

**CHARITY NO: SC007862**

**THE CLAN DONALD LANDS TRUST  
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**THE CLAN DONALD LANDS TRUST**

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>PAGE</b>
Reference and Administrative information	1-2
Report of the Trustees	3-9
Independent Auditor's Report	10-13
Statements of Financial Activities	14-15
Balance Sheets	16
Cashflow Statement	17
Notes to the Financial Statements	18-34

## THE CLAN DONALD LANDS TRUST

### REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### REFERENCE AND ADMINISTRATIVE INFORMATION

##### Trustees

Sir Ian Macdonald of Sleat Bt., DL  
The Rt. Hon. Godfrey James  
Macdonald of Macdonald JP, DL,  
The Lord Macdonald  
James G S Macdonald of Aird (Resigned  
18<sup>th</sup> March 2022  
Major Bruce W McDonald (Ret'd)  
Mark E MacDonald (resigned 31<sup>st</sup> January  
2022)  
Lois MacDonell of Glengarry (Resigned 21<sup>st</sup>  
March 2022)  
Andrew Wilkie (Resigned 21<sup>st</sup> March 2022)  
Diane Carey-Schmitz  
Pam McDonald (Resigned 21<sup>st</sup> March 2022)  
Christine Martin (Resigned 21<sup>st</sup> March 2022)  
Nicole Rogers  
Ranald A Macdonald of Clanranald, Captain  
of Clanranald  
Ranald Macdonell of Glengarry (Deceased  
20<sup>th</sup> January 2021)  
Mark Moseley (Resigned 7<sup>th</sup> January 2022)  
Nathan Macdonald

##### Secretary

Roderick Cunningham (Resigned 26<sup>th</sup>  
August 2022)  
Campbell Stewart MacLennan & Co  
(Appointed 26<sup>th</sup> August 2022)

##### Registered Office

Armadale Castle  
Ardvasar  
Sleat  
Isle of Skye  
IV45 8RS

##### Charity Number:

SC007862

##### Independent Auditors

Wylie & Bisset (Audit) Limited  
168 Bath Street  
Glasgow  
G2 4TP

##### Bankers

The Royal Bank of Scotland plc  
36 St Andrews Square  
Edinburgh  
EH2 2YB

**THE CLAN DONALD LANDS TRUST**

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**Solicitors**

Ferguson MacSween & Stewart  
Bridge Road  
Portree  
IV51 9ER

Shepherd + Wedderburn  
1 Exchange Crescent  
Conference Square  
Edinburgh  
EH3 8UL

## THE CLAN DONALD LANDS TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees are pleased to present their report together with the financial statements of The Clan Donald Lands Trust (the “Trust”, the “Charity” or “CDLT”) for the year ended 31 December 2021. The Legal and Administrative Information on page one forms part of this Report.

#### Directors and Trustees

The Directors of the Charity are its Trustees for the purpose of Charity law, and throughout this Report, are collectively referred to as “the Trustees” or “the Board”.

The Trustees, who served or were elected during the year, and since year-end, and their capacities, are as follows:

Sir Ian Macdonald of Sleat Bt., DL	Chairman of the Board, Member of the Executive Committee, and Hereditary Member
James G S Macdonald of Aird	Trustee and Chairman of the Executive Committee
Mark E MacDonald	Trustee and Member of the Executive Committee
Major Bruce W McDonald (Ret'd)	Trustee and Member of the Executive Committee
The Rt. Hon. Godfrey James Macdonald of Macdonald JP, DL, The Lord Macdonald.	Hereditary Member
Ranald A Macdonald of Clanranald, Captain of Clanranald	Hereditary Member
Ranald MacDonell of Glengarry	Hereditary Member
Lois MacDonell of Glengarry	Trustee
Andrew Wilkie	Trustee
Pam McDonald	Australia Representative Trustee
Nathan B. Macdonald	Canada Representative Trustee
Diane Carey-Schmitz	USA Representative Trustee
Christine Martin	New Zealand Representative Trustee

#### Structure, Governance and Management

The Clan Donald Lands Trust was established by Trust Deed registered 20 April 1971 in the public records of Scotland (“Trust Deed”). The Trust is managed by its duly appointed Board under its Governing Document.

## THE CLAN DONALD LANDS TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

- **Recruitment and Appointment of New Trustees**

New Trustees are appointed following an approach to suitably qualified and experienced individuals. Prospective Trustees are required to submit their details to the Board who will vote on their appointment. Once appointed, Trustees are expected to attend an orientation / induction programme at Armadale Castle and to undergo relevant continuous professional development as required for the fulfilment of OSCR best practice obligations.

- **Continuous Trusteeship Requirements**

The Board reviews on an annual basis both the Trust Deed and the obligations of the Trustees under law as set out by OSCR.

- **Organisational Structure**

The Board meets annually to fulfil its statutory obligations. Since inception the Board delegated its management powers to an executive committee (the "Executive Committee") to ensure the efficient running of the Trust on an on-going basis.

During 2021 several Board sub-committees were in force and contributed to the running of CDLT. These include:

- Museum, Heritage and Culture
- Administration Finance and Governance
- Estate Buildings and Gardens
- Retail and Visitor Services
- Clan Community Outreach and Engagement

For the purposes of good governance and operational effectiveness, it is intended that the Executive Committee operational role will be subsumed within the role and responsibilities of a Chief Executive Officer to be appointed in 2021.

- **Related parties**

The Trust operates two subsidiary companies, the results of which are included in the Financial Statements.

- C.D.L.T. Management Services Limited ("CDMS") operates the commercial aspects of the Trust and provides management services to the Trust. CDMS distributes all profits to CDLT by way of Gift Aid.
- C.D.L.T. Operations Ltd., ("CDOps") is a holding company for the Kilbeg development sites.

- **Risk Management**

The Trustees and the executive team monitor the major risks affecting the Trust to ensure that the systems in place to mitigate these risks are effective. All major risks are detailed in the Trust's Risk Register. All financial matters are handled in accordance with the terms of the Financial Procedures Handbook.

- **External consultants and advisers**

CDLT has a number of external consultants who advise on matters including general estate management, fire risks, health and safety, employment law, tree health and danger surveys, insurances, legal matters, engineering and utilities and other land management issues.

