

**CHARITY NO: SC007862**

**THE CLAN DONALD LANDS TRUST  
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**THE CLAN DONALD LANDS TRUST**

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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## THE CLAN DONALD LANDS TRUST

### REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### REFERENCE AND ADMINISTRATIVE INFORMATION

<b>Trustees</b>	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 22 <sup>nd</sup> February 2022) Lois MacDonell of Glengarry (Resigned 17 <sup>th</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) Ranald A Macdonald of Clanranald, Captain of Clanranald Nathan Macdonald (Resigned 21 <sup>st</sup> March 2022)
<b>Secretary</b>	Campbell Stewart MacLennan & Co (Appointed 26 <sup>th</sup> August 2022)
<b>Registered Office</b>	Armadale Castle Ardvasar Sleat Isle of Skye IV45 8RS
<b>Charity Number:</b>	SC007862
<b>Independent Auditors</b>	Wylie & Bisset (Audit) Limited 168 Bath Street Glasgow G2 4TP
<b>Bankers</b>	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 2022**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**Solicitors**

Ferguson MacSween & Stewart  
Bridge Road  
Portree  
IV51 9ER

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

Brodies LLP  
58 Morrison Street  
Edinburgh  
EH3 8BP

## THE CLAN DONALD LANDS TRUST

### Report of the Trustees for the year ended 31 December 2022

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 2022. The Legal and Administrative Information on page one and two 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	Chair of the Board, Trustee
The Rt. Hon. Godfrey James Macdonald of Macdonald JP, DL, The Lord Macdonald	Vice Chair of the Board, Trustee
Major Bruce W McDonald (Ret'd)	Trustee
Ranald Macdonald of Clanranald (Younger)	Trustee
Diane Carey-Schmitz	Trustee
James G S Macdonald of Aird	Trustee (res. 18 March 2022)
Lois MacDonell of Glengarry	Trustee (res. 17 March 2022)
Mark E MacDonald	Trustee, USA (res. 22 February 2022)
Andrew Wilkie	Trustee, New Zealand (res. 21 March 2022)
Pam McDonald	Trustee, Australia (res. 21 March 2022)
Nathan B. Macdonald	Trustee, Canada (res. 21 March 2022)
Christine Martin	Trustee, New Zealand (res. 21 March 2022)

#### 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.

- #### 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 undergo an orientation and induction programme at Armadale Castle and during the course of their time in office undergo relevant continuous professional development as required for the fulfilment of OSCR best practice obligations.

## THE CLAN DONALD LANDS TRUST

### Report of the Trustees for the year ended 31 December 2022

Following the appointment of a CEO indigenous to Skye, the Board has begun a process to recruit more Trustees local to Skye and Lochalsh and Trustees engaged with Gàidhealtachd language, culture, heritage and with relevant charity, board and estate management skills and experience.

A significant barrier is the personal financial liability that burdens the trustees of an unincorporated charitable trust. It is important that groups who are typically underrepresented feel empowered to apply to become a CDLT Trustee.

CDLT will advertise for more local Trustees when we are sure that the responsibilities of trusteeship are manageable for a wide range of applicants. In the meantime, we encourage persons who feel well-equipped to become a CDLT Trustee with regard to our charitable purposes to contact the Chair of Trustees to note their interest.

- **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. In addition, the Board proactively reviews best practice guidance from OSCR and other relevant bodies.

- **Organisational Structure**

The Board meets annually to fulfil its statutory obligations. Since inception the Board delegated its management powers to an Executive Committee to ensure the efficient running of the Trust on an on-going basis. The work and duties of the Executive Committee were assigned to a Chief Executive Officer (CEO) in September 2021.

- **Trustee Engagement**

During 2022 all Trustees engaged continuously and effectively with regard to both strategic matters and ongoing work including: Museum, Heritage and Culture; Administration Finance and Governance; Estate Buildings and Gardens; Retail and Visitor Services; and Clan Community Outreach and Engagement.

Following a charitable business review during the course of 2022, at the request of the CEO in December 2022 the Board committed to a fundraising exercise for community consultations and surveys across our local and diaspora communities of geography and interest with regard to the charitable purposes.

