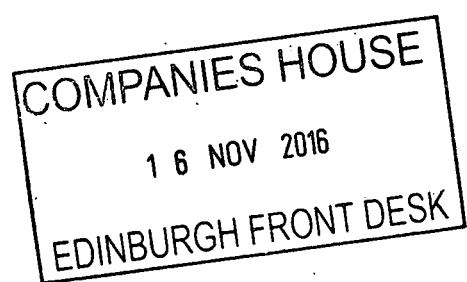


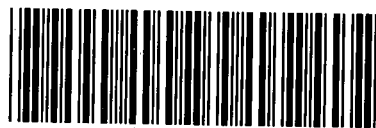
CRUDEN FOUNDATION LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS

for the year ended 31 July 2016

Charity Number SC004987
Company Number SC032004



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CRUDEN FOUNDATION LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
for the year ended 31 July 2016

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CRUDEN FOUNDATION LIMITED

REPORT OF THE DIRECTORS for the year ended 31 July 2016

The directors are pleased to present their Report of the Directors together with the financial statements of the company for the year ending 31 July 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES 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. The principal activity of the charity in meeting its object is the awarding of grants.

Grant making policy

The company's policy is to support mainly Scottish charities. By supporting charities through grant giving, the directors' aim is to provide public benefit, and benefit to society as a whole, by helping to sustain the front line activities of those charities supported. Grants payable during the year are shown in note 4.

ACHIEVEMENTS AND PERFORMANCE

The company made 202 (2015: 207) grants in the year, of which 11 (2015: 16) were £5,000 or over and 15 (2015: 13) were between £2,500 and £4,999. A detailed list of the grants of £2,500 and over is set out in note 4. All grants were paid to charitable institutions. The cumulative total of funds distributed to charities from commencement up to 31 July 2016 was £5,650,894 (2015: £5,324,394).

FINANCIAL REVIEW

The principal source of funding in the year was once again income from listed and unlisted investments, augmented by donations. Total incoming resources for the year amounted to £493,202 (2015: £474,590), of which £326,500 (2015: £369,700) was donated to charities and £39,695 (2015: £39,359) was spent on support costs and governance. In addition, there was a realised gain on investments of £1,104,917 (2015: gain £74,587) and an unrealised gain on investments of £467,444 (2015: gain £305,974). This resulted in a net increase in funds of £1,699,368 (2015: increase £446,092) for the year, all of which are unrestricted.

The total value of listed investments, including the unrealised gain, stood at £7,574,707 (2015: £7,058,618) at the year end. Unlisted investments stood at £1,223,342 (2015: £84,847).

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. The variability of investment returns on the expendable endowment continues to constitute the company's principal 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.

Reserves Policy

The reserves fund, which amounts to £8,947,769 (2015: £7,248,401) 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 investments in an unlisted company engaged in the construction and development sector. The directors have examined the requirements to maintain unrestricted reserves and concluded 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 2016

Investment Policy and Performance

Investment income is the principal source of income. 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. The directors are satisfied that this objective was met during the year.

PLANS FOR FUTURE PERIODS

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

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.

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, Mr K D Reid, 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 MJ Rowley will retire by rotation at the AGM in December 2016. Mr MJ Rowley, having been invited by the Nominations Sub Committee and being eligible, offers himself for re-election.

Director Induction and Training

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

Organisational Structure

The activities of the company are managed by the directors at three meetings during the year. The Secretary reviews all the applications received for grants then prepares 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 Nominations Sub Committee support the main Board and are responsible for assessing, then nominating, new members to the Board.

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 2016

REFERENCE AND ADMINISTRATIVE INFORMATION

Registered Office and Principal Operating Address	Baberton House Juniper Green Edinburgh EH14 3HN
Charity Number	SC004987
Company Number	SC032004
Directors	J C Rafferty (Chairman) A Johnston K D Reid M J Rowley (Treasurer)
Secretary	M J Rowley
Senior Statutory Auditor	Kevin Cattanach
Independent Auditors	Whitelaw Wells 9 Ainslie Place Edinburgh EH3 6AT
Bankers	The Royal Bank of Scotland plc. 36 St Andrew Square Edinburgh EH2 2AD
Solicitors	Burness Paull LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ
Investment Advisors	Brewin Dolphin 6 th Floor Atria One 144 Morrison Street Edinburgh EH3 8EX

CRUDEN FOUNDATION LIMITED

REPORT OF THE DIRECTORS for the year ended 31 July 2016

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.

