

Registered Number
SC24409

The Thistle Foundation

Financial statements
For the year ended
31 March 2003



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The Thistle Foundation

Financial statements

For the year ended 31 March 2003

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REPORT by the COMMITTEE to the FIFTY EIGHTH ANNUAL GENERAL MEETING of MEMBERS

Constitution and Objects

The Thistle Foundation is a charity which promotes independence for physically disabled adults through the provision of accommodation and support. It was established by Memorandum and Articles of Association dated 7th June 1944 as a company limited by guarantee not having a share capital whose objectives are wholly charitable. New Articles of Association were adopted by Special Resolution passed on 27th April 1999, and a Special Resolution to revise the original Memorandum of Association was passed on 5th September 2000. The Thistle Foundation is recognised by the Inland Revenue as a Scottish Charity (reference number SC016816).

The management of the Foundation is vested in the Committee who are responsible to the membership for all the aspects of the Foundation's operations. The Committee meets four times per annum, and these meetings are attended by members of the Directorate team, to whom the day to day running of the organisation is delegated. In addition an Audit and Finance Committee, which is a sub-group of the main Committee meets periodically to approve the annual accounts, consider other financial matters and to discuss investment performance with the Foundation's brokers. The Committee is elected by the membership and Committee members retire by rotation and are re-elected at the Foundation's Annual General Meeting. In addition the Committee has the power to co-opt members and such members are subject to re-election at the next Annual General Meeting.

The members who retire at the Annual General Meeting and who are eligible for re-election are:

Bruce Tait	co-opted 20/3/03
James Watt	

Mr Donald M Henderson chose not to stand for re-election to the Committee at last year's annual general meeting, and Mr Stuart Nussey resigned from the Committee on 12th November 2002.

A list of all members of the Committee is included at page 5.

Review of Activities

Operations

The Foundation continues to enhance its reputation as a provider of high quality person centred support to disabled people. It provides around 3,250 hours of support each week to more than 60 clients living in their own homes in Edinburgh, the Lothians and Renfrew.

Several of these clients moved in to supported housing following the closure of our former residential home, Wighton House, at the end of March 2002. This change in operations has resulted in a corresponding change in the Foundation's income streams. Consequently the Statement of Financial Activities shows an increase in income from support services and a decrease in the income arising from charges for accommodation.

With financial support from the European Social Fund, and in partnership with a number of other similar organisations, the Foundation has developed a training course in person centred approaches for social care workers. It is hoped that this course and the qualification it leads to will become recognised by the new Care Commission.

During the year there has been ongoing consultation with tenants about the future of the Foundation's estate at Craigmillar in Edinburgh. Architects have drawn up a master plan for the re-development of the estate and the Committee is seeking to conclude a formal agreement with a third party to secure the essential upgrade of the Craigmillar estate addressing the needs of relevant parties.

Fundraising

The main thrust of the Appeals and Marketing Department continues to be aimed at expanding our donor base and increasing the amount of unrestricted funds available to the Foundation. In September 2002 the Foundation stopped purchasing new donors through the door to door committed giving scheme. While substantial sums have been spent in the last two years in recruiting new donors, this is seen as an investment which will lead to a significant increase in unrestricted donations in future years. Much of the Department's work is now around maintaining the support of these new donors, as well as considering other new and innovative fund raising methods.

Results for the year

During the year ended 31st March 2003 the Foundation made a deficit of £344,308 before investment disposals. After taking account of realised and unrealised losses on investment assets, the value of net assets fell by £2,871,136 to £10,488,122.

While the operating deficit was reduced compared with the previous year, the falling value of the investment portfolio, in line with trends in stock markets worldwide, continues to affect adversely the net movement in funds.

The Committee regularly reviews a five year financial projection for the Foundation and is considering ways of further improving operating results in future years.

Reserves Policy

As shown in the balance sheet on page 10, the Foundation's total reserves amount to £10,488,122 (2002: £13,359,258).

The Committee aims to maintain a level of free reserves, which will act as a buffer in the short to medium term against the loss of any source of funding or unexpected expenditure which may arise.

In calculating the amount of free reserves held by the Foundation, the Committee excludes that portion which is invested in land and buildings and equipment required to deliver its charitable objectives.

The Committee does not regard as free reserves that portion held as investment assets. These reserves provide an income contributing to the annual operating surplus or deficit, and provide a solid financial base from which to plan and develop the long term strategy of the Foundation, including the re-development of the Craigmillar estate referred to above.

The Committee continually reviews income and expenditure forecasts, the projected level of legacies and donations, and possible capital and maintenance projects. On the best evidence available the Committee considers that the level of our reserves will enable us to continue to operate as a going concern for the foreseeable future, and are required to develop our activities and to meet new challenges as they arise.