The Board and CEO work closely on all Trust matters.

- **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.
- CDLT Operations Limited (formerly C.D.L.T. Developments Limited) undertakes no activity other than managing staff payroll for the Trust.

## THE CLAN DONALD LANDS TRUST

### Report of the Trustees for the year ended 31 December 2022

- **Risk Management**

The Trustees and the CEO 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 and continuously monitored and updated in the Trust's Risk Register. All financial matters are handled in accordance with the terms of the Financial Procedures Handbook.

- **Operational Support**

Subject to funds allowing and finding the right candidate, with the support of the Board the CEO intends to recruit an Operations Director who will take responsibility for day-to-day operational matters, thereby permitting the Board and CEO to maintain a keen focus on strategic matters, including the Trust's Vision, Strategic Plan, Community Engagement Plan and Estate Management Plan under Scottish Government's Land Rights and Responsibilities Statement.

- **External Consultants and Advisers**

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

The Board and CEO work closely with external consultants on a daily and weekly basis.

- **Reserves Policy**

Unrestricted funds represent the total accumulated free reserves of the Trust. The Trustees and CEO intend that CDLT should maintain Unrestricted 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").

Total funds were £4,270,947, Restricted Funds for the year were £3,795,530 (2021: £3,828,857) and Unrestricted Funds for the year were £475,417 (2021: £559,935). As at 31 December 2022 Unrestricted Funds of £475,417 exceeded the three months' average of Unrestricted Expenditure of £189,185 by £286,232.

Unrestricted Cash Reserves are maintained at levels which would allow the Trust to manage any significant and unexpected drop in income during any current year.

As a proactive measure the Trust is working towards a Reserves Policy which will also incorporate capital needs highlighted from a works and maintenance schedule.

- **Fixed Assets**

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

## **THE CLAN DONALD LANDS TRUST**

### **Report of the Trustees for the year ended 31 December 2022**

#### **Objectives and Activities**

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 A 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 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:

- The Trust's commercial operations
- Glencoe Foundation ("Glencoe") in the USA continued to be a major benefactor of the Trust providing funding of £707,398 (£876,875 - 2021).
- The Forestry Commission provided forestry related grant funding of £13,906 (£13,921 - 2021).

The Trustees acknowledge with gratitude the funding made available by donors and granters during the year, particularly the commitment of Glencoe Foundation to CDLT and its charitable objectives and support towards the Trust developing a new Vision and Strategic Plan.



## THE CLAN DONALD LANDS TRUST

### Report of the Trustees for the year ended 31 December 2022

#### 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. Work is underway towards a master plan and major funding project.
- **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 and work is underway to lessen the liability burden for new Trustees and thereby permit a broader range of applicants, including local community members.
- **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 CEO has completed a 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.

A number of renewable energy approaches were received during the course of 2022. The Board takes a stakeholder and community mindful approach to any large project with the potential for community benefit. The Board also recognises its responsibility to a just transition as a registered landowning charitable trust

- **Community Engagement:** The Board was pleased to support our local CEO's commitment to community consultation at the time of appointment. The bulk of 2022 was necessarily reserved to an operational restructure and commercial review. Work towards funding a third-party professional body to undertake community consultation and survey work began in December 2022.

Following informal consultation, the Board looks forward to formal consultation starting in mid to third quarter 2023. Feedback from this consultation will inform the Trust's Community Engagement Plan and Estate Management Plan as well as community needs, business development and land-based projects.

## **THE CLAN DONALD LANDS TRUST**

### **Report of the Trustees for the year ended 31 December 2022**

#### **Group Financial Performance**

Group Turnover of the Trust decreased to £1,388,565 (£1,421,216 - 2021) this reflects a decrease in trading revenue and income from grants.

Prior to Other Recognised Gains and Losses, the Group recorded a net deficit of £117,845 (Surplus of £103,717 - 2021).

At year end the Group's cash position stood at £303,581 (£649,238- 2021).

Restricted Funds decreased to £3,795,530 (£3,828,857- 2021).

Unrestricted Funds decreased to £475,417 (£559,935- 2021).

