

**CRUDEN FOUNDATION LIMITED**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS**

**for the year ended 31 July 2022**

**Charity Number SC004987  
Company Number SC032004**

**CRUDEN FOUNDATION LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**for the year ended 31 July 2022**

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## CRUDEN FOUNDATION LIMITED

### REPORT OF THE DIRECTORS for the year ended 31 July 2022

The directors are pleased to present their Report together with the financial statements of the company for the year ending 31 July 2022 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 2019).

#### 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 frontline activities of those charities supported. Grants payable during the year are shown in note 4.

#### ACHIEVEMENTS AND PERFORMANCE

The company made 164 (2021: 142) grants in the year, of which 18 (2021: 15) were £5,000 or over and 20 (2021: 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 2022 was £7,682,885 (2021: £7,336,185).

#### 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 £391,563 (2021: £265,719), £346,700 (2021: £305,250) was donated to charities and £78,163 (2021: £69,225) was spent on support costs and governance. In addition, there was a realised loss on investments of £6,318 (2021: gain £538,446) and an unrealised loss on investments of £633,468 (2021: gain £2,312,479). This resulted in a net decrease in funds of £673,086 (2021: increase £2,742,169) for the year, all of which are unrestricted.

The total value of listed investments, including the unrealised loss, stood at £13,133,882 (2021: £13,239,019) at the year end. Unlisted investments stood at £38,131 (2021: £410,647).

#### 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 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 £13,427,719 (2021: £14,100,805) 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.

## **CRUDEN FOUNDATION LIMITED**

### **REPORT OF THE DIRECTORS for the year ended 31 July 2022**

#### **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 will be 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.

Dr J A Campbell will retire by rotation at the AGM in December 2022. Dr J A Campbell, 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.

## **CRUDEN FOUNDATION LIMITED**

### **REPORT OF THE DIRECTORS for the year ended 31 July 2022**

#### **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 2022

#### REFERENCE AND ADMINISTRATIVE INFORMATION

<b>Registered Office and Principal Operating Address</b>	16 Walker Street Edinburgh EH3 7LP
<b>Charity Number</b>	SC004987
<b>Company Number</b>	SC032004
<b>Directors</b>	J C Rafferty (Chairman) K D Reid (Treasurer) Mrs A J Paul Dr J A Campbell
<b>Secretary</b>	Mrs P Dimond
<b>Senior Statutory Auditor</b>	Kevin Cattanach
<b>Independent Auditor</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 Paull 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 2022

#### 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 2019) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

Approved by the trustees on 9 November 2022 and signed on behalf of them by:



**J C Rafferty**  
Director

16 Walker Street  
Edinburgh  
EH3 7LP

## CRUDEN FOUNDATION LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND DIRECTORS for the year ended 31 July 2022

#### **Opinion**

We have audited the financial statements of Cruden Foundation Limited for the year ended 31 July 2022, 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 and United Kingdom Accounting Standards, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting Generally Accepted Accounting Practice).

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 2022 and of 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).

#### **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 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**

In auditing the financial statements, we have concluded that the trustees' (who are also the directors of the company for company law purposes) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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.



## CRUDEN FOUNDATION LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS for the year ended 31 July 2022

#### **Opinions on 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 directors' report, prepared for the purposes of company law and included in the report of the trustees, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included with the report of the trustees, has been prepared in accordance with applicable legal requirements.

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

In 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 directors' report, included in the report of the trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report, included within report of the trustees, and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees determine is 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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 the Acts and relevant regulations made or having effect thereunder.

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 an auditor's report 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

## CRUDEN FOUNDATION LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS for the year ended 31 July 2022

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We carried out income testing and grants payable testing which was designed to identify any irregularities as a result of simple mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

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 auditor's report.

#### Use of our report

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.



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

9 November 2022

Whitelaw Wells is 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 2022**

	Note	Total Funds 2022 £	Total Funds 2021 £
<b>INCOME AND ENDOWMENTS FROM:</b>			
<i>Donations</i>		30,000	30,000
<i>Investments</i>			
Unlisted investment income		111,558	10,452
Listed investment income		249,960	225,247
Interest receivable		45	20
		<hr/>	<hr/>
<b>Total income</b>		391,563	265,719
		<hr/>	<hr/>
<b>EXPENDE DITURE ON:</b>			
<b>Raising funds</b>			
Investment management costs		38,550	36,812
<b>Charitable activities</b>			
Grants payable	4	346,700	305,250
Support costs	3	39,613	32,413
		<hr/>	<hr/>
<b>Total expenditure</b>		424,863	374,475
		<hr/>	<hr/>
<b>Net expenditure before gains and losses on investments</b>		(33,300)	(108,756)
Realised (losses)/gains on sale of investments		(6,318)	538,446
Unrealised (losses)/gains on revaluation of investments	5	(633,468)	2,312,479
		<hr/>	<hr/>
<b>Net (expenditure)/income and movement in funds for the year</b>		(673,086)	2,742,169
<b>Reconciliation of funds</b>			
Total funds brought forward	7	14,100,805	11,358,636
		<hr/>	<hr/>
<b>Total funds carried forward</b>		13,427,719	14,100,805
		<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 13 to 19 form part of these financial statements.

