

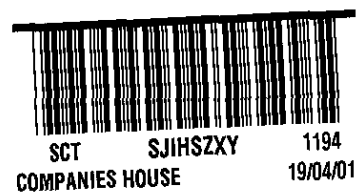
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CRUDEN FOUNDATION LIMITED

FINANCIAL STATEMENTS

for the year to 31 July 2000

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CRUDEN FOUNDATION LIMITED

Registered Office: Baberton House
Juniper Green
Edinburgh
EH14 3HN

Company No: 32004

Directors: N Lessels - Chairman
W R Douglas
G B R Gray
A Johnston
M R A Matthews
J G Mitchell
M J Rowley
D D Walker

Auditors: Whitelaw Wells

Bankers: The Royal Bank of Scotland plc.

Solicitors: Burness

CRUDEN FOUNDATION LIMITED

REPORT OF THE DIRECTORS

to the

ANNUAL GENERAL MEETING

On 14 December 2000

The directors' report for the year ended 31 July 2000 is as follows:

Review of the company

Mr & Mrs Harry Cruden endowed the capital in 1956. The company is limited by guarantee.

The activities of the company are wholly charitable and it does not trade.

The policy of the company is to provide an income to a wide range of mainly local charities.

Directors' responsibilities

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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:-

- a. select suitable accounting policies and apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

CRUDEN FOUNDATION LIMITED

**REPORT OF THE DIRECTORS
to the
ANNUAL GENERAL MEETING**

on 14 December 2000

Results

The income from Fixed Asset Investments for the year amounted to £93,624. £82,500 was given to charities and £2,189 paid for administration and audit expenses. In addition there was a gain on investments realised of £18,234. This leaves a total of £27,169 to be transferred to reserves.

The cumulative total of funds distributed to charities by the company at 31 July 2000 was £1,690,515.

Directors and their interests

The following served as directors during the year: -

W R Douglas	A Johnston
M R A Matthews	M J Rowley
G B R Gray	N Lessels
J G Mitchell	D D Walker

Mr G B R Gray and Mr W R Douglas retire by rotation and having been invited and being eligible offer themselves for re-election.

None of the directors had any interest in the capital of the company. Mr M R A Matthews and Mr M J Rowley each have a beneficial interest in 50,000 redeemable preferred ordinary shares of £1 each in Cruden Investments Limited.

Auditors

A resolution will be proposed to re-appoint Whitelaw Wells, Chartered Accountants, as auditors of the company.

On behalf of the Board



M R A Matthews
Secretary

Baberton House
Juniper Green
Edinburgh
EH14 3HN
2 November 2000

REPORT OF THE AUDITORS
TO THE MEMBERS OF
CRUDEN FOUNDATION LIMITED

We have audited the financial statements on pages 5 to 8 which have been prepared under the historical cost convention and the accounting policies set out in note 1 on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

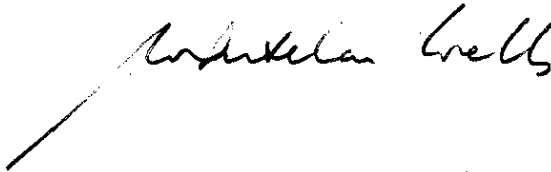
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from disagreement about accounting treatment

The 1989 Companies Act Section 5 requires a parent company to prepare consolidated financial statements unless there are special circumstances which would render compliance with this provision inconsistent with the requirement to give a true and fair view. As stated in note 1 to the financial statements the directors consider that the activities of the company are so dissimilar from those of its subsidiary group, that consolidation would not give a true and fair view of the Cruden Foundation Limited Group's state of affairs and results for the year. Both Financial Reporting Standard 2 and Statement of Recommended Practice 2 require that the financial statements of a trading subsidiary be consolidated with a charitable parent company in order to give a true and fair view.

Except for the non-compliance with Financial Reporting Standard 2, in our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 July 2000 and of the surplus for the year then ended. In all other respects, in our opinion, the financial statements have been properly prepared in accordance with the Companies Act 1985.



