery Champness
CHARTERED ACCOUNTANTS

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 2020

Clan Sinclair Trust
(A company limited by guarantee)

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Report of the trustees
For the year ended 31 December 2020

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31 December 2020 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 charity 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

Visitor numbers have been very low because of the lockdown on travel due to Coronavirus which started just before the tourist season commenced. The only work that has been carried out has been the removal of the three dilapidated metal containers which had become very rusty and an eyesore. This has improved the site and the view of the castle particularly from the West.

Financial review

Principal funding sources

St James's Place continue to manage the investment in the stock market with the aim of producing capital growth and annual income to meet ongoing charity commitments. The charity 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 charity expenditure.

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 (continued)
For the year ended 31 December 2020

Structure, governance and management

Governing document

Clan Sinclair 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 charity 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 charity 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 out in the 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 The Rt Hon The Viscount Thurso Ms Isla St Clair |
| Secretary: | The Rt Hon The Earl of Caithness |

Report of the trustees (continued)
For the year ended 31 December 2020

Statement of trustees' responsibilities

The 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 trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application 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: 13/09/2021

Independent examiner's report to the trustees of Clan Sinclair Trust ('the Company')

I report to the charity trustees on the financial statements of the Company for the year ended 31 December 2020 which are set out on pages 5 to 14.

Respective responsibilities of trustees and examiner

As the trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 ('the 2005 Act'), the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006 ('the 2006 Act'). You consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply and have chosen instead to have an independent examination.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Company's accounts carried out under section 44 (1) (c) of the 2005 Act.

Basis of the independent examiner's statement

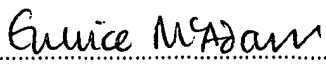
My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the Company and a comparison of the accounts presented with those records. It also includes consideration of any unusual 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 no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Since the Company is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I can confirm that I am qualified to undertake the examination because I am a registered member of the Institute of Chartered Accountants of Scotland which is one of the listed bodies.

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 Regulation, 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.


Eunice McAdam CA

Date: 15th September 2021

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 2020

| | Note | Unrestricted funds £ | Restricted funds £ | 2020 total £ | 2019 total £ |
|------------------------------------|------|----------------------------|--------------------------|--------------------|--------------------|
| Income and endowments from: | | | | | |
| Donations and legacies | 3 | - | - | - | 1,500 |
| Investments | 4 | 1,579 | - | 1,579 | 1,909 |
| Total income | | 1,579 | - | 1,579 | 3,409 |
| Expenditure on: | | | | | |
| Charitable activities | 5 | 5,911 | 4,074 | 9,985 | 6,607 |
| Total expenditure | | 5,911 | 4,074 | 9,985 | 6,607 |
| Net gains/(losses) on investments | | 2,284 | - | 2,284 | 15,160 |
| Net movement in funds | | (2,048) | (4,074) | (6,122) | 11,962 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 164,019 | 77,406 | 241,425 | 229,463 |
| Total funds carried forward | | 161,971 | 73,332 | 235,303 | 241,425 |

The notes on pages 8 to 14 form part of these financial statements.

Balance sheet
As at 31 December 2020

| | | 2020 | | 2019 | |
|--|------|---------------|----------------|---------------|----------------|
| | Note | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 9 | | 75,355 | | 79,542 |
| Investments | 10 | | 150,879 | | 148,595 |
| Total fixed assets | | | <u>226,234</u> | | <u>228,137</u> |
| Current assets | | | | | |
| Debtors | 11 | 1,481 | | 1,465 | |
| Cash at bank and in hand | | 13,488 | | 17,723 | |
| Total current assets | | <u>14,969</u> | | <u>19,188</u> | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 12 | 5,900 | | 5,900 | |
| Net current assets/(liabilities) | | | <u>9,069</u> | | <u>13,288</u> |
| Net assets | 13 | | <u>235,303</u> | | <u>241,425</u> |
| The funds of the charity: | | | | | |
| Unrestricted funds | 14 | | 161,971 | | 164,019 |
| Restricted funds | 15 | | 73,332 | | 77,406 |
| Total funds | | | <u>235,303</u> | | <u>241,425</u> |

For the financial year ended 31 December 2020 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 the financial statements.

The financial statements have been prepared in accordance with the provisions applicable to small companies subject to the small companies regime.

Balance sheet (continued)
As at 31 December 2020

The notes on pages 8 to 14 form part of these financial statements.

Approved by the board for issue on 13/09/2021



The Rt Hon The Earl of Caithness
Trustee

Company registration number: SC194021

Notes to the financial statements
For the year ended 31 December 2020

1) Accounting policies

Company information

Clan Sinclair Trust is a private company limited by guarantee and incorporated in Scotland. The registered office is Saffery Champness LLP, Kintail House, Beechwood Park, Inverness, IV2 3BW.

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 2020

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 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.

1.6) 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 |

1.8) Investments

Investments are stated at market value. Gains and losses on the disposal and revaluation of investments are charged or credited to the statement of financial activities. Where there is a permanent diminution in the value of an investment, the loss arising is charged to the general reserve. No such charge is recorded in respect of temporary fluctuations in market values, which may result in a negative balance on the revaluation reserve.

