

**ROYAL HIGH SCHOOL  
CLUB TRUST LIMITED**

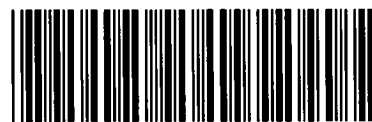
**REPORT**

**AND**

**FINANCIAL STATEMENTS**

**for the year ended 31 August 2016**

THURSDAY



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# ROYAL HIGH SCHOOL CLUB TRUST LIMITED

## REFERENCE AND ADMINISTRATIVE INFORMATION

<b>Directors</b>	: A C Allanach N A Arthur Sheriff A M Bell C Blaikie M A Bryden I C Fairweather (resigned 9 February 2017) R C B Forman R M Graham R M Paul D F Rutherford L Stevenson (appointed 16 December 2016) V T Tudball D A Williamson (appointed 16 December 2016)
<b>Secretary and Solicitors</b>	: Blackadders LLP 5 Rutland Square Edinburgh EH1 2AX
<b>Independent Examiner</b>	: Michael Crerar CA Geoghegans Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD
<b>Investment Managers</b>	: Brewin Dolphin Sixth Floor Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Registered Office</b>	: 5 Rutland Square Edinburgh EH1 2AX
<b>Company Number</b>	: SC022113
<b>Charity Number</b>	: SC005875

## **ROYAL HIGH SCHOOL CLUB TRUST LIMITED**

### **DIRECTORS' REPORT**

**for the year ended 31 August 2016**

The directors hereby submit their report and financial statements for the year ended 31 August 2016.

### **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 company also manages the endowment fund transferred from the City of Edinburgh Council in August 2009. The income generated by the fund's investments finances prizes, bursaries and grants to pupils, organisations and projects within the school. The directors work closely with the Rector to identify projects that best utilise the available funds.

### **ACHIEVEMENTS AND PERFORMANCE**

The Charity benefited from a substantial legacy received in the year of £162,805 and with this the directors also continued to gather investment income and deposit interest for the purposes of awarding grants and prizes in line with the charity's objectives.

### **FINANCIAL REVIEW**

The surplus for the year before investment gains amounted to £165,265 (2015: £7,221). The investment gains, both realised and unrealised in the year amounted to £43,515 (2015: losses £527) leaving total reserves held at 31 August 2016 of £586,787 (2015: £378,007). These results benefited from the legacy of £162,805 of which £62,805 has been included within debtors in the balance sheet and has been received post-year end.

#### **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 Brewin Dolphin as investment managers. The policy is to adopt a medium risk investment strategy based on maximising the overall rate of return.

The directors have agreed with the investment managers an investment strategy with the aim to produce an annual income of approximately £18,000 which will enable the charitable company to maintain a reasonable level of support to the school while at the same time maintaining and hopefully increasing the value of the underlying investments.

#### **Reserves policy**

There were unrestricted "free" reserves of £245,989 held at the end of the year. The level of free reserves is reviewed regularly by the directors taking account of future expenditure commitments and income forecasts with the intention being to continue to hold a positive level of free reserves including investment assets to generate ongoing income streams.

### **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. 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.

## **ROYAL HIGH SCHOOL CLUB TRUST LIMITED**

### **DIRECTORS' REPORT (Continued) for the year ended 31 August 2016**

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

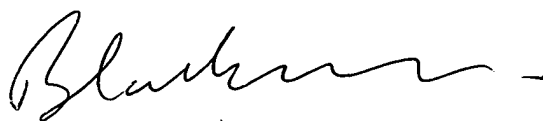
The directors, who are trustees of the charity for the purposes of charity law, are responsible for the preparing the Director's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for the 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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 Statement of Recommended Practice Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).



**Blackadders LLP**  
Company Secretaries

21 March 2017

## **ROYAL HIGH SCHOOL CLUB TRUST LIMITED**

### **INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS AND DIRECTORS**

I report on the financial statements of the charity for the year ended 31 August 2016 which are set out on pages 5 to 9.

