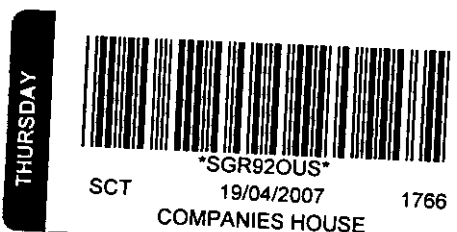


**ROYAL HIGH SCHOOL
CLUB TRUST LIMITED**

FINANCIAL STATEMENTS

for the year ended 31 August 2006

Company No. : SC022113



ROYAL HIGH SCHOOL CLUB TRUST LIMITED

REFERENCE AND ADMINISTRATIVE INFORMATION

Directors	N Arthur Sheriff A M Bell C I Bryden I C Fairweather A D Forgan R C B Forman R M Graham P Harris G A Henry AS Macmillan R M Paul D F Rutherford W St John C Spence A Tart
Secretary	McKay & Norwell WS 5 Rutland Square Edinburgh EH1 2AX
Accountants	Geoghegan & Co Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD
Solicitors	McKay & Norwell WS 5 Rutland Square Edinburgh EH1 2AX
Registered office	: 5 Rutland Square Edinburgh EH1 2AX
Company number	SC022113
Charity Reg number	CR 36962

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 AUGUST 2006

The directors hereby submit their report and financial statements for the year ended 31 August 2006

STRUCTURE GOVERNANCE & MANAGEMENT

The limited company was incorporated in June 1942 and is governed by its Memorandum and Articles of Association. The current directors acted throughout the year and are listed on page 1, and each beneficially hold one share in the company. They meet annually to determine how the available funds should be disbursed, and in this matter they are guided by the Rector of the Royal High School of Edinburgh. The directors are trustees for the purposes of charity law and are appointed from former pupils who have a genuine interest in the well being of the Royal High School and its' pupils. The company solicitors brief new directors in the workings of the company and their responsibilities as both directors and trustees. The directors have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate our exposure to those risks.

OBJECTIVES AND ACTIVITIES OF THE CHARITY

The company's aim is to promote the education of the pupils of the Royal High School of Edinburgh in such ways as the directors see fit. The directors work closely with the Rector to identify projects that best utilise the available funds. The company also holds monies to finance a specific school prize. The company has been able to maintain its level of support in real terms to the school during the past year.

FINANCIAL REVIEW

The deficit for the year before investment gains/losses amounted to £1,343 (2005 surplus £8,187)

Investment policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment that the directors see fit. The directors engage Bell Lawrie White as investment managers. The policy is to adopt a medium risk investment strategy based on maximising the overall rate of return. During the year the value of the investments increased by 10.8% compared with a rise in the FTSE 100 of 12%. The directors consider this is a reasonable return given the element of the portfolio invested in fixed interest securities.

Reserves policy

The Revenue reserve represents the unrestricted funds arising from past operating results. The directors' policy is to maintain a level of reserves that will provide them with sufficient income to give meaningful support to the school. The Prize Fund is a restricted fund and supports a bi annual four year bursary.

Statement of Directors' Responsibilities

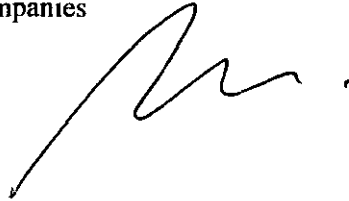
Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

McKay & Norwell WS
Company Secretaries

16 April 2007

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned to the right of the company secretaries' name.

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (Including Income and Expenditure Account) for the year ended 31 August 2006

	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005 restated
Incoming resources				
Incoming resources from generated funds				
<i>Voluntary income</i>				
Legacy				10,000
<i>Activities for generating funds</i>				
Investment income	2,335	50	2,385	1,963
Total incoming resources	2,335	50	2,385	11,963
Resources expended				
Costs of generating funds				
Investment managers fees	294		294	
Charitable activities	2,647	300	2,947	2,948
Governance	487		487	828
Total resources expended	3,428	300	3,728	3,776
Net (outgoing)/incoming resources before other recognised gains	(1,093)	(250)	(1,343)	8,187
Other recognised gains				
Realised gains on sale of investments				1,846
Unrealised gains on investments	5,694		5,694	5,746
Net movement in funds	4,601	(250)	4,351	15,779
Fund balances brought forward	66,235	1,885	68,120	52,341
Total funds at 31 August 2006	£ 70,836	£ 1,635	£ 72,471	£ 68,120

