

**CRUDEN FOUNDATION LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**

**for the year ended 31 July 2012**

**Charity Number SCO04987**  
**Company Number SC032004**



**WHITELAW WELLS**  
Chartered Accountants & Statutory Auditors  
9 Ainslie Place  
Edinburgh  
EH3 6AT

**CRUDEN FOUNDATION LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**

**for the year ended 31 July 2012**

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**CRUDEN FOUNDATION LIMITED**

**REPORT OF THE DIRECTORS**

**for the year ended 31 July 2012**

The directors, who are also trustees for the purposes of charity law, present their report and the audited financial statements for the year ended 31 July 2012.

**Reference and Administrative Information**

|                                                                  |                                                                                                                                                                                                                                     |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Registered Office<br/>and Principal<br/>Operating Address</b> | Baberton House<br>Juniper Green<br>Edinburgh<br>EH14 3HN                                                                                                                                                                            |
| <b>Charity Number</b>                                            | SCO04987                                                                                                                                                                                                                            |
| <b>Company Number</b>                                            | SC032004                                                                                                                                                                                                                            |
| <b>Directors</b>                                                 | N Lessels (Chairman) (resigned 8 December 2011)<br>J C Rafferty (appointed 10 November 2011 & Chairman from<br>8 December 2011)<br>A Johnston<br>M R A Matthews<br>J G Mitchell<br>K D Reid<br>M J Rowley (Treasurer)<br>D D Walker |
| <b>Secretary</b>                                                 | M J Rowley                                                                                                                                                                                                                          |
| <b>Senior Statutory Auditor</b>                                  | Susan Jarvie                                                                                                                                                                                                                        |
| <b>Statutory Auditors</b>                                        | Whitelaw Wells<br>9 Ainslie Place<br>Edinburgh<br>EH3 6AT                                                                                                                                                                           |
| <b>Bankers</b>                                                   | The Royal Bank of Scotland plc.<br>36 St Andrew Square<br>Edinburgh<br>EH2 2YB                                                                                                                                                      |
| <b>Solicitors</b>                                                | Burness<br>50 Lothian Road<br>Festival Square<br>Edinburgh<br>EH3 9WJ                                                                                                                                                               |
| <b>Investment Advisors</b>                                       | Brewin Dolphin<br>7 Drumsheugh Gardens<br>Edinburgh<br>EH3 7QJ                                                                                                                                                                      |

## **CRUDEN FOUNDATION LIMITED**

### **REPORT OF THE DIRECTORS**

**for the year ended 31 July 2012**

#### **Structure, Governance and Management**

##### Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 1 February 1957 and is recognised as a charity by the Office of the Scottish Charity Regulator. On incorporation, Mr & Mrs Harry Cruden made a gift of the share capital of Crudens Limited to the company.

The company's objects and powers are established under the Memorandum of Association and it is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1 each.

##### Recruitment and Appointment of Directors

In accordance with the company's Articles, the managing director of Cruden Investments Limited is an ex officio member of the board and is not required to retire by rotation.

New directors are recruited by the existing directors on the advice of the Nominations Sub Committee and are appointed by the members at the Annual General Meeting.

Mr M J Rowley and Dr D D Walker retire by rotation and, having been invited by the Nominations Sub Committee and being eligible, offer themselves for re-election.

##### Director Induction and Training

The induction process for any newly appointed director comprises a meeting with the board to discuss grant making, powers and responsibilities of the directors, and the investments.

##### Risk Management

The directors have assessed, and will continue to assess, the major risks to which the charity is exposed, in particular those relating to the fluctuations in the future income from its various investments. However, variability of investment returns on the expendable endowment generally continues to constitute the company's major risk. The directors have therefore chosen an investment policy that will facilitate a more stable income flow and thereby maintain the current level of awards.

