

CHARITY NO: SC007862

**THE CLAN DONALD LANDS TRUST
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

THE CLAN DONALD LANDS TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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THE CLAN DONALD LANDS TRUST

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Sir Ian Macdonald of Sleat Bt., DL (resigned 01/03/2025, re-appointed 03/05/2025) The Rt. Hon. Godfrey James Macdonald of Macdonald JP, DL, (resigned 01/03/2025) Major Bruce W McDonald (Ret'd) Diane Carey-Schmitz Ranald Og Angus Macdonald, Younger of Clanranald
Secretary	Campbell Stewart MacLennan & Co
Registered Office	Armadale Castle Ardvasar Sleat Isle of Skye IV45 8RS
Charity Number:	SC007862
Independent Auditors	Wbg (Audit) Limited 168 Bath Street Glasgow G2 4TP
Bankers	The Royal Bank of Scotland plc 36 St Andrews Square Edinburgh EH2 2YB
Solicitors	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 2024

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 2024. 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 – Chair (to 1st March 2025), Trustee ((resigned 01/03/2025, re-appointed 03/05/2025)

The Rt. Hon. Godfrey James Macdonald of Macdonald JP, DL – Vice Chair, Trustee (resigned 1st March 2025)

Ranald Macdonald Younger of Clanranald – Chair (from 1st March 2025), Trustee

Major Bruce W McDonald (Ret'd) – Trustee

Diane Carey-Schmitz – Trustee

Structure, Governance and Management

The Trust was established by Trust Deed registered 20 April 1971 and is governed by its duly appointed Board. The Executive Committee continues to support governance, working closely with the CEO.

Re-formation as a SCIO: In light of the estate sales and forward strategy, the Trustees are progressing re-formation as a Scottish Charitable Incorporated Organisation (SCIO). This modernises governance, removes the barrier of unlimited personal liability that hinders trustee recruitment, and better aligns with a heritage-led, grant-giving charity model.

Trustee recruitment: The Board continues to welcome expressions of interest from suitably qualified individuals, particularly those with expertise in Board-level governance, heritage and museums, Gaelic language and culture, digital engagement, fundraising, and grant-making. We are encouraged by recent approaches from several highly capable candidates and look forward to strengthening the Board with new skills and perspectives.

Charitable Objectives

The Trust’s charitable purposes remain focused on Clan Donald and Highland heritage. In 2025 the Trustees recognised that delivering these purposes through direct estate ownership and a destination visitor business was no longer financially sustainable. Divestment enables the charitable purposes to be delivered more effectively and resiliently through a heritage-first program and grant-giving model, now explicitly supported by OSCR’s consent to amend the purposes and the charity’s name.

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Review of Activities

Strategic context

During 2024 the Trustees continued to review the sustainability of operating Armadale Castle, Gardens & Museum together with the wider South Sleat estate. Despite decades of investment and generous external support, the visitor operation has never achieved year-round breakeven and in recent years has faced substantial increases in core costs (utilities, insurance and essential repairs). Loss of longstanding external grant funding removed the financial underpinning that had historically covered these operating deficits, creating a position that was no longer viable for a Scottish charity to carry responsibly.

Visitor trends

In addition, 2025 saw a 13-15% fall in individual and group visitor numbers at Armadale. This aligns with lower footfall and revenue feedback elsewhere in the Highlands. This decline reinforced the Trustees' concern that Armadale, with its high fixed costs and reliance on seasonal visitor income, could not achieve long-term financial sustainability.

Wider tourism

In 2024 paid attractions nationally grew by just +2.4% while "bucket list" and film-related sites experienced much stronger increases, leaving many regional destinations under greater pressure. In 2025 the general feeling on Skye is that the visitor season has been quieter overall and less predictable. Growth is concentrated in high-profile international sites such as the Storr on Skye. Against this backdrop, Armadale's dependence on seasonal visitor traffic and its high fixed costs reinforced the Board's conclusion that a sustainable future required restructuring and divestment.

Trading activities: accommodation

Self-catering accommodation has remained an important source of income; however, from autumn 2025 bookings have declined significantly. This mirrors a wider pattern across Skye and the Highlands, where the market is now saturated with small self-catering properties. The Trustees and management believe the future lies not in increasing room numbers but in creating value-added experiences – for example, heritage-based activities, guided tours, or tailored family and couple packages – to differentiate the offer and generate stronger returns. This reinforces the Trustees' conclusion that Armadale requires a specialist hospitality operator with both the capacity to invest in a destination business and the ability to manage the risks of running a year-round operation.

Trading activities: food and beverage

In 2024, the Trust engaged a local manager to operate the visitor centre's café, bar, and restaurant. Encouraged by community and visitor feedback, the Trustees invested in an enhanced food and beverage offer, with a markedly higher local wage bill reflecting the commitment to supporting local jobs and skills. The intention was to create a more welcoming visitor experience while also providing valuable employment opportunities, including during the quieter winter months. Although footfall from both visitors and the local community ultimately proved insufficient to achieve long-term viability, the initiative reflected the Trust's determination to try new approaches. The experience also helped shape the Trustees' decision to sell the estates, highlighting the need for a well-resourced commercial operator to secure a sustainable future for Armadale.

Decision to sell South Sleat and Armadale

Following extensive consideration and professional advice, the Board unanimously resolved in March 2025 to openly market for sale both the South Sleat Estate and the Armadale Estate. Marketing of the wider estate commenced in April 2025, with Armadale

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

marketed separately in early summer. The decision safeguards the charity's ability to meet its purposes and reduces material financial and operational risk.