Notes to the financial statements (continued)
For the year ended 31 December 2020

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 £ | 2020 £ | 2019 £ |
|-----------|-------------------|-----------|-----------|
| Donations | - | - | 1,500 |
| | - | - | 1,500 |

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 2020

4) Income from investments

| | Unrestricted £ | 2020 £ | 2019 £ |
|--------------------------------|-------------------|--------------|--------------|
| Income from listed investments | 1,579 | 1,579 | 1,909 |
| | <u>1,579</u> | <u>1,579</u> | <u>1,909</u> |

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

5) Expenditure on charitable activities

| | Unrestricted £ | Restricted £ | 2020 £ | 2019 £ |
|-----------------------------|-------------------|-----------------|--------------|--------------|
| Insurance | 2,844 | - | 2,844 | 1,520 |
| Repairs and maintenance | 2,000 | - | 2,000 | - |
| Independent examiner's fees | 954 | - | 954 | 900 |
| Depreciation | 113 | 4,074 | 4,187 | 4,187 |
| | <u>5,911</u> | <u>4,074</u> | <u>9,985</u> | <u>6,607</u> |

Expenditure on charitable activities was £9,985 (2019 - £6,607) of which £5,911 was unrestricted (2019 - £2,533) and £4,074 was restricted (2019 - £4,074).

6) Net incoming resources for the year

| | 2020 £ | 2019 £ |
|--|--------------|--------------|
| Net incoming resources is stated after charging: | | |
| Depreciation | 4,187 | 4,187 |
| | <u>4,187</u> | <u>4,187</u> |

Notes to the financial statements (continued)
For the year ended 31 December 2020

7) 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 (2019 - nil).

8) 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.

9) Tangible fixed assets

| | Land and buildings £ | Library books £ | Total £ |
|---|----------------------------|-----------------------|------------|
| Cost | | | |
| At 1 January 2020 and at 31 December 2020 | 1 | 104,663 | 104,664 |
| Depreciation | | | |
| At 1 January 2020 | - | 25,122 | 25,122 |
| Charge for the year | - | 4,187 | 4,187 |
| At 31 December 2020 | - | 29,309 | 29,309 |
| Net book value | | | |
| At 31 December 2020 | 1 | 75,354 | 75,355 |
| At 31 December 2019 | 1 | 79,541 | 79,542 |

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 2020

10) Fixed asset investments

| | 2020 £ | 2019 £ |
|---|----------------|----------------|
| Listed investments | | |
| Market value at 1 January | 148,595 | 133,435 |
| Acquisitions in year at cost | - | - |
| Net gain/(loss) on revaluation of investments | 2,284 | 15,160 |
| Market value at 31 December | <u>150,879</u> | <u>148,595</u> |
| Cost at 31 December | <u>140,000</u> | <u>140,000</u> |

11) Debtors

| | 2020 £ | 2019 £ |
|-------------|--------------|--------------|
| Prepayments | 1,481 | 1,465 |
| | <u>1,481</u> | <u>1,465</u> |

12) Creditors

| | 2020 £ | 2019 £ |
|-----------------|--------------|--------------|
| Trade creditors | - | - |
| Accruals | 900 | 900 |
| Other creditors | 5,000 | 5,000 |
| | <u>5,900</u> | <u>5,900</u> |

13) Analysis of net assets between funds

| | Unrestricted £ | Restricted £ | Total £ |
|-----------------------|-------------------|-----------------|----------------|
| Tangible fixed assets | 152,902 | 73,332 | 226,234 |
| Current assets | 14,969 | - | 14,969 |
| Current liabilities | (5,900) | - | (5,900) |
| | <u>161,971</u> | <u>73,332</u> | <u>235,303</u> |

Notes to the financial statements (continued)
For the year ended 31 December 2020

14) Unrestricted funds

| | At 1 January 2020 £ | Incoming resources £ | Outgoing resources £ | Gains/ (losses) on investments £ | At 31 December 2020 £ |
|---------------------|------------------------------|----------------------------|----------------------------|---|--------------------------------|
| General fund | 155,424 | 1,579 | (5,911) | - | 151,092 |
| Revaluation reserve | 8,595 | - | - | 2,284 | 10,879 |
| | <u>164,019</u> | <u>1,579</u> | <u>(5,911)</u> | <u>2,284</u> | <u>161,971</u> |

15) Restricted funds

| | At 1 January 2020 £ | Incoming resources £ | Outgoing resources £ | Gains/ (losses) on investments £ | At 31 December 2020 £ |
|-------------------|------------------------------|----------------------------|----------------------------|---|--------------------------------|
| Noss Head library | 77,406 | - | (4,074) | - | 73,332 |
| | <u>77,406</u> | <u>-</u> | <u>(4,074)</u> | <u>-</u> | <u>73,332</u> |

Purposes of restricted funds

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 2020 the charity owed £5,000 (2019 - £5,000) to The Rt Hon The Earl of Caithness. This loan is interest free and repayable on demand.