At the year-end, the total net assets under control of the Board amounted to £4,270,947 (£4,388,792 - 2021).

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

#### **Museum:**

Gross Income for the Museum (43% of gate receipts) increased to £80,336 (£62,786 – 2021).

#### **Estate and Gardens:**

Gross Income for the Estate and Gardens (57% of gate receipts) increased to £105,160 (£66,707 – 2021).

#### **Grant Income:**

Income from grants decreased to £721,304 (£984,325 - 2021).

#### **Land Sales:**

Land sale income increased to £18,642 (£47,148 - 2021).

## **THE CLAN DONALD LANDS TRUST**

### **Report of the Trustees for the year ended 31 December 2022**

#### **Future Plans**

The Trustees and CEO envisage a challenging environment for fundraising and operational costs and overheads for the short to medium term. Concerns related to inflationary and economic predictions necessarily limit the Trust's ability to plan and execute development and enhancement projects. Economic uncertainty may delay future plans and projects.

Despite these constraints and concerns, the Trustees and CEO have an ongoing commitment to developing 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 short-term focus continues to be the financial stability of the Trust to allow it to meet its charitable purposes on a sustainable basis. Group financial performance in 2022 has enabled a foundation for future planning.

#### **Governance and Operational Reviews**

Over the course of 2022 the Trust commenced governance and operational reviews 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.

These reviews have informed the Trust's work plan for 2023 and 2024.

The Board thanks all funders and stakeholders for their ongoing support and commitment to the Trust's charitable purposes and work towards a Vision and Strategic Plan worthy of Scotland's oldest and largest Clan in the context of a modern Scotland.

## THE CLAN DONALD LANDS TRUST

### Report of the Trustees for the year ended 31 December 2022

#### 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.

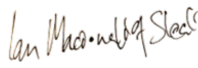
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (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 20<sup>th</sup> December 2023 and signed on their behalf by:

DocuSigned by:  
  
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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 2022**

### **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 2022 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 2022, 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 2022**

### **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 10, 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 2022**

### **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 Clan Donald Lands Trust 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 2022**

- 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.

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:* 20<sup>th</sup> December 2023