Museum Collection

The museum collections are not for sale and continue to be professionally cared for. A structured review will be undertaken to ensure interpretation remains focused on Clan Donald heritage, to consult with lenders, and to re-home non-core items with lenders or other recognised institutions where appropriate. Over the decades, many items of more limited relevance to Clan Donald have been added to the collections and museum store. Reviewing both the objects currently on display and those in storage will therefore be a carefully managed process, carried out with professionalism and respect.

Archives and future Clan Centre

Alongside the museum collections, the Trust's archives — including manuscripts, records, photographs, and genealogical materials — are a vital part of our heritage. The tenant and related estate records within the archives primarily cover Skye and North Uist, and form an important source for understanding the social and economic history of these areas. In practice, however, only a very small number of visitors come to explore or research the archives each year, often no more than a dozen to twenty individuals. The archives will therefore be carefully reviewed as part of the wider collections work to ensure they continue to be preserved to professional standards and remain accessible. While it is anticipated that they will play a role in a new Clan Centre, ideally located on the Isle of Skye, the Trustees will also consider opportunities to work with other recognised bodies to ensure best long-term care and access.

Regulatory oversight

Given the significance of the Trustees' decision to sell the South Sleat and Armadale estates, the Office of the Scottish Charity Regulator (OSCR) undertook a detailed inquiry into the Board's governance and decision-making. This followed a number of complaints and representations, many of which were vexatious in nature and did not reflect the full facts, including the charity's stated purposes.

OSCR undertook a thorough review and examination, including the rationale for the sales, the legal and financial advice taken, and the way in which decisions were recorded and implemented. The regulator also reviewed broader management and governance arrangements within the charity. In August 2025, OSCR confirmed that the charity and its Trustees had acted properly, within their legal powers, and in line with their duties under charity law. The inquiry found no cause for concern, raised no guidance points, and was formally closed with no grounds for intervention.

It is important to note that OSCR has been granted increased regulatory powers since 2023, enabling more robust scrutiny of Scottish charities. Against this strengthened backdrop, the outcome represents a significant endorsement of the Board's governance and decision-making. It demonstrates that, despite the challenges and criticisms faced, the charity and its Trustees acted with integrity, transparency, and full regard for the charity's long-term interests. This outcome provides clear reassurance to supporters, funders, and the wider Clan Donald community that the charity is being governed responsibly and in full alignment with its charitable purposes.

Name-change consent

On 13 May 2025 OSCR consented (s.11, Charities and Trustee Investment (Scotland) Act 2005) to the charity changing its name to Clan Donald Heritage Trust. The charity will give

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

effect to the change in accordance with its governing powers and will notify OSCR within three months of the effective date.

Purposes amendment consent

On 26 August 2025 decision regarding the charity's 03 July 2025 request, the regulator consented (s.16(2)(a) of the 2005 Act) to amend the constitution's purposes to: operate and maintain a Clan Museum, provide relief of need, assist education of Clans people (including scholarships), and encourage the advancement of education, arts, heritage and culture relating to Clan Donald and the Lordship of the Isles. The charity will give effect to the change in accordance with its governing powers and will notify OSCR within three months of the effective date.

Community and stakeholder engagement

The Board has maintained regular dialogue with crofting representatives, agricultural tenants, and Sleat Community Trust (SCT), acknowledging the significance of the estates to the local community. SCT was initially engaged as a stakeholder; however, during the marketing process it identified itself as a potential purchaser. This created a clear conflict of interest, as both organisations are Scottish charities. Given the seller's position as a registered Scottish charity, all potential purchasers must be treated equally and offered the same opportunity.

On 26 August 2025, during the closing weeks for offers, SCT confirmed that it would not be making a bid. Three days later, on 29 August, it indicated possible interest in acquiring any smaller unsold area at a reduced price, thereby maintaining the conflict of interest.

The Trustees recognise the practical challenges for any community body in pursuing such an acquisition. Raising purchase capital is only the first step: Armadale also requires significant investment to operate successfully on a year-round basis. The Board's view is that any future owner must have both the financial capacity and the operational expertise to meet this challenge.

The Trustees remain committed to engaging positively with SCT and established local stakeholders, while ensuring that decisions are guided by charity law and by their overriding duty to act in the best interests of the Clan Donald Lands Trust.

Media interest

The Trustees recognise that public discussion and media coverage around the proposed sales has, at times, included inaccuracies and misconceptions. While this has been disappointing, the Board's priority has been the charity's best interests, whilst ensuring transparency and appropriate communication through timely public statements, constructive engagement with local stakeholders, and full cooperation with OSCR.

The closure of OSCR's inquiry in August 2025 confirmed that the charity and its Trustees acted properly and within their legal duties. With this assurance, the charity is focused on positive dialogue, shaping a sustainable future for Clan Donald heritage, and enabling a positive transition to a new estate owner and investor.

Sale process update

- Competitive interest: National marketing generated strong interest in both the estate and Armadale; guided by its professional advisers, the Trustees have reviewed proposals with careful regard to community, heritage, and commercial factors.
- Under offer: As of 5 September 2025, the charity is under offer to a strong and able party with both an alignment to Clan Donald heritage and the desire and capacity to run both

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estates well, working constructively with crofting and farming interests and the wider local community. Given commercial sensitivity, further updates will follow as appropriate.

Collections, Heritage and Learning

Collections care & review: The collections remain under accredited Trust stewardship, are not for sale, and continue to receive professional care. A structured review is underway to focus interpretation on Clan Donald heritage, consult lenders, and re-home non-core items where appropriate to recognised institutions.

