



**ROYAL HIGH SCHOOL
CLUB TRUST LIMITED**

REPORT

AND

FINANCIAL STATEMENTS

for the year ended 31 August 2011

THURSDAY



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ROYAL HIGH SCHOOL CLUB TRUST LIMITED

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors : A C Allanach
N Arthur
Sheriff A M Bell
C I Bryden
M A Bryden
I C Fairweather
R C B Forman
R M Graham
P Harris
AS Macmillan
R M Paul
D F Rutherford
V T Tudball

Secretary and Solicitors : McKay & Norwell WS
5 Rutland Square
Edinburgh
EH1 2AX

Independent Examiner : Michael Crerar CA
Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

Investment Managers : Brewin Dolphin
7 Drumsheugh Gardens
Edinburgh
EH3 7QJ

Registered Office : 5 Rutland Square
Edinburgh
EH1 2AX

Company Number : SC022113

Charity Number : SC005875

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

DIRECTORS' REPORT

for the year ended 31 August 2011

The directors hereby submit their report and financial statements for the year ended 31 August 2011.

STRUCTURE GOVERNANCE & MANAGEMENT

The limited company was incorporated in June 1942 and is governed by its Memorandum and Articles of Association. The current directors acted throughout the year and are listed on page 1. They meet annually to determine how the available funds should be disbursed, and in this matter they are guided by the Rector of the Royal High School of Edinburgh. The directors are trustees for the purposes of charity law and are appointed from former pupils who have a genuine interest in the well being of the Royal High School and its' pupils. The company solicitors brief new directors in the workings of the company and their responsibilities as both directors and trustees.

OBJECTIVES AND ACTIVITIES OF THE CHARITY

The company's aim is to promote the education of the pupils of the Royal High School of Edinburgh in such ways as the directors see fit. The company also manages the endowment fund transferred from the City of Edinburgh Council in August 2009. The income generated by the fund's investments finances prizes, bursaries and grants to pupils, organisations and projects within the school. The directors work closely with the Rector to identify projects that best utilise the available funds. The company also holds monies to finance a specific school prize. The company has been able to maintain its level of support to the School during the past year.

ACHIEVEMENTS AND PERFORMANCE

During the year the directors continued to gather investment income and deposit interest for the purposes of awarding grants and prizes in line with the charity's objectives.

FINANCIAL REVIEW

The deficit for the year before investment gains amounted to £1,894 (2010 deficit £928). The investment gains, both realised and unrealised in the year amounted to £14,669 (2010 gain £15,385) leaving total reserves held at 31 August 2011 of £302,869 (2010 £290,094).

Investment policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the directors see fit. The directors engage Brewin Dolphin as investment managers. The policy is to adopt a medium risk investment strategy based on maximising the overall rate of return.

In relations to the Endowment Fund, the managers have agreed an investment strategy to produce an annual income of approximately £9,000 which will enable the company to maintain a reasonable level of support to the school while at the same time maintaining and hopefully increasing the value of the underlying investments.

Reserves policy

Unrestricted reserves not invested in investment assets amounted to £36 and reflect the free reserves of the Trust in the year. The level of free reserves is reviewed regularly by the directors taking account of future expenditure commitments and income forecasts with the intention being to continue holding a positive level of free reserves in the next financial year.

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

DIRECTORS' REPORT (Continued) for the year ended 31 August 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors, who are trustees of the charity for the purposes of charity law, are responsible for the preparing the Director's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK 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 operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).



McKay & Norwell WS
Company Secretaries

23 February 2012

ROYAL HIGH SCHOOL CLUB TRUST LIMITED
INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS AND DIRECTORS

I report on the financial statements of the charity for the year ended 31 August 2011 which are set out on pages 5 to 9.

This report is made to the members and directors, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the directors and report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the directors, as a body, for my work or for this report.

Respective responsibilities of directors and Independent Examiner

The members and directors 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 directors consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsible to examine the financial statements 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 Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the directors 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 financial statements.