**THE CLAN DONALD LANDS TRUST**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 DECEMBER 2022**

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Unrestricted Funds 2021	Restricted Funds 2021 £	Total Funds 2021 £
<b>Income and endowments from:</b>							
Donations and legacies	5	728,590	13,906	742,496	934,283	59,463	993,746
Charitable activities	6	314,848	-	314,848	144,058	-	144,058
Other trading activities	7	253,839	-	253,839	218,954	-	218,954
Investments	8	252	-	252	39	-	39
Other incoming resources	9	77,130	-	77,130	64,419	-	64,419
<b>Total Income</b>		<b>1,374,659</b>	<b>13,906</b>	<b>1,388,565</b>	<b>1,361,753</b>	<b>59,463</b>	<b>1,421,216</b>
<b>Expenditure on:</b>							
Raising funds							
Other trading activities	10	796,873	-	796,873	395,727	-	395,727
Charitable activities	12	662,304	47,233	709,537	756,741	165,031	921,772
<b>Total Expenditure</b>		<b>1,459,177</b>	<b>47,233</b>	<b>1,506,410</b>	<b>1,152,468</b>	<b>165,031</b>	<b>1,317,499</b>
<b>Net (expenditure) / income and net movement in funds before gains and losses on investments</b>		<b>(84,518)</b>	<b>(33,327)</b>	<b>(117,845)</b>	<b>209,285</b>	<b>(105,568)</b>	<b>103,717</b>
Net gains on investments		-	-	-	6,097	-	6,097
<b>Net (expenditure) / income</b>		<b>(84,518)</b>	<b>(33,327)</b>	<b>(117,845)</b>	<b>215,382</b>	<b>(105,568)</b>	<b>109,814</b>
<b>Net movement in funds</b>		<b>(84,518)</b>	<b>(33,327)</b>	<b>(117,845)</b>	<b>215,382</b>	<b>(105,568)</b>	<b>109,814</b>
Funds reconciliation							
Total Funds brought forward	23	559,935	3,828,857	4,388,792	344,553	3,934,425	4,278,978
<b>Total Funds carried forward</b>	<b>23</b>	<b>475,417</b>	<b>3,795,530</b>	<b>4,270,947</b>	<b>559,935</b>	<b>3,828,857</b>	<b>4,388,792</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 2022**  
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
<b>Income and endowments from:</b>							
Donations and legacies	5	728,590	13,906	742,496	934,283	59,463	993,746
Charitable activities	6	314,848	-	314,848	144,058	-	144,058
Other trading activities	7	1,187	-	1,187	11,724	-	11,724
Investments	8	252	-	252	415,137	-	415,137
Other incoming resrouces	9	77,130	-	77,130	57,430	-	57,430
<b>Total Income</b>		<b>1,122,007</b>	<b>13,906</b>	<b>1,135,913</b>	<b>1,562,632</b>	<b>59,463</b>	<b>1,622,095</b>
<b>Expenditure on:</b>							
Raising funds							
Other trading activities	10	27,967	-	27,967	31,384	-	31,384
Charitable activities	12	662,304	47,233	709,537	756,741	165,031	921,772
Impairment of investment in subsidiary		-	-	-	222,616	-	222,616
<b>Total Expenditure</b>		<b>690,271</b>	<b>47,233</b>	<b>737,504</b>	<b>1,010,741</b>	<b>165,031</b>	<b>1,175,772</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>		<b>431,736</b>	<b>(33,327)</b>	<b>398,409</b>	<b>551,891</b>	<b>(105,568)</b>	<b>446,323</b>
Net gains on investments		-	-	-	6,097	-	6,097
<b>Net income/(expenditure)</b>		<b>431,736</b>	<b>(33,327)</b>	<b>398,409</b>	<b>557,988</b>	<b>(105,568)</b>	<b>452,420</b>
<b>Net movement in funds</b>		<b>431,736</b>	<b>(33,327)</b>	<b>398,409</b>	<b>557,988</b>	<b>(105,568)</b>	<b>452,420</b>
Funds reconciliation							
Total Funds brought forward		1,074,894	3,828,857	4,903,751	516,906	3,934,425	4,451,331
<b>Total Funds carried forward</b>		<b>1,506,630</b>	<b>3,795,530</b>	<b>5,302,160</b>	<b>1,074,894</b>	<b>3,828,857</b>	<b>4,903,751</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

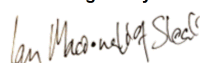
### CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 DECEMBER 2022

	Note	Group 2022	Group 2021	Charity 2022	Charity 2021
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	15, 16	3,196,786	3,044,497	3,074,777	2,933,415
Heritage assets	15,16,17	1,020,783	1,020,784	1,020,784	1,020,784
Investments	18	22,000	22,000	22,002	22,002
<b>Total Fixed Assets</b>		<u>4,239,569</u>	<u>4,087,281</u>	<u>4,117,563</u>	<u>3,976,201</u>
<b>Current assets:</b>					
Stocks	19	39,569	17,458	-	-
Debtors	20	75,500	34,948	1,097,228	452,122
Cash at bank and in hand	26	303,581	649,238	206,710	621,551
<b>Total Current Assets</b>		<u>418,650</u>	<u>701,644</u>	<u>1,303,938</u>	<u>1,073,673</u>
<b>Liabilities:</b>					
Creditors falling due within one year	21	189,534	187,687	105,618	122,213
<b>Net Current Assets</b>		<u>229,116</u>	<u>513,957</u>	<u>1,198,320</u>	<u>951,460</u>
<b>Total assets less current Liabilities</b>		4,468,685	4,601,238	5,315,883	4,927,661
Creditors due falling after one year	22	197,738	212,446	13,723	23,910
<b>Net assets</b>		<u>4,270,947</u>	<u>4,388,792</u>	<u>5,302,160</u>	<u>4,903,751</u>
<b>The funds of the Charity:</b>					
Restricted income funds	23, 24	3,795,530	3,828,857	3,795,530	3,828,857
Unrestricted funds	23, 24	475,417	559,935	1,506,630	1,074,894
<b>Total Charity funds</b>	23, 24	<u>4,270,947</u>	<u>4,388,792</u>	<u>5,302,160</u>	<u>4,903,751</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 20th December 2023 and signed on their behalf by:

