

**CRUDEN FOUNDATION LIMITED**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS**

**for the year ended 31 July 2018**

**Charity Number SC004987  
Company Number SC032004**

**CRUDEN FOUNDATION LIMITED**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS**

**for the year ended 31 July 2018**

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# CRUDEN FOUNDATION LIMITED

## REPORT OF THE DIRECTORS for the year ended 31 July 2018

The directors are pleased to present their Report together with the financial statements of the company for the year ending 31 July 2018 which are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes and trustees' report and accounts for Charity Law 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 208 (2017: 213) grants in the year, of which 16 (2017: 11) were £5,000 or over and 18 (2017: 20) 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 2018 was £6,344,077 (2017: £5,977,073).

### FINANCIAL REVIEW

The principal source of funding in the year was once again income from listed and unlisted investments, augmented by donations. Total income for the year amounted to £815,310 (2017: £680,036), of which £367,004 (2017: £326,179) was donated to charities and £62,994 (2017: £49,452) was spent on support costs and governance. In addition, there was a realised loss on investments of £119,785 (2017: £7,442) and an unrealised gain on investments of £353,423 (2017: £757,238). This resulted in a net increase in funds of £618,950 (2017: £1,054,201) for the year, all of which are unrestricted.

The total value of listed investments, including the unrealised gain, stood at £9,459,535 (2017: £8,802,981) at the year end. Unlisted investments stood at £823,342 (2017: £1,023,342).

#### 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.

# CRUDEN FOUNDATION LIMITED

## REPORT OF THE DIRECTORS for the year ended 31 July 2018

### **Reserves Policy**

The reserves fund, which amounts to £10,620,920 (2017: £10,001,970) 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 investments in an unlisted company engaged in the construction and development sectors. 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.

### **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 M Rowley will retire by rotation at the AGM in December 2018. Mr M 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 and 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 2018**

**REFERENCE AND ADMINISTRATIVE INFORMATION**

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

# CRUDEN FOUNDATION LIMITED

## REPORT OF THE DIRECTORS for the year ended 31 July 2018

### 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.

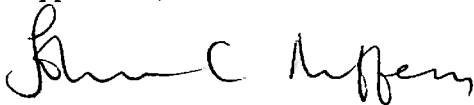
#### Statement as to disclosure of information to auditors

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 (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 13 November 2018 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 MEMBERS AND DIRECTORS for the year ended 31 July 2018

We have audited the financial statements of Cruden Foundation Limited for the year ended 31 July 2018, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Opinion**

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 2018 and of its net income or 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **CRUDEN FOUNDATION LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS for the year ended 31 July 2018**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.



**CRUDEN FOUNDATION LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS  
for the year ended 31 July 2018**

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



Kevin Cattnach (Senior Statutory Auditor)  
for and on behalf of Whitelaw Wells  
Statutory Auditor  
9 Ainslie Place  
Edinburgh  
Midlothian  
EH3 6AS

13 November 2018

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**CRUDEN FOUNDATION LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES  
(including the Income and Expenditure Account)  
for the year ended 31 July 2018**

	Note	Total Funds 2018 £	Total Funds 2017 £
<b>INCOME AND ENDOWMENTS FROM:</b>			
<i>Donations</i>		30,000	30,000
<i>Investments</i>			
Unlisted investment income		532,245	391,993
Listed investment income		252,714	257,848
Interest receivable		351	195
		<hr/>	<hr/>
<b>Total income</b>		815,310	680,036
		<hr/>	<hr/>
<b>EXPENDEDITURE ON:</b>			
<b>Raising funds</b>			
Investment management costs		27,604	25,029
<b>Charitable activities</b>			
Grants payable	4	367,004	326,179
Support costs	3	35,390	24,423
		<hr/>	<hr/>
<b>Total expenditure</b>		429,998	375,631
		<hr/>	<hr/>
<b>Net income before gains and losses on investments</b>		385,312	304,405
Realised losses on sale of investments	5	(119,785)	(7,442)
Unrealised gains on revaluation of investments	5	353,423	757,238
		<hr/>	<hr/>
<b>Net income and movement in funds for the year</b>		618,950	1,054,201
		<hr/>	<hr/>
<b>Reconciliation of funds</b>	7		
Total funds brought forward		10,001,970	8,947,769
		<hr/>	<hr/>
<b>Total funds carried forward</b>		10,620,920	10,001,970
		<hr/> <hr/>	<hr/> <hr/>

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 12 to 18 form part of these financial statements.