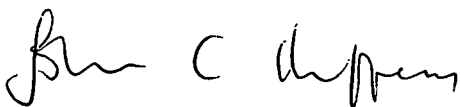
Statement as to disclosure of information to auditors

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.

Small company provisions

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (effective 1 January 2015) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the directors on 9 November 2016 and signed on behalf of them by:



J C Rafferty
Director

Baberton House
Juniper Green
Edinburgh
EH14 3HN

CRUDEN FOUNDATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS for the year ended 31 July 2016

We have audited the financial statements of Cruden Foundation Limited for the year ended 31 July 2016, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account and Statement of Total Recognised Gains and Losses), the Balance Sheet, Statement of Cash Flows and the related notes. . The financial reporting framework that has been applied in their preparation is applicable law and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

CRUDEN FOUNDATION LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS
for the year ended 31 July 2016**

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 2016 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors' remuneration specified by law are not made;
- 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 and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Kevin Cattnach (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

CRUDEN FOUNDATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(including the Income and Expenditure Account)
for the year ended 31 July 2016

	Note	Total Funds 2016 £	Total Funds 2015 £
INCOME AND ENDOWMENTS FROM:			
<i>Donations</i>		30,000	30,000
<i>Investments</i>			
Unlisted investment income		248,075	230,368
Listed investment income		215,028	214,132
Interest receivable		99	90
Total income		493,202	474,590
EXPENDITURE ON:			
Raising funds			
Investment management costs		21,440	21,189
Charitable activities			
Grants payable	4	326,500	369,700
Support costs	3	18,255	18,170
Total expenditure		366,195	409,059
Net income before gains and losses on investments		127,007	65,531
Realised gains on sale of investments		1,104,917	74,587
Unrealised gains on revaluation of investments	5	467,444	305,974
Net income and movement in funds for the year		1,699,368	446,092
Reconciliation of funds	7		
Total funds brought forward		7,248,401	6,802,309
Total funds carried forward		8,947,769	7,248,401

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure in both the current and previous year derive from continuing unrestricted activities.

The notes on pages 11 to 16 form part of these financial statements.

CRUDEN FOUNDATION LIMITED

BALANCE SHEET
as at 31 July 2016

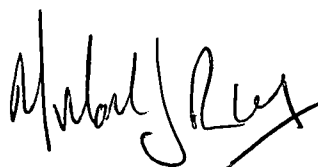
	Note	2016 £	2015 £
FIXED ASSETS			
Investments	5	8,798,049	7,143,465
CURRENT ASSETS			
Cash at bank		144,964	111,795
Prepayments and accrued income		12,115	470
		157,079	112,265
CREDITORS: amounts falling due within one year			
Accruals		(7,359)	(7,329)
NET CURRENT ASSETS		149,720	104,936
NET ASSETS	8	8,947,769	7,248,401
RESERVES FUND	7		
Unrestricted funds			
Expendable endowed capital		86,498	86,498
Investment revaluation reserve		1,940,444	1,414,534
General fund		6,920,827	5,747,369
		8,947,769	7,248,401

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 with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Approved by the Board of Directors on 9 November 2016 and signed on their behalf by:



J C Rafferty
Director



M J Rowley
Director

The notes on pages 11 to 16 form part of these financial statements.

CRUDEN FOUNDATION LIMITED

STATEMENT OF CASH FLOWS
for the year ended 31 July 2016

	Note	2016 £	2015 £
Net cash used in operating activities		(347,810)	(378,625)
Cash flows from investing activities:			
Interest received		99	90
Dividends received		463,103	444,500
Acquisition of listed investments		(390,767)	(1,157,244)
Disposal proceeds of listed investments		308,544	1,102,820
Net cash provided by investing activities		380,979	390,166
Change in cash and cash equivalents in the year		33,169	11,541
Cash and cash equivalents at 1 August 2015		111,795	100,254
Cash and cash equivalents at 31 July 2016	6	144,964	111,795

**RECONCILIATION OF NET INCOME / (EXPENDITURE)
TO NET CASH FLOW FROM OPERATING ACTIVITIES**

Net income for the year <i>(as per the Statement of Financial Activities)</i>	1,699,368	446,092
Adjustments for:		
Interest received	(99)	(90)
Dividends received	(463,103)	(444,500)
(Increase)/decrease in debtors	(11,645)	77
Increase in creditors	30	357
Gains on investments	(1,572,361)	(380,561)
Net cash used in operating activities	(347,810)	(378,625)

The notes on pages 11 to 16 form part of these financial statements.

CRUDEN FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2016

1 ACCOUNTING POLICIES

a. Basis of accounting

The accounts have been prepared under the historical cost convention, unless otherwise stated, and are in accordance with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

The charity constitutes a public benefit entity as defined by FRS 102.