DocuSigned by:



.....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 2022

	Note	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b><i>Cash flows from operating activities:</i></b>					
<b>Net cash (used in) / provided by operating activities</b>	<b>25</b>	(122,703)	234,097	(228,208)	404,311
<b><i>Cash flows from investing activities:</i></b>					
Dividends, interest and rents from investments		(252)	(39)	(252)	(415,137)
Gain on investment		-	(6,097)	-	(6,097)
Purchase of property, plant and equipment		(243,083)	(30,222)	(206,762)	(26,077)
Proceeds from sale of investments		20,381	1,667	20,381	216,519
<b>Net cash (used in) investing activities</b>		<u>(222,954)</u>	<u>(36,319)</u>	<u>(186,633)</u>	<u>(232,459)</u>
<b>Change in cash and cash equivalents in the year</b>		(345,657)	197,739	(414,841)	173,519
Cash and cash equivalent brought forward	<b>26</b>	649,238	451,499	621,551	448,032
<b>Cash and cash equivalents carried forward</b>	<b>26</b>	<u>303,581</u>	<u>649,238</u>	<u>206,710</u>	<u>621,551</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 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 CDLT 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 believe that the company would maintain profitability within the next 12 months and indeed the foreseeable future, it is appropriate to continue to prepare the financial statements on a going concern basis.

##### (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 2022

#### 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 2022

#### 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 2022

#### 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 2022

#### 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 2022

#### 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 (2021: £nil). Expenses paid to the Trustees in the year totalled £nil (2021: £2,790). No trustees gave donations to the Trust in the year (2021: £nil).

During the year no Trustee had any personal interest in any contract or transaction entered into by the Charity (2021: none).

#### 5. Income from donations and legacies

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Donations	4,124	4,372	4,124	4,372
Legacies	12,746	-	12,746	-
Subsidies	3,526	3,756	3,526	3,756
Membership subscriptions	796	1,293	796	1,293
General grants	721,304	984,325	721,304	984,325
	<u>742,496</u>	<u>993,746</u>	<u>742,496</u>	<u>993,746</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 6. Income from charitable activities

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Gate admission	185,496	129,493	185,496	129,493
Feus and rents	129,352	14,565	129,352	14,565
	<u>314,848</u>	<u>144,058</u>	<u>314,848</u>	<u>144,058</u>

#### 7. Income from other trading activities

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trading	253,839	218,954	1,187	11,724
	<u>253,839</u>	<u>218,954</u>	<u>1,187</u>	<u>11,724</u>

#### 8. Investment income

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Dividends – equities	-	-	-	415,098
Interest on cash deposits	252	39	252	39
	<u>252</u>	<u>39</u>	<u>252</u>	<u>415,137</u>

#### 9. Other income

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Gains on disposal of tangible fixed asset held for the Charity's own use	20,381	1,667	20,381	1,667
Miscellaneous Income	38,107	8,615	38,107	8,615
Government Grant (Furlough & COVID-19 grant)	-	6,989	-	-
Land sales	18,642	47,148	18,642	47,148
	<u>77,130</u>	<u>64,419</u>	<u>77,130</u>	<u>57,430</u>

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

	Group			Total 2021	Direct costs	Support costs
	Total 2022	Direct costs	Support costs			
	£	£	£	£	£	£
Trading	796,873	77	796,796	395,727	3,219	392,508
	<u>796,873</u>	<u>77</u>	<u>796,796</u>	<u>395,727</u>	<u>3,219</u>	<u>392,508</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