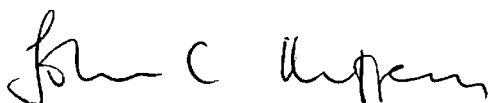
**CRUDEN FOUNDATION LIMITED**

**BALANCE SHEET  
as at 31 July 2018**

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Investments	5	10,282,877	9,826,323
<b>CURRENT ASSETS</b>			
Cash at bank	6	347,618	188,401
Prepayments and accrued income		562	495
		348,180	188,896
<b>CREDITORS: amounts falling due within one year</b>			
Accruals		(10,137)	(13,249)
<b>NET CURRENT ASSETS</b>		338,043	175,647
<b>NET ASSETS</b>	8	10,620,920	10,001,970
<b>RESERVES FUND</b>			
<b>Unrestricted funds</b>			
Expendable endowed capital		86,498	86,498
Investment revaluation reserve		2,749,670	2,576,187
General fund		7,784,752	7,339,285
		10,620,920	10,001,970

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 13 November 2018 and signed on their behalf by:



**J C Rafferty**  
Director



**M J Rowley**  
Director

The notes on pages 12 to 18 form part of these financial statements.

**CRUDEN FOUNDATION LIMITED**

**STATEMENT OF CASH FLOWS  
for the year ended 31 July 2018**

	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Net cash used in operating activities</b>		<u>(403,177)</u>	<u>(328,121)</u>
<b>Cash flows from investing activities:</b>			
Interest received		351	195
Dividends received		784,959	649,841
Acquisition of listed investments		(1,412,471)	(781,816)
Disposal proceeds of listed investments		989,555	303,338
Disposal proceeds of unlisted investments		200,000	200,000
		<u>562,394</u>	<u>371,558</u>
<b>Net cash provided by investing activities</b>			
		<u>562,394</u>	<u>371,558</u>
<b>Change in cash and cash equivalents in the year</b>		159,217	43,437
Cash and cash equivalents at 1 August 2017		188,401	144,964
		<u>188,401</u>	<u>144,964</u>
<b>Cash and cash equivalents at 31 July 2018</b>	6	<u>347,618</u>	<u>188,401</u>
 <b>RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net income for the year</b>		618,950	1,054,201
<i>(as per the Statement of Financial Activities)</i>			
<b>Adjustments for:</b>			
Interest received		(351)	(195)
Dividends received		(784,959)	(649,841)
(Increase)/decrease in debtors		(67)	11,620
(Decrease)/increase in creditors		(3,112)	5,890
Net gains on investments		(233,638)	(749,796)
		<u>(403,177)</u>	<u>(328,121)</u>
<b>Net cash used in operating activities</b>		<u>(403,177)</u>	<u>(328,121)</u>

The notes on pages 12 to 18 form part of these financial statements.

# CRUDEN FOUNDATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2018

### 1 ACCOUNTING POLICIES

#### a. **Basis of accounting**

The accounts have been prepared under the historical cost convention and are in accordance with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), 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. **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.

#### 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 to market value.

#### d. **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.

#### e. **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.

# CRUDEN FOUNDATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2018

### 1 ACCOUNTING POLICIES (continued)

#### e. Expenditure (continued)

- ‘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.

#### f. Debtors

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

#### g. 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.

#### h. 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.

#### i. 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 during the current or previous years.

One director was reimbursed £1,878.39 (2017: £890.45) in respect of travel and telephone expenses.

