The Virtual Hamilton Palace Trust
(a company limited by guarantee)

Directors' report and unaudited financial statements
31 July 2017
Registered number SC 253452
Charity number SCO34592
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Professional advisers

Directors:
Rosalind Kay Marshall (Chairman)
Godfrey Howell Evans
George Paterson Mackenzie (Vice Chairman)
Rosemary H M Colquhoun
Gordon Malcolm Wyllie
Niven G Simpson (Appointed 14 March 2018)

Company Secretary:
Robert Millar (Appointed 29 March 2017)

Registered Office:
Dundas House
Westfield Park
Eskbank
Edinburgh
EH22 3FB

Independent Examiners:
Springfords
Dundas House
Westfield Park
Eskbank
Edinburgh
EH22 3FB

Bankers:
Adam & Company
25 St Andrew Square
Edinburgh
EH2 1AF
Directors' report

The directors, who for the purposes of the charity are also trustees, present their annual report and the unaudited financial statements for the year to 31 July 2017.

Structure, governance and management

Constitution

The organisation is a charitable company limited by guarantee (No SC253452), incorporated on 29 July 2003 and registered as a charity on 19 August 2003 (No SC034592). The company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association.

Membership and organisation of the Board

The day to day operation of the trust is arranged and managed by the directors of the Executive Committee. Members of the Executive Committee are entitled to propose representatives to serve as trustees.

Trustee recruitment and induction

Trustees are recruited by invitation and their duties are explained to them in full. In addition they receive a copy of the OSCR guidance for Charity Trustees.

Trustees

The trustees of the charity, who are the directors of the company, who served both during the year and after the year end were as follows:

RK Marshall
GH Evans
GP Mackenzie
R H M Colquhoun
GM Wylie
NG Simpson (Appointed 14 March 2018)

The Company Secretary is R Millar.

Risk management

The Board continued to monitor the requirements of the Trust to comply with the provisions of the Charities and Trusts Investment Act (Scotland) Act 2005.

Objectives and activities

The Trust continues to advance public knowledge of the very significant role played by the Dukes of Hamilton throughout the centuries in the collection of internationally famous works of art for their Palace of Hamilton and their other houses. Dispersed throughout the world in the late nineteenth and early twentieth centuries, these treasures are the subject of a great deal of interest for art and social historians alike, and we receive an increasing number of email enquiries from scholars and students all over the world.
Directors' report (continued)

Achievements and performance

Work on the long and important 1704 inventory of paintings and furnishings was completed in the early weeks of 2017, when it went online. This does not list the items in Hamilton Palace itself, but deals with those in Kinneil House and the ducal apartments in the Palace of Holyroodhouse, both of which were at that time being used by James, 4th Duke of Hamilton. It is accordingly a major advance in our programme of digitising and making the Hamilton Inventories available online, thereby providing a valuable contribution to art history and social history. The Directors also began to consider how the navigation of the website and its general appearance might be improved. Significant discussions of this will follow next year. On 11 October 2016 Mr Robert Millar W.S. was appointed as Secretary of the Trust, in succession to Miss Rosemary Woodroffe W.S. who has retired from that position but remains a Trustee.

Financial Review

During the current year, the Trust has realised a deficit of £2,220 (2016 surplus of £1,465).

Reserves Policy

It is the intention of the charitable company to build up unrestricted funds, which are the free reserves of the company, to a level which can cover the costs of refreshing the resource base as required. The Trustees recognise that this process will take time and will be achieved by securing unrestricted grants.

Plans for the future

The Trust will soon begin work on the next inventory of Hamilton furnishings and paintings and the Directors are still continuing their discussions with Professor Nick Pearce of Glasgow University, who is working on an application to the Arts and Humanities Research Council for the large 19th century Hamilton Palace inventory project. Professor Pearce is consulting with Glasgow University’s Humanities Advanced Technology and Information Institute, and hopes to submit the application before long.

Approval of the Report

This report is prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

Rosalind K. Marshall

Date: 24 April 2018

RK Marshall
Independent Examiner’s Report to the Trustees of The Virtual Hamilton Palace Trust

I report on the accounts of the charity for the year ended 31 July 2017 which are set out on pages 5 to 8.

Respective responsibilities of trustees and examiner

The charity’s trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner’s statement

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosure in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner’s statement

In the course of my examination, no matter has come to my attention:

1 which gives me reasonable cause to believe that in any material respect the requirements:

   • to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and

   • to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;

   have not been met; or

2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Paul Hutchison

Paul Hutchison ACA

Springfords
Accountants

Dundas House
Westfield Park
Eskbank
Edinburgh
EH22 3FB
Statement of financial activities (incorporating the income and expenditure account)
For the year ended 31 July 2017