## **THE CLAN DONALD LANDS TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021**

- **Reserves Policy**

Unrestricted funds represent the total accumulated free reserves of the Trust. The Trustees intend that CDLT should maintain Unrestricted Cash Reserves equal to at least the three months' average of Resources expended on Charitable Activities and Governance Costs (excluding depreciation and non-recurring project costs) in the prior year ("Unrestricted Expenditure"). This would equate to £211,600.

Unrestricted Cash Reserves at the year end are £559,935 which is a sufficient level to allow the Trust to manage any significant and unexpected drop in income during any current year.

- **Fixed assets**

Fixed assets are considered to be Restricted (from sale) where acquired by means of Restricted Funding.

### **Charitable objectives**

The primary objectives of the Trust are:

- The conservation, protection and promotion of Clan Donald, its traditions, history, lands and property including the built, cultural and natural assets and habitat in its ownership on the Isle of Skye for the purpose of fostering Clan Donald sentiment and interest, offering both physical and intellectual access to the general public and Clansmen globally.

The Trust holds as heritage assets, Armadale Castle (ruin, Listed Grade B - the historic seat of the Macdonald of Macdonald), various ancillary and vernacular historic buildings, including the Listed Grade B Steadings, together with the Clan Donald Collection - paintings, manuscripts, books, historical records and archives, relics and works of art relating to the history of the Western Isles and Clan Donald.

- The provision of educational activities and genealogical research to members of the Clan and the general public relating to the history of all the Highland Clans, with a special focus on Clan Donald and the heritage assets in the care of CDLT.
- The management of CDLT's commercial operations in order to support its charitable objectives; the commercial operations derive income from the opening to visitors of Armadale Castle and its private gardens, 6 units of self-catering accommodation, catering and retail outlets, forestry and land management, venison sales and sporting activities and miscellaneous events.

### **Principal funding sources**

The principal funding sources of the Trust were the following:

- Glencoe Foundation ("Glencoe") in the USA continued to be a major benefactor of the Trust providing funding of £876,875.
- The Forestry Commission provided forestry related grant funding of £13,921.

The Trustees again acknowledge with gratitude the funding made available by donors and granters during the year, particularly the commitment of Glencoe Foundation to CDLT and its objectives.

## THE CLAN DONALD LANDS TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

#### COVID-19 effect on core activities

The Trust's activities were severely curtailed in 2020 and then through 2021 due to the Covid-19 worldwide pandemic, which resulted in some closure and commercial restrictions of the gardens, museum and other visitor services. Staff were asked to work from home where possible and a core skeleton team was assigned to look after the general running and maintenance of the buildings and grounds.

The Trust is grateful for the support from the Scottish and UK Governments and our funders, staff, volunteers and Clan community during these challenging years. CDLT committed to reopening in 2021 as soon as possible and viable. The Government restrictions affected many visitor attractions and related charitable bodies. The 2021 year was marked by ongoing uncertainty and economic constraints.

#### Principle ongoing activities

- **Museum of the Isles:** continued development of the Museum of the Isles via access, education activities, events and commercial activities and work to establish the museum's future viability and offering.
- **Heritage Conservation:** to plan and fundraise towards a programme of building conservation repairs required for Armadale Castle and other important historic buildings on the estate, drawing down funding from both private and public sources. This is an ongoing project and in the last quarter of 2021 the new CEO started work on reviewing proposals and costs.
- **Funding:** to secure funding from charitable donations and legacies, as well as grant-giving bodies for specific (Restricted) and general (Unrestricted) requirements.
- **Trustees:** to recruit additional Trustees of appropriate competences and experience to provide the additional skills and financial support required by CDLT and to ensure a seamless succession to the next generation of Trustees. Trustee succession planning is a key element on good charity governance. The CDLT Board has reviewed a number of potential new Trustees within the constraints of CDLT's current unincorporated charitable trust status.
- **Trading activities:** to optimise the profitability of CDMS through the management of current, and the development of new, income streams to support CDLT's charitable purposes. The new CEO instigated a full review of overheads and expenditures to maximise operational efficiency and focus on the Trust's charitable purposes.
- **Estate Management:** to maximise the efficient use of the Estate's resources for Trust and wider public benefit and to explore renewable energy project potential. The Trust recognises the importance of renewable energy to both national and local infrastructure and economies. Whereas the Trust is duty-bound to review renewable energy opportunities on land under our custodianship, as a community-based charitable entity we support the premise of maximum local community benefit from renewable energy schemes.
- **Organisation:** to enhance the Trust's organisational structure, procedures and resources and develop a clear vision and strategic plan. This work was restarted in the latter quarter of 2021 by the new CEO. With the full support of the Board it is expected that the CEO will require 12-24 months to ground truth options for the future of the Trust and develop a new vision and strategic plan.



## **THE CLAN DONALD LANDS TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Group Financial Performance**

Group Turnover of the Trust increased to £1,421,216 (£981,109 - 2020) reflecting an increase in turnover following the easing of Covid-19 restrictions.

The Group Net Surplus (prior to Depreciation Charges and Other Recognised Gains and Losses) decreased to £103,717 ((£199,364) - 2020).

At year end the Group's cash position stood at £649,238 (£451,499 - 2020).

Restricted Funds increased to £3,828,857 (£3,934,425 - 2020).

Unrestricted Funds increased to £559,935 at year-end (£344,553 - 2020).

At the year-end, the total assets under control of the Board amounted to £4,388,792 (£4,278,978 - 2020).

Set out below is a breakdown of the financial performance of CDLT's constituent activities:

#### **Museum**

Gross Income for the Museum (48% of gate receipts) increased to £62,786 (£21,876 - 2020)

#### **Estate and Gardens**

Gross Income for the Estate and Gardens, including gate receipts of £129,013 (52% of gate receipts) (£23,147 - 2020) increased to £66,707.

#### **Grant Income**

Income from grants increased to £984,325 (£674,948 - 2020).

#### **Accommodation and functions**

Gross income from Accommodation and Lettings, including the self-catering accommodation, decreased to £22,565 (£30,361 - 2020).

