

Company No. SC209552

**PRINCES EXCHANGE FOUNDATION
REPORT AND FINANCIAL STATEMENTS**

Year ended 31st July 2012

Scottish Charity No: SC030452



Whitelaw Wells
Chartered Accountants
9 Ainslie Place
Edinburgh
EH3 6AT

PRINCES EXCHANGE FOUNDATION

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PRINCES EXCHANGE FOUNDATION

DIRECTORS' ANNUAL REPORT

Year ended 31 July 2012

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

Company Number	SC209552
Directors/Trustees	Douglas Connell Robert Turcan Simon Mackintosh Robin Fulton Ian Clark
Company Secretary	Turcan Connell Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE
Address and Registered Office	Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE
Independent Examiner	David Main CA Whitelaw Wells Chartered Accountants 9 Ainslie Place Edinburgh EH3 6AT
Bankers	Bank of Scotland New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN
Solicitors	Turcan Connell Princes Exchange 1 Earl Grey Street Edinburgh EH3 9EE

PRINCES EXCHANGE FOUNDATION

DIRECTORS' ANNUAL REPORT

Year ended 31 July 2012

The Directors and their interests

The Directors who held office during the year ended 31st July 2012 were as follows:

Robert Turcan
Douglas Connell
Ian Clark
Robin Fulton
Simon Mackintosh

Each Director has undertaken to contribute an amount not exceeding £1 to the assets of the company in the event of its being wound up.

Structure and governance

Founding Document

Memorandum and Articles of Association dated 24th July 2000.

Appointment of new Directors

Power to appoint new Directors is reserved to the Directors in office.

Director Induction and Training

By virtue of their positions as partners in Turcan Connell, the Directors keep abreast of issues relating to their duties and responsibilities as charity trustees, charity law in general and other areas of the law as necessary.

Risk Management

The Directors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Foundation and are satisfied that systems are in place to mitigate the exposure to the major risks.

Organisational Structure

The Directors meet on a regular basis and are all actively involved in any strategy and decision making processes. The day-to-day administration of the Foundation is carried out by Turcan Connell solicitors at no cost.

Related Parties

The Directors are all partners in Turcan Connell, the solicitors who provide administrative services for the Foundation. During the year no fees (2011: £876.75) were paid to Turcan Connell for administration and accounting services in connection with some of the restricted funds.

Objectives and activities

The objectives of the Foundation are to benefit purposes, objects and institutions charitable in law. The principal activity of the Foundation is to act as a general grant making trust.

PRINCES EXCHANGE FOUNDATION

DIRECTORS' ANNUAL REPORT

Year ended 31 July 2012

Achievements and performance

The Foundation continued to receive donations and to make grants to causes where the Foundation felt that the need for funds was greatest, or most closely connected to the purpose of restricted donations received and, where possible, in a manner consistent with any wishes expressed by donors.

Financial review

Financial Review

During the year £457,183.99 (2011: £200,686.11) of donations were received by the Foundation and £210,541.44 (2011: £379,382.71) was paid out or committed to nominated charities.

Investment Policy

There are no free reserves available for investment. The restricted funds held on behalf of the Foundation are held in interest bearing accounts and any interest is applied to those funds.

Reserves Policy

All of the administration costs of the company are met by Turcan Connell solicitors and as such the company requires no free reserves.

Plans for future periods

The Foundation plans to continue its principal activity as outlined above.

Directors' responsibilities

The Directors are responsible for preparing the Directors' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis, unless it is inappropriate to assume that the charitable company will continue on that basis.

PRINCES EXCHANGE FOUNDATION

DIRECTORS' ANNUAL REPORT

Year ended 31 July 2012

Directors' responsibilities (cont'd)

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

This report is prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Accounts Preparation

The Directors confirm that the accounts for the year ended 31 July 2012 have been prepared so as to comply with current statutory requirements, the charity SORP and the company's own governing document.

This report was approved by the Board of Directors on 22 Nov 2013 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Douglas Connell', written over a dotted line.

Douglas Connell

PRINCES EXCHANGE FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PRINCES EXCHANGE FOUNDATION

I report on the financial statements for the year ended 31 July 2012 set out on pages 7 to 12.