	Total 2022 £	Charity		Total 2021 £	Direct costs £	Support costs £
		Direct costs £	Support costs £			
Trading	27,967	77	27,890	31,384	3,219	28,165
	<u>27,967</u>	<u>77</u>	<u>27,890</u>	<u>31,384</u>	<u>3,219</u>	<u>28,165</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 2021 £	Raising Funds £	Estate maintenance £	Total Allocated 2022 £	Raising Funds £	Estate maintenance £
Marketing & Advertising	14,701	735	13,966	30,376	1,519	28,857
Gross Wages/NI/Pension	133,176	6,659	126,517	(1,768)	(88)	(1,680)
Rates/Insurance/H & L	87,994	4,400	83,594	116,244	5,812	110,432
Motor expenses/Travel	7,504	375	7,129	3,434	172	3,262
Post/Stationery/Tel ephone	13,743	687	13,056	12,431	622	11,809
Consultants fees/Factor fees & management	96,325	4,816	91,509	114,057	5,703	108,354
Repairs/Supplies/M aterials	33,491	1,675	31,816	58,307	2,915	55,392
Bank charges	3,665	183	3,482	4,130	207	3,923
Training costs	1,438	72	1,366	2,503	125	2,378
Miscellaneous expenses	2,494	125	2,369	8,607	430	8,177
Museum Events	60,564	3,028	57,536	33,801	1,690	32,111
Depreciation	76,443	3,822	72,621	70,233	3,512	66,721
Non recoverable VAT	22,156	1,108	21,048	90,831	4,542	86,289
<b>Total</b>	<b>553,694</b>	<b>27,685</b>	<b>526,009</b>	<b>543,186</b>	<b>27,161</b>	<b>516,025</b>

#### Governance costs:

	2022 £	2021 £
Consultancy	5,834	-
Auditor's remuneration	8,750	9,595
	<u>14,584</u>	<u>9,595</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

	<b>Estate Maintenance, Gardens &amp; Museum</b>	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Marketing & Advertising	1,585	1,585	3,832
Gross Wages/NI/Pension	-	-	165,543
Rates/Insurance/H&L	39,690	39,690	22,527
Motor expenses/Travel	1,750	1,750	3,649
Post/Stationery/Telephone	15,126	15,126	2,216
Consultants fees/Factor fees & management	21,678	21,678	59,576
Repairs/Supplies/Materials	78,672	78,672	51,888
Training costs	12,120	12,120	3,598
Miscellaneous expenses	6,113	6,113	2,769
Forestry Project	-	-	35,558
Museum Events	2,194	2,194	35,012
Impairment	-	-	-
Governance costs	14,584	14,584	9,595
Support costs	516,025	516,025	526,009
	<u>709,537</u>	<u>709,537</u>	<u>921,772</u>

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

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries and wages	417,275	389,582	-	75,084
Social security costs	32,890	24,458	-	6,830
Employer contributions to defined contribution pension schemes	9,201	6,446	-	1,377
<b>Total staff costs and employee benefits</b>	<u>459,366</u>	<u>420,486</u>	<u>-</u>	<u>82,291</u>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Key management personnel remuneration	<u>191,723</u>	<u>148,493</u>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
£60,000 - £70,000	1	-

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

	2022 number £	2021 number £
Administration	8	8
Other	13	14
Total	<u>21</u>	<u>22</u>

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

This is stated after charging:	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Depreciation	85,871	89,556	70,233	76,443
Bank interest payable	11,019	1,236	1,620	1,166
Auditor's remuneration:				
Audit fees	11,750	15,879	8,750	9,595

#### 15. Tangible Fixed Assets - Group

	Land & Improvements £	Heritable Property £	Museum & Library Exhibits £	Motor Vehicles & Equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2022	621,850	3,787,652	1,020,783	683,665	6,113,950
Additions	49	196,151	-	46,883	243,083
Disposals	-	209	-	70,781	70,990
At 31 December 2022	<u>621,899</u>	<u>3,983,594</u>	<u>1,020,783</u>	<u>659,767</u>	<u>6,286,043</u>
<b>Depreciation</b>					
At 1 January 2022	35,406	1,473,510	-	539,753	2,048,669
Charge for the year	980	47,233	-	37,658	85,871
Eliminated on disposals	-	5,329	-	60,738	66,066
At 31 December 2022	<u>36,386</u>	<u>1,515,415</u>	<u>-</u>	<u>516,673</u>	<u>2,068,474</u>
<b>Net book value</b>					
At 31 December 2022	<u>585,513</u>	<u>2,468,179</u>	<u>1,020,783</u>	<u>143,094</u>	<u>4,217,569</u>
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>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 16. Tangible Fixed Assets - Charity