#### **Land Sales**

Land sale income increased to £47,148 (£33,703 -2020)

## **THE CLAN DONALD LANDS TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Planning for the future**

The Trustees continue to predict challenging years ahead until the economy recovers from the Covid pandemic and its impacts, many of which have yet to filter through. Despite these constraints and concerns, the Trustees have successfully recruited a new CEO with a broad range of operational, commercial and land-sector competences and are committed to working with the CEO to develop the Trust's future vision and strategic plan, together with a review of the core charitable purposes and their relevance to our core community within the current charitable purposes, the indigenous people of the Gàidhealtachd and their cultural and natural heritage.

A key focus continues to be the financial stability of the Trust to allow it to meet its charitable purposes on a sustainable basis. The new CEO will build on existing work to that end.

#### **Proposed governance and operational reviews**

To take the Trust forward into a new era, over the year ahead and under the leadership of the new CEO several governance and operational reviews are proposed to ensure that:

- 1) the most effective structure is in place to meet the requirements of the Office of the Scottish Charity Regulator (OSCR),
- 2) CDLT operates in a correct and efficient manner, and
- 3) CDLT has a clear vision and strategic plan for wider Clan community and public benefit in the years ahead.

The Trustees thank all stakeholders for their contributions, ongoing support and initiatives, particularly the Management Committee and staff, and confirm their commitment to the Trust's charitable purposes.

#### **Auditor**

The auditors, Wylie & Bisset (Audit) Limited, will be proposed for reappointment.

#### **Trustees' responsibilities in relation to the financial statements**

The Charity Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland 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 Charity and of the incoming resources and application of resources, of the Charity for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Charity will continue in business.

## THE CLAN DONALD LANDS TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

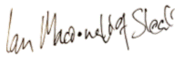
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees on 11<sup>th</sup> August 2023 and signed on their behalf by:

DocuSigned by:  
  
B07D145EB7EF4A4...

Sir Ian Macdonald of Sleat Bt., DL  
Chairman of the Board

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CLAN DONALD LANDS TRUST FOR THE YEAR ENDED 31 DECEMBER 2021**

### **Opinion**

We have audited the financial statements of The Clan Donald Lands Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31<sup>st</sup> December 2021 which comprise the group and parent charity Statement of Financial Activities, the group and parent company Balance sheets, the group and parent company Cash Flow Statements and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK & Republic of Ireland. (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CLAN DONALD LANDS TRUST FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

### **Other information**

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CLAN DONALD LANDS TRUST FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, responding appropriately to fraud or suspected fraud identified during the audit process. This includes obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The primary responsibility however for the prevention and detection of fraud rests with those charged with governance and executive management of the entity. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- We obtained an understanding of the legal and regulatory framework applicable to the company. We determined the most significant are those relating to the financial reporting framework (namely the Companies Act 2006, UK GAAP and the application of FRS102), HMRC tax compliance in the UK and EU General Data Protection Regulation. In addition we concluded there are laws and regulations specific to operating in the hospitality sector with which there has to be compliance.
- We developed an understanding of how CDLT Management Services Ltd is complying with those frameworks by making enquiries of those charged with governance and management. We corroborated our enquiries through review of Board minutes and correspondence with third party entities where relevant and available.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, at the planning stage of the audit by meeting with executive management and those charged with governance to understanding where they considered there to be fraud risk and susceptibility. We also reviewed budgeted projections and actual outturn against prior year budget to determine if there were any anomalies. Where we considered audit risk to be higher we undertook tests to mitigate each identified risk.
- We assessed the internal control environment established to mitigate risks of fraud or non-compliance with laws and regulations. In addition to this we evaluated compliance with laws and regulations and made enquiries of any non-compliance.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CLAN DONALD LANDS TRUST FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**

- With regards to detecting and responding to fraud we made enquiries of those charged with governance and executive management as to whether there was any knowledge of actual, suspected or alleged fraud.
- We undertook discussions amongst the audit engagement team with respect to how and where fraud might occur in the financial statements and what the likely indicators would be.


As a result of the procedures noted above we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud to be in the following areas;

- posting of unusual journals;
- management override on internal controls.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would be to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
5E26743FABB2453...

Scott Gillon BA (Hons), FCCA, CA (Senior Statutory Auditor)

For and on behalf of Wylie & Bisset (Audit) Limited, Statutory Auditor

168 Bath Street

Glasgow

G2 4TP

*Date: 11<sup>th</sup> August 2023*

**THE CLAN DONALD LANDS TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 DECEMBER 2021**

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
<b>Income and endowments from:</b>							
Donations and legacies	5	934,283	59,463	993,746	564,892	118,917	683,809
Charitable activities	6	144,058	-	144,058	61,446	-	61,446
Other trading activities	7	218,954	-	218,954	125,217	-	125,217
Investments	8	39	-	39	274	-	274
Other incoming resources	9	64,419	-	64,419	110,363	-	110,363
<b>Total Income</b>		<b>1,361,753</b>	<b>59,463</b>	<b>1,421,216</b>	<b>862,192</b>	<b>118,917</b>	<b>981,109</b>
<b>Expenditure on:</b>							
Raising funds							
Other trading activities	10	395,727	-	395,727	343,669	-	343,669
Charitable activities	12	756,741	165,031	921,772	780,171	56,633	836,804
<b>Total Expenditure</b>		<b>1,152,468</b>	<b>165,031</b>	<b>1,317,499</b>	<b>1,123,840</b>	<b>56,633</b>	<b>1,180,473</b>
<b>Net income / (expenditure) and net movement in funds before gains and losses on investments</b>		<b>209,285</b>	<b>(105,568)</b>	<b>103,717</b>	<b>(261,648)</b>	<b>62,284</b>	<b>(199,364)</b>
Net gains on investments		6,097	-	6,097	-	-	-
<b>Net income / (expenditure)</b>		<b>215,382</b>	<b>(105,568)</b>	<b>109,814</b>	<b>(265,223)</b>	<b>62,284</b>	<b>(199,364)</b>
Transfers between funds		-	-	-	(40,000)	40,000	-
<b>Other recognised gains/(losses)</b>							
<b>Net movement in funds</b>		<b>215,382</b>	<b>(105,568)</b>	<b>109,814</b>	<b>(301,648)</b>	<b>102,284</b>	<b>(199,364)</b>
Funds reconciliation							
Total Funds brought forward	23	344,553	3,934,425	4,278,978	646,201	3,832,141	4,478,342
<b>Total Funds carried forward</b>	<b>23</b>	<b>559,935</b>	<b>3,828,857</b>	<b>4,388,792</b>	<b>344,553</b>	<b>3,934,425</b>	<b>4,278,978</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.



