

THE ROYAL BANK OF SCOTLAND PLC
THE LORD MACLAY Bt
FRANK WILLIAM FLETCHER
MALCOLM BORTHWICK
WILLIAM WATSON COCKBURN SYSON FCIBS
MARY COLETTE DOUGLAS HOME

as Trustees of

THE CATTANACH CHARITABLE TRUST

CHARITY NUMBER SCO20902
TRUST ACCOUNT

Annual Report and Accounts for the year ended 4 November 2006

INDEX

The Cattanach Charitable Trust

Annual Report and Accounts for the year ended 4 November 2006

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The Cattanach Charitable Trust

Annual Report and Accounts for the year ended 4 November 2006

Registered Address

The Royal Bank of Scotland plc
Trust & Estate Services
Eden Lakeside
Chester Business Park
Wrexham Road, Chester
CH4 9QT

Trustees

The Royal Bank of Scotland plc
The Lord Maclay Bt
Frank William Fletcher
Malcolm Borthwick
William Watson Cockburn Syson FCIBS
Mary Colette Douglas Home

Solicitors

Messrs Bird Semple
21 Blythwood Square
GLASGOW
G2 4BL

Independent Auditor

Tenon Audit Limited
Registered Auditor
160 Dundee Street
EDINBURGH
EH11 1DQ

Investment Advisors

Newton Asset Management Limited
2 Festival Square
EDINBURGH
EH3 9SU

The Cattanach Charitable Trust

Trustees' Report

Introduction

The Trust is constituted by the Deed of Declaration of Trust between Miss Phyllis Mary Cattanach and the aftermentioned Trustees dated Twenty-ninth October, Thirtieth October and Fourth November and registered in the Books of Council and Session on Seventeenth November all dates of Nineteen Hundred and Ninety-two.

The Deed appoints as Trustees The Royal Bank of Scotland plc, Ronald Mansfield Barge, Charles Herbert Kenneth Corsar, The Lord Maclay and Frank William Fletcher .

A Deed of Assumption Incorporating a Minute of Resignation dated Twentieth June, First July, Fifth July, Twenty-third July, Twenty-seventh July and Tenth August and registered in the Books of Council and Session on Twenty-third August all dates of Nineteen Hundred and Ninety-six appoints Adam Riddell Thomson as Trustee in place of Ronald Mansfield Barge.

A Deed of Assumption incorporating a Minute of Resignation dated Twenty-sixth May and registered in the Books of Council and Session on 12 June both dates of Two Thousand appoints William Watson Cockburn Syson FCIBS and Mary Colette Douglas Home as Trustees in place of Charles Herbert Kenneth Corsar.

A Deed of Assumption incorporating a Minute of Resignation dated 23 December 2005 and registered in the Books of Council and Session appoints Malcolm Borthwick as trustee in place of Adam Riddell Thompson.

The Trust is a recognised charity. The Scottish Charity reference number is SCO20902.

Trustees' Responsibilities

Law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and its financial activities during the year then ended. In preparing those financial statements, the Trustees are required to: -

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Law Reform (Miscellaneous Provisions) Act 1990 and the Charities Accounts (Scotland) Regulations 1992. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustees confirm that the financial statements comply with current statutory requirements, the requirements of the Constitution and the requirement of the charity Statement of Recommended Practice (SORP).

Objectives and grant making policy

The Trust's main objectives are to provide for (a) the relief of poverty, (b) the advancement of education, (c) the advancement of religion and (d) such other purposes beneficial to the community as are exclusively charitable for the purpose of income tax. However for the 5 years from December 2002 to 2007 the Trustees wish to concentrate principally on one theme, namely *Community Deprivation* helping deprived communities to help themselves, and covering the full spectrum of community life (including health and employment issues, child care, drug abuse, homelessness and disability). The Trustees will only consider applications from Scottish charities or charities undertaking work specifically within Scotland.

The Cattanach Charitable Trust

Trustees' Report (Continued)

Investment Policy

The Trustees determined that the objectives of the Trust would be achieved by the adoption of a balanced portfolio to achieve long-term capital growth together with a reasonable level of income increasing over the years.

Performance during Accounting Year

Over the year ended 4 November 2006, the value of the investments, after allowing for the various changes, increased by £603,315.00.