Access & interpretation: Future plans include a right-sized physical museum and immersive exhibition presence (ideally on Skye) paired with a global digital heritage platform to reach the international Clan Donald community.

Principal Risks and Uncertainties

The Board and CEO maintain a live Risk Register and monitor mitigations. Key risks and responses include:

- Strategic sustainability & going concern (EXTREME): Loss of core grant funding and insufficient estate/visitor income to support purposes; mitigation: decision to sell estate and Armadale, re-form as a SCIO, and reinvest in core heritage aims.
- Reserves, cash flow & income dependency (EXTREME): Reserve constraints and dependency on a single major funder historically; mitigation: asset sales to recapitalise, prudent reserves policy for the re-formed charity.

Reserves Policy

The Trustees continue to target unrestricted cash reserves equivalent to at least three months' average unrestricted expenditure, with policy development also taking into account forward capital requirements. Transition to a SCIO, together with proceeds from the estate disposals, is intended to place the charity on a sustainable footing and to support a prudent reserves policy aligned to a heritage-delivery and grant-giving model. Following the sales, the Trustees intend to adopt a revised reserves policy of at least six months' average unrestricted expenditure, in line with auditor recommendations, to ensure greater resilience and financial security.

Total funds were £4,122,376, Restricted Funds for the year were £3,734,597 (2023: £3,778,705) and Unrestricted Funds for the year were £387,779 (2023: £582,468).

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.

Positives and Opportunities

While the decision to sell South Sleat and Armadale was difficult, the Trustees are clear that it represents an opportunity to strengthen the charity and its mission for the decades ahead.

Financial independence

For the first time in its history, the Trust will be able to stand on its own feet without reliance on a single external grant funder. Sale proceeds will provide a capital base from which to deliver our charitable purposes sustainably and securely.

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Focused charitable purposes

With OSCR's consent to amend its purposes, the Trust can now focus on its core aims of heritage, culture, and education, while retaining flexibility to support Clan Donald projects worldwide in the future. The adoption of the name Clan Donald Heritage Trust highlights this renewed mission.

Heritage safeguards

The museum collections remain under Museums and Galleries Scotland accredited Trust stewardship, safeguarded for the Clan and wider public. We are also committed to ensuring that memorials, gardens, and commemorative features at Armadale are respected and maintained in partnership with the future owner.

Community benefit

The party currently under offer has both the capability and the commitment to invest positively in the estates, supporting crofting and farming interests, strengthening local employment, and contributing to the wider community. The Board views this as an opportunity to transfer custodianship in a way that benefits Sleat as well as the Clan.

Expanding Our Impact

Freed from the heavy financial burden of maintaining large estates and deficit-running visitor operations, the Trust will now be able to direct its resources toward new opportunities that advance its charitable purposes. Priorities include developing a revitalised, efficient, and financially sustainable Clan Centre on Skye with museum and exhibition facilities; creating a global digital platform for Clan Donald heritage; supporting genealogical research; and launching a grant-giving programme to promote education, arts, culture, and heritage initiatives.

From Challenge to Legacy

Escalating costs, the loss of core funding, shifting visitor trends, and the risks of an unsustainable visitor business made continued ownership untenable. Yet these very challenges have opened the way to transformation. By responding with determination, the Trustees have set a renewed course—one in which Clan Donald heritage is liberated from the upkeep of a single estate and reimagined through global connection, innovative interpretation, and lasting investment in people and culture. This is not an ending, but a new beginning: a story of renewal, growth, and a legacy strengthened for generations to come.

Our Forward Plan

As the Trust moves beyond the sale of its estates, a new chapter opens—one rooted in heritage yet focused on global connection and renewal. Guided by its charitable purposes, the Clan Donald Heritage Trust will:

1. Re-form as a Scottish Charitable Incorporated Organisation (SCIO) under its new name, completing the steps needed for strong, modern governance.
2. Create a revitalised Clan Centre hub, ideally on Skye, as a welcoming home for Clan Donald heritage—combining museum, archive, and library resources with vibrant cultural programming.
3. Build a global digital platform that brings together heritage, learning, and genealogy—exploring a worldwide Clan Donald family tree and expanding support for research and connection.

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4. Launch a grant-giving programme to nurture projects in arts, music, literature, Gaelic language, history, and education, ensuring Clan and Highland culture continues to flourish.
5. Stay closely connected with stakeholders, sharing progress and listening to the community while balancing transparency with commercial sensitivity.

This is a vision not confined to a single estate with limited seasonal footfall, but one that reaches across the world; celebrating our past, strengthening our identity, and investing in people, culture, and heritage for generations to come.

The Trustees recognise that the transition to a new operating model will take time. Through careful planning and consultation, we will shape future programmes and identify the right home for a revitalised Clan Donald Centre. While this journey cannot be rushed, taking a thoughtful approach will ensure that what we build is sustainable, resilient, and of enduring value for generations to come.

Post Balance Sheet Events

- Decision to sell estates: In March 2025 the Board unanimously resolved to sell South Sleat and Armadale; a public marketing campaign commenced in April/June 2025 respectively.
- Regulatory confirmation: In August 2025 OSCR closed its inquiry, confirming Trustees acted within their powers and duties.
- Name change consent: On 13 May 2025, OSCR consented to the charity's new name Clan Donald Heritage Trust; implementation and notifications are in progress.
- Purposes amendment consent: Following the charity's request of 03 July 2025, OSCR consented to amended purposes focused on museum operation, relief of need, education (including scholarships), and cultural/heritage advancement; notifications and deed filing are in progress.
- Under offer: As of 5 September 2025, the charity is under offer to a purchaser aligned with Clan Donald heritage and with the capacity and intent to operate the estates responsibly, in partnership with crofting/farming interests and the wider community.