The Directors consider that there are no material uncertainties about the ability of the charity to continue as a going concern for the foreseeable future. Accordingly, the accounts have been prepared on a going concern basis.

b. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Directors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/ (expenditure) for the year is provided with net income/(expenditure) under the previous GAAP adjusted for the presentation of investment gains as a component of reported income.

Reconciliation of reported net income	£
Net income as previously stated	65,531
Adjustment for gains/(losses) on investments now treated as a component of net income	380,561
2015 net income as restated	446,092

c. Fixed asset investments

Listed fixed asset investments are stated at fair value, which is deemed to be the same as market value, at the balance sheet date and the gain or loss recognised in the Statement of Financial Activities.

Loan notes are stated at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows over the life of the financial asset or liability to the net carrying amount on initial recognition. Other unlisted investments are stated at cost, as the directors consider that the cost of a formal valuation each year is disproportionate to the benefit derived.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of the investors to investment risk, and changes in sentiment concerning equities and within particular sectors and sub sectors.

d. 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 to market value.

CRUDEN FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2016

1 ACCOUNTING POLICIES (*continued*)

e. **Income**

All income is 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:

- ‘Donations’ are included in full in the statement of financial activities when receivable.
- ‘Investment income’ is included when receivable.

f. **Expenditure**

Expenditure is recognised as a liability is incurred and is allocated directly to one of the expenditure categories on the Statement of Financial Activities. Expenditure includes any VAT, which cannot be recovered and is reported as part of the expenditure to which it relates.

- ‘Cost of raising funds’ comprises the costs associated with managing fixed asset investments.
- ‘Charitable expenditure’ comprises grants payable to beneficiaries and the support costs of those grants. The charity has a policy of not awarding grants for future periods. Accordingly, grants are recognised in the Statement of Financial Activities when payable.
- ‘Support costs’ include costs associated with the administration of grants and governance 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.

g. **Debtors**

Debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

h. **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

i. **Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

j. **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of loan notes, which are subsequently measured at amortised cost using the effective interest method, and listed investments, which are subsequently measured at fair value. Financial assets comprise cash, investments and debtors and financial liabilities comprise creditors.

The charity does not acquire put options, derivatives or other complex financial instruments.

2 **STAFF COSTS AND DIRECTORS’ REMUNERATION AND EXPENSES**

The charity has no employees. Administration of the grant payments is carried out by a third party, for which an administration fee is paid. The directors believe this is the most appropriate option for the charity, as it avoids the cost and the legal and administrative burden of taking on employees and running a payroll. The charity has one activity, namely grant making.

The directors are the key management personnel of the charity. None of the directors received any remuneration or reimbursement of expenses during the current or previous years.

CRUDEN FOUNDATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2016**

3 SUPPORT COSTS

	2016	2015
	£	£
Administration of grants	15,000	15,000
<u>Governance costs:</u>		
Auditors' remuneration - audit fee	2,010	2,070
Costs of meetings and administration	1,245	1,100
	18,255	18,170

4 GRANTS PAYABLE

	Social Welfare	Medical	Arts	Education	Heritage Conser- vation	Total
	£	£	£	£	£	£
Royal College of Physicians and Surgeons of Glasgow	-	20,000	-	-	-	20,000
Edinburgh International Festival	-	-	20,000	-	-	20,000
The Cure Parkinson's Trust	-	15,000	-	-	-	15,000
Pitlochry Festival Theatre	-	-	12,500	-	-	12,500
Marie Curie Cancer Care	-	12,000	-	-	-	12,000
Edinburgh Headway Group	-	10,000	-	-	-	10,000
The Edinburgh Clothing Store	10,000	-	-	-	-	10,000
Festival City Theatres Trust	-	-	10,000	-	-	10,000
The Queen's Hall, Edinburgh	-	-	10,000	-	-	10,000
Maggie's Cancer Caring Centres – Edinburgh	-	5,000	-	-	-	5,000
Scottish Ballet	-	-	5,000	-	-	5,000
Edinburgh International Book Festival	-	-	3,500	-	-	3,500
George Watsons's Family Foundation	-	-	-	3,000	-	3,000
Scottish Seabird Centre	-	-	-	3,000	-	3,000
Scottish Opera	-	-	3,000	-	-	3,000
St Andrew's Hospice	-	3,000	-	-	-	3,000
Alzheimer Scotland – Action on Dementia	-	3,000	-	-	-	3,000
St Columba's Hospice	-	3,000	-	-	-	3,000
Winning Scotland Foundation	-	-	-	3,000	-	3,000
The Prince's Trust – Scotland	2,500	-	-	-	-	2,500
Bobath Scotland	-	2,500	-	-	-	2,500
Royal Lyceum Theatre Company	-	-	2,500	-	-	2,500
Royal Scottish National Orchestra	-	-	2,500	-	-	2,500
Children 1 st	2,500	-	-	-	-	2,500
Children's Hospice Association Scotland "CHAS"	-	2,500	-	-	-	2,500
Macmillan Cancer Support	-	2,500	-	-	-	2,500
Grants less than £2,500	69,750	44,000	16,750	14,000	10,500	155,000
Total grants payable 2016	84,750	122,500	85,750	23,000	10,500	326,500
Total grants payable 2015	89,500	143,700	83,000	26,500	27,000	369,700