##### Organisational Structure

The activities of the company are managed by the directors at three meetings during the year. A Business Committee, which comprises three of the directors, reviews all the applications received for grants. They prepare a list of suggested grants, which are considered by the directors at full board meetings. The secretary has on-going authority to make donations of up to £5,000 in total between meetings. The day-to-day running of the company is carried out by staff of Cruden Investments Limited, as the company has no employees.

## **CRUDEN FOUNDATION LIMITED**

### **REPORT OF THE DIRECTORS**

**for the year ended 31 July 2012**

#### **Objects and Activities**

The object of the company is to support and contribute to charitable institutions for the benefit of the local communities in which they are based.

#### **Grant making policy**

During the year the company received a number of applications from mainly local charities. The policy of the company is to make donations to a wide range of mainly local charities that may have difficulty in securing other funding.

#### **Achievements and Performance**

The company made 190 (2011: 196) grants in the year, of which 8 (2011: 10) were £5,000 or over and 23 (2011: 18) were between £1,001 and £4,999. A detailed list of the grants of over £1,000 is set out in note 3. All grants were paid to charitable institutions. The cumulative total of funds distributed to charities by the company up to 31 July 2012 was £4,350,654 (2011: £4,121,304).

#### **Financial Review**

The incoming resources for the year amounted to £314,772 (2011: £283,706), of which £229,350 (2011: £219,750) was donated to charities and £19,111 (2011: £19,417) related to governance and support costs. In addition, there was a realised gain on investments of £1,217 (2011: gain £14,907) and an unrealised gain on investments of £46,059 (2011: gain £389,612). This resulted in a net increase in funds of £113,587 (2011: increase £449,058) for the year, all of which are unrestricted.

During the year £400,000 (2011: £900,000) of Loan Notes in Cruden Holdings Limited were redeemed and the proceeds invested in various listed investments on the advice of Brewin Dolphin. The total value of listed investments stood at £4,648,018 (2011: £4,200,752) including the unrealised gain at the year end

#### **Reserves Policy**

The reserves fund represents the unrestricted reserves of the charity. The directors are satisfied that the balance of the fund enables them to make ongoing annual donations at a consistent level for the foreseeable future, taking account of possible fluctuations in the stock market and in the major investment in an unlisted company engaged in the construction and development business. The directors have examined the requirements to maintain unrestricted reserves and conclude that they are not excessive, as they are needed to earn sufficient income to cover the envisaged level of annual donations.

## **CRUDEN FOUNDATION LIMITED**

### **REPORT OF THE DIRECTORS**

**for the year ended 31 July 2012**

#### **Investment Policy**

The investment policy is to ensure that the real value of the investment portfolio is not impaired so that future income streams are maintained in real terms.

#### **Plans for Future Periods**

There are unlikely to be further reductions in the remaining shareholding in Cruden Holdings Limited until the balance of the loan notes are redeemed. Any further loan note redemption proceeds will be invested in various listed investments on the advice of Brewin Dolphin.

The company will continue to make charitable grants and donations, the level of which being dependent on investment performance.

#### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with the 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 the affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 2006, the Charities & Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The directors are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**CRUDEN FOUNDATION LIMITED**

**REPORT OF THE DIRECTORS**

**for the year ended 31 July 2012**

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

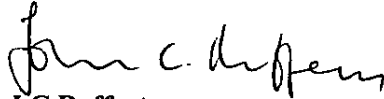
**Auditors**

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

**Small company provisions**

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the trustees on 8 November 2012 and signed on behalf of them by:



**J C Rafferty**  
Director

Baberton House  
Juniper Green  
Edinburgh EH14 3HN

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE DIRECTORS AND MEMBERS OF CRUDEN FOUNDATION LIMITED**

**for the year ended 31 July 2012**

We have audited the financial statements of Cruden Foundation Limited for the year ended 31 July 2012, which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the company's directors, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE DIRECTORS AND MEMBERS OF CRUDEN FOUNDATION LIMITED**

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 or the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime.