**CRUDEN FOUNDATION LIMITED**

**BALANCE SHEET**  
**as at 31 July 2022**

	<b>Note</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>FIXED ASSETS</b>			
Investments	5	13,172,013	13,649,666
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Cash at bank	6	255,925	460,561
Prepayments and accrued income		5,000	-
		<hr/>	<hr/>
		260,925	460,561
<b>CREDITORS: amounts falling due within one year</b>			
Accruals		(5,219)	(9,422)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		255,706	451,139
		<hr/>	<hr/>
<b>NET ASSETS</b>	8	13,427,719	14,100,805
		<hr/> <hr/>	<hr/> <hr/>
<b>RESERVES FUND</b>	7		
<b>Unrestricted funds</b>			
Expendable endowed capital		86,498	86,498
Investment revaluation reserve		3,485,473	4,777,134
General fund		9,855,748	9,237,173
		<hr/>	<hr/>
		13,427,719	14,100,805
		<hr/> <hr/>	<hr/> <hr/>

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 2022 and signed on their behalf by:



**J C Rafferty**  
Director



**K D Reid**  
Director

The notes on pages 13 to 19 form part of these financial statements.

**CRUDEN FOUNDATION LIMITED**

**STATEMENT OF CASH FLOWS**  
for the year ended 31 July 2022

	Note	2022 £	2021 £
<b>Net cash used in operating activities</b>		(404,066)	(342,127)
<b>Cash flows from investing activities:</b>			
Interest received		45	20
Investment income		361,518	235,699
Acquisition of listed investments		(2,027,669)	(1,029,891)
Disposal proceeds of listed investments		1,493,020	862,226
Disposal proceeds of unlisted investments		372,516	571,001
<b>Net cash provided by investing activities</b>		199,430	639,055
<b>Change in cash and cash equivalents in the year</b>		(204,636)	296,928
Cash and cash equivalents at 1 August 2021		460,561	163,633
<b>Cash and cash equivalents at 31 July 2022</b>	6	255,925	460,561
 <b>RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITES</b>			
<b>Net (expenditure)/income for the year</b> <i>(as per the Statement of Financial Activities)</i>		(673,086)	2,742,169
<b>Adjustments for:</b>			
Interest received		(45)	(20)
Dividends received		(361,518)	(235,699)
(Increase)/decrease in debtors		(5,000)	144
(Decrease)/increase in creditors		(4,203)	2,204
Net losses/(gains) on investments		639,786	(2,850,925)
<b>Net cash used in operating activities</b>		(404,066)	(342,127)

The notes on pages 13 to 19 form part of these financial statements.

## CRUDEN FOUNDATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 July 2022

#### 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 2019) 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 2019).

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. The Directors assessment of going concern includes the expected impact of Covid-19 to the charity for a period of at least 12 months from the date of signing of these financial statements.

##### 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 2022

### 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, or were reimbursed in respect of any expenses, during the current or previous years.

### 3 SUPPORT COSTS

	2022	2021
	£	£
Administration of grants	30,000	30,000
Website development	6,960	-
<u>Governance costs:</u>		
Auditors’ remuneration - audit fees	2,640	2,400
Costs of meetings and administration	13	13
	<hr/>	<hr/>
	39,613	32,413
	<hr/> <hr/>	<hr/> <hr/>

**CRUDEN FOUNDATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2022

**4 GRANTS PAYABLE**

	Social Welfare £	Medical £	Arts £	Education £	Heritage Conser- vation £	Total £
Edinburgh International Festival	-	-	25,000	-	-	25,000
Pitlochry Festival Theatre	-	-	15,000	-	-	15,000
Marie Curie Cancer Care	-	13,000	-	-	-	13,000
Edinburgh Headway Group	-	10,000	-	-	-	10,000
The Edinburgh Clothing Store	10,000	-	-	-	-	10,000
Capital Theatres (formerly Festival City Theatres Trust)	-	-	10,000	-	-	10,000
Street Soccer (Scotland)	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
Disasters Emergency Committee (Ukraine)	5,000	-	-	-	-	5,000
Alzheimer Scotland - Action on Dementia	-	5,000	-	-	-	5,000
Harmeny School	-	-	-	5,000	-	5,000
Parkinson's UK	-	5,000	-	-	-	5,000
Horatio's Garden	-	5,000	-	-	-	5,000
The Queen's Hall, Edinburgh	-	-	5,000	-	-	5,000
Scottish Opera	-	-	5,000	-	-	5,000
Edinburgh International Book Festival	-	-	5,000	-	-	5,000
Royal Zoological Society of Scotland (RZSS)	-	-	-	-	3,000	3,000
Leuchie House	-	3,000	-	-	-	3,000
Citizens Theatre	-	-	3,000	-	-	3,000
Royal Scottish National Orchestra	-	-	3,000	-	-	3,000
Prostate Cancer UK	-	3,000	-	-	-	3,000
Scottish Chamber Orchestra	-	-	3,000	-	-	3,000
Scottish Seabird Centre	-	-	-	-	3,000	3,000
The Haven Caring Counselling Communication Centre	3,000	-	-	-	-	3,000
Cerebral Palsy Scotland (formerly Bobath Scotland)	-	2,500	-	-	-	2,500
The Prince's Trust – Scotland	2,500	-	-	-	-	2,500
Make 2nds Count	-	2,500	-	-	-	2,500
Sepsis Research (FEAT)	-	2,500	-	-	-	2,500
Edinburgh International Science Festival	-	-	2,500	-	-	2,500
Lintel Trust	2,500	-	-	-	-	2,500
Borders Children's Charity	2,500	-	-	-	-	2,500
Bridges Project, Musselburgh	2,500	-	-	-	-	2,500
Macmillan Cancer Support	-	2,500	-	-	-	2,500
Prince & Princess of Wales Hospice, Glasgow	-	2,500	-	-	-	2,500
Children 1 <sup>st</sup>	2,500	-	-	-	-	2,500
St Andrew's Hospice (Airdrie)	-	2,500	-	-	-	2,500
Grants less than £2,500	91,500	35,200	9,000	6,000	3,000	144,700
<b>Total grants payable 2022</b>	<b>132,000</b>	<b>104,200</b>	<b>90,500</b>	<b>11,000</b>	<b>9,000</b>	<b>346,700</b>
Total grants payable 2021	108,500	64,500	96,250	26,500	9,500	305,250