No grants were awarded to individuals during the year (2015: £nil).

CRUDEN FOUNDATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2016**

5 INVESTMENTS

	Unlisted Investments £	Listed Investments £	2016 Total £	2015 Total £
Investments held at valuation				
Balance as at 31 July 2015	-	7,058,618	7,058,618	6,623,633
Additions at cost	-	390,767	390,767	1,157,244
Disposal proceeds	-	(308,544)	(308,544)	(1,102,810)
Unrealised gain	-	467,444	467,444	305,974
Realised (loss)/gain	-	(33,578)	(33,578)	74,587
Balance as at 31 July 2016	-	7,574,707	7,574,707	7,058,618
Investments held at cost/amortised cost				
Balance at 31 July 2015	84,847	-	84,847	84,847
Additions	1,172,516	-	1,172,516	-
Disposal proceeds	(34,021)	-	(34,021)	-
Total investments at 31 July 2016	1,223,342	7,574,707	8,798,049	7,143,465
Historical Cost as at 31 July 2016	1,223,342	5,634,264	6,857,606	5,728,931

All investments are UK investments.

Listed investments

Listed investments are carried at their fair value. Investments are all in traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of the financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and the Report of the Directors.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of the investors to investment risk, and changes in sentiment concerning equities and within particular sectors and sub sectors, particularly as the charity is reliant on the dividend yield in part to finance its work.

The charity has managed the investment risks by drawing on the experience of the Board of Directors and by engaging a professional investment advisor to operate an investment policy that provides a high degree of diversification of holdings within a range of investment asset classes. The charity does not make use of derivatives and other similar complex financial instruments.

CRUDEN FOUNDATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2016

5 INVESTMENTS (continued)

Unlisted investments

Cruden Holdings Loan Notes	1,172,516
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Following a capital reconstruction, the company entered into a share buyback agreement in exchange for floating rate unsecured loan notes 2022 in Cruden Holdings Limited. Cruden Holdings Limited is registered in Scotland and is a holding company of subsidiaries engaged in the construction and development sector.

The rate of interest on the Loan Notes for each Interest Period up to and including that ending on 31 July 2022 will be equal to base rate plus a margin of 2% per annum. The loan notes are redeemable on 31 July 2022, with one half redeemable on 31 July 2019 unless redeemed earlier at the company's option.

6 CASH AND CASH EQUIVALENTS

	At 1 August 2015 £	Cash flow £	At 31 July 2016 £
Instant access bank deposits	111,795	33,169	144,964

7 MOVEMENT ON FUNDS

	Expendable Endowed Capital £	Investment Revaluation Reserve £	General Fund £	Total Reserves Fund £
Balance at 31 July 2015	86,498	1,414,534	5,747,369	7,248,401
Income	-	-	493,202	493,202
Expenditure	-	-	(366,195)	(366,195)
Realised gain on investments	-	1,104,917	-	1,104,917
Unrealised gain on investments	-	467,444	-	467,444
Transfers between funds on realisation of investments	-	(1,046,451)	1,046,451	-
Balance at 31 July 2016	86,498	1,940,444	6,920,827	8,947,769

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

The investment revaluation reserve represents the difference between the original cost and the book value of investments.

CRUDEN FOUNDATION LIMITED

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8 ANALYSIS OF NET ASSETS BY FUND

	Expendable Endowed Capital £	Investment Revaluation Reserve £	General Fund £	Total Reserves Fund £
Investments	86,498	1,940,444	6,771,107	8,798,049
Net current assets	-	-	149,720	149,720
	86,498	1,940,444	6,920,827	8,947,769

9 RELATED PARTY TRANSACTIONS

There were no transactions with related parties such as require to be disclosed in the financial statements. No one individual had control of the charity in the current or previous years.