Respective responsibilities of the Trustees and the Independent Examiner

The charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity's Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

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

- 1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44 (1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulationshave not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name:

David Main

David Main CA
Whitelaw Wells
Chartered Accountants and Statutory Auditors
9 Ainslie Place
Edinburgh
EH3 6AT

Date:

22/03/13

PRINCES EXCHANGE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 July 2012

	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Incoming Resources				
<u>Incoming resources from generated funds:</u>				
<i>Voluntary Income</i>				
Donations	960.00	456,223.99	457,183.99	200,686.11
<i>Investment Income</i>				
Bank interest received	-	136.72	136.72	283.40
Total incoming resources available for charitable application	960.00	456,360.71	457,320.71	200,969.51
Resources Expended				
<u>Charitable Activities</u>	-	210,546.44	210,546.44	380,286.46
<u>Governance</u>	960.00	-	960.00	900.00
Total resources expended	960.00	210,546.44	211,506.44	381,186.46
Net movement in funds for the year	-	245,814.27	245,814.27	(180,216.95)
Balance brought forward	-	115,524.12	115,524.12	295,741.07
Balance carried forward	-	361,338.39	361,338.39	115,524.12

The Charity has no recognised gains or losses other than the results for the year set out above.

All activities of the Charity are classed as continuing.

The notes on pages 9 to 13 are an integral part of these financial statements.

PRINCES EXCHANGE FOUNDATION

BALANCE SHEET

As at 31 July 2012

	Note	2012 £	2011 £
Current assets:			
Debtors and accrued income	4	999.76	1,892.50
Cash at bank and in hands of agent		411,561.13	114,794.12
		412,560.89	116,686.62
Creditors: amounts falling due within one year	5	51,222.50	1,162.50
Total assets less current liabilities		361,338.39	115,524.12
Net assets		361,338.39	115,524.12
Represented by:			
Unrestricted funds		-	-
Restricted funds		361,338.39	115,524.12

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for year ended 31 July 2012.

The members have not required the company to obtain an audit of financial statements for the year ended 31 July 2012 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006.
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for each financial year in accordance with the requirement of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 Small Entities (effective April 2008). Approved by the Board on 22 Nov 2013 and are signed on their behalf by:



 Douglas Connell

The notes on pages 9 to 13 are an integral part of these accounts.

PRINCES EXCHANGE FOUNDATION
NOTES ON FINANCIAL STATEMENTS

for the year ended 31 July 2012

1. Accounting policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and Accounting and Reporting by Charities; Statement of Recommended Practice issued in March 2005.

Fund Accounting

Unrestricted funds represent the free funds of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

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 are applied to particular 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.

Resources expended

Expenditure is recognised on an accruals basis and recognized in full as soon as an obligation arises.

- Governance costs

Governance costs includes independent examination fees.

- Grants and donations

Grants authorized to be paid in respect of the accounting year or future years are provided for in the accounts.

VAT

The charity is not registered for VAT purposes and all VAT incurred is therefore irrecoverable. Where applied, VAT is included as part of the expense.

PRINCES EXCHANGE FOUNDATION
NOTES ON FINANCIAL STATEMENTS

For the year ended 31 July 2012

2. Incoming Resources

	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Donations (including tax reclaimed where applicable)				
Turcan Connell	960.00	-	960.00	900.00
M Shea Bursary Fund	-	35.58	35.58	15.00
Wojtek Fund	-	25.97	25.97	418.50
The Leuchie Project Fund	-	52.40	52.40	318.75
The Lydia Osteoporosis Project**	-	89,060.59	89,060.59	184,678.86
The Duncan Hospital Fund	-	83.00	83.00	14,355.00
Theo Wye Fund**	-	10,766.45	10,766.45	-
The Orr Fund	-	100,000.00	100,000.00	-
The Hitchman Fund	-	8,700.00	8,700.00	-
The Marni Robertson Fund	-	12,500.00	12,500.00	-
The Gordon Small Fund	-	235,000.00	235,000.00	-
	960.00	456,223.99	457,183.99	200,686.11

**Shares gifted to Princes Exchange Foundation but then sold. Net proceeds as above.

3. Charitable Activities

Donations	2012 Total £	2011 Total £
<u>Institutions</u>		
The Edinburgh University	-	6,224.45
The Lydia Osteoporosis Project (Queen Margaret University)	86,465.00	184,635.00
Maybole Parish Church	-	188,526.26
Leuchie House	371.41	-
St George's University	100,000.00	-
Duncan Hospital Charitable Trust	14,446.41	-
Wojtek Memorial Fund	558.01	-
Delphian Records Ltd – The Insomnia Project	8,700.61	-
	210,541.44	379,382.71
Support Costs		
Turcan Connell administration/bank charges	5.00	903.75