Independent Examiner's statement

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

- a) 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 financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met; or
- b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Michael Crerar, CA
Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh
EH3 6AD

23 February 2012

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) for the year ended 31 August 2011

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2011	Total 2010
Incoming Resources						
Incoming resources from generated funds						
<i>Activities for generating funds</i>						
Investment income		2,257	-	8,987	11,244	7,403
Donation		268	-	-	268	-
Legacy		-	-	-	-	2,000
Total incoming resources		<u>2,525</u>	<u>-</u>	<u>8,987</u>	<u>11,512</u>	<u>9,403</u>
Resources Expended						
Costs of generating funds						
Investment managers fees		205	-	703	908	498
Charitable activities	2	3,576		8,284	11,860	9,125
Governance Costs	3	<u>638</u>	<u>-</u>	<u>-</u>	<u>638</u>	<u>708</u>
Total resources expended		<u>4,419</u>	<u>-</u>	<u>8,987</u>	<u>13,406</u>	<u>10,331</u>
Net (expenditure) before other gains		(1,894)	-	-	(1,894)	(928)
Net gains on investment assets	5	<u>3,817</u>	<u>-</u>	<u>10,852</u>	<u>14,669</u>	<u>15,385</u>
Net movement in funds		1,923	-	10,852	12,775	14,457
Fund balances brought forward		<u>66,135</u>	<u>985</u>	<u>222,974</u>	<u>290,094</u>	<u>275,637</u>
Total funds at 31 August 2011		<u>£ 68,058</u>	<u>£ 985</u>	<u>£ 233,826</u>	<u>£ 302,869</u>	<u>£ 290,094</u>

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

BALANCE SHEET as at 31 August 2011

	Notes	2011	2010
Fixed Assets			
Investments	5	<u>300,543</u>	<u>284,625</u>
Current Assets			
Debtors		918	84
Cash on deposit		<u>2,611</u>	<u>6,663</u>
		3,529	6,747
Creditors: Amounts falling due within one year			
Creditors and accruals		<u>(1,200)</u>	<u>(1,275)</u>
Net current assets		<u>2,329</u>	<u>5,472</u>
Net assets		<u>£ 302,872</u>	<u>£ 290,097</u>
Capital and Reserves			
Called up share capital	6	<u>3</u>	<u>3</u>
Revenue reserve – unrestricted	7	68,058	66,135
Prize fund reserve – restricted	7	985	985
Endowment funds	7	<u>233,826</u>	<u>222,974</u>
		<u>302,869</u>	<u>290,094</u>
		<u>£ 302,872</u>	<u>£ 290,097</u>

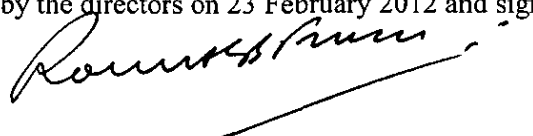
For the year ended 31 August 2011 the company was entitled to exemption from the requirements to have an audit under the provisions of section 477 of the Companies Act 2006. No notice has been deposited under the company under section 476 of the Companies Act 2006 requiring an audit to be carried out. The directors acknowledge their responsibility for:

- (i) Ensuring the company keeps accounting records which comply with sections 386 and 387 of the Companies Act 2006; and
- (ii) 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 year, and of its surplus or deficit for that financial year in accordance with the requirements of sections 394 and 395 of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved and authorised for issue by the directors on 23 February 2012 and signed on their behalf by:

R C B Forman
Director



Company Registered No: SC022113

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2011

1 Accounting Policies

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of all investments and are in accordance with the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006, and the Financial Reporting Standard for Smaller Entities (effective April 2008) and follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005).

(b) Income

Voluntary income

Donations, legacies and similar incoming resources are accounted for when receivable.

Investment income

Investment income, including bank interest, is accounted for on the basis of income receivable during the year.

(c) Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the Independent Examination fee and costs linked to the strategic management of the charity.
- All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

(d) Investments

Investments held as fixed assets are revalued at mid market value at the Balance Sheet date and the gain or loss taken to the Statement of Financial Activities.