	Land & Improvements £	Heritable Property £	Museum & Library & Exhibits £	Motor Vehicles & Equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2022	591,850	3,787,652	1,020,783	525,538	5,925,823
Additions	49	196,151	-	10,562	206,762
Disposals	-	209	-	53,423	53,632
At 31 December 2022	591,899	3,983,594	1,020,783	482,677	6,078,953
<b>Depreciation</b>					
At 1 January 2022	35,406	1,473,511	-	462,707	1,971,624
Charge for the year	980	47,233	-	22,020	70,233
Eliminated on disposals	-	5,329	-	53,136	58,465
At 31 December 2022	36,386	1,515,415	-	431,591	1,983,392
<b>Net book value</b>					
At 31 December 2022	555,513	2,468,179	1,020,783	51,086	4,095,561
At 31 December 2021	556,444	2,314,141	1,020,783	62,831	3,954,199

#### 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 2022**

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

<b>Year ended</b>	<b>No. donated collections</b>	<b>No. loaned collections</b>
31 December 2022	-	-
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 (movement in stock)**

<b>Group</b>	<b>2022</b>		<b>2021</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	22,000	-	15,903	-
Gains	-	-	6,097	-
<b>Cost and Net Book Value</b>	<b>22,000</b>	<b>-</b>	<b>22,000</b>	<b>-</b>

<b>Charity</b>	<b>2022</b>		<b>2021</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	22,000	2	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>22,000</b>	<b>2</b>

The wholly owned subsidiary CDLT Operations Limited is incorporated in the United Kingdom (Company number SC368668). A loss of £356,296 was incurred in the year (2021: loss of £82,072).



**THE CLAN DONALD LANDS TRUST****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022****18. Investments (cont'd)**

CDLT 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. CDLT 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>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Other income	2,938	1,000
Administration expenses	(359,234)	(83,072)
Retained in subsidiary	<u>(356,296)</u>	<u>(82,072)</u>
The assets and liabilities of the subsidiary were:		
Current assets	31,046	19,246
Current liabilities	<u>(469,412)</u>	<u>(101,316)</u>
Total net assets	<u>(438,366)</u>	<u>(82,070)</u>
Aggregate share capital and reserves	<u>(438,366)</u>	<u>(82,070)</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 £159,958 was generated in the year (2021: loss of £70,861). 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>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Revenue	249,714	206,230
Cost of sales and administration costs	(409,672)	(284,080)
Other operating income	-	6,989
Retained in subsidiary	<u>(159,958)</u>	<u>(70,861)</u>
The assets and liabilities of the subsidiary were:		
Fixed Assets	412,008	401,082
Current assets	115,831	44,896
Current liabilities	(649,478)	(403,138)
Long Term Creditors	<u>(184,015)</u>	<u>(188,536)</u>
Total net liabilities	<u>(305,654)</u>	<u>(145,696)</u>
Aggregate retained earnings	<u>(305,654)</u>	<u>(145,696)</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 19. Stock

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Retail stock	38,762	13,855	-	-
Bar stock	574	2,042	-	-
Venison stock	233	1,561	-	-
	<u>39,569</u>	<u>17,458</u>	<u>-</u>	<u>-</u>

#### 20. Debtors

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	9,334	9,700	4,822	774
Other debtors	66,166	25,248	60,241	15,177
Due from subsidiary undertakings	-	-	1,032,165	436,171
	<u>75,500</u>	<u>34,948</u>	<u>1,097,228</u>	<u>452,122</u>

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

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	94,391	28,070	53,955	19,669
Other creditors and accruals	67,063	115,496	41,453	81,050
Mortgages	5,527	6,125	-	-
Hire purchase creditor	10,210	12,132	10,210	12,132
Taxation and social security costs	12,343	25,864	-	9,362
	<u>189,534</u>	<u>187,687</u>	<u>105,618</u>	<u>122,213</u>

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

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Mortgages	184,015	188,536	-	-
Hire purchase creditor	13,723	23,910	13,723	23,910
	<u>197,738</u>	<u>212,446</u>	<u>13,723</u>	<u>23,910</u>

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Payable within 1 year	15,737	18,257	10,210	12,132
Payable in 1-2 years	13,254	16,789	6,674	10,210
Payable in 2-5 years	30,113	36,788	7,049	13,700
Payable in more than 5 year	154,371	158,239	-	-
	<u>213,475</u>	<u>230,073</u>	<u>23,933</u>	<u>36,042</u>

There are no securities held over the hire purchase assets.