This report is made to the members and directors, as a body, in accordance with the terms of my engagement. My work has been undertaken to enable me to prepare the financial statements on behalf of the directors and report my opinion as set out below and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the directors, as a body, for my work or for this report.

#### **Respective responsibilities of directors and Independent Examiner**

The members and directors are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The directors 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 financial statements 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 statement**

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charitable company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeks explanations from the directors 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 financial statements.

#### **Independent Examiner's statement**

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

a) 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 financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations;

have not been met; or

b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



**Michael Crerar, CA**  
Geoghegans  
Chartered Accountants  
6 St Colme Street  
Edinburgh  
EH3 6AD

21 March 2017

**ROYAL HIGH SCHOOL CLUB TRUST LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(Including Income and Expenditure Account)**  
**for the year ended 31 August 2016**

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2016	Total 2015
<b>Income from:</b>						
Donations and legacies		162,805	-	-	162,805	-
Investments		2,992	-	9,018	12,010	11,267
<b>Total income</b>		<u>165,797</u>	<u>-</u>	<u>9,018</u>	<u>174,815</u>	<u>11,267</u>
<b>Expenditure on:</b>						
Raising funds						
Investment managers fees		533	-	1,806	2,339	2,293
Charitable activities	2	<u>7,211</u>	<u>-</u>	<u>-</u>	<u>7,211</u>	<u>1,783</u>
<b>Total expenditure</b>		<u>7,744</u>	<u>-</u>	<u>1,806</u>	<u>9,550</u>	<u>4,046</u>
<b>Net income/(expenditure)</b>		158,053	-	7,212	165,265	7,221
<b>Other recognised gains/losses</b>						
Realised gains on investments	5	1,515	-	8,947	10,462	-
Unrealised gains/(losses) on investments	5	<u>7,622</u>	<u>-</u>	<u>25,431</u>	<u>33,053</u>	<u>(527)</u>
<b>Net movement in funds</b>		167,190	-	41,590	208,780	6,694
Fund balances brought forward		<u>78,799</u>	<u>985</u>	<u>298,223</u>	<u>378,007</u>	<u>371,313</u>
<b>Total funds at 31 August 2016</b>		<u>£ 245,989</u>	<u>£ 985</u>	<u>£ 339,813</u>	<u>£ 586,787</u>	<u>£ 378,007</u>

**ROYAL HIGH SCHOOL CLUB TRUST LIMITED**

**BALANCE SHEET**  
as at 31 August 2016

	Notes	2016	2015
<b>Fixed Assets</b>			
Investments	5	<u>423,703</u>	<u>367,897</u>
<b>Current Assets</b>			
Debtors		64,046	545
Broker – deposit accounts		5,305	8,668
Cash on deposit		<u>95,734</u>	<u>3,136</u>
		165,085	12,349
<b>Creditors:</b> Amounts falling due within one year			
Accruals	6	<u>(1,998)</u>	<u>(2,236)</u>
Net current assets		<u>163,087</u>	<u>10,113</u>
<b>Net assets</b>		<u>£ 586,790</u>	<u>£ 378,010</u>
<b>Capital and Reserves</b>			
Called up share capital	7	<u>3</u>	<u>3</u>
Unrestricted funds – revenue	8	245,989	78,799
Prize fund– restricted	8	985	985
Endowment funds	8	<u>339,813</u>	<u>298,223</u>
		586,787	378,007
		<u>£ 586,790</u>	<u>£ 378,010</u>

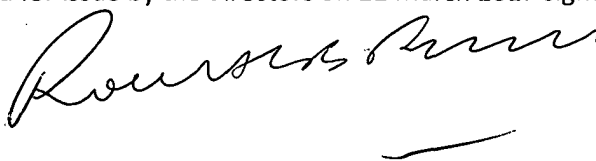
For the year ended 31 August 2016 the company was entitled to exemption from the requirements to have an audit under the provisions of section 477 of the Companies Act 2006. No notice has been deposited under the company under section 476 of the Companies Act 2006 requiring an audit to be carried out. The directors acknowledge their responsibility for:

- (i) Ensuring the company keeps accounting records which comply with sections 386 and 387 of the Companies Act 2006; and
- (ii) 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 surplus or deficit for that financial year in accordance with the requirements of sections 394 and 395 of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved and authorised for issue by the directors on 21 March 2017 signed on their behalf by:

**R C B Forman**  
Director



**Company Registered No: SC022113**

# ROYAL HIGH SCHOOL CLUB TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

### 1 Accounting Policies

#### (a) Basis of Accounting

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 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended), and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRESSE) (effective 1 January 2015).