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017 Unrestricted £</th>
<th>2017 Restricted £</th>
<th>2017 Total £</th>
<th>2016 Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong>&lt;br&gt;Income from charitable activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>3</td>
<td>500</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>500</td>
<td>-</td>
<td>500</td>
</tr>
<tr>
<td><strong>Expenditure</strong>&lt;br&gt;Expenditure on charitable activities</td>
<td>4</td>
<td>(2,720)</td>
<td>-</td>
<td>(2,720)</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td></td>
<td>(2,720)</td>
<td>-</td>
<td>(2,720)</td>
</tr>
<tr>
<td><strong>Net income</strong>&lt;br&gt;Fund balances at 31 July 2016</td>
<td></td>
<td>(2,220)</td>
<td>-</td>
<td>(2,220)</td>
</tr>
<tr>
<td>3,660</td>
<td>-</td>
<td>3,660</td>
<td>-</td>
<td>2,195</td>
</tr>
<tr>
<td><strong>Fund balance at 31 July 2017</strong></td>
<td>1,440</td>
<td>-</td>
<td>1,440</td>
<td>3,660</td>
</tr>
</tbody>
</table>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.
## Balance sheet

*at 31 July 2017*

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>2,040</td>
<td>3,660</td>
</tr>
<tr>
<td><strong>Creditors: Amounts falling due within one year</strong></td>
<td></td>
<td>2,040</td>
<td>3,660</td>
</tr>
<tr>
<td>Trade creditors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accruals</td>
<td>(600)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>1,440</td>
<td>3,660</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>5,6</td>
<td>1,440</td>
<td>3,660</td>
</tr>
</tbody>
</table>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The trustees’ acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies’ regime.

The accounts were approved by the board on 24 April 2018

*Rosalind K. Marshall*

*Director*
Notes
(forming part of the financial statements)

I Accounting policies

Charity Information

The Virtual Hamilton Palace Trust is a private company limited by guarantee incorporated in Scotland. The registered office is Dundas House, Westfield Park, Eskbank, Edinburgh, EH22 3FB.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements.

Accounting Convention

The accounts have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016)', Financial Reporting Standard 102 applicable in the UK and Republic of Ireland, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Companies Act 2006 applicable to small companies.

The Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The accounts are presented in sterling, which is the functional currency of the Trust. Monetary amounts are rounded to the nearest £.

The Trust has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

This is the first year in which the accounts have been prepared under FRS 102 and the Charities SORP (FRS 102) with the effective date of transition being 1 August 2015. In preparing the accounts, the trustees have considered whether in apply the accounting policies required by FRS 102 and the Charities SORP (FRS 102) any restatement of comparative figures was required. The reported financial position and financial performance for the previous period was not affected by the transition to FRS 102 and the Charities SORP (FRS 102).

Going Concern

Despite reporting a deficit for the year, the Trust has adequate cash reserves to cover anticipated expenditure for the next 12 months. The Trustees therefore consider that the charity will continue in operational existence for the foreseeable future and they therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Charitable Funds

Funds are classified as either restricted funds or unrestricted funds, defined as follows:

Restricted funds are funds subject to specific projects which are authorised by the donor.
Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objectives of the charity.

Income Recognition

All income is recognised in the SOFA when the trust is legally entitled to the income and the amounts can be quantified with reasonable accuracy.

Donations are recognised on receipt.
1 Accounting policies (continued)

Expenditure Recognition

Liabilities are recognised as expenditure as soon as there is a legal on constructive obligation committing the Trust to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accrual basis. The Trust is not registered for VAT therefore all VAT is charged against the expenditure heading for which it was incurred.

2 Remuneration of directors

No director received any remuneration during the year (2016 - £Nil). No directors received reimbursement of expenses during the year (2016 - £Nil)

3 Donations

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other donations</td>
<td>500</td>
<td>-</td>
<td>500</td>
<td>1,500</td>
</tr>
<tr>
<td></td>
<td>500</td>
<td>-</td>
<td>500</td>
<td>1,500</td>
</tr>
</tbody>
</table>

4 Charitable costs

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charitable costs</td>
<td>2,685</td>
<td>-</td>
<td>2,685</td>
<td>-</td>
</tr>
<tr>
<td>Governance costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal &amp; professional fees</td>
<td>35</td>
<td>-</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>2,720</td>
<td>-</td>
<td>2,720</td>
<td>35</td>
</tr>
</tbody>
</table>

5 Reserves

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>At beginning of year</td>
<td>3,660</td>
<td>-</td>
<td>3,660</td>
<td>2,195</td>
</tr>
<tr>
<td>Income</td>
<td>500</td>
<td>-</td>
<td>500</td>
<td>1,500</td>
</tr>
<tr>
<td>Expenditure</td>
<td>(2,720)</td>
<td>-</td>
<td>(2,720)</td>
<td>(35)</td>
</tr>
<tr>
<td></td>
<td>1,440</td>
<td>-</td>
<td>1,440</td>
<td>3,660</td>
</tr>
</tbody>
</table>
### Analysis of Funds

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted £</th>
<th>Restricted £</th>
<th>Total 2017 £</th>
<th>Total 2016 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>2,040</td>
<td>-</td>
<td>2,040</td>
<td>3,660</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(600)</td>
<td>-</td>
<td>(600)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,440</td>
<td>3,660</td>
</tr>
</tbody>
</table>

### Related parties

There were no related party transactions in the year.