**THE CLAN DONALD LANDS TRUST**  
**CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 DECEMBER 2021**  
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
<b>Income and endowments from:</b>							
Donations and legacies	5	934,283	59,463	993,746	564,892	118,917	683,809
Charitable activities	6	144,058	-	144,058	61,446	-	61,446
Other trading activities	7	11,724	-	11,724	14,816	-	14,816
Investments	8	415,137	-	415,137	274	-	274
Other	9	57,430	-	57,430	77,685	-	77,685
<b>Total Income</b>		<b>1,562,632</b>	<b>59,463</b>	<b>1,622,095</b>	<b>719,113</b>	<b>118,917</b>	<b>838,030</b>
<b>Expenditure on:</b>							
Raising funds							
Other trading activities	10	31,384	-	31,384	23,860	-	23,860
Charitable activities	12	756,741	165,031	921,772	780,171	56,633	836,804
Impairment of investment in subsidiary		222,616	-	222,616	-	-	-
<b>Total Expenditure</b>		<b>1,010,741</b>	<b>165,031</b>	<b>1,175,772</b>	<b>804,031</b>	<b>56,633</b>	<b>860,664</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>		<b>551,891</b>	<b>(105,568)</b>	<b>446,323</b>	<b>(84,918)</b>	<b>62,284</b>	<b>(22,634)</b>
Net gains on investments		6,097	-	6,097	-	-	-
<b>Net income/(expenditure)</b>		<b>557,988</b>	<b>(105,568)</b>	<b>452,420</b>	<b>(84,918)</b>	<b>62,284</b>	<b>(22,634)</b>
Transfers between funds		-	-	-	(40,000)	40,000	-
<b>Net movement in funds</b>		<b>557,988</b>	<b>(105,568)</b>	<b>452,420</b>	<b>(124,918)</b>	<b>102,284</b>	<b>(22,634)</b>
Funds reconciliation							
Total Funds brought forward		516,906	3,934,425	4,451,331	641,824	3,832,141	4,473,965
<b>Total Funds carried forward</b>		<b>1,074,894</b>	<b>3,828,857</b>	<b>4,903,751</b>	<b>516,906</b>	<b>3,934,425</b>	<b>4,451,331</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

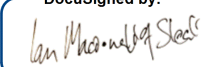
## THE CLAN DONALD LANDS TRUST

### CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 DECEMBER 2021

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>Fixed assets:</b>					
Tangible assets	15, 16	3,044,497	3,103,831	2,933,415	2,983,781
Heritage assets	15,16,17	1,020,784	1,020,784	1,020,784	1,020,784
Investments	18	22,000	15,903	22,002	238,521
<b>Total Fixed Assets</b>		<u>4,087,281</u>	<u>4,140,518</u>	<u>3,976,201</u>	<u>4,243,086</u>
<b>Current assets:</b>					
Stocks	19	17,458	33,096	-	-
Debtors	20	34,948	15,924	452,122	317,861
Cash at bank and in hand	26	649,238	451,499	621,551	448,032
<b>Total Current Assets</b>		<u>701,644</u>	<u>500,519</u>	<u>1,073,673</u>	<u>765,893</u>
<b>Liabilities:</b>					
Creditors falling due within one year	21	187,687	127,084	122,213	517,648
<b>Net Current assets</b>		<u>513,957</u>	<u>373,435</u>	<u>951,460</u>	<u>248,245</u>
<b>Total assets less current Liabilities</b>		4,601,238	4,513,953	4,927,661	4,491,331
Creditors due falling after one year	22	212,446	234,975	23,910	40,000
<b>Net assets</b>		<u>4,388,792</u>	<u>4,278,978</u>	<u>4,903,751</u>	<u>4,451,331</u>
<b>The funds of the Charity:</b>					
Restricted income funds	23, 24	3,828,857	3,934,425	3,828,857	3,934,425
Unrestricted funds	23, 24	559,935	344,553	1,074,894	516,906
<b>Total Charity funds</b>	23, 24	<u>4,388,792</u>	<u>4,278,978</u>	<u>4,903,751</u>	<u>4,451,331</u>

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustee Investment (Scotland) Act 2005.

Approved by the Trustees on 11<sup>th</sup> August 2023 and signed on their behalf by:

DocuSigned by:  
  
 Name: ..... B07D145EB7EF4A4..... Sir Ian Macdonald of Sleat Bt., DL

**THE CLAN DONALD LANDS TRUST**

**STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDING 31 DECEMBER 2021**

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b><i>Cash flows from operating activities:</i></b>					
<b>Net cash provided by/ (used in) operating activities</b>	<b>25</b>	234,058	18,514	404,311	403,617
<b><i>Cash flows from investing activities:</i></b>					
Dividends, interest and rents from investments		-	-	(415,137)	-
Gain on investment		(6,097)	-	(6,097)	-
Purchase of property, plant and equipment		(30,222)	(64,461)	(26,077)	(297,072)
Redemption of shares		-	-	-	-
Proceeds from sale of investments		-	-	216,519	-
<b>Net cash (used in)/provided by investing activities</b>		<u>(36,319)</u>	<u>(64,461)</u>	<u>(230,792)</u>	<u>(297,072)</u>
<b>Change in cash and cash equivalents in the year</b>		197,739	(45,947)	173,519	106,545
Cash and cash equivalent brought forward	<b>26</b>	451,499	497,446	448,032	341,487
<b>Cash and cash equivalents carried forward</b>	<b>26</b>	<u>649,238</u>	<u>451,499</u>	<u>621,551</u>	<u>448,032</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. Accounting Policies

##### (a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements consolidate the results of the Charity's wholly owned subsidiaries, C.D.L.T. Management Services Limited and C.D.L.T. Operations Limited, on a line by line basis.

The Charity constitutes a public benefit entity as defined by FRS 102.

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 £.