(e) Fund Accounting

Unrestricted funds are general funds that are available for use at the directors' discretion in furtherance of the objectives of the charity.

Restricted funds are to be used for specific purposes as laid down by the donor.

The charity has a single permanent endowment. The Royal High School Endowment Trust Scheme 2009 provides for the directors to invest the capital in perpetuity, the free income from which is wholly restricted to be spent on the general purposes of the Scheme. Namely the payment of prizes to pupils, support of school clubs, bursaries for secondary and higher education and grants to support subjects within the school curriculum.

Further details of each fund are disclosed in Note 7.

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 August 2011

2 Charitable Activities	2011	2010
Grants, prizes and bursaries	11,260	8,525
Support costs (accounting)	<u>600</u>	<u>600</u>
	£ 11,860	£ 9,125
3 Governance Costs	2011	2010
Independent Examiner's fees	600	655
Sundry expenses	<u>38</u>	<u>53</u>
	£ 638	£ 680
4 Trustees' Remuneration and Expenses		
No trustee was paid or reimbursed for expenses during the year (2010 - £nil).		
5 Fixed Assets – Investments	2011	2010
Opening market value	276,525	54,807
Acquisitions at cost	2,803	209,043
Disposals at market value	(2,507)	(2,718)
Net gains on revaluation	<u>14,669</u>	<u>15,393</u>
	291,490	276,525
Cash held by brokers – capital account	<u>9,053</u>	<u>8,100</u>
Market value at 31 August 2011	£ 300,543	£ 284,625
Historical cost at 31 August 2011	£ 270,152	£ 268,113
Investments whose individual market value exceeds 5% of the total are as follows:		
Allianz Global Inv UK Gilt	16,092	
BNY Mellon Fund Manager Newton Asian Inc	19,006	
Dunedin Income Growth Ord GBP0.25	17,738	
JP Morgan AM UK Ltd US Equity Inc	17,704	
Legg Mason Gbl Fd Western Multi Ster A GBP	15,275	
M & G Inv Man Corp Bd A Inc	15,857	
Scot Mort Inv Trust GBP0.25	18,484	
Treasury 2½% 2016	<u>17,071</u>	
6 Called Up Share Capital		
<i>Allotted, called up and fully paid</i>	2011	2010
	£	£
13 Ordinary of 25p each	<u>3</u>	<u>3</u>

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 August 2011

7 Reserves	Revenue Reserve	Prize Fund Reserve	Endowment Funds Capital	Endowment Funds Income	Total
Balance at 31 August 2010	66,135	985	222,948	26	290,094
Incoming resources	2,525	-	-	8,987	11,512
Resources expended	(4,419)	-	(703)	(8,284)	(13,406)
Net gain on investments	3,817	-	10,852	-	14,669
Balance at 31 August 2011	<u>£ 68,058</u>	<u>£ 985</u>	<u>£ 233,097</u>	<u>£ 729</u>	<u>£ 302,869</u>
<i>Represented by:</i>					
Investments	68,022	-	232,521	-	300,543
Net current assets	36	985	576	729	2,326
Balance at 31 August 2011	<u>£ 68,058</u>	<u>£ 985</u>	<u>£ 233,097</u>	<u>£ 729</u>	<u>£ 302,869</u>

The Revenue Reserve represents the unrestricted monies held by the company.

The Prize Fund Reserve represents the monies held to meet the obligations set for the Mouat Prize, a biannual four year bursary.

The Endowment Funds were transferred in August 2009 to the company by City of Edinburgh Council. The funds previously were administered by the Council under The Royal High School Endowment Trust Scheme 1980. After paying the necessary expenses of management and the burdens and taxes affecting the endowment, the free income of the Fund is to be used for the purposes set out in the Scheme. This covers the payment of prizes to pupils, support of school clubs, bursaries for secondary and higher education and grants to support subjects within the school curriculum. If there is an unexpected balance of income during a financial year, the directors are permitted to carry said balance forward to the following financial year, or to add the balance to the capital of the Fund.