**Susan Jarvie** (Senior Statutory Auditor)

for and on behalf of Whitelaw Wells, Statutory Auditor

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

9 Ainslie Place  
Edinburgh  
EH3 6AT

8 November 2012

**CRUDEN FOUNDATION LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating the Income and Expenditure Account**  
**and Statement of Total Recognised Gains and Losses)**

for the year ended 31 July 2012

|                                                                       | Note | 2012<br>£ | 2011<br>£ |
|-----------------------------------------------------------------------|------|-----------|-----------|
| <b>INCOMING RESOURCES</b>                                             |      |           |           |
| <b>Incoming resources from generated funds</b>                        |      |           |           |
| <i>Voluntary income</i>                                               |      |           |           |
| Donations                                                             |      | 57,000    | 57,000    |
| <i>Investment Income</i>                                              |      |           |           |
| Unlisted investment income                                            |      | 100,119   | 105,208   |
| Listed investment income                                              |      | 156,750   | 121,243   |
| Interest receivable                                                   |      | 903       | 255       |
|                                                                       |      | <hr/>     | <hr/>     |
| <b>Total incoming resources</b>                                       |      | 314,772   | 283,706   |
|                                                                       |      | <hr/>     | <hr/>     |
| <b>RESOURCES EXPENDED</b>                                             |      |           |           |
| <b>Cost of generating funds</b>                                       |      |           |           |
| Investment management costs                                           |      | 756       | 847       |
| <b>Charitable activities</b>                                          |      |           |           |
| Grants payable                                                        | 3    | 229,350   | 219,750   |
| Administration of grants                                              |      | 15,000    | 15,000    |
| <b>Governance costs</b>                                               | 4    | 3,355     | 3,570     |
|                                                                       |      | <hr/>     | <hr/>     |
| <b>Total resources expended</b>                                       |      | 248,461   | 239,167   |
|                                                                       |      | <hr/>     | <hr/>     |
| <b>Net incoming resources for year</b>                                |      | 66,311    | 44,539    |
| Realised gains on sale of investments                                 |      | 1,217     | 14,907    |
|                                                                       |      | <hr/>     | <hr/>     |
| <b>Net incoming resources before other recognised gains or losses</b> |      | 67,528    | 59,446    |
| Unrealised gains on revaluation of investments                        | 5    | 46,059    | 389,612   |
|                                                                       |      | <hr/>     | <hr/>     |
| <b>Net movement in funds</b>                                          |      | 113,587   | 449,058   |
| <b>Reconciliation of funds</b>                                        |      |           |           |
| Total funds brought forward                                           | 6    | 5,681,796 | 5,232,738 |
|                                                                       |      | <hr/>     | <hr/>     |
| <b>Total funds carried forward</b>                                    |      | 5,795,383 | 5,681,796 |
|                                                                       |      | <hr/>     | <hr/>     |

All incoming and outgoing resources derive from continuing unrestricted activities.

The notes on pages 11-15 form part of these financial statements.

**CRUDEN FOUNDATION LIMITED**

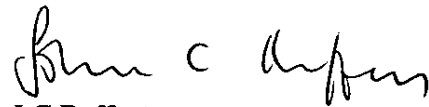
**BALANCE SHEET**

**as at 31 July 2012**

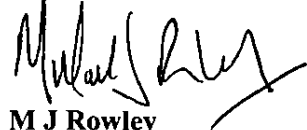
|                                                       | Note | 2012<br>£ | 2011<br>£ |
|-------------------------------------------------------|------|-----------|-----------|
| <b>FIXED ASSETS</b>                                   |      |           |           |
| Investments                                           | 5    | 5,532,862 | 5,485,596 |
| <b>CURRENT ASSETS</b>                                 |      |           |           |
| Cash at bank                                          |      | 254,571   | 191,066   |
| Debtors - dividends receivable                        |      | 14,220    | 11,374    |
|                                                       |      | 268,791   | 202,440   |
| <b>CREDITORS:</b> amounts falling due within one year |      |           |           |
| Accruals                                              |      | (6,270)   | (6,240)   |
| <b>NET CURRENT ASSETS</b>                             |      | 262,521   | 196,200   |
| <b>NET ASSETS</b>                                     |      | 5,795,383 | 5,681,796 |
| <b>RESERVES FUND</b>                                  | 6    |           |           |
| <b>Unrestricted funds</b>                             |      |           |           |
| Expendable endowed capital                            |      | 86,498    | 86,498    |
| Investment revaluation reserve                        |      | 535,721   | 520,136   |
| General fund                                          |      | 5,173,164 | 5,075,162 |
|                                                       |      | 5,795,383 | 5,681,796 |