No grants were awarded to individuals during the year (2021: £nil).



**CRUDEN FOUNDATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2022**

**5 INVESTMENTS**

	<b>Unlisted Investments £</b>	<b>Listed Investments £</b>	<b>2022 Total £</b>	<b>2021 Total £</b>
<b>Investments held at fair value</b>				
Balance as at 31 July 2021	-	13,239,019	13,239,019	10,587,373
Additions at cost	-	2,027,669	2,027,669	1,029,891
Disposal proceeds	-	(1,493,020)	(1,493,020)	(862,226)
Unrealised (loss)/gain	-	(633,468)	(633,468)	2,312,479
Realised (loss)/gain	-	(6,318)	(6,318)	171,502
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 31 July 2022	-	13,133,882	13,133,882	13,239,019
<b>Investments held at cost/amortised cost</b>				
Balance at 31 July 2021	410,647	-	410,647	614,704
Disposal proceeds	(372,516)	-	(372,516)	(204,057)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance as at 31 July 2022	38,131	-	38,131	410,647
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total investments at 31 July 2022</b>	<b>38,131</b>	<b>13,133,882</b>	<b>13,172,013</b>	<b>13,649,666</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Historical Cost as at 31 July 2022	38,131	9,648,409	9,686,540	8,872,532
	<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 2022

#### 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.

	2022	2021
	£	£
<u>Unlisted investments</u>		
Cruden Holdings Loan Notes	-	372,516
	=====	=====

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 were redeemed in full by 31 July 2022.

#### 6 CASH AND CASH EQUIVALENTS

	At 1 August 2021 £	Cash flow £	At 31 July 2022 £
Instant access bank deposits	460,561	(204,636)	255,925
	=====	=====	=====

**CRUDEN FOUNDATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2022**

**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 2020</b>	86,498	2,769,058	8,503,080	11,358,636
Income	-	-	265,719	265,719
Expenditure	-	-	(374,475)	(374,475)
Realised gain on investments	-	538,446	-	538,446
Unrealised gain on investments	-	2,312,479	-	2,312,479
Transfers between funds on realisation of investments	-	(842,849)	842,849	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2021</b>	86,498	4,777,134	9,237,173	14,100,805
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2021</b>	86,498	4,777,134	9,237,173	14,100,805
Income	-	-	391,563	391,563
Expenditure	-	-	(424,863)	(424,863)
Realised loss on investments	-	(6,318)	-	(6,318)
Unrealised loss on investments	-	(633,468)	-	(633,468)
Transfers between funds on realisation of investments	-	(651,875)	651,875	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 July 2022</b>	<b>86,498</b>	<b>3,485,473</b>	<b>9,855,748</b>	<b>13,427,719</b>
	<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 2022**

**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	4,777,134	8,786,034	13,649,666
Net current assets	-	-	451,139	451,139
	-----	-----	-----	-----
<b>Balance at 31 July 2021</b>	86,498	4,777,134	9,237,173	14,100,805
	=====	=====	=====	=====
Investments	86,498	3,485,473	9,600,042	13,172,013
Net current assets	-	-	255,706	255,706
	-----	-----	-----	-----
<b>Balance at 31 July 2022</b>	86,498	3,485,473	9,855,748	13,427,719
	=====	=====	=====	=====

**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>2022 £</b>	<b>2021 £</b>
<u>Financial instruments at fair value</u>		
Listed investments	13,133,882	13,239,019
	-----	-----
<u>Financial assets at amortised cost</u>		
Unlisted investments	38,131	410,647
Cash at bank and in hand	255,925	460,561
	-----	-----
	294,056	871,208
	=====	=====
<u>Financial liabilities at amortised cost</u>		
Accruals	5,219	9,422
	-----	-----