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

Analysis of Fund movements	2020 Balance b/fwd £	Income £	Expenditure £	(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>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	-	-
Summer activities programme	112,944	-	36,901	-	76,043
	-	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>3,828,857</b>
<b>TOTAL FUNDS</b>	<b>4,278,978</b>	<b>1,421,216</b>	<b>1,317,499</b>	<b>(6,097)</b>	<b>4,388,792</b>
Analysis of Fund movements	2021 Balance b/fwd £	Income £	Expenditure £	(Gains) Losses £	2022 Fund c/fwd £
<b>Unrestricted funds</b>					
General funds	559,935	1,374,659	1,459,177	-	475,417
<b>Total unrestricted funds</b>	<b>559,935</b>	<b>1,374,659</b>	<b>1,459,177</b>	<b>-</b>	<b>475,417</b>
<b>Restricted funds</b>					
Forestry Project	238,004	13,906	-	-	251,910
Fixed Assets	3,477,267	-	47,233	-	3,430,034
John Milner Museum Acquisitions Fund	1,000	-	-	-	1,000
Castle Project	36,543	-	-	-	36,543
Museum Project	76,043	-	-	-	76,043
<b>Total restricted funds</b>	<b>3,828,857</b>	<b>13,906</b>	<b>47,233</b>	<b>-</b>	<b>3,795,530</b>
<b>TOTAL FUNDS</b>	<b>4,388,792</b>	<b>1,388,565</b>	<b>1,506,410</b>	<b>-</b>	<b>4,270,947</b>

The unrestricted funds are available to be spent for any of the purposes of the Charity.

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.

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.

**THE CLAN DONALD LANDS TRUST****NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022****23. Analysis of charitable funds – Group (continued)**

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

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

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 2022 £</b>
Fixed assets	787,535	3,430,034	4,217,569
Investments	22,000	-	22,000
Current assets	53,154	365,496	418,650
Current liabilities	(189,534)	-	(189,534)
Long term liabilities	<u>(197,738)</u>	<u>-</u>	<u>(197,738)</u>
	<u>475,417</u>	<u>3,795,530</u>	<u>4,270,947</u>
	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2021 £</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	<u>(212,446)</u>	<u>-</u>	<u>(212,446)</u>
	<u>559,935</u>	<u>3,828,857</u>	<u>4,388,792</u>

## THE CLAN DONALD LANDS TRUST

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Net (expenditure) / income for the year (as per the Statement of Financial Activities)	(117,845)	103,717	398,409	452,420
Adjustments for:				
Depreciation charges	85,871	89,556	70,233	76,443
Profit / (loss) on sale of fixed assets	(20,381)	1,667	(20,381)	1,667
Dividends, interest and rents from investments	252	39	252	415,137
Gains on investments	-	6,097	-	6,097
(Increase) / decrease in stocks	(22,111)	15,638	-	-
Increase in debtors	(40,552)	(19,024)	(645,106)	(134,261)
(Decrease) / increase in creditors	(7,937)	38,074	(31,615)	(411,525)
<b>Net cash (used in) / provided by operating activities</b>	<u>(122,703)</u>	<u>234,097</u>	<u>(228,208)</u>	<u>404,311</u>

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

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Cash in hand	<u>303,581</u>	<u>649,238</u>	<u>206,710</u>	<u>621,551</u>

#### 27. Consideration of post balance sheet events

In June 2023 C.D.L.T. Management Services Ltd sold heritable property for a material capital receipt incurring a gain on sale and in the process enabling clearance of the associated bank loan.