Risk Management

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

Reserves

The Trustees maintain a free reserve to be utilised in fulfilling the charity's objectives, as well as meeting all future needs, opportunities, contingencies and risks.

Activities during the year

The Trustees approved grants to qualifying bodies totalling £188,797.00 during the year.

Organisational Structure

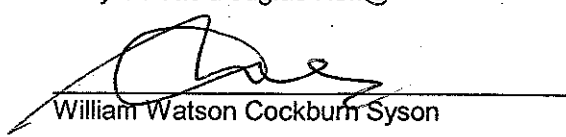
The day to day administration of the Trust is carried out by the Royal Bank of Scotland plc, Trust and Estate Services Department. The Trustees maintain control of the Trust through the Royal Bank of Scotland plc and meet regularly to review investment performance and consider charitable distributions.

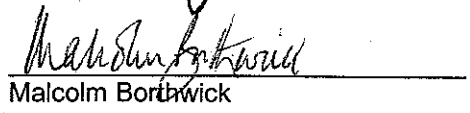
Approved by:


Frank William Fletcher


Mary Colette Douglas Home


The Lord MacLay Bt


William Watson Cockburn Syson


Malcolm Borthwick


The Royal Bank of Scotland plc

Date of Approval 7/12/07

THE CATTANACH CHARITABLE TRUST

Balance Sheet as at 4 November 2006

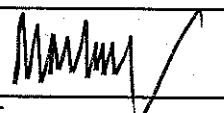
	Notes	£	2006 £	£	2005 £
Investments					
Per Valuation	3		6,934,716.00		6,331,401.00
Current Assets					
Cash at bank and in hand at					
Newton Investment Management Limited - Capital	3	207,991.09		181,744.67	
- Income		4,555.46			
The Royal Bank of Scotland plc -					
Trust & Estate Services, Edinburgh	3	150,629.34		112,561.91	
Debtors	5			525.31	
		<u>363,175.89</u>		<u>294,831.89</u>	
Current Liabilities					
Creditors	6	<u>51,351.25</u>		<u>51,351.25</u>	
Net Current Assets			311,824.64		243,480.64
			<u><u>7,246,540.64</u></u>		<u><u>6,574,881.64</u></u>
Funds					
Capital Account (Page 4)			7,142,707.09		6,497,426.28
Revenue Account (Page 6)			103,833.55		77,455.36
			<u><u>7,246,540.64</u></u>		<u><u>6,574,881.64</u></u>

Approved by:

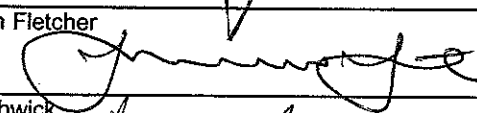
The Royal Bank of Scotland plc



The Lord Maclay Bt



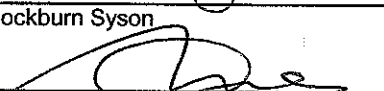
Frank William Fletcher



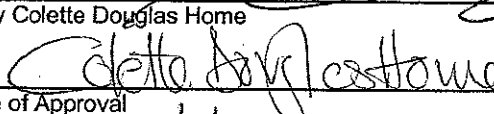
Malcolm Borthwick



William Watson Cockburn Syson



Mary Colette Douglas Home



Date of Approval

7/6/07

THE CATTANACH CHARITABLE TRUST

Capital Account

For the year ended 4 November 2006

	Notes	2006 £	2005 £
Balance of Estate at close of the last Account		6,497,426.28	5,656,589.92
Realised gains on investments transferred from Income Account	1b	170,780.19	86,211.40
Unrealised gains on investments		513,479.94	788,926.68
Sale of fractions		6.97	7.50
		<u>7,181,693.38</u>	<u>6,531,735.50</u>
Less : Administrative Expenses	2a	(38,986.29)	(34,309.22)
		<u>7,142,707.09</u>	<u>6,497,426.28</u>
Balance of Estate at close of this Account			
Represented by :			
Investments	3	6,934,716.00	6,331,401.00
Cash at Newton Investment Management Limited	3	189,358.76	166,025.28
Cash due to Newton Investment Management Limited from Investment Sale		18,632.33	-
		<u>7,142,707.09</u>	<u>6,497,426.28</u>