### 3 SUPPORT COSTS

	2018	2017
	£	£
Administration of grants	30,000	20,000
<u>Governance costs:</u>		
Auditors' remuneration - audit fees	2,280	2,460
Costs of meetings and administration	3,110	1,963
	<hr/>	<hr/>
	35,390	24,423
	<hr/>	<hr/>

**CRUDEN FOUNDATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2018

**4 GRANTS PAYABLE**

	Social Welfare £	Medical £	Arts £	Education £	Heritage Conser- vation £	Total £
Edinburgh International Festival	-	-	20,000	-	-	20,000
Edinburgh Headway Group	-	20,000	-	-	-	20,000
Street Soccer Scotland, c/o Street Soccer Foundation	20,000	-	-	-	-	20,000
Marie Curie Cancer Care	-	12,654	-	-	-	12,654
Pitlochry Festival Theatre	-	-	12,500	-	-	12,500
The Edinburgh Clothing Store	10,000	-	-	-	-	10,000
Capital Theatres (formerly Festival City Theatres Trust)	-	-	10,000	-	-	10,000
The Queen's Hall, Edinburgh	-	-	10,000	-	-	10,000
Playlist for Life	-	10,000	-	-	-	10,000
Maggie's Cancer Caring Centres – Edinburgh	-	5,000	-	-	-	5,000
Scottish Ballet	-	-	5,000	-	-	5,000
St Columba's Hospice	-	5,000	-	-	-	5,000
Macmillan Cancer Support	-	5,000	-	-	-	5,000
The Price & Princess of Wales Hospice	-	5,000	-	-	-	5,000
Friends of ANCHOR	-	5,000	-	-	-	5,000
Horatio's Garden	-	5,000	-	-	-	5,000
Beatson Cancer Charity	-	3,750	-	-	-	3,750
Edinburgh International Book Festival	-	-	3,500	-	-	3,500
George Watson's Family Foundation	-	-	-	3,000	-	3,000
Scottish Seabird Centre	-	-	-	-	3,000	3,000
Scottish Opera	-	-	3,000	-	-	3,000
Tommy's	-	3,000	-	-	-	3,000
The Royal Zoological Society of Scotland	-	-	-	-	3,000	3,000
The Scottish Cancer Foundation	-	3,000	-	-	-	3,000
Children 1 <sup>st</sup>	2,500	-	-	-	-	2,500
St Andrew's Hospice	-	2,500	-	-	-	2,500
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
Scottish Chamber Orchestra	-	-	2,500	-	-	2,500
The Lintel Trust	2,500	-	-	-	-	2,500
NSPCC Scotland	2,500	-	-	-	-	2,500
The National Trust for Scotland	-	-	-	-	2,500	2,500
Grants less than £2,500	76,350	42,250	15,750	12,000	10,250	156,600
<b>Total grants payable 2018</b>	<b>116,350</b>	<b>129,654</b>	<b>87,250</b>	<b>15,000</b>	<b>18,750</b>	<b>367,004</b>
<b>Total grants payable 2017</b>	<b>99,275</b>	<b>103,154</b>	<b>91,750</b>	<b>17,500</b>	<b>14,500</b>	<b>326,179</b>

No grants were awarded to individuals during the year (2017: £nil).