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Directors on 8 November 2012 and signed on their behalf by:



**J C Rafferty**  
Director



**M J Rowley**  
Director

The notes on pages 11-15 form part of these financial statements.

**CRUDEN FOUNDATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 July 2012**

**1 ACCOUNTING POLICIES**

**a. Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of some investment assets, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2005)", The Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 (as amended), the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006.

**b. Fixed Asset Investments**

Fixed asset investments are stated at market value except for unlisted investments, which are stated at cost as exempted from valuation under SORP para. 297b.

**c. Fund accounting**

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general object of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market value.

**d. Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to the categories of income:

- 'Voluntary income' is received by way of donations and is included in full in the statement of financial activities when receivable.
- 'Investment income' is included when receivable.

**e. Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT, which cannot be recovered, and is reported as part of the expenditure to which it relates.

- 'Cost of generating funds' comprises the costs associated with managing fixed asset investments.
- 'Charitable expenditure' comprises grants payable to beneficiaries and the administration costs of those grants.
- 'Governance costs' include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

**2 DIRECTORS REMUNERATION AND EXPENSES**

None of the directors received any remuneration or reimbursement of expenses during the current or previous year.

**CRUDEN FOUNDATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**for the year ended 31 July 2012**

**3 GRANTS PAYABLE**

|                                                            | <b>Social<br/>Welfare</b> | <b>Medical</b> | <b>Arts</b> | <b>Education</b> | <b>Heritage<br/>Conser-<br/>vation</b> | <b>Total</b>   |
|------------------------------------------------------------|---------------------------|----------------|-------------|------------------|----------------------------------------|----------------|
|                                                            | <b>£</b>                  | <b>£</b>       | <b>£</b>    | <b>£</b>         | <b>£</b>                               | <b>£</b>       |
| Edinburgh International Festival                           |                           |                | 17,500      |                  |                                        | 17,500         |
| Pitlochry Festival Theatre                                 |                           |                | 12,500      |                  |                                        | 12,500         |
| St Columba's Hospice                                       |                           | 11,000         |             |                  |                                        | 11,000         |
| Edinburgh Headway Group                                    |                           | 10,000         |             |                  |                                        | 10,000         |
| Marie Curie Cancer Care Scotland                           |                           | 10,000         |             |                  |                                        | 10,000         |
| The Edinburgh Clothing Store                               | 7,500                     |                |             |                  |                                        | 7,500          |
| Festival City Theatres Trust                               |                           |                | 7,500       |                  |                                        | 7,500          |
| The Prince's Trust – Scotland                              |                           |                |             | 5,000            |                                        | 5,000          |
| The Scottish Cancer Foundation                             |                           | 3,000          |             |                  |                                        | 3,000          |
| Stroke Unit Support, Royal Victoria<br>Hospital, Edinburgh |                           | 3,000          |             |                  |                                        | 3,000          |
| Tommy's – The Baby Charity                                 |                           | 3,000          |             |                  |                                        | 3,000          |
| Edinburgh International Book Festival                      |                           |                | 2,500       |                  |                                        | 2,500          |
| George Watson's Family Foundation                          |                           |                |             | 2,500            |                                        | 2,500          |
| The Queen's Hall, Edinburgh                                |                           |                | 2,500       |                  |                                        | 2,500          |