The Trustees have given consideration to the going concern assertion as a result of the Covid 19 pandemic and the impact on the business and have secured appropriate long term funding from external parties to ensure there are no material uncertainties about the Charity's ability to continue as a going concern.

##### (b) Funds structure

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 23.

##### (c) Income recognition

Income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. Accounting Policies (continued)

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

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. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Turnover from partial disposals of land which are credited in full to revenue as sales proceeds are considered by the directors to be relatively insignificant in relation to land area owned by the company. For this reason, no attempt is made to estimate relevant original cost applicable to such disposals.

#### (d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

- Costs of raising funds comprise the costs of commercial trading including investment management costs and certain legal fees and their associated support costs;
- Expenditure on charitable activities includes estate maintenance, gardens and museums and other activities undertaken to further the purposes of the Charity and their associated support costs;
- Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. Accounting Policies (continued)

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s), settlement is probable and the effect of

discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

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

#### (e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Trustees is not recognised but refer to the Trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

#### (f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing research grants, salary support grants and postgraduate scholarships are broadly equivalent. The allocation of support and governance costs is analysed in note 11.

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. Accounting Policies (continued)

##### (g) Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and valued at historical cost. Depreciation is charged as follows:

	<b>Basis</b>
Land	Not depreciated
Museum and Library exhibits	Not depreciated
Improvements	0 – 50 years straight line
Heritable Property	20 – 50 years straight line
Equipment	5 – 15 years straight line
Vehicles	4 – 7 years straight line

##### (h) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

##### (i) Heritage assets

Heritage assets are defined as tangible items with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge or culture. Depreciation is not provided on heritage assets as these have indefinite lives.

Clan Donald Lands Trust's Collections Management Policy sets out its policies for the acquisition, preservation, management and disposal of heritage assets, including description of records maintained and the extent to which access is permitted. The Trust has no plans to dispose of any of its significant heritage assets.

##### Armadale Castle

No value for accounting purposes was placed on the ruin of Armadale Castle at the time it was placed into the Trust. The building is not an "asset" in the normal sense as any value placed on it would likely be offset by a liability, being the obligation to maintain it in perpetuity. Any financially based valuations would be misleading to the value and significance of the material culture involved. The Trust has a clear duty of care for this "asset" and to make it available for the enjoyment and education of the public as far as is possible, commensurate with their long term care and preservation.

##### Museum and library exhibits

Clan Donald Lands Trust has acquired numerous collections of furniture, paintings, books, documents and other artefacts since it was established in 1979. It is the policy of the Trust not to capitalise heritage assets belonging to the museum where no market valuation is readily available and cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements.

# THE CLAN DONALD LANDS TRUST

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 1. Accounting Policies (continued)

Before the publication of FRS 30, heritage assets were required to be capitalised and donated assets were historically valued up receipt. As FRS 102 requires heritage assets to be capitalised where information is available on cost or value, these assets continue to be recognised at this value on the balance sheet. The highest possible standards of collection management are applied to all assets, whether capitalised or not, and the catalogues are made available as widely as possible to facilitate all enquiries and requests for information, subject to appropriate security and data protection guidelines.

#### (j) Investments

Investments are included at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals during the year.

#### (k) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the Charity would have been willing to pay for the items on the open market.

#### (l) Debtors

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

#### (m) Cash at bank and in hand

Cash at bank and cash 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.

#### (n) 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.

#### (o) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### (p) Pensions

The company operated a defined contribution scheme for the benefit of its employees. The assets of the scheme are administered by Trustees in a fund independent from those of the company.

The pension costs charged to the statement of financial activities represent the amount of employer's contributions payable to the scheme in respect of the accounting period.



## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. Accounting Policies (continued)

##### (q) Operating leases

The Charity classifies the lease of printing, specialist lighting and audio equipment as operating leases; the title to the equipment remains with the lessor and the equipment is replaced every 5 years whilst the economic life of such equipment is normally 10 years. Rental charges are charged on a straight line basis over the term of the lease.

#### 2. Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that, or in the period of revision and future periods if the revision affects both current and future periods.

There are no estimates or assumptions which are likely to have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities included within these accounts.

#### 3. Legal status of the Trust

The Charity is a Trust and was established by its Trust Deed registered in 1971.

#### 4. Related party transactions and Trustees' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2020: £nil). Expenses paid to the Trustees in the year totalled £2,790 (2020: £nil). No trustees gave donations to the Trust in the year (2020: £nil).

During the year no Trustee had any personal interest in any contract or transaction entered into by the Charity (2020: none).

#### 5. Income from donations and legacies

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Donations	4,372	2,631	4,372	2,631
Subsidies	3,756	5,183	3,756	5,183
Membership subscriptions	1,293	1,047	1,293	1,047
General grants	984,325	674,948	984,325	674,948
	<u>993,746</u>	<u>683,809</u>	<u>993,746</u>	<u>683,809</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 6. Income from charitable activities

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Gate admission	129,493	45,023	129,493	45,023
Feus and rents	14,565	16,423	14,565	16,423
	<u>144,058</u>	<u>61,446</u>	<u>144,058</u>	<u>61,446</u>

#### 7. Income from other trading activities

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trading	218,954	125,217	11,724	14,816
	<u>218,954</u>	<u>125,217</u>	<u>11,724</u>	<u>14,816</u>

#### 8. Investment income

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Dividends – equities	-	-	415,098	-
Interest on cash deposits	39	274	39	274
	<u>39</u>	<u>274</u>	<u>415,137</u>	<u>274</u>

#### 9. Other income

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Gains on disposal of tangible fixed asset held for the Charity's own use	1,667	2,500	1,667	2,500
Miscellaneous Income	8,615	2,800	8,615	2,800
Government Grant (Furlough & COVID-19 grant)	6,989	71,360	-	27,610
Land sales	47,148	33,703	47,148	33,703
	<u>64,419</u>	<u>110,363</u>	<u>57,430</u>	<u>66,613</u>

#### 10. Raising funds – expenditure on other trading activities

	Group			Total 2020	Direct costs	Support costs
	Total 2021	Direct costs	Support costs			
	£	£	£	£	£	£
Trading	395,727	3,219	392,508	343,669	98	343,571
	<u>395,727</u>	<u>3,219</u>	<u>392,508</u>	<u>343,669</u>	<u>98</u>	<u>343,571</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 10. Raising funds – expenditure on other trading activities (continued)