Acknowledgements

The Trustees record their sincere thanks to staff, volunteers, supporters, funders and advisers for their dedication during a challenging period. The Board also thanks visitors to Armadale in the 2025 season, which operated on a "business as usual" basis change to during 2025 and the sale process.

Auditor

The auditors, Wbg (Audit) Limited will be proposed for reappointment.

THE CLAN DONALD LANDS TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

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 29 September 2025 and signed on their behalf by:

DocuSigned by:

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Ranald Og Angus Macdonald, Younger of Clanranald
Chairman of the Board

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CLAN DONALD LANDS TRUST FOR THE YEAR ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of The Clan Donald Lands Trust (the 'charity') and its subsidiaries (the 'group') for the year ended 31st December 2024 which comprise the Group and Charity Statement of Financial Activities, the Group and Charity Balance Sheet, the Group and Charity Statement of Cash Flows and 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 and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31st December 2024, and of its income and expenditure, 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.

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the Report and Financial Statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CLAN DONALD LANDS TRUST FOR THE YEAR ENDED 31 DECEMBER 2024

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 requires 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 pages 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 group and 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 group or the parent entity, 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 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- *The nature of the group, the environment in which it operates and the control procedures implemented by management and the trustees; and*
- *Our enquiries of management and trustees about their identification and assessment of the risks of irregularities.*

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CLAN DONALD LANDS TRUST FOR THE YEAR ENDED 31 DECEMBER 2024

Based on our understanding of the group and charity and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- *Regulations and legislation pertinent to the group's operations; and*
- *The charity's constitution.*

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations (as amended) 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- *Management override of internal controls*

Audit response to the risks identified;

Our procedures to respond to the risks identified included the following;

- *Gaining an understanding of the legal and regulatory framework applicable to the group and charity and the sector in which it operates;*
- *Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;*
- *Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;*
- *Reading minutes of meetings of those charged with governance;*
- *In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; and, evaluating rationale of any significant transactions that are unusual or outside the normal course of operations.*
- *Review of journals included, but was not limited to the following areas: Depreciation, Bad debt provision, Accruals, Prepayments, Fixed asset disposals, VAT, Wages and salaries, Credit card transactions, Sales postings and Intercompany adjustments.*

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

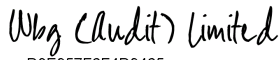
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CLAN DONALD LANDS TRUST FOR THE YEAR ENDED 31 DECEMBER 2024

Use of our report

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.

Signed by:

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Scott Gillon BA (Hons), FCCA, CA (Senior Statutory Auditor)
For and on behalf of Wbg (Audit) Limited, Statutory Auditor
29 September 2025

168 Bath Street
Glasgow
G2 4TP

Wbg (Audit) Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE CLAN DONALD LANDS TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 DECEMBER 2024

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	As restated Unrestricted Funds 2023	As restated Restricted Funds 2023	As restated Total Funds 2023
		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	5	339,397	-	339,397	216,193	27,844	244,037
Charitable activities	6	432,187	-	432,187	438,413	-	438,413
Other trading activities	7	657,693	-	657,693	546,967	-	546,967
Investments	8	1,579	-	1,579	1,016	-	1,016
Other incoming resources	9	17,815	-	17,815	46,880	-	46,880
Total Income		1,448,671	-	1,448,671	1,249,469	27,844	1,277,313
Expenditure on:							
Raising funds							
Other trading activities	10	1,030,712	-	1,030,712	919,805	-	919,805
Charitable activities	12	612,648	44,108	656,756	465,613	44,669	510,282
Impairment	18	-	-	-	22,000	-	22,000
Total Expenditure		1,643,360	44,108	1,687,468	1,407,418	44,669	1,452,087
Net (expenditure) before gains and losses on investments		(194,689)	(44,108)	(238,797)	(157,949)	(16,825)	(174,774)
Net (expenditure)		(194,689)	(44,108)	(238,797)	(157,949)	(16,825)	(174,774)
Net movement in funds		(194,689)	(44,108)	(238,797)	(157,949)	(16,825)	(174,774)
Funds reconciliation							
Total Funds brought forward	23	582,468	3,778,705	4,361,173	475,417	3,795,530	4,270,947
Prior year adjustment	27	-	-	-	265,000	-	265,000
Restated total funds brought forward	27	-	-	-	740,417	3,795,530	4,535,947
Total Funds carried forward	23	387,779	3,734,597	4,122,376	582,468	3,778,705	4,361,173

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 2024
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2024	Restricted Funds 2024	Total Funds 2024	As restated Unrestricted Funds 2023	As restated Restricted Funds 2023	As restated Total Funds 2023
		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	5	339,397	-	339,397	216,193	27,844	244,037
Charitable activities	6	432,187	-	432,187	438,413	-	438,413
Other trading activities	7	2,166	-	2,166	2,374	-	2,374
Investments	8	1,579	-	1,579	1,016	-	1,016
Other incoming resources	9	17,815	-	17,815	46,880	-	46,880
Total Income		793,144	-	793,144	704,876	27,844	732,720
Expenditure on:							
Raising funds							
Other trading activities	10	28,080	-	28,080	24,127	-	24,127
Charitable activities	12	612,648	44,108	656,756	465,613	44,669	510,282
Impairment	18	-	-	-	22,000	-	22,000
Total Expenditure		640,728	44,108	684,836	511,740	44,669	566,409
Net income/(expenditure) and net movement in funds before gains and losses on investments		152,416	(44,108)	108,308	193,136	(16,825)	176,311
Net income/(expenditure)		152,416	(44,108)	108,308	193,136	(16,825)	176,311
Net movement in funds							
Funds reconciliation							
Total Funds brought forward		1,964,766	3,778,705	5,743,471	1,506,630	3,795,530	5,302,160
Prior year adjustment	27	-	-	-	265,000	-	265,000
Restated total funds brought forward	27				1,771,630	3,795,530	5,567,160
Total Funds carried forward		2,117,182	3,734,597	5,851,779	1,964,766	3,778,705	5,743,471