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

BALANCE SHEET as at 31 August 2006

	Notes	2006	2005
Fixed Assets			
Investments	2	58,382	<u>52,688</u>
Current Assets			
Debtors		2,599	1,389
Cash on deposit		<u>14,859</u>	<u>16,834</u>
		17,458	18,223
Creditors: Amounts falling due within one year			
Creditors and accruals		<u>3,366</u>	<u>2,788</u>
		<u>14,092</u>	<u>15,435</u>
Total Assets less Current Liabilities		<u>£72,474</u>	<u>£ 68,123</u>
Capital and Reserves			
Called up share capital	4	3	3
Revenue reserve	5	70,836	66,235
Prize fund reserve	5	<u>1,635</u>	<u>1,885</u>
		<u>£72,474</u>	<u>£68,123</u>

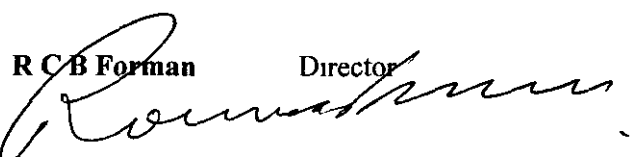
In preparing these financial statements

- The directors are of the opinion that for the year ended 31 August 2006, the company was entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985,
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The directors acknowledge their responsibility for (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and (ii) preparing accounts 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 the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to the accounts, so far as is applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the directors on 16 April 2007

R C B Forman Director



ROYAL HIGH SCHOOL CLUB TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2006

1 Accounting Policies

- (a) The financial statements are prepared under the historical cost convention as modified by the revaluation of all investments and are in accordance with the Companies Act 1985, applicable accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005)
- (b) As a consequence of the adoption of the revised SORP, the comparative figures for the prior year have been represented in accordance with the revised structure and format for the Statement of Financial Activities
- (c) Voluntary income, including donations, legacies and gifts are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Investment income is recognised on a receivable basis
- (d) Resources expended are accounted for on an accruals basis
 - Charitable expenditure comprises those costs incurred in the delivery of its activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
 - Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.
- (e) Investments held as fixed assets are revalued at mid market value at the balance sheets date and the gain or loss taken to the Statement of Financial Activities
- (d) Restricted funds are to be used for specific purposes as laid down by the donor

2 Fixed Assets – Investments	2006	2005
Market value at 1 September 2005	52,688	43,353
Disposals at opening book value		(16,324)
Acquisitions at cost		19,913
Net gains/(losses) on revaluation	<u>5,694</u>	<u>5,746</u>
Market value at 31 August 2006	<u>£ 58,382</u>	<u>£ 52,688</u>
Cost at 31 August 2006	<u>£ 44,260</u>	<u>£ 44,260</u>

Investments whose individual market value exceeds 5% of the total are as follows

Schroder Income Growth	£ 15,893
Alliance Trust	£ 5,651
Jupiter Income Trust	£ 5,093
Scot American Inv	£ 5,022
Norwich Union IF	£ 4,903
Caledonian Trust	£ 4,455
Temple Bar IT	£ 4,253
JP Morgan	£ 3,380
Dunedin Income	£ 3,035

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 August 2006

3	Cost of charitable activities	Basis of Allocation	School Support	Prizes	2006	2005
	Direct charitable expenditure					
	Grants Awarded	Direct	2,500	300	2,800	2,500
	Support costs (See below)		147	-	147	448
			<u>£ 2,647</u>	<u>£ 300</u>	<u>£ 2,947</u>	<u>£ 2,948</u>
	Support costs					
	Company secretarial	Usage				294
	Accounting	Usage	147		147	154
			<u>£ 147</u>		<u>£ 147</u>	<u>£ 448</u>
4.	Governance	Basis of Allocation				
	Company secretarial		Direct			294
	Accounting expenses		Direct	441		463
	Sundry expenses		Direct	46		71
				<u>£ 487</u>		<u>£ 828</u>

5 Trustees remuneration and expenses

No trustee was paid or reimbursed for expenses during the year (2005 £nil) Company secretarial services are provided to the company by a legal partnership in which one of the trustees is a partner No fees were charged during the year (2005 £588)

6 Share Capital

	Authorised		Allotted, called up and fully paid	
	2006	2005	2006	2005
	No	No	£	£
Ordinary shares of 25p	<u>200</u>	<u>200</u>	<u>3 25</u>	<u>3.25</u>

7 Reserves

	Revenue Fund	Prize Fund
Balance at 1 September 2005	66,235	1,885
Movement in funds for year	<u>4,601</u>	<u>(250)</u>
Balance at 31 August 2006	<u>£ 70,836</u>	<u>£ 1,635</u>

The Prize Fund Reserve represents the monies held to meet the obligations set for the Mouat Prize, a biannual four year bursary These funds are held on deposit

The Revenue Reserve represents the unrestricted monies held by the Company