PRINCES EXCHANGE FOUNDATION
NOTES ON FINANCIAL STATEMENTS
for the year ended 31 July 2012

4. Debtors		
Turcan Connell	960.00	900.00
Accrued bank interest	39.76	18.75
Gift Aid	-	973.75
	999.76	1,892.50

5. Creditors: amounts falling due within one year	2012 Total £	2011 Total £
Accruals – independent examination fee	960.00	900.00
HMRC – Repayment of Gift Aid	262.50	262.50
Grants payable – St George’s University	50,000.00	-
	51,222.50	1,162.50

6. Movements in funds	At 1 August 2011 £	Incoming Resources £	Outgoing Resources £	At 31 July 2012 £
Restricted funds				
Anonymous – Fund 1	90.13	1.07	-	91.20
Leuchie Project Fund	318.81	52.62	(371.41)	0.02
Duncan Hospital Fund	14,358.86	87.55	(14,446.41)	-
Lydia Osteoporosis Project	31.86	89,061.39	(86,470.00)	2,623.25
Mackenzie Fund	100,177.47	58.25	(100,000.00)	235.72
M Shea Bursary Fund	15.00	35.58	-	50.58
Wojtek Fund	531.99	26.02	(558.01)	-
Theo Wye Fund	-	10,769.79	-	10,769.79
The Orr Fund	-	100,040.36	-	100,040.36
The Hitchman Fund	-	8,700.61	(8,700.61)	-
The Marni Robertson Fund	-	12,500.55	-	12,500.55
The Gordon Small Fund	-	235,026.92	-	235,026.92
	115,524.12	456,360.70	(210,546.44)	361,338.39
Unrestricted funds				
General fund	-	960.00	(960.00)	-
Total funds	115,524.12	457,320.71	(211,506.44)	361,338.39

PRINCES EXCHANGE FOUNDATION

NOTES ON FINANCIAL STATEMENTS

for the year ended 31 July 2012

Restricted funds

Anonymous –Fund 1	Funds held on behalf of individuals who wish to remain anonymous to the charities they support.
Leuchie Project Fund	Donations to support the running of respite care facilities at Leuchie House in North Berwick.
Duncan Hospital Fund	Funds donated for the purpose of benefiting the Duncan Hospital in India.
Lydia Osteoporosis Project	Funding to support the Lydia Osteoporosis Project – specialised research into reducing the risk of accidental injury to patients with osteoporosis as a result of moving and handling by health care staff.
Mackenzie Fund	Funds donated by the estate of the late Ronald Mackenzie to be used to fund research into a rare form of lymphodema known as Yellow Nail Syndrome.
M Shea Bursary Fund	Funds donated in memory of the late Dr. Michael Shea to create a bursary fund to be awarded each year to a deserving final year student or recent graduate hoping to enter the singing profession, run in conjunction with Schola Cantorum of Edinburgh.
Wojtek Fund	Donations towards the erection of a memorial or memorials to Wojtek the Soldier Bear, being constructed by the Wojtek Memorial Fund, and for related purposes.
Theo Wye Fund	A donation from Mr Theodore Wye for general charitable purposes. The Directors have not yet identified a purpose for the funds but will seek to do so in line with any wishes which the donor may express, as appropriate.
The Orr Fund	Donations received to be used for the benefit of the Lyric Theatre, Hammersmith, or related projects.
The Hitchman Fund	Funds are to be used to support the Insomnia Project for the advancement of the arts and culture through the creation of a recording of classical works rarely performed and/or in a unique programme arrangement.
The Marni Robertson Fund	To be used for projects relating to the advancement of alternative therapy undertaken by various charitable bodies.
The Gordon Small Fund	Funds transferred from Gordon Edward Small's Charitable Trust as that charity is winding up and to be used to support the Scottish Prison Project (administered by The Sutherland Trust). If the Scottish Prison Project does not go ahead then funds must be made over to The Salvation Army.

PRINCES EXCHANGE FOUNDATION
NOTES ON FINANCIAL STATEMENTS

for the year ended 31 July 2012

7. Directors Remuneration

No director received remuneration or was reimbursed any expenses.

8. Corporation Tax

The charitable company is exempt from corporation tax on its charitable activities.

9. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Current assets	960.00	411,600.89	412,560.89
Current liabilities	(960.00)	(50,262.50)	(51,222.50)
Net assets at 31 July 2012	-	361,338.39	361,338.39

10. Company Limited by Guarantee

The members have each agreed to contribute £1 in the event of the company being wound up.