| Scottish Seabird Centre                                    |                           |                |             | 2,500            |                                        | 2,500          |
| The Edinburgh Academy Foundation                           |                           |                |             | 2,500            |                                        | 2,500          |
| St Andrew's Hospice                                        |                           | 2,500          |             |                  |                                        | 2,500          |
| CrossReach Counselling Lothian<br>Children 1 <sup>st</sup> | 2,000<br>2,000            |                |             |                  |                                        | 2,000<br>2,000 |
| Macmillan Cancer Support                                   |                           | 2,000          |             |                  |                                        | 2,000          |
| Alzheimer Scotland – Action on Dementia                    |                           | 2,000          |             |                  |                                        | 2,000          |
| The Gurkha Welfare Trust                                   | 2,000                     |                |             |                  |                                        | 2,000          |
| North Berwick Christian Youth Trust                        | 2,000                     |                |             |                  |                                        | 2,000          |
| Citizens Theatre                                           |                           |                | 2,000       |                  |                                        | 2,000          |
| Edinburgh Art Festival                                     |                           |                | 1,500       |                  |                                        | 1,500          |
| Scottish Autism                                            |                           | 1,500          |             |                  |                                        | 1,500          |
| Edinburgh International Science Festival                   |                           |                | 1,500       |                  |                                        | 1,500          |
| Glasgow School of Art                                      |                           |                |             | 1,500            |                                        | 1,500          |
| The Open Door                                              | 1,500                     |                |             |                  |                                        | 1,500          |
| The Sick Kids Friends Foundation                           |                           | 1,500          |             |                  |                                        | 1,500          |
| The Council for Music in Hospitals                         |                           |                | 1,200       |                  |                                        | 1,200          |
|                                                            | <hr/>                     | <hr/>          | <hr/>       | <hr/>            | <hr/>                                  | <hr/>          |
|                                                            | 17,000                    | 49,500         | 48,700      | 14,000           | -                                      | 129,200        |
| Grants £1,000 or less                                      | <hr/>                     | <hr/>          | <hr/>       | <hr/>            | <hr/>                                  | <hr/>          |
|                                                            | 49,450                    | 22,800         | 13,650      | 5,250            | 9,000                                  | 100,150        |
| <b>Total grants payable 2012</b>                           | <hr/>                     | <hr/>          | <hr/>       | <hr/>            | <hr/>                                  | <hr/>          |
|                                                            | 66,450                    | 72,300         | 62,350      | 19,250           | 9,000                                  | 229,350        |
| <b>Total grants payable 2011</b>                           | <hr/>                     | <hr/>          | <hr/>       | <hr/>            | <hr/>                                  | <hr/>          |
|                                                            | 84,900                    | 60,250         | 49,300      | 13,250           | 12,050                                 | 219,750        |

No grants were awarded to individuals during the year (2011: £nil).

**CRUDEN FOUNDATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 July 2012**

**4 GOVERNANCE COSTS**

|                                      | <b>2012</b> | <b>2011</b> |
|--------------------------------------|-------------|-------------|
|                                      | <b>£</b>    | <b>£</b>    |
| Auditors' remuneration - audit fees  | 1,920       | 2,154       |
| Costs of meetings and administration | 1,435       | 1,416       |
|                                      | <hr/>       | <hr/>       |
|                                      | 3,355       | 3,570       |
|                                      | <hr/>       | <hr/>       |

