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

Directors' report and unaudited financial statements
31 July 2016
Registered number SC 253452

Charity number SCO34592

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EDINBURGH FRONT DESK

BEYOND THE NUMBERS
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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

Company Secretary: Rosemary H M Colquhoun

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

Independent Examiners: Springfords LLP
                        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 2016.

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 during the year were as follows:

RK Marshall
GH Evans
GP Mackenzie
R H M Colquhoun
Gordon Malcolm Wyllie

The Company Secretary is R H M Colquhoun.

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 is continuing to advance its significant educational role in making available on the Internet for the first time a careful selection of the very important inventories of paintings, fine furniture and objets d'art which are part of the Hamilton Archives. Before its demolition in the 1920s, Hamilton Palace had been a great treasure house of such objects, now scattered throughout the world in leading art museums and private collections. Reassembling the items virtually, by means of digitising them and putting them online, along with relevant images, we are providing a valuable resource for art historians, social historians, students of all ages and everyone interested in the history of collecting and interior design.
Directors' report (continued)

Achievements and performance

Work continues on the long and important inventory of paintings and furnishings in the house of Kinneil in 1704 and the apartments of the Dukes of Hamilton in the Palace of Holyroodhouse, Edinburgh, as its hereditary keepers. Both were occupied at that time by the 4th Duke of Hamilton and this is a particularly valuable resource for the history of collecting in general and the ducal family of Hamilton in particular. Generous donations from one of the Directors, Dr Godfrey Evans, and an anonymous donor are facilitating this aspect of the Trust’s work.

Financial Review

During the current year, the trust has realised a surplus of £1,465 (2015 - £100).

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

[Rosaline K. Marshall]

RK Marshall

Date: 29 March 2017
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 2016 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.

J Fergus Kerr ACA

31 March 2017

Springfords LLP
Chartered Accountants

Dundas House
Westfield Park
Eskbank
Edinburgh
EH22 3FB

Registered number SC 253452 / 31 July 2016
Statement of financial activities (incorporating the income and expenditure account)
For the year ended 31 July 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016 Unrestricted £</th>
<th>2016 Restricted £</th>
<th>2016 Total £</th>
<th>2015 Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from charitable activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>3</td>
<td>1,500</td>
<td>-</td>
<td>1,500</td>
</tr>
<tr>
<td>Total income</td>
<td></td>
<td>1,500</td>
<td>-</td>
<td>1,500</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure on charitable activities</td>
<td>4</td>
<td>(35)</td>
<td>-</td>
<td>(35)</td>
</tr>
<tr>
<td>Total expenditure</td>
<td></td>
<td>(35)</td>
<td>-</td>
<td>(35)</td>
</tr>
<tr>
<td>Net income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balances at 31 July 2015</td>
<td>2,195</td>
<td>-</td>
<td>2,195</td>
<td>2,095</td>
</tr>
<tr>
<td>Fund balance at 31 July 2016</td>
<td>3,660</td>
<td>-</td>
<td>3,660</td>
<td>2,195</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 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>3,660</td>
<td>2,195</td>
</tr>
<tr>
<td><strong>Creditors: Amounts falling due within one year</strong></td>
<td>3,660</td>
<td>2,195</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accruals</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>3,660</td>
<td>2,195</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>5,6</td>
<td>3,660</td>
</tr>
</tbody>
</table>

For the year ending 31 July 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements are prepared in accordance with the special provision for small companies under Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective January 2015).

These financial statements were approved by the board of directors on 29 March 2017 and are signed on their behalf by:

Rosalind K. Marshall

Director
Notes
(forming part of the financial statements)

1 Accounting policies

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

Status of the company

The company is limited by guarantee of its members and does not have a share capital. Each member has undertaken to contribute an amount not exceeding £1 towards any deficit arising in the event of the company being wound up.

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16th July 2014, the Charities Accounts (Scotland) Regulations 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006.

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

Income from charitable activities includes all income raised from carrying out activities that are in furtherance of the charities activities. Grants receivable, bank interest and donations are recognized where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Expenditure

Expenditure is accounted for on an accruals basis and is allocated directly to a functional heading as follows:
- Charitable activities include expenditure associated with the charity's objects and principal activities;
- Governance costs (included with charitable activities) include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

2 Remuneration of directors

No director received any remuneration during the year (2015 - £Nil). No directors received reimbursement of expenses during the year (2015- £Nil). 

Registered number SC 253452 / 31 July 2016
Notes (continued)

3 Donations

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other donations</td>
<td></td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>1,500</td>
<td></td>
<td>1,500</td>
<td>750</td>
</tr>
</tbody>
</table>

4 Charitable costs

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct costs</td>
<td>-</td>
<td>-</td>
<td>600</td>
</tr>
</tbody>
</table>

Governance costs:

<table>
<thead>
<tr>
<th>Legal &amp; professional fees</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>-</td>
<td>35</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>-</td>
<td>35</td>
<td>650</td>
<td></td>
</tr>
</tbody>
</table>

5 Reserves

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds</td>
<td>Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£</td>
<td>£</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At beginning of year</td>
<td>2,195</td>
<td>2,195</td>
<td>2,095</td>
</tr>
<tr>
<td>Income</td>
<td>1,500</td>
<td>1,500</td>
<td>750</td>
</tr>
<tr>
<td>Expenditure</td>
<td>(35)</td>
<td>(35)</td>
<td>(650)</td>
</tr>
<tr>
<td>3,660</td>
<td>-</td>
<td>3,660</td>
<td>2,195</td>
</tr>
</tbody>
</table>

6 Analysis of Funds

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>3,660</td>
<td>3,660</td>
<td>2,195</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3,660</td>
<td>-</td>
<td>3,660</td>
<td>2,195</td>
</tr>
</tbody>
</table>

7 Related parties

There are no related party transactions in the year.