THE CATTANACH CHARITABLE TRUST

Income Account
For the year ended 4 November 2006

	Notes	£	2006 £	£	2005 £
Income					
Investment Income	4		268,181.71		225,470.84
Interest received :					
Newton Investment Management Limited	4		9,364.55		12,368.09
The Royal Bank of Scotland plc	4		3,116.67		2,367.61
			<u>280,662.93</u>		<u>240,206.54</u>
International Tax Reclaim			-		11.12
Administration expenses paid in year :					
Messrs Bird Semple, Solicitors	2 c		(13,359.25)		(5,130.39)
Trustees expenses	2 c		(605.17)		(75.00)
Administration expenses			(289.57)		-
Income accrued but not settled in the Account year:					
Tax repayment due for the year: 05.04.04 to 05.11.05	5		-		525.31
Realised gains on investment disposals			170,780.19		86,211.40
			<u>437,189.13</u>		<u>321,748.98</u>
Expenses accrued but not settled in the Account year : Share of The Royal Bank of Scotland Management fee					
Year to 4.11.06	2 b	50,000.00		50,000.00	
Audit Fee to 4.11.06	2 d	1,351.25		1,351.25	
			(51,351.25)		(51,351.25)
Surplus for the year prior to distributions			<u><u>385,837.88</u></u>		<u><u>270,397.73</u></u>

THE CATTANACH CHARITABLE TRUST

Income Account (Continued)
For the year ended 4 November 2006

	Notes	2006 £	2005 £
Income available for distribution at close of the last Account		77,455.36	67,276.03
Add Tenon audit fee over-reserved		117.50	-
Surplus for the year prior to distributions		385,837.88	270,397.73
		<u>463,410.74</u>	<u>337,673.76</u>
Distributions of income in year	7	(188,797.00)	(174,007.00)
Transfer to Capital Account of Realised gains on investment sales		(170,780.19)	(86,211.40)
Income available for distribution at close of this Account		<u><u>103,833.55</u></u>	<u><u>77,455.36</u></u>

THE CATTANACH CHARITABLE TRUST

**Statement of Financial Activities (Incorporating Income and Expenditure Account)
For the year ended 4 November 2006**

	Income Account £	Capital Account £	2006 Total £	Income Account £	Capital Account £	2005 Total £
<u>Incoming resources</u>						
Investment Income	280,662.93	-	280,662.93	240,742.97	-	240,742.97
Audit fee over provided	117.50	-	117.50	-	-	-
Sale of Fraction	-	6.97	6.97	-	7.50	7.50
Resources expended						
Cost of generating funds: investment management fees	-	(38,986.29)	(38,986.29)	-	(34,309.22)	(34,309.22)
Charitable Expenditure:						
- Grants payable in furtherance of the Charity's objects	(188,797.00)	-	(188,797.00)	(174,007.00)	-	(174,007.00)
- Management Costs	(64,253.99)	-	(64,253.99)	-	-	-
- Governance Costs - audit fee	(1,351.25)	-	(1,351.25)	-	-	-
Total Resources expended	(254,402.24)	(38,986.29)	(293,388.53)	(174,007.00)	(34,309.22)	(208,316.22)
Net incoming resources before transfers	26,378.19	(38,979.32)	(12,601.13)	10,179.33	(34,301.72)	(24,122.39)
Gross transfers between funds	(170,780.19)	170,780.19	-	(86,211.40)	86,211.40	-
Gains and Losses on revaluations and disposals of investment assets	170,780.19	513,479.94	684,260.13	86,211.40	788,926.68	875,138.08
Net Movement in Funds	26,378.19	645,280.81	671,659.00	10,179.33	840,836.36	851,015.69
Total Funds brought forward	77,455.36	6,497,426.28	6,574,881.64	67,276.03	5,656,589.92	5,723,865.95
Total Funds carried forward	103,833.55	7,142,707.09	7,246,540.64	77,455.36	6,497,426.28	6,574,881.64

All funds are unrestricted.