Whitelaw Wells
Chartered Accountants
Registered Auditor

Edinburgh, 2 November 2000

CRUDEN FOUNDATION LIMITED
INCOME & EXPENDITURE ACCOUNT
 incorporating the
STATEMENT OF FINANCIAL ACTIVITIES
 for the year ended 31 July 2000

	Note	2000 £	1999 £
Incoming Resources			
Income from Fixed Asset Investments:			
Trading subsidiary	4	64,089	33,000
Listed investments		29,406	34,362
Interest received		<u>129</u>	<u>369</u>
		<u>93,624</u>	<u>67,731</u>
Resources Expended			
Direct charitable expenditure		82,500	59,150
Administration expenses		1,572	1,291
Audit fee		<u>617</u>	<u>848</u>
		<u>84,689</u>	<u>61,289</u>
		8,935	6,442
Gain on investments realised		<u>18,234</u>	<u>12,979</u>
Net Movement in Funds		<u>27,169</u>	<u>19,421</u>
Fund balance brought forward		<u>684,541</u>	<u>665,120</u>
Fund balance carried forward		<u><u>711,710</u></u>	<u><u>684,541</u></u>

In each of the years ended 2000 and 1999 the only gain recognised by the company was the surplus for the year. All the activities were continuing activities.

CRUDEN FOUNDATION LIMITED

BALANCE SHEET

as at 31 July 2000

	Note	£	2000 £	1999 £
FIXED ASSETS				
Investments at cost				
Shares in subsidiary	3,5		388,942	388,942
Other investments	5		<u>384,944</u>	<u>365,859</u>
			773,886	<u>754,801</u>
CURRENT ASSETS				
Debtors		5,054		11,986
Cash at bank		<u>19,973</u>		<u>5,015</u>
			<u>25,027</u>	<u>17,001</u>
			798,913	<u>771,802</u>
CREDITORS:	amounts falling due within one year			
Accruals			<u>705</u>	<u>763</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>798,208</u>	<u>771,039</u>
FUNDS				
Endowed capital			86,498	86,498
Unrestricted			<u>711,710</u>	<u>684,541</u>
			<u>798,208</u>	<u>771,039</u>

Approved by the Board of Directors on 2 November 2000 and signed on their behalf by:

Norman Lessels

N Lessels Director

M R A Matthews

M R A Matthews Director

CRUDEN FOUNDATION LIMITED

NOTES ON FINANCIAL STATEMENTS

as at 31 July 2000

1 ACCOUNTING POLICIES

a. Accounting Convention

These financial statements have been prepared under the historical cost convention.

b. Group Accounts

The financial statements of the company have not been consolidated with those of its wholly owned subsidiary, Cruden Investments Limited, as the directors consider that the activities of the company are so dissimilar from those of its subsidiary that consolidated financial statements would not give a true and fair view of the Cruden Foundation Limited Group's state of affairs and results for the year. The financial statements of Cruden Investments Limited are attached.

c. Fixed Asset Investments

Fixed asset investments are stated at cost. The directors are aware that this does not comply with the Statement of Recommended Practice on Charities, SORP2, but consider that an accurate valuation of the trading subsidiary group could not be carried out without unreasonable delay and expense.

2 DIRECTORS REMUNERATION

None of the directors received any remuneration from the company. W R Douglas, N Lessels, M R A Matthews and M J Rowley are directors of the subsidiary and their remuneration is disclosed in the attached statutory financial statements of the subsidiary.

3 NON COTERMINOUS FINANCIAL ACCOUNTING DATES

The financial accounting date of Cruden Foundation Limited is four months later than that of Cruden Investments Limited. This enables the company to ascertain the level of income available from Cruden Investments Limited for the year.

CRUDEN FOUNDATION LIMITED
NOTES ON FINANCIAL STATEMENTS

as at 31 July 2000

4 DEED OF COVENANT

The subsidiary company, Cruden Investments Limited has granted a four year deed of covenant for 5% of its pre tax profits.

No provision has been made for any future income from the deed of covenant, as the directors can not accurately forecast the level of any future profits of the subsidiary.

5 INVESTMENTS

	Subsidiary Company £	Listed Investments £	Total £
At cost:			
Balance as at 31 July 1999	388,942	365,859	754,801
Additions	-	129,712	129,712
Disposal	-	(110,627)	(110,627)
Balance as at 31 July 2000	<u>388,942</u>	<u>384,944</u>	<u>773,886</u>