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 2024

	Note	Group 2024 £	As restated Group 2023 £	Charity 2024 £	As restated Charity 2023 £
Fixed assets:					
Tangible assets	15, 16	3,029,701	3,089,812	3,245,690	3,293,798
Heritage assets	15,16,17	1,020,784	1,020,784	1,020,784	1,020,784
Investments	18	-	-	2	2
Total Fixed Assets		<u>4,050,485</u>	<u>4,110,596</u>	<u>4,266,476</u>	<u>4,314,584</u>
Current assets:					
Stocks	19	38,122	19,699	-	-
Debtors	20	28,426	28,000	1,595,511	1,358,646
Cash at bank and in hand	26	151,988	348,591	60,788	162,914
Total Current Assets		<u>218,536</u>	<u>396,290</u>	<u>1,656,299</u>	<u>1,521,560</u>
Liabilities:					
Creditors falling due within one year	21	143,624	138,664	67,975	85,624
Net Current Assets		<u>74,912</u>	<u>257,626</u>	<u>1,588,324</u>	<u>1,435,936</u>
Total assets less current Liabilities		4,125,397	4,368,222	5,854,800	5,750,520
Creditors due falling after one year	22	3,021	7,049	3,021	7,049
Net assets		<u>4,122,376</u>	<u>4,361,173</u>	<u>5,851,779</u>	<u>5,743,471</u>
The funds of the Charity:					
Restricted income funds	23	3,734,597	3,778,705	3,734,597	3,778,705
Unrestricted funds	23	387,779	582,468	2,117,182	1,964,766
Total Charity funds	23	<u>4,122,376</u>	<u>4,361,173</u>	<u>5,851,779</u>	<u>5,743,471</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 29th September 2025 and signed on their behalf by:

DocuSigned by:

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Ranald Og Angus Macdonald, Younger of Clanranald

THE CLAN DONALD LANDS TRUST

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDING 31 DECEMBER 2024

	Note	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
<i>Cash flows from operating activities:</i>					
Net cash (used in) operating activities	25	(177,721)	(121,829)	(86,544)	(62,458)
<i>Cash flows from investing and financing activities:</i>					
Purchase of property, plant and equipment		(18,882)	(25,234)	(15,582)	(19,005)
Proceeds from sale of property, plant and equipment		-	360,667	-	15,667
Proceeds for sale of investments		-	22,000	-	22,000
Repayments of borrowing		-	(190,594)	-	-
Net cash (used in)/provided by investing and financing activities		<u>(18,882)</u>	<u>166,839</u>	<u>(15,582)</u>	<u>18,662</u>
Change in cash and cash equivalents in the year		(196,603)	45,010	(102,126)	(43,796)
Cash and cash equivalent brought forward	26	348,591	303,581	162,914	206,710
Cash and cash equivalents carried forward	26	<u>151,988</u>	<u>348,591</u>	<u>60,788</u>	<u>162,914</u>

THE CLAN DONALD LANDS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

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.

The financial statements consolidate the results of the Charity's wholly owned subsidiaries, CDLT 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 2024

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 2024

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 2024

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:

	Basis
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 is dedicated to ensuring that its most important heritage assets remain protected and accessible, even as the estates pass into new ownership.

Armadale Castle, Gardens, and Wider Estate

When the estate was first placed into Trust, no accounting value was attributed to the Armadale Castle ruin, the gardens, or the wider estate. The Castle has never been a stated charitable purpose of the Trust, and there has never been an obligation to maintain the ruin in perpetuity. Similarly, the Trust holds no special duty of care for the Castle beyond its general responsibilities as a landowner.

From the early 1980s, the Castle and gardens were developed as a means of generating income to support the Trust's wider purposes. Despite these efforts, the operations were never financially sustainable. With OSCR's consent to amend its purposes, the Trust can now focus

THE CLAN DONALD LANDS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting Policies (continued)

its resources on heritage, culture, and education—ensuring that its future activities are both viable and of lasting benefit.

Museum and library collections

Clan Donald Lands Trust has acquired numerous collections of furniture, paintings, books, documents and other artefacts since it was established in 1971. The Trust recognises that many of the items in store are of limited relevance to Clan Donald itself. It is the policy of the Trust not to capitalise heritage assets belonging to the museum. The collections remain under Trust stewardship, are not for sale, and continue to receive professional care. A structured review is underway to focus interpretation on Clan Donald heritage, consult lenders, and re-home non-core items where appropriate to recognised institutions.

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.

THE CLAN DONALD LANDS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting Policies (continued)

(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.

(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 (2023: £nil). Expenses paid to the Trustees in the year totalled £nil (2023: £nil). One trustee gave donations to the Trust in the year £4,700 (2023: £5,000).

During the year no Trustee had any personal interest in any contract or transaction entered into by the Charity (2023: none).