The Cattanach Charitable Trust

Notes to the Accounts for the year ended 4 November 2006

1. Accounting Policies

a. Accounting Convention

The financial statements are prepared under the historical cost convention as modified by revaluation of investments and in accordance with applicable accounting standards and Statement of Recommended Practice – Accounting and Reporting by Charities, as revised by Update Bulletin 1 (January 2005). They are drawn up in accordance with the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and the Charities Accounts (Scotland) Regulations 1992.

b. Investments

Investments held by Newton Investment Management Limited on behalf of the Trust are valued at current market value. Unrealised investment gains and losses are recognised on the Capital Account, realised gains are recognised on the Revenue Account and then transferred to the Capital Account.

2. Administration Expenses

An annual Management Fee of 1.35% is applied. However, there is a restriction of £50,000 inclusive of VAT in force.

a. Capital Account

Newton Investment Management Limited Management Fees for year ended 4 November 2006 were £38,986.29 (inclusive of VAT). (2005: £34,309.22)

b. Revenue Account

The Royal Bank of Scotland plc Management Fees for the year ended 4 November 2006 of £50,000.00 (inclusive of VAT) (2005: £50,000.00) will be paid during the following accounting year.

c. Messrs Bird Semple

2006

2005

Fees and expenses in respect of professional services F W Fletcher's role as a Trustee

£13,359.25

£5,130.39

Trustees Expenses

A R Thomson

£ -

£25.00

W W C Syson

£150.00

£25.00

Lord Maclay

£150.00

£25.00

M C D Home

£125.00

£ -

M Borthwick

£125.00

£ -

£550.00

£75.00

The Cattanach Charitable Trust

Notes to the Accounts for the year ended 4 November 2006 (Continued)

d. Audit fee

The sum of £1,351.25 (including VAT), (2005: £1,351.25) in respect of an Audit Fee due to Tenon Audit Limited for the period to 4 November 2006 will be paid during the following Accounting year.

3. Investments

Investments held by the Trust as at 4 November 2006 were:-

	2006	2005
UK Fixed Interest	£ 518,028	£ 601,183
GBP Bonds	344,545	429,367
Property Trusts	248,014	130,162
International Bonds	101,628	107,683
UK Equities/Investment Trusts	4,017,708	3,651,368
Overseas Equities	<u>1,704,793</u>	<u>1,411,638</u>
	<u>£ 6,934,716</u>	<u>£ 6,331,401</u>

A more detailed breakdown of the investments is shown in the Valuation on pages 12-26 (Appendix 1)

In addition, a Capital Bank Balance of £189,358.76 and an Income Account Balance of £4,555.46 were held by Newton Investment Management Limited at 4 November 2006, totalling £193,914.22 (2005: £181,744.67). A Revenue Bank Balance of £150,629.34 (2005: £112,561.91) was held by The Royal Bank of Scotland plc as at 4 November 2005.

4. Investment Income Received during the Accounting Period.

Newton Investment Management Limited interest, The Royal Bank of Scotland plc interest and interest received on Government Stocks have been paid gross of Basic Rate Tax.

5. Debtors

	2006	2005
Tax repayment for period 05.11.04 to 04.11.05	£ -	£ 525.31
Transitional Relief for period 05.11.05 to 04.11.06	<u>£ -</u>	<u>£525.31</u>

6. Creditors

	2006	2005
The Royal Bank of Scotland plc Management Fee period to 04.11.06	£50,000.00	£50,000.00
Tenon Audit Limited Audit fee period to 4.11.06	<u>£ 1,351.25</u>	<u>£ 1,351.25</u>
	<u>£51,351.25</u>	<u>£51,351.25</u>

7. Distributions

Distributions of income from commencement of Trust to 4 November 2006 are illustrated on pages 12-13

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CATTANACH CHARITABLE TRUST

We have audited the financial statements on pages 1 to 9 of The Cattanach Charitable Trust for the year ended 4 November 2006. These financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and on the basis of the accounting policies set out therein.

This report is made solely to the Trustees in accordance with the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and the Charity Accounts (Scotland) Regulations 1992. Our audit work has been undertaken so that we might state to the Trustees 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 Trust and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustee and Auditor

The Trustees' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are detailed in the Trustees' Report

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Constitution of the Trust, the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and the Charity Accounts (Scotland) Regulations 1992. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the Trust has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustee remuneration and transactions with the Trust is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustee's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies within the financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF
THE CATTANACH CHARITABLE TRUST (CONTINUED)**

Opinion

In our opinion the financial statements

. give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the charity as at 4 November 2006 and of its incoming resources and application of resources, including its income and expenditure for the year ended.