	Total 2021 £	Charity		Total 2020 £	Direct costs £	Support costs £
		Direct costs £	Support costs £			
Trading	31,384	3,219	28,165	23,860	98	23,762
	<u>31,384</u>	<u>3,219</u>	<u>28,165</u>	<u>23,860</u>	<u>98</u>	<u>23,762</u>

#### 11. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below. Costs were allocated on the basis of time spent/usage, depending on the nature of the expense:

Cost type	Total Allocated 2020 £	Raising Funds £	Estate maintenance £	Total Allocated 2021 £	Raising Funds £	Estate maintenance £
Marketing & Advertising	18,057	903	17,154	14,701	735	13,966
Gross Wages/NI/Pension	127,877	6,396	121,483	133,176	6,659	126,517
Rates/Insurance/H & L	88,113	4,406	83,707	87,994	4,400	83,594
Motor expenses/Travel	5,671	284	5,387	7,504	375	7,129
Post/Stationery/Telephone	12,876	644	12,232	13,743	687	13,056
Consultants fees/Factor fees & management	26,939	1,347	25,592	96,325	4,816	91,509
Repairs/Supplies/Materials	28,199	1,410	26,789	33,491	1,675	31,816
Bank charges	3,868	193	3,675	3,665	183	3,482
Training costs	2,138	107	2,030	1,438	72	1,366
Miscellaneous expenses	4,692	235	4,457	2,494	125	2,369
Museum Events	7,229	361	6,868	60,564	3,028	57,536
Depreciation	72,363	3,618	68,745	76,443	3,822	72,621
Non recoverable VAT	68,418	3,421	64,997	22,156	1,108	21,048
<b>Total</b>	<b>466,440</b>	<b>23,324</b>	<b>443,116</b>	<b>553,694</b>	<b>27,685</b>	<b>526,009</b>

#### Governance costs:

	2021 £	2020 £
Auditor's remuneration	9,595	8,775
Cost of meetings	-	235
	<u>9,595</u>	<u>9,010</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 12. Analysis of expenditure on charitable activities

	<b>Estate Maintenance, Gardens &amp; Museum</b>	<b>Total 2021</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Marketing & Advertising	3,832	3,832	623
Gross Wages/NI/Pension	165,543	165,543	215,599
Rates/Insurance/H&L	22,527	22,527	20,106
Motor expenses/Travel	3,649	3,649	5,497
Post/Stationery/Telephone	2,216	2,216	1,930
Consultants fees/Factor fees & management	59,576	59,576	62,725
Repairs/Supplies/Materials	51,888	51,888	55,470
Bad debt	-	-	(3,575)
Training costs	3,598	3,598	31
Miscellaneous expenses	3,249	3,249	3,918
Forestry Project	35,558	35,558	3,000
Depreciation	-	-	13,788
Museum Events	35,011	35,011	5,565
Governance costs	9,115	9,115	9,010
Support costs	526,010	526,010	443,117
	<u>921,772</u>	<u>921,772</u>	<u>836,804</u>

#### 13. Analysis of staff costs and remuneration of key management personnel

	<b>Group</b>		<b>Charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries and wages	389,582	388,199	275,965	316,095
Social security costs	24,458	24,067	17,983	21,473
Employer contributions to defined contribution pension schemes	6,446	6,623	4,771	5,908
<b>Total staff costs and employee benefits</b>	<u>420,486</u>	<u>418,889</u>	<u>298,719</u>	<u>343,476</u>
			<b>2021</b>	<b>2020</b>
			<b>£</b>	<b>£</b>
Key management personnel remuneration			<u>124,265</u>	<u>139,634</u>

There were no employees whose emoluments, excluding pension contributions, totalled over £60,000 (2020: nil)

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

The average number of employees during the year, calculated on the basis of average headcount, was as follows:

	2021 number £	2020 number £
Administration	8	8
Other	14	12
Total	<u>22</u>	<u>20</u>

#### 14. Net income/(expenditure) for the year

This is stated after charging:	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Depreciation	89,556	100,670	76,443	86,151
Bank interest payable	1,236	1,173	1,166	1,128
Auditor's remuneration:				
Audit fees	15,879	12,571	9,595	6,655

#### 15. Tangible Fixed Assets - Group

	Land & Improvements £	Heritable Property £	Museum & Library Exhibits £	Motor Vehicles & Equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	621,850	3,787,652	1,020,783	657,168	6,087,453
Additions	-	-	-	30,222	30,222
Disposals	-	-	-	(3,725)	(3,725)
At 31 December 2021	<u>621,850</u>	<u>3,787,652</u>	<u>1,020,783</u>	<u>683,665</u>	<u>6,113,950</u>
<b>Depreciation</b>					
At 1 January 2021	34,237	1,427,629	-	500,972	1,962,838
Charge for the year	1,169	45,881	-	42,506	89,556
Eliminated on disposals	-	-	-	(3,725)	(3,725)
At 31 December 2021	<u>35,406</u>	<u>1,473,510</u>	<u>-</u>	<u>539,753</u>	<u>2,048,669</u>
<b>Net book value</b>					
At 31 December 2021	<u>586,444</u>	<u>2,314,142</u>	<u>1,020,783</u>	<u>143,912</u>	<u>4,065,281</u>
At 31 December 2020	<u>587,613</u>	<u>2,360,023</u>	<u>1,020,783</u>	<u>156,196</u>	<u>4,124,615</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 16. Tangible Fixed Assets - Charity

	Land & Improvements £	Heritable Property £	Museum & Library & Exhibits £	Motor Vehicles & Equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2021	591,850	3,787,652	1,020,783	503,186	5,903,471
Additions	-	-	-	26,077	26,077
Disposals	-	-	-	(3,725)	(3,725)
At 31 December 2021	591,850	3,787,652	1,020,783	525,538	5,925,823
<b>Depreciation</b>					
At 1 January 2021	34,237	1,427,630	-	437,039	1,898,906
Charge for the year	1,169	45,881	-	29,393	76,443
Eliminated on disposals	-	-	-	(3,725)	(3,725)
At 31 December 2021	35,406	1,473,511	-	462,707	1,971,624
<b>Net book value</b>					
At 31 December 2021	556,444	2,314,141	1,020,783	62,831	3,954,199
At 31 December 2020	557,613	2,360,022	1,020,783	66,147	4,004,565

#### 17. Heritage Assets – Group & Charity

Heritage assets exclude Armadale Castle – a ruined former mansion home of the Macdonalds, built around 1790 at Armadale, Skye. In 1815 a Scottish baronial style mock-castle, intended for show rather than defence, designed by James Gillespie Graham, was built next to the house. A fire in 1855 destroyed part of the house and was replaced by a central wing, designed by David Bryce.