THE CLAN DONALD LANDS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

4. Related party transactions and Trustees' expenses and remuneration (continued)

During the year, no transactions (2023: £22,515) were entered in to with Dalavil Consultancy Ltd. Dalavil Consultancy Ltd is owned by the spouse of the CEO and as such is a disclosable related party.

In 2023, the Trust engaged Dalavil Consultancy Ltd, owned by the CEO's spouse, to provide professional services at the direct request of the Trustees, carried out in line with professional and governance standards and managed directly by the Trustees. OSCR reviewed the matter and raised no concerns.

5. Income from donations and legacies

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Donations	58,267	12,723	58,267	12,723
Membership subscriptions	25	21	25	21
General grants	281,105	231,293	281,105	231,293
	<u>339,397</u>	<u>244,037</u>	<u>339,397</u>	<u>244,037</u>

6. Income from charitable activities

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Gate admission	407,944	404,824	407,944	404,824
Fees and rents	20,344	15,559	20,344	15,559
Management Services	3,899	18,030	3,899	18,030
	<u>432,187</u>	<u>438,413</u>	<u>432,187</u>	<u>438,413</u>

7. Income from other trading activities

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trading	657,693	546,967	2,166	2,374
	<u>657,693</u>	<u>546,967</u>	<u>2,166</u>	<u>2,374</u>

8. Investment income

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Interest on cash deposits	1,579	1,016	1,579	1,016
	<u>1,579</u>	<u>1,016</u>	<u>1,579</u>	<u>1,016</u>

THE CLAN DONALD LANDS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

9. Other income

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Gains on disposal of tangible fixed asset held for the Charity's own use	-	15,667	-	15,667
Miscellaneous Income	15	192	15	192
Land sales	17,800	31,021	17,800	31,021
	<u>17,815</u>	<u>46,880</u>	<u>17,815</u>	<u>46,880</u>

10. Raising funds – expenditure on other trading activities

	Group			Total 2023 £	Direct costs £	Support costs £
	Total 2024 £	Direct costs £	Support costs £			
Trading	1,030,712	116	1,030,596	919,805	926	918,879
	<u>1,030,712</u>	<u>116</u>	<u>1,030,596</u>	<u>919,805</u>	<u>926</u>	<u>918,879</u>

	Charity			Total 2023 £	Direct costs £	Support costs £
	Total 2024 £	Direct costs £	Support costs £			
Trading	28,080	116	27,964	24,127	926	23,201
	<u>28,080</u>	<u>116</u>	<u>27,964</u>	<u>24,127</u>	<u>926</u>	<u>23,201</u>

THE CLAN DONALD LANDS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 2023 £	Raising Funds £	Estate maintenance £	Total Allocated 2024 £	Raising Funds £	Estate maintenance £
Marketing & Advertising	12,626	631	11,995	19,190	960	18,230
Rates/Insurance/H & L	119,443	5,972	113,911	167,932	8,397	159,535
Motor expenses/Travel	3,637	182	3,455	2,096	105	1,991
Post/Stationery/Tel ephone	10,701	535	10,166	4,441	222	4,219
Consultants fees/Factor fees & management	109,148	5,457	103,691	156,618	7,831	148,787
Repairs/Supplies/M aterials	29,267	1,463	27,804	79,937	3,997	75,940
Bank charges	77,767	3,888	73,879	2,979	149	2,830
Training costs	21	1	20	2,441	122	2,319
Miscellaneous expenses	(2,981)	(149)	(2,367)	3,503	175	3,328
Depreciation	64,984	3,249	61,735	63,690	3,185	60,505
Non recoverable VAT	38,506	1,925	36,581	56,413	2,821	53,592
Total	463,119	23,154	440,870	559,240	27,964	531,276

Governance costs:

	2024 £	2023 £
Consultancy	25,264	30,347
Auditor's remuneration	14,300	9,200
HMRC Penalties & Fines	-	3,200
	<u>39,564</u>	<u>42,747</u>

THE CLAN DONALD LANDS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

12. Analysis of expenditure on charitable activities

	Estate Maintenance, Gardens & Museum £	Total 2024 £	Total 2023 £
Marketing & Advertising	30	30	695
Rates/Insurance/H&L	42,319	42,319	38,855
Motor expenses/Travel	4,276	4,276	965
Post/Stationery/Telephone	931	931	3,513
Consultants fees/Factor fees & management	575	575	1,631
Repairs/Supplies/Materials	25,478	25,478	41,319
Bank revaluations	6,633	6,633	(65,429)
Training costs	7,619	7,619	1,100
Miscellaneous expenses	3,155	3,155	4,016
Governance costs	34,464	34,464	42,747
Support costs	531,276	531,276	440,870
	<u>656,756</u>	<u>656,756</u>	<u>510,282</u>

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

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Salaries and wages	567,658	432,659	-	-
Social security costs	39,971	27,935	-	-
Employer contributions to defined contribution pension schemes	11,406	8,301	-	-
Total staff costs and employee benefits	<u>619,035</u>	<u>468,895</u>	<u>-</u>	<u>-</u>

	2024	2023
	£	£
Key management personnel remuneration	<u>191,121</u>	<u>129,492</u>

The number of employees whose employee benefits (gross salary + employers national insurance) fell within the following bands are as follows;

	2024	2023
	£	£
£70,000 - £80,000	1	1

THE CLAN DONALD LANDS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

13. Analysis of staff costs and remuneration of key management personnel (continued)

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

	2024 number £	2023 number £
Administration	6	9
Other	30	14
Total	<u>36</u>	<u>23</u>