**5 INVESTMENTS**

|                                          | <b>Unlisted<br/>Investments<br/>£</b> | <b>Listed<br/>Investments<br/>£</b> | <b>2012<br/>Total<br/>£</b> | <b>2011<br/>Total<br/>£</b> |
|------------------------------------------|---------------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| <b>Investments held at valuation</b>     |                                       |                                     |                             |                             |
| Balance as at 31 July 2011               | 1,200,000                             | 4,200,752                           | 5,400,752                   | 4,997,983                   |
| Additions at cost                        | -                                     | 707,030                             | 707,030                     | 972,307                     |
| Disposals at opening book value          | (400,000)                             | (305,823)                           | (705,823)                   | (959,150)                   |
| Revaluation in year                      | -                                     | 46,059                              | 46,059                      | 389,612                     |
|                                          | <hr/>                                 | <hr/>                               | <hr/>                       | <hr/>                       |
| Balance as at 31 July 2012               | 800,000                               | 4,648,018                           | 5,448,018                   | 5,400,752                   |
| <b>Investments held at cost</b>          |                                       |                                     |                             |                             |
| Balance at 31 July 2011 and 2012         | 84,844                                | -                                   | 84,844                      | 84,844                      |
|                                          | <hr/>                                 | <hr/>                               | <hr/>                       | <hr/>                       |
| <b>Total investments at 31 July 2012</b> | <b>884,844</b>                        | <b>4,648,018</b>                    | <b>5,532,862</b>            | <b>5,485,596</b>            |
|                                          | <hr/>                                 | <hr/>                               | <hr/>                       | <hr/>                       |
| Historical Cost as at 31 July 2012       | 884,844                               | 4,112,296                           | 4,997,140                   | 4,965,460                   |
|                                          | <hr/>                                 | <hr/>                               | <hr/>                       | <hr/>                       |

All investments are UK investments.

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**5 INVESTMENTS (continued)**

Included in the investment portfolio are the following holdings that represent 5% or more of the listed investment portfolio value.

|                             | <b>2012<br/>Market<br/>Value<br/>£</b> |
|-----------------------------|----------------------------------------|
| <u>Listed investments</u>   |                                        |
| Scottish Investment Trust   | 273,122                                |
| Edinburgh Investment Trust  | 256,500                                |
| <u>Unlisted investments</u> |                                        |
| Cruden Holdings Loan Notes  | 800,000                                |

The Cruden Holdings Loan Notes are convertible, unsecured loan notes and carry a coupon of base rate plus a margin which increases by 0.25% each year on 15 March, commencing at 0.25% for the year ended 14 March 2010. The loan notes are redeemable in two equal tranches on 15 March 2013 and 15 March 2018 unless redeemed earlier at the company's option. £400,000 loan notes have been redeemed during the year (2011: £900,000). The loan notes are convertible into Cruden Holdings Ltd 'D' Ordinary shares at the rate of £46.977 loan notes per D share on the occurrence of a Conversion Event which includes inter alia a change of ownership of Cruden Holdings Ltd, an application for a stock exchange listing or a buy back of shares.

**6 MOVEMENT ON FUNDS**

All funds are unrestricted. These are expendable at the discretion of the directors in furtherance of the charity's objects.

|                                       | <b>Expendable<br/>Endowed<br/>Capital<br/>£</b> | <b>Investment<br/>Revaluation<br/>Reserve<br/>£</b> | <b>Total<br/>General<br/>Fund<br/>£</b> | <b>Reserves<br/>Fund<br/>£</b> |
|---------------------------------------|-------------------------------------------------|-----------------------------------------------------|-----------------------------------------|--------------------------------|
| <b>Balance at 31 July 2011</b>        | 86,498                                          | 520,136                                             | 5,075,162                               | 5,681,796                      |
| Incoming resources                    | -                                               | -                                                   | 314,772                                 | 314,772                        |
| Resources expended                    | -                                               | -                                                   | (248,461)                               | (248,461)                      |
| Realised gain/(loss) on investments   | -                                               | (30,474)                                            | 31,691                                  | 1,217                          |
| Unrealised gain/(loss) on investments | -                                               | 46,059                                              | -                                       | 46,059                         |
| <b>Balance at 31 July 2012</b>        | 86,498                                          | 535,721                                             | 5,173,164                               | 5,795,383                      |

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**7 RELATED PARTY TRANSACTIONS**

There were no related party transactions in the year.