**CRUDEN FOUNDATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2018**

**5 INVESTMENTS**

	<b>Unlisted Investments £</b>	<b>Listed Investments £</b>	<b>2018 Total £</b>	<b>2017 Total £</b>
<b>Investments held at fair value</b>				
Balance as at 31 July 2017	-	8,802,981	8,802,981	7,574,707
Additions at cost	-	1,412,471	1,412,471	781,816
Disposal proceeds	-	(989,555)	(989,555)	(303,338)
Unrealised gain	-	353,423	353,423	757,238
Realised loss	-	(119,785)	(119,785)	(7,442)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 31 July 2018	-	9,459,535	9,459,535	8,802,981
<b>Investments held at cost/amortised cost</b>				
Balance at 31 July 2017	1,023,342	-	1,023,342	1,223,342
Disposal proceeds	(200,000)	-	(200,000)	(200,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 31 July 2018	823,342	-	823,342	1,023,342
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total investments at 31 July 2018</b>	<b>823,342</b>	<b>9,459,535</b>	<b>10,282,877</b>	<b>9,826,323</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Historical Cost as at 31 July 2018	823,342	6,709,865	7,533,207	7,250,136
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All investments are UK investments.

**Listed investments**

Listed investments are carried at their fair value. Investments are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is 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.



# CRUDEN FOUNDATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2018

### 5 INVESTMENTS (continued)

#### Listed investments (continued)

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.

	2018	2017
	£	£
<u>Unlisted investments</u>		
Cruden Holdings Loan Notes	772,516	972,516
	<u>                    </u>	<u>                    </u>

Following a capital reconstruction in 2016, 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. During the year to 31 July 2018 £200,000 was redeemed.

### 6 CASH AND CASH EQUIVALENTS

	At 1 August 2017 £	Cash flow £	At 31 July 2018 £
Instant access bank deposits	188,401	159,217	347,618
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**CRUDEN FOUNDATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2018**

**7 MOVEMENT ON FUNDS**

	<b>Expendable Endowed Capital £</b>	<b>Investment Revaluation Reserve £</b>	<b>General Fund £</b>	<b>Total Reserves Fund £</b>
<b>Balance at 31 July 2016</b>	86,498	1,940,444	6,920,827	8,947,769
Income	-	-	680,036	680,036
Expenditure	-	-	(375,631)	(375,631)
Realised loss on investments	-	(7,442)	-	(7,442)
Unrealised gain on investments	-	757,238	-	757,238
Transfers between funds on realisation of investments	-	(114,053)	114,053	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2017</b>	86,498	2,576,187	7,339,285	10,001,970
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2017</b>	86,498	2,576,187	7,339,285	10,001,970
Income	-	-	815,310	815,310
Expenditure	-	-	(429,998)	(429,998)
Realised loss on investments	-	(119,785)	-	(119,785)
Unrealised gain on investments	-	353,423	-	353,423
Transfers between funds on realisation of investments	-	(60,155)	60,155	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2018</b>	86,498	2,749,670	7,784,752	10,620,920
	<hr/>	<hr/>	<hr/>	<hr/>

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 market value of investments.

**CRUDEN FOUNDATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2018**

**8 ANALYSIS OF NET ASSETS BY FUND**

	<b>Expendable Endowed Capital £</b>	<b>Investment Revaluation Reserve £</b>	<b>General Fund £</b>	<b>Total Reserves Fund £</b>
Investments	86,498	2,576,187	7,163,638	9,826,323
Net current assets	-	-	175,647	175,647
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2017</b>	<b>86,498</b>	<b>2,576,187</b>	<b>7,339,285</b>	<b>10,001,970</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Investments	86,498	2,749,670	7,446,709	10,282,877
Net current assets	-	-	338,043	338,043
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2018</b>	<b>86,498</b>	<b>2,749,670</b>	<b>7,784,752</b>	<b>10,620,920</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**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.

**10 FINANCIAL INSTRUMENTS**

	<b>2018 £</b>	<b>2017 £</b>
<u>Financial instruments at fair value</u>		
Listed investments	9,459,535	8,802,981
	<hr/>	<hr/>
<u>Financial assets at amortised cost</u>		
Unlisted investments	823,342	1,023,342
Cash at bank and in hand	347,618	188,401
	<hr/>	<hr/>
	1,170,960	1,211,743
	<hr/>	<hr/>
<u>Financial liabilities at amortised cost</u>		
Accruals	10,137	13,249
	<hr/>	<hr/>