The castle was abandoned by the Macdonald family in 1925 and was in a ruinous state when acquired by Clan Donald Lands Trust in 1979. The Gillespie Graham section is a sculptured ruin and garden with the staircase and façade often used for wedding ceremonies. Housed in what remains of the original mansion, dating from around 1790, the Somerled Rooms offer a unique conference and wedding facility.

Museum and library exhibits obtained by the Trust have been recognised at either purchase price or estimated market value at the time of the receipt. Further analysis and detailed valuations prior to 2011 are not readily available and it is therefore not possible to summarise transactions in the accounting period and each of the previous four accounting periods between cost and value. Dates of any valuation since 2011, together with the methods used to produce valuations, the valuer's name and professional qualification, where applicable, and any significant limitations on the valuation, are disclosed from 2012 onwards.

Heritage assets are not included in the balance sheet where no costs or valuation is readily available and cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements. Assets donated and loaned to the Trust in the period include paintings, books, photos, documents, clothing, pottery and other small artefacts relating to the history of the Highland Clans and the Clan Donald in particular.

**THE CLAN DONALD LANDS TRUST**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**17. Heritage Assets – Group & Charity (continued)**

<b>Year ended</b>	<b>No. donated collections</b>	<b>No. loaned collections</b>
31 December 2021	-	-
31 December 2020	-	-
31 December 2019	-	-
31 December 2018	-	-
31 December 2017	-	-
31 December 2016	-	-
31 December 2015	-	-
31 December 2014	10	14
31 December 2013	17	3
31 December 2012	17	3
31 December 2011	29	2
31 December 2010	16	8
31 December 2009	36	12
31 December 2008	36	-

No heritage assets were disposed of, nor were any impairments recognised during the accounting period, or the previous five periods.

**18. Investments**

<b>Group</b>	<b>2021</b>		<b>2020</b>	
	<b>Livestock</b>	<b>Investment in Subsidiary</b>	<b>Livestock</b>	<b>Investment in Subsidiary</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Opening Balance	15,903	-	15,903	-
Gains/(Losses)	6,097	-	-	-
Impairment	-	-	-	-
<b>Cost and Net Book Value</b>	<b>22,000</b>	<b>-</b>	<b>15,903</b>	<b>-</b>

<b>Charity</b>	<b>2021</b>		<b>2020</b>	
	<b>Livestock</b>	<b>Investment in Subsidiary</b>	<b>Livestock</b>	<b>Investment in Subsidiary</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Opening Balance	15,903	222,618	15,903	222,618
Gains/(Losses)	6,097	-	-	-
Impairment	-	(222,616)	-	-
<b>Cost and Net Book Value</b>	<b>22,000</b>	<b>2</b>	<b>15,903</b>	<b>222,618</b>

The wholly owned subsidiary C.D.L.T. Operations Limited is incorporated in the United Kingdom (Company number SC368668). A loss of £82,072 was incurred in the year (2020: profit of £195,009).

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 18. Investments (cont'd)

C.D.L.T. Operations Limited was set up in 2009 to carry out preliminary investigations into the design and construction of a new village in Kilbeg, Sleat, Isle of Skye and, if viable, to implement the development of the project. However, following on from preliminary investigations the company is now dormant and is currently holding the land for resale. The Trust owns the share capital of 2 ordinary shares of £1 each. During the year C.D.L.T Operations Limited transferred land back to Clan Donald Lands Trust and is currently inactive. C.D.L.T Operations Limited's Directors however remain open to future development activities when the opportunity arises.

The summary financial performance of the subsidiary alone is:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cost of sales and administration costs	-	(94,991)
Administration expenses	(83,072)	-
Other operating income	1,000	290,000
	<u>(82,072)</u>	<u>195,009</u>

The assets and liabilities of the subsidiary were:

Current assets	19,246	426,172
Current liabilities	(101,316)	(11,072)
Total net assets	<u>(82,070)</u>	<u>415,100</u>

Aggregate share capital and reserves	<u>(82,070)</u>	<u>415,100</u>
--------------------------------------	-----------------	----------------

The wholly owned trading subsidiary C.D.L.T. Management Services Limited is incorporated in the United Kingdom (Company number SC117333). A loss of £68,052 was generated in the year (2020: loss of £70,667). The principal activity of the company continued to be the operation of the commercial activities of, and the provision of management services to, the Clan Donald Lands Trust. The Trust owns the entire share capital of 100 ordinary shares of £1 each.

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Revenue	206,230	110,401
Cost of sales and administration costs	(281,271)	(224,818)
Other operating income	6,989	43,750
	<u>(68,052)</u>	<u>(70,667)</u>

The assets and liabilities of the subsidiary were:

Fixed Assets	401,082	410,050
Current assets	44,896	38,761
Current liabilities	(400,329)	(328,671)
Long Term Creditors	(188,536)	(194,975)
Total net liabilities	<u>(142,877)</u>	<u>(74,835)</u>

Aggregate retained earnings	<u>(142,877)</u>	<u>(74,835)</u>
-----------------------------	------------------	-----------------



## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 19. Stock

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Retail stock	13,855	24,971	-	-
Bar stock	2,042	4,037	-	-
Venison stock	1,561	4,088	-	-
	<u>17,458</u>	<u>33,096</u>	<u>-</u>	<u>-</u>

#### 20. Debtors

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	9,700	199	774	199
Other debtors	25,248	15,725	15,177	13,527
Due from subsidiary undertakings	-	-	436,171	304,135
	<u>34,948</u>	<u>15,924</u>	<u>452,122</u>	<u>317,862</u>