14. Net income/(expenditure) for the year

This is stated after charging:	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Depreciation	78,993	80,017	63,690	64,984
Bank interest payable	1,661	6,382	1,644	1,310
Auditor's remuneration:				
Audit fees	14,300	14,400	9,200	9,200

15. Tangible Fixed Assets - Group

	Land & Improvements £	Heritable Property £	Museum & Library Exhibits £	Motor Vehicles & Equipment £	As restated Total £
Cost or valuation					
At 1 January 2023 – as restated	591,899	3,961,404	1,020,783	661,906	6,235,992
Additions	-	-	-	18,882	18,882
Disposals	-	-	-	4,515	4,515
At 31 December 2024	<u>591,899</u>	<u>3,961,404</u>	<u>1,020,783</u>	<u>676,273</u>	<u>6,250,359</u>
Depreciation					
At 1 January 2023	37,144	1,560,084	-	528,168	2,125,396
Charge for the year	760	44,108	-	34,125	78,993
Eliminated on disposals	-	-	-	4,515	4,515
At 31 December 2024	<u>37,904</u>	<u>1,604,192</u>	<u>-</u>	<u>557,778</u>	<u>2,199,874</u>
Net book value					
At 31 December 2024	<u>553,995</u>	<u>2,357,212</u>	<u>1,020,783</u>	<u>118,495</u>	<u>4,050,485</u>
At 31 December 2023	<u>554,755</u>	<u>2,401,320</u>	<u>1,020,783</u>	<u>133,738</u>	<u>4,110,596</u>

THE CLAN DONALD LANDS TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

16. Tangible Fixed Assets - Charity

	Land & Improvements £	Heritable Property £	Museum & Library & Exhibits £	Motor Vehicles & Equipment £	As restated Total £
Cost or valuation					
At 1 January 2024 – as restated	591,899	4,248,594	1,020,783	478,587	6,339,863
Additions	-	-	-	15,582	15,582
Disposals	-	-	-	-	-
At 31 December 2024	<u>591,899</u>	<u>4,248,594</u>	<u>1,020,783</u>	<u>494,169</u>	<u>6,355,445</u>
Depreciation					
At 1 January 2024	37,144	1,560,084	-	428,053	2,025,281
Charge for the year	760	44,108	-	18,822	63,690
Eliminated on disposals	-	-	-	-	-
At 31 December 2024	<u>37,904</u>	<u>1,604,192</u>	<u>-</u>	<u>446,875</u>	<u>2,088,971</u>
Net book value					
At 31 December 2024	<u>553,995</u>	<u>2,644,402</u>	<u>1,020,783</u>	<u>47,294</u>	<u>4,266,476</u>
At 31 December 2023	<u>554,755</u>	<u>2,688,510</u>	<u>1,020,783</u>	<u>50,534</u>	<u>4,314,584</u>

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 1971.

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 include paintings, books, photos, documents, clothing, pottery and other small artefacts relating to the history of the Highland Clans, the Clan Donald and broader local and regional interest.

THE CLAN DONALD LANDS TRUST
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

17. Heritage Assets – Group & Charity (continued)

Year ended	No. donated collections	No. loaned collections
31 December 2024	-	-
31 December 2023	-	-
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)

Group	2024		2023	
	Livestock	Investment in Subsidiary	Livestock	Investment in Subsidiary
	£	£	£	£
Opening Balance	-	-	22,000	-
Gains	-	-	-	-
Impairment	-	-	(22,000)	-
Cost and Net Book Value	-	-	-	-

Charity	2024		2023	
	Livestock	Investment in Subsidiary	Livestock	Investment in Subsidiary
	£	£	£	£
Opening Balance	-	2	22,000	2
Gains/(Losses)	-	-	-	-
Impairment	-	-	(22,000)	-
Cost and Net Book Value	-	2	-	2

THE CLAN DONALD LANDS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

18. Investments (cont'd)

The wholly owned subsidiary CDLT Operations Limited is incorporated in the United Kingdom (Company number SC368668). A loss of £54,258 was incurred in the year (2023: loss of £283,969).

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:

	2024	2023
	£	£
Other income	300	1,650
Administration expenses	(54,558)	(285,618)
Retained in subsidiary	<u>(54,258)</u>	<u>(283,968)</u>

The assets and liabilities of the subsidiary were:

Current assets	1,062	24,018
Current liabilities	(777,655)	(746,353)
Total net assets	<u>(776,593)</u>	<u>(722,335)</u>

Aggregate share capital and reserves	<u>(776,593)</u>	<u>(722,335)</u>
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The wholly owned trading subsidiary C.D.L.T. Management Services Limited is incorporated in the United Kingdom (Company number SC117333). A loss of £292,847 was generated in the year (2023: loss of £67,117). 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.

	2024	2023
	£	£
Revenue	655,227	542,943
Cost of sales and administration costs	(948,074)	(610,060)
Retained in subsidiary	<u>(292,847)</u>	<u>(67,117)</u>

The assets and liabilities of the subsidiary were:

Fixed Assets	71,201	83,204
Current assets	325,018	325,740
Current liabilities	(1,061,837)	(781,715)
Long Term Creditors	-	-
Total net liabilities	<u>(665,618)</u>	<u>(372,771)</u>

Aggregate retained earnings	<u>(665,618)</u>	<u>(372,771)</u>
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THE CLAN DONALD LANDS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

19. Stock

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Retail stock	32,354	18,822	-	-
Bar stock	5,768	665	-	-
Venison stock	-	212	-	-
	<u>38,122</u>	<u>19,699</u>	<u>-</u>	<u>-</u>