#### (b) Income

##### *Voluntary income*

Donations, legacies and similar incoming resources are accounted for when receivable.

##### *Investment income*

Investment income, including bank interest, is accounted for on the basis of income receivable during the year.

#### (c) Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

- Charitable expenditure comprises those costs incurred by the charity 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 and include the Independent Examination fee and costs linked to the strategic management of the charity.
- All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

#### (d) Investments

Investments held as fixed assets are revalued at mid market value at the Balance Sheet date and the gain or loss taken to the Statement of Financial Activities.

#### (e) Fund Accounting

Unrestricted funds are general funds that are available for use at the directors' discretion in furtherance of the objectives of the charity.

Restricted funds are to be used for specific purposes as laid down by the donor.

The charity has a single permanent endowment. The Royal High School Endowment Trust Scheme 2009 provides for the directors to invest the capital in perpetuity, the free income from which is wholly restricted to be spent on the general purposes of the Scheme. Namely the payment of prizes to pupils, support of school clubs, bursaries for secondary and higher education and grants to support subjects within the school curriculum.

Further details of each fund are disclosed in Note 8.

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
for the year ended 31 August 2016

2	Charitable Activities	2016	2015
	Grants, prizes and bursaries	5,000	-
	Support costs:		
	Accounting fees	699	618
	Secretaries fees	400	250
	Governance costs (note 3)	1,112	885
		<u>£ 7,211</u>	<u>£ 1,753</u>

3	Governance Costs	2016	2015
	Independent Examiner's fees	699	618
	Secretaries fees	400	250
	Sundry expenses	13	17
		<u>£ 1,112</u>	<u>£ 885</u>

4 Directors' Remuneration and Expenses

No director was paid or reimbursed for expenses during the year (2015 - £Nil).

5	Fixed Assets – Investments	Unrestricted Funds	Endowment Fund	2016 Total	2015 Total
	Opening market value	83,974	283,923	367,897	368,009
	Acquisitions at cost	20,936	115,973	136,909	415
	Disposals at opening market value	(17,290)	(96,866)	(114,156)	-
	Net gains/(losses) on revaluation	7,622	25,431	33,053	(527)
	<b>Market value at 31 August 2016</b>	<u>£ 95,242</u>	<u>£ 328,461</u>	<u>£ 423,703</u>	<u>£ 367,897</u>
	 Historical cost at 31 August 2016	 <u>£ 70,015</u>	 <u>£ 247,639</u>	 <u>£ 317,654</u>	 <u>£ 267,120</u>
	<i>Net realised gains on disposal of investments</i>				
	Proceeds	18,805	105,813	124,618	-
	Opening market value/cost during the year	<u>(17,290)</u>	<u>(96,866)</u>	<u>(114,156)</u>	<u>-</u>
	 Net realised gain on disposal	 <u>£ 1,515</u>	 <u>£ 8,947</u>	 <u>£ 10,462</u>	 <u>£ -</u>

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

4,186 Artemis Fd Managers UK Special Situations Acc	£ 25,002	£ 22,590
20,369 BNY Mellon Fd Manager Newton Asia Inc	£ 24,484	£ 18,996
8,250 Dunedin Income Growth Ord GBP 0.25	£ -	£ 19,718
14,219 JP Morgan AM UK Ltd US Equity Inc	£ 36,643	£ 28,652
1,550 Mercantile Inv Ord GBP 0.25	£ 26,009	£ 26,691
13,250 Scot Mort Inv Trust GBP 0.25	£ -	£ 32,926
12,700 HICL Infrastructure Ord GBP 0.0001	£ -	£ 19,228