#### 21. Creditors: amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	28,070	40,641	19,669	39,417
Other creditors and accruals	133,753	79,331	93,182	56,468
Taxation and social security costs	25,864	7,112	9,362	6,663
Intercompany transfers	-	-	-	415,100
	<u>187,687</u>	<u>127,084</u>	<u>122,213</u>	<u>517,648</u>

#### 22. Creditors – amount falling due after one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Other creditors and accruals	<u>212,446</u>	<u>234,975</u>	<u>23,910</u>	<u>40,000</u>
	<u>212,446</u>	<u>234,975</u>	<u>23,910</u>	<u>40,000</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 23. Analysis of charitable funds – Group

Analysis of Fund movements	2019 Balance b/fwd £	Income £	Expenditure £	Transfers £	(Gains) Losses £	2020 Fund c/fwd £
<b>Unrestricted funds</b>						
General funds	646,201	862,192	1,123,840	(40,000)	-	344,553
<b>Total unrestricted funds</b>	<b>646,201</b>	<b>862,192</b>	<b>1,123,840</b>	<b>(40,000)</b>	<b>-</b>	<b>344,553</b>
<b>Restricted funds</b>						
Clan Donald Gaelic Arts Week	1,150	-	-	-	-	1,150
Forestry Project	223,723	38,917	3,000	-	-	259,640
Fixed Assets	3,569,725	-	46,577	-	-	3,523,148
John Milner Museum Acquisitions Fund	1,000	-	-	-	-	1,000
Castle Project	36,543	-	-	-	-	36,543
Museum Project	-	80,000	7,056	40,000	-	112,944
<b>Total restricted funds</b>	<b>3,832,141</b>	<b>118,917</b>	<b>56,633</b>	<b>40,000</b>	<b>-</b>	<b>3,934,425</b>
<b>TOTAL FUNDS</b>	<b>4,478,342</b>	<b>981,109</b>	<b>1,180,473</b>	<b>-</b>	<b>-</b>	<b>4,278,978</b>

Analysis of Fund movements	2020 Balance b/fwd £	Income £	Expenditure £	Transfers £	(Gains) Losses £	2021 Fund c/fwd £
<b>Unrestricted funds</b>						
General funds	344,553	1,361,753	1,152,468	-	6,097	559,935
<b>Total unrestricted funds</b>	<b>344,553</b>	<b>1,361,753</b>	<b>1,152,468</b>	<b>-</b>	<b>6,097</b>	<b>559,935</b>
<b>Restricted funds</b>						
Clan Donald Gaelic Arts Week	1,150	-	1,150	-	-	-
Forestry Project	259,640	13,922	35,558	-	-	238,004
Fixed Assets	3,523,148	-	45,881	-	-	3,477,267
John Milner Museum Acquisitions Fund	1,000	-	-	-	-	1,000
Castle Project	36,543	-	-	-	-	36,543
Recovery and Resilience Museum Project	-	36,891	36,891	-	-	-
Museum Project	112,944	-	36,901	-	-	76,043
Summer activities programme	-	8,650	8,650	-	-	-
<b>Total restricted funds</b>	<b>3,934,425</b>	<b>59,463</b>	<b>165,031</b>	<b>-</b>	<b>-</b>	<b>3,828,857</b>
<b>TOTAL FUNDS</b>	<b>4,278,978</b>	<b>1,421,216</b>	<b>1,317,499</b>	<b>-</b>	<b>(6,097)</b>	<b>4,388,792</b>

The unrestricted funds are available to be spent for any of the purposes of the Charity. The Library, Gardens and Glencoe projects funding are small projects undertaken which are funded by external grants or donations.

During 2009, Armadale House was refurbished funded by grants from Glencoe Foundation Inc. This work was completed in that year and the outgoing resources represent the depreciation charge on the capitalised costs. The majority of the fixed assets owned by the Trust were funded out of restricted funds. The expenses in the year represent the depreciation charge on those assets.

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 23. Analysis of charitable funds – Group (continued)

Forestry Project – Capital & Maintenance Grants provided by Scottish Government Rural Payments & Inspections Division (SGRPID)

Castle Project – provided by the Clan Donald Foundation USA for work to stabilise the Castle.

Clan Donald Gaelic Arts Week - Grant provided by Visit Scotland to promote Gaelic Arts.

John Milner Museum Acquisitions Fund - provided by the Glencoe Foundation USA for Museum acquisitions

Museum Project – Grants donated for the specific purpose of upgrading the Museum environment to meet collection care standards.

Recovery and resilience – To be used for the running costs of the museum

Summer Activities Programme – to be used for the summer activities programme.

#### 24. Net group assets over funds

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	588,014	3,477,267	4,065,281
Investments	22,000	-	22,000
Current assets	350,054	351,590	701,644
Current liabilities	(187,687)	-	(187,687)
Long term liabilities	(212,446)	-	(212,446)
	<u>559,935</u>	<u>3,828,857</u>	<u>4,388,792</u>
	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	601,467	3,523,148	4,124,615
Investments	15,903	-	15,903
Current assets	89,242	411,277	500,519
Current liabilities	(127,084)	-	(127,084)
Long term liabilities	(234,975)	-	(234,975)
	<u>344,553</u>	<u>3,934,425</u>	<u>4,278,978</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 25. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Net income for the year (as per the Statement of Financial Activities)	103,717	(199,364)	452,420	(22,634)
Adjustments for:				
Depreciation charges	89,556	100,670	76,443	86,151
Dividends, interest and rents from investments	-	-	415,137	-
Gains on investments	6,097	-	6,097	-
Decrease in stocks	15,638	90,270	-	-
(Increase) / Decrease in debtors	(19,024)	60,007	(134,261)	(57,051)
Increase / (Decrease) in creditors	38,074	(33,069)	(411,525)	397,171
<b>Net cash provided by / (used in) operating activities</b>	<u>234,058</u>	<u>18,514</u>	<u>404,311</u>	<u>403,617</u>

#### 26. Analysis of cash and cash equivalents

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Cash in hand	<u>649,238</u>	<u>451,499</u>	<u>621,551</u>	<u>448,032</u>