20. Debtors

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	8,925	9,877	4,963	-
Other debtors	19,501	18,123	16,705	13,618
Due from subsidiary undertakings	-	-	1,573,843	1,345,028
	<u>28,426</u>	<u>28,000</u>	<u>1,595,511</u>	<u>1,358,646</u>

21. Creditors: amounts falling due within one year

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade creditors	48,005	35,500	42,510	31,169
Other creditors and accruals	57,943	72,236	20,576	42,542
Mortgages	28,961	17,943	-	-
Hire purchase creditor	8,715	10,465	4,889	9,393
Taxation and social security costs	-	2,520	-	2,520
	<u>143,624</u>	<u>138,664</u>	<u>67,975</u>	<u>85,624</u>

22. Creditors – amount falling due after one year

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Hire purchase creditor	3,021	7,049	3,021	7,049
	<u>3,021</u>	<u>7,049</u>	<u>3,021</u>	<u>7,049</u>

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Payable within 1 year	3,021	7,049	3,021	7,049
Payable in 1-2 years	-	-	-	-
Payable in 2-5 years	-	-	-	-
Payable in more than 5 years	-	-	-	-
	<u>3,021</u>	<u>7,049</u>	<u>3,021</u>	<u>7,049</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 2024

23. Analysis of charitable funds – Group

Analysis of Fund movements	As restated 2022 Balance b/fwd £	Income £	Expenditure £	(Gains) Losses £	As restated 2023 Fund c/fwd £
Unrestricted funds					
General funds	740,417	1,249,469	1,407,418	-	582,468
Total unrestricted funds	740,417	1,249,469	1,407,418	-	582,468
Restricted funds					
Forestry Project	251,910	27,844	-	-	279,754
Fixed Assets	3,430,034	-	44,669	-	3,385,365
John Milner Museum Acquisitions Fund	1,000	-	-	-	1,000
Castle Project	36,543	-	-	-	36,543
Museum Project	76,043	-	-	-	76,043
Total restricted funds	3,795,530	27,844	44,669	-	3,778,705
TOTAL FUNDS	4,535,947	1,277,313	1,452,087	-	4,361,173

Analysis of Fund movements	As restated 2023 Balance b/fwd £	Income £	Expenditure £	(Gains) Losses £	2024 Fund c/fwd £
Unrestricted funds					
General funds	582,468	1,448,671	1,643,360	-	387,779
Total unrestricted funds	582,468	1,448,671	1,643,360	-	387,779
Restricted funds					
Forestry Project	279,754	-	-	-	279,754
Fixed Assets	3,385,365	-	44,108	-	3,341,257
John Milner Museum Acquisitions Fund	1,000	-	-	-	1,000
Castle Project	36,543	-	-	-	36,543
Museum Project	76,043	-	-	-	76,043
Total restricted funds	3,778,705	-	44,108	-	3,734,597
TOTAL FUNDS	4,361,173	1,448,671	1,687,468	-	4,122,376

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)

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

THE CLAN DONALD LANDS TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

24. Net group assets over funds

	Unrestricted Funds £	Restricted Funds £	As restated Total 2024 £
Fixed assets	709,228	3,341,257	4,050,485
Current assets	(174,804)	393,340	218,536
Current liabilities	(143,624)	-	(143,624)
Long term liabilities	<u>(3,021)</u>	<u>-</u>	<u>(3,021)</u>
	<u>387,779</u>	<u>3,734,597</u>	<u>4,122,376</u>
	Unrestricted Funds £	Restricted Funds £	As restated Total 2023 £
Fixed assets	725,231	3,385,365	4,110,596
Current assets	2,950	393,340	396,290
Current liabilities	(138,664)	-	(138,664)
Long term liabilities	<u>(7,049)</u>	<u>-</u>	<u>(7,049)</u>
	<u>582,468</u>	<u>3,778,705</u>	<u>4,361,173</u>

THE CLAN DONALD LANDS TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Net (expenditure)/ income for the year (as per the Statement of Financial Activities)	(238,797)	(174,774)	108,308	176,311
Adjustments for:				
Depreciation charges	78,993	80,017	63,690	64,984
(Loss) on sale of fixed assets	-	(40,667)	-	(15,667)
(Increase)/ Decrease in stocks	(18,423)	19,870	-	-
(Increase) in debtors	(289,241)	(395,363)	(263,865)	(261,418)
Increase/ (Decrease) in creditors	289,747	389,088	(21,677)	(26,668)
Net cash (used in)/ Provided by operating activities	<u>(177,721)</u>	<u>(121,829)</u>	<u>(86,544)</u>	<u>(62,458)</u>

26. Analysis of cash and cash equivalents

	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Cash in hand	<u>151,988</u>	<u>348,591</u>	<u>60,788</u>	<u>162,194</u>

27. Prior year adjustment

During the year it became apparent that an asset donated in the year to 31 December 2022 had not been reflected in the financial statements. Accordingly, fixed assets and funds brought forward have been adjusted in the prior year comparative figures to reflect the asset recognition. There is no impact on the financial statements other than to increase the asset value and reserves as shown below.

	Unrestricted	Restricted	Total 2024
Opening funds at 1 January 2023	475,417	3,795,530	4,270,947
Prior year adjustment	265,000	-	265,000
Restated balance at 1 January 2023	<u>740,417</u>	<u>3,795,530</u>	<u>4,535,945</u>
	Total 2024		
Opening fixed assets 1 January 2023	2,980,690		
Prior year adjustment	265,000		
Restated balance at 1 January 2023	<u>3,245,690</u>		