CRUDEN FOUNDATION LIMITED

APPENDIX 1

NOTES ON FINANCIAL STATEMENTS

as at 31 July 2000

Listed investments at cost comprised: -

		2000 £	1999 £
£15,000	Govett Strategic Investments Trust plc 11 ½ % Debenture Stock 2014	15,738	15,738
£37,500	9% Treasury Stock 2008	-	36,705
£37,500	9% Treasury Stock 2012	37,381	37,381
£20,000	TR City of London Trust 11 ½ % Debenture Stock 2014	19,115	19,115
£15,000	TR City of London Trust 11 ½ % Debenture Stock 2014	15,136	15,136
£24,000	Scottish Mortgage and Trust plc 8% - 14% Stepped Interest Debenture Stock 2020	24,979	24,979
£25,000	8 ½ % Treasury Stock 2007	-	25,501
£29,213	5 ¾ % Treasury Stock 2009	23,810	23,810
£25,000	7 ¾ % Treasury Stock 2006	-	24,857
£25,000	8 ¼ % English & Scottish Investors Stock 2023	24,231	24,231
£25,750	8 ¼ % English & Scottish Investors Stock 2023	24,137	24,137
£23,750	7 ¾ % Treasury Stock 2006	-	23,565
10,800	Shell transport & trading – ordinary shares	40,090	25,013
10,100	Scottish Power – ordinary shares	53,925	25,668
6,000	Smithkline Beecham – ordinary shares	48,221	20,023
11,200	Scottish & Newcastle – ordinary shares	47,562	-
3,000	Vodafone Airtouch – ordinary shares	10,619	-
		<u>384,944</u>	<u>365,859</u>
Aggregate market value		<u>488,460</u>	<u>479,539</u>

CRUDEN FOUNDATION LIMITED

APPENDIX 2

DONATIONS PAID

for the year ended 31 July 2000

	2000	1999
	£	£
Scottish Hospital Endowments Research Trust	7,500	7,500
Scottish Agricultural College Scholarship	6,000	-
Pitlochry Festival Theatre	5,000	5,000
Scottish Cancer Foundation	5,000	5,000
Edinburgh International Festival	2,500	2,500
Edinburgh Common Purpose	2,500	2,350
Dementia Services Development Centre	2,250	-
Edinburgh Headway Group	2,000	2,000
Royal Scottish Academy	2,000	-
Indigent Old Women's Society	1,250	1,400
Edinburgh Campaign and Services for Homeless People	1,100	-
Business-Community Connections Craigmillar and S Edinburgh	1,000	1,000
Lintel Trust	1,000	500
Edinburgh University Children's Holiday Venture	1,000	500
Castlemilk Economic Development Agency	1,000	-
The Queens Hall, Edinburgh	1,000	-
The National Trust for Scotland	1,000	-
Talbot Rice Gallery, University of Edinburgh	1,000	-
Macmillan Cancer Relief	1,000	-
L'Arche	1,000	-
The Dyslexia Institute	1,000	-
Crossroads (Scotland) – Caring for Carers	750	750
Lothian Family Mediation Service	750	750
Modern Studies Educational Trust	750	750
Cruse Bereavement Care – Edinburgh Branch	750	750
Craigmillar Festival Society	750	500
Care for Mission	750	-
Preston Kirk	600	600
Boys & Girls Clubs of Scotland	500	500
Lothian Association of Youth Clubs	500	500
Lothian Marriage Counselling Service	500	500
Scottish Adoption Association	500	500
Scottish Opera	500	500
Lamp of Lothian Collegiate Trust	500	500
Glasgow & South West Scotland Federation of Boys and Girls Clubs	500	500
Royal Society for the Protection of Birds	500	500
YMCA (Edinburgh & Glasgow)	500	500
Edinburgh & Lothians Clubs for Young People	500	500
The Salvation Army	500	500
Edinburgh & Leith Age Concern	500	500
Enable (Scottish Society for the Mentally Handicapped)	500	500
National Association of Youth Orchestras	500	500
Couple Counselling Scotland	<u>500</u>	<u>500</u>
Carry forward	59,700	39,350