ROYAL HIGH SCHOOL CLUB TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
for the year ended 31 August 2016

6 Creditors – Amounts falling due within one year

	2016	2015
Accruals – professional fees	1,998	2,236
	<u>£ 1,998</u>	<u>£ 2,236</u>

7 Called Up Share Capital

<i>Allotted, called up and fully paid</i>	2016	2015
13 Ordinary of 25p each	<u>£ 3</u>	<u>£ 3</u>

8 Reserves	Revenue Fund Unrestricted	Prize Fund Restricted	Endowment Funds Capital	Funds Income	Total
Balance at 31 August 2015	78,799	985	287,777	10,446	378,007
Income	165,797	-	-	9,018	174,815
Expenditure	(7,744)	-	(1,806)	-	(9,550)
Net gains on investments	9,137	-	34,378	-	43,515
Balance at 31 August 2016	<u>£ 245,989</u>	<u>£ 985</u>	<u>£ 320,349</u>	<u>£ 19,464</u>	<u>£ 586,787</u>

*Represented by:*

Investments	95,242	-	328,461	-	423,703
Debtors	63,088	-	-	958	64,046
Broker – deposit account	2,713	-	(5,452)	8,044	5,305
Cash on deposit	94,746	985	-	-	95,731
Creditors and accruals	(1,998)	-	-	-	(1,998)
Inter fund balances	(7,802)	-	(2,660)	10,462	-
Balance at 31 August 2016	<u>£ 245,989</u>	<u>£ 985</u>	<u>£ 320,349</u>	<u>£ 19,464</u>	<u>£ 586,787</u>

The Revenue Reserve represents the unrestricted monies held by the company.

The Prize Fund Reserve represents the monies held to meet the obligations set for the Mouat Prize, a biannual four year bursary.

The Endowment Funds were transferred in August 2009 to the company by City of Edinburgh Council. The funds previously were administered by the Council under The Royal High School Endowment Trust Scheme 1980. After paying the necessary expenses of management and the burdens and taxes affecting the endowment, the free income of the Fund is to be used for the purposes set out in the Scheme. This covers the payment of prizes to pupils, support of school clubs, bursaries for secondary and higher education and grants to support subjects within the school curriculum. If there is an unexpected balance of income during a financial year, the directors are permitted to carry said balance forward to the following financial year, or to add the balance to the capital of the Fund.

**ROYAL HIGH SCHOOL CLUB TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
for the year ended 31 August 2016

**9 Related Party Transactions**

The firm of Blackadders LLP, of which RCB Forman is a partner, charges a fee of £600 including VAT (2015: £500 including VAT) in respect of administrative and secretarial services for the year. Balance outstanding at the year end was £600 (2015: £1,000).

**10 Statement of Financial Activities – 2015 Comparative Analysis**

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2015
<b>Income from:</b>				
Donations and legacies	-	-	-	-
Investments	2,746	-	8,521	11,267
<b>Total income</b>	<u>2,746</u>	<u>-</u>	<u>8,521</u>	<u>11,267</u>
<b>Expenditure on:</b>				
Raising funds				
Investment managers fees	528	-	1,765	2,293
Charitable activities	1,753	-	-	1,783
<b>Total expenditure</b>	<u>2,281</u>	<u>-</u>	<u>1,765</u>	<u>4,046</u>
<b>Net income/(expenditure)</b>	465	-	6,756	7,221
<b>Other recognised gains/losses</b>				
Realised gains on investments	-	-	-	-
Unrealised gains/(losses) on investments	(856)	-	329	
<b>Net movement in funds</b>	(391)	-	7,085	6,694
Fund balances brought forward	79,190	985	291,138	371,313
<b>Total funds at 31 August 2016</b>	<u>£ 78,799</u>	<u>£ 985</u>	<u>£ 298,223</u>	<u>£ 378,007</u>