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

Directors' report and unaudited financial statements
31 July 2015
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 Wylie (appointed 26 November 2014)

Company Secretary: Rosemary H M Colquhoun

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

Independent Examiners: Springfords Accountants  
                      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 2015.

Structure, governance and management

Constitution

The organisation is a charitable company limited by guarantee, incorporated on 29 July 2003 and registered as a charity on 19 August 2003. 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 (appointed 26 November 2014)

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

In pursuance of our plans to digitise and make available online a number of eighteenth-century inventories of paintings and furnishings in the Hamilton Collection, those of 1704, 1759 and 1793 have been selected. Work began on the important 1704 inventory, which lists the items in Kinneil House and in the ducal apartments at Holyroodhouse that year. Generous donations from the Incorporation of Maltmen of Glasgow and the JTH Charitable Trusts have facilitated this next stage, and the Trust has appointed a new Treasurer, Niven Simpson, Director of Finance and Administration, Hamilton & Kinneil Estates, who will now arrange to register the Virtual Hamilton Palace Trust for Gift Aid.

Financial Review

During the current year, the trust has realised a surplus of £100 (2014 - £1,762).

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 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 in the course of 2015. Meanwhile the National Museums of Scotland are continuing to consider the possibility of holding a major exhibition about Hamilton Palace in five or six years’ time.

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: 10 March 2016
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 2015 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
J Fergus Kerr ACA
14 March 2016

Springfords LLP
Chartered Accountants

Dundas House
Westfield Park
Eskbank
Edinburgh
EH22 3FB

Registered number SC 253452 / 31 July 2015
Statement of financial activities (incorporating the income and expenditure account)
For the year ended 31 July 2015

<table>
<thead>
<tr>
<th>Notes</th>
<th>2015 Unrestricted £</th>
<th>2015 Restricted £</th>
<th>2015 Total £</th>
<th>2014 Total £</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Incoming resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Incoming resources from generated funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary income - donations</td>
<td>3</td>
<td>750</td>
<td>-</td>
<td>750</td>
</tr>
<tr>
<td>Total incoming resources</td>
<td></td>
<td>750</td>
<td>-</td>
<td>750</td>
</tr>
<tr>
<td><strong>Resources expended</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Charitable expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories project</td>
<td>4</td>
<td>(600)</td>
<td>-</td>
<td>(600)</td>
</tr>
<tr>
<td>Governance costs</td>
<td>5</td>
<td>(50)</td>
<td>-</td>
<td>(50)</td>
</tr>
<tr>
<td>Total resources expended</td>
<td></td>
<td>(650)</td>
<td>-</td>
<td>(650)</td>
</tr>
<tr>
<td><strong>Net incoming (outgoing) resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balances at 31 July 2014</td>
<td></td>
<td>100</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Fund balance at 31 July 2015</td>
<td></td>
<td>2,095</td>
<td>-</td>
<td>2,095</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,195</td>
<td>-</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 2015

Notes 2015 2014
£ £

Current assets
Accrued income
Cash at bank and in hand 2,195 2,095

Creditors: Amounts falling due within one year
Trade creditors
Accruals

Net assets 2,195 2,095

Capital and reserves
Unrestricted funds 6,7 2,195 2,095

For the financial period ended 31 July 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and if its surplus or deficit for the financial period in accordance with the requirements of section 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 financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and were approved and authorised by the Board of directors on 10 March 2016 and were signed by:

Rosalind K. Marshall
Director

Registered number SC 253452 / 31 July 2015
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. They have also been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice — ‘Accounting and Reporting by Charities’ (SORP 2005) issued in March 2005 and comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 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.

Incoming resources
Grants receivable, bank interest and donations are credited to the Statement of Financial Activities (SOFA) in the year for which they are received.

Resources expended
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 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 (2014 - £Nil). No directors received reimbursement of expenses during the year (2014- £Nil).
### Notes (continued)

3. **Voluntary income Donations**

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>H&amp;K Enterprises</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,500</td>
</tr>
<tr>
<td>Other donations</td>
<td>750</td>
<td>-</td>
<td>750</td>
<td>-0.</td>
</tr>
<tr>
<td></td>
<td>750</td>
<td>-</td>
<td>750</td>
<td>2,500</td>
</tr>
</tbody>
</table>

4. **Charitable costs**

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct costs</td>
<td>600</td>
<td>-</td>
<td>600</td>
<td>600</td>
</tr>
</tbody>
</table>

5. **Governance costs**

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

6. **Reserves**

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>At beginning of year</td>
<td>2,095</td>
<td>-</td>
<td>2,095</td>
<td>333</td>
</tr>
<tr>
<td>Incoming Resources</td>
<td>750</td>
<td>-</td>
<td>750</td>
<td>2,500</td>
</tr>
<tr>
<td>Resources Expended</td>
<td>(650)</td>
<td>-</td>
<td>(650)</td>
<td>(738)</td>
</tr>
<tr>
<td></td>
<td>2,195</td>
<td>-</td>
<td>2,195</td>
<td>2,095</td>
</tr>
</tbody>
</table>

7. **Analysis of Funds**

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>2,195</td>
<td>-</td>
<td>2,195</td>
<td>2,095</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2,095</td>
<td>-</td>
<td>2,095</td>
<td>2,095</td>
</tr>
</tbody>
</table>

8. **Related parties**

There are no related party transactions in the year as are required to be disclosed under Financial Reporting Standard 8.