CRUDEN FOUNDATION LIMITED

APPENDIX 2

DONATIONS PAID

for the year ended 31 July 2000

	2000	1999
	£	£
Brought forward	59,700	39,350
Artlink	500	500
Redwoods Caring Foundation	500	500
Fairbridge in Scotland	500	500
St Mark's (Rutherglen) Club for the Handicapped	500	250
Scottish Chamber Orchestra	500	-
National Museums of Scotland	500	-
Erskine Hospital – Flying the Flag for Scotland	500	-
Scottish Down's Syndrome Association	500	-
Drumchapel Law & Money Advice Centre	500	-
East Lothian Care and Repair	500	-
Morrison's Academy	500	-
PF Counselling Service	500	-
Deafblind Scotland	500	-
The Scottish Society for Autism	500	-
Disability Scotland	500	-
Marie Curie Cancer Care	500	-
Glasgow and West of Scotland Society for the Blind	500	-
The Eastgate Theatre and Arts Centre, Peebles	500	-
The National Youth Orchestra of Scotland	500	-
Edinburgh & Lothian Council on Alcohol	400	500
Capability Scotland	400	400
Cue & Review	350	350
Scotland's Churches Scheme	350	250
Epilepsy Association of Scotland	300	250
Link Overseas Exchange – India Project Easter 2000	300	-
Penumbra	250	250
Trefoil Centre, Edinburgh	250	250
Rukba, Glasgow	250	250
The Scottish Civic Trust	250	250
Royal Society for Home Relief to Incurables	250	250
Glasgow Council on Alcohol	250	250
One Parent Families Scotland	250	250
Royal Scottish National Orchestra	250	250
Scotland Yard Adventure Centre, Edinburgh	250	250
Leith School of Art	250	500
Youth Clubs of Scotland	250	250
The Project Trust	250	250
Scottish Churches Architectural Heritage Trust	250	250
Edinburgh & Lothian Women's Aid	250	250
Listening Books	250	250
National Schizophrenia Fellowship (Scotland)	<u>250</u>	<u>250</u>
Carry forward	75,300	47,100

CRUDEN FOUNDATION LIMITED

APPENDIX 2

DONATIONS PAID
for the year ended 31 July 2000

	2000	1999
	£	£
Brought forward	75,300	47,100
Lifeline	250	250
Sighthill Youth Centre, Glasgow	250	250
East Lothian Handicapped Children's Playscheme Group	250	250
The Council for Music in Hospitals	250	250
Edinburgh Youth Orchestra Society	250	250
Association for the Protection of Rural Scotland	250	250
YWCA	250	250
The Samaritans	250	250
The Sue Ryder Foundation	250	-
John Muir Trust	250	-
Friends of Sciennes School	250	-
St George's School for Girls, Edinburgh	250	-
Abbeyfield Glasgow Society Limited	250	-
St Clement's and St Ninian's Parish Church, Musselburgh	250	-
Yorkhill Family Bereavement Service	250	-
Scottish Wildlife Trust	250	-
Garvald Centre, Edinburgh	250	-
Musselburgh Museum Committee	250	-
Kickstart	250	-
The Lin Berwick Trust	250	-
Enlighten (Action for Epilepsy)	250	-
Lothian Centre for Integrated Living	250	-
Upper Deeside Music, Ballater	200	200
Edinburgh Family Service Unit	200	200
Home Link, Edinburgh	200	200
Boys Brigade in Scotland	200	200
The Big Issue Foundation Scotland	200	-
Spifox	200	-
Plan International	(200)	-
Magdalene Youth Strategy Project	100	100
Scottish International Children's Festival	100	100
Discovery Camps Trust, Dundee	100	100
Musselburgh District Accommodation for the Handicapped	100	-
WRVS	100	-
Callander Youth Project	100	-
Royal Mile After School Project	100	-
St Giles Renewal Appeal	-	1,000
Lothian Mineworkers Convalescent Home	-	1,000
Royal National Lifeboat Institution	-	1,000
International Reconstructive Plastic Surgery (Ghana) Project	-	500
University of Edinburgh Development Trust	-	500
St Mary's Cathedral Workshop	-	500
McSence Limited	-	500
Rotary Club, Musselburgh	-	350
Carry forward	82,500	55,550

CRUDEN FOUNDATION LIMITED**APPENDIX 2****DONATIONS PAID
for the year ended 31 July 2000**

	2000	1999
	£	£
Brought forward	82,500	55,550
Meningitis Association Scotland	-	350
NCH Action for Children	-	250
John Muir Birthplace Trust	-	250
Age Concern Scotland	-	250
Children 1 st	-	250
South Edinburgh Amenities Group	-	250
Lilybank School, Port Glasgow (Bendrigg Trust)	-	250
Bethany Christian Trust	-	250
Fruitmarket Gallery	-	250
St Aloysius College Children's Fund	-	250
Mansfield Traquair Trust	-	250
Royal Scottish Agricultural Benevolent Institution	-	250
Stirling Youth Theatre	-	100
Serendipity, Edinburgh	-	100
Barony Charitable Trust	-	100
Barnardo's	-	100
West Dunbartonshire Youth Theatre	-	100
	<u>82,500</u>	<u>59,150</u>