. and have been properly prepared in accordance with the Constitution of the Trust, the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and the Charities Accounts (Scotland) Regulations 1992.

Tenon Audit Limited

TENON AUDIT LIMITED
REGISTERED AUDITOR
160 DUNDEE STREET
EDINBURGH
EH11 1DQ

DATE 10 JULY 2007

The Cattanach Charitable Trust

Account for the year ended 4 November 2006

Charitable Distributions

	2006	2005
	£	£
Adventure Dalmailly 2000		5,000.00
Age Concern Dundee		5,000.00
Airdrie Citizens Advice Bureau	5,000.00	
Alzheimers Scotland	5,000.00	
Argyll & Bute Citizens Advice		2,500.00
Artlink Central	3,000.00	
The Ark trust		5,000.00
Association of Wheelchair Children	3,000.00	
The Attic Youth Project	8,000.00	5,000.00
Befriend a Child		5,000.00
British Red Cross		3,000.00
Carers of East Lothian	2,500.00	
CHICKS		5,416.00
Childrens Holidays for Inner City Kids	4,816.00	
Contact the Elderly		7,500.00
Cosgrove Care	2,202.00	
Creative Community Crafts	3,000.00	
Crosshouse Action Now		1,500.00
Crossroads		5,000.00
Crossroads Dunfermline	3,900.00	
Dundee Counselling Support		3,000.00
Dunedin School	5,000.00	
Dunlop & District Community Company	5,000.00	
Easthall Residents Ass'rs		(10,000.00)
Edinburgh Cyrenian	5,000.00	
Edinburgh University Children's Holiday Venture		5,000.00
Eighteen & Under		2,820.00
Fablevision		4,650.00
Fairbridge in Scotland	14,860.00	14,710.00
Family Mediation Lothian		2,500.00
Firsthand		4,100.00
FSU	1,000.00	
Garscube Community Foundation	10,000.00	
Glasgow Braendam Link		5,000.00
Glasgow City Mission	10,000.00	5,000.00
Homestart East Fife	1,750.00	2,500.00
Hopscotch Holidays		2,400.00
Invalids at Home	2,500.00	2,000.00
Kaimes Special School Association	2,120.00	
Launchpad	5,278.00	
Leith Acorn Centre for Women	1,146.00	
The Lin Berwick Trust	1,975.00	
The Link Centre for Deaf People	5,000.00	
Little Sisters of the Poor	2,000.00	
The Lochbank Trust	5,000.00	
The Lodging House Mission		2,910.00

The Cattanach Charitable Trust

Account for the year ended 4 November 2006

Charitable Distributions

	£	£
Multi Cultural Family Base		3,000.00
NCH Scotland		2,000.00
Noonday	3,000.00	3,000.00
Parkhead Youth Project	5,000.00	
Penumbra	2,000.00	
Perth & Kinross Association		5,000.00
Portsoy Out of School Club	1,000.00	
Positive Action in Housing		8,491.00
Positive Help	5,000.00	
Possil & Milton Youth Forum on Disability		5,000.00
Poverty Solutions		5,000.00
Prince & Princess of Wales H'E	4,250.00	
The Princes Trust		5,000.00
Princes Royal Trust		5,000.00
The Princes Scotland Youth Business Trust	5,000.00	
The Richmond Café Project		3,500.00
Rock Trust		2,010.00
Route 81	5,000.00	
St Andrew's Hospice		5,000.00
St Georges & St Peters Community Association	4,000.00	
Salvation Army	5,000.00	
Samaritans		5,000.00
Samaritans - Border Branch		750.00
Save the Children	10,000.00	
Scottish Marriage Care		2,500.00
Seaton Community Enterprise	5,000.00	
Senior Citizens Scotland	5,000.00	
The Shannon Trust		3,000.00
South Ayrshire Nightstop		1,500.00
Thomas Telford Trust		5,000.00
Trinity Centre	10,000.00	
Universal Beneficent Society	1,500.00	2,750.00
Waverley Club		5,000.00
	<hr/> <hr/>	<hr/> <hr/>
	188,797.00	174,007.00