Investment Policy

No prescriptive restrictions are placed on the types of investments which the Foundation may hold. However an Audit and Finance Committee reviews the investment recommendations made by the Foundation's investment managers. The Foundation's investment aim is to maximise overall rate of return while investing in low to medium risk stocks. The Audit and Finance Committee meets annually with the investment managers to review the performance, content and investment aim of the portfolio taking account of such factors as income requirements, long term funding requirements and ethical considerations. Although the value of investments fell in line with generally difficult stock market conditions, the Committee is satisfied with the underlying investment performance during the year ended 31st March 2003.

Risk Management

The Committee conducts an annual review of the major risks to which the Foundation is exposed, in particular those related to its operations and finances. Detailed considerations of risk are delegated to the Directorate, who are assisted by the Senior Management Team. Risks are identified, assessed and controls established throughout the year. Through the risk management processes established for the Foundation, the Committee is satisfied that the major risks identified have been adequately mitigated where necessary.

Volunteers

The Committee is very grateful to the many volunteers who have helped during the year with service provision, fund raising and administrative support. The Foundation is greatly indebted to these volunteers for their unstinting commitment and support.

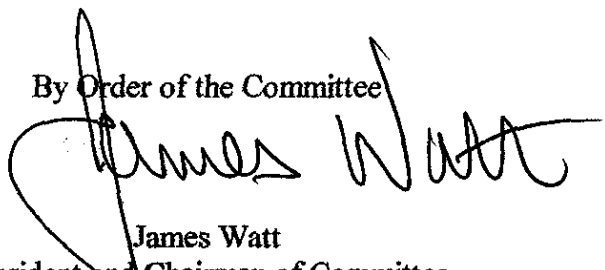
Connected Charity

The Thistle Trust, established in terms of a Deed of Trust dated 20th March 1952, owns and is responsible for the Robin Chapel situated within the grounds of the Thistle Foundation, Craigmillar, Edinburgh. The Trust is an independent body governed by a separate board of Trustees. Further information on the Thistle Trust is provided in note 19 to the financial statements.

Auditors

The re-appointment of Geoghegan & Co as Auditors will be proposed at the Annual General Meeting.

By Order of the Committee



James Watt
President and Chairman of Committee
21st July 2003

The Thistle Foundation

Office Bearers, Officials and Advisers

Honorary Presidents

Bryce K McCosh
The Rt Hon The Earl of Wemyss and March

Members of the Committee

James Watt Dip. TP (President and Chairman of Committee)
Michael B Paul FRICS, MRAC
Professor Cherry Rowlings BA, Dip.SAS
Colin D Browning BSc FRICS
W B Gray
R Bruce M Graham CA
Bruce Tait

Chief Executive

Jayne Fisher

Operations Director

Diana Paton

Finance and Administration Director

James Anderson

Secretary and Registered Office

James Anderson
The Thistle Foundation
Niddrie Mains Road
Edinburgh
EH16 4EA
Formerly :-
PricewaterhouseCoopers
Erskine House
68 – 73 Queen Street
Edinburgh
EH2 4NH

Solicitors

McGrigor Donald
Pacific House
70 Wellington St
Glasgow
G2 6SB

Auditors

Geoghegan & Co
6 St Colme Street
Edinburgh
EH3 6AD

Bankers

Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

Investment Advisers

Bell Lawrie White
7 Drumsheugh Gardens
Edinburgh
EH3 7QH

**Statement of Responsibilities of Members of the Committee
For the year ended 31 March 2003**

Members of the Committee are required by law to prepare financial statements for each accounting period which give a true and fair view of the financial activities of the Foundation and of its financial position at the end of that period. In preparing those financial statements Members of the Committee are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, 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 Foundation will continue in business.

Members of the Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of The Thistle Foundation

We have audited the financial statements of The Thistle Foundation on pages 9 to 22 for the year ended 31st March 2003. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 12 and 13.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members of the Committee and Auditors

As described in the Statement of Responsibilities of Members of the Committee on page 6 the Members of the Committee are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. We also report to you, if, in our opinion, the Report of the Committee is not consistent with the financial statements, if the Foundation 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 Committee Members' remuneration and transactions with the Foundation is not disclosed.

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

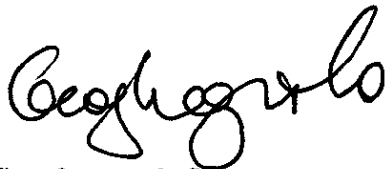
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Audit Standards 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 Members of the Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Foundation'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Foundation's affairs as at 31 March 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Geoghegan & Co
Chartered Accountants and Registered Auditors
Edinburgh
21st July 2003

The Thistle Foundation

Statement of Financial Activities (including Income and Expenditure Account) For the year ended 31 March 2003

		Restricted Funds	Unrestricted Funds	Total	Total
		Year to 31 March 2003 £	Year to 31 March 2003 £	Year to 31 March 2003 £	Year to 31 March 2002 £
Incoming resources	Note				
Charitable activities					
- Charges for accommodation		-	230,167	230,167	602,031
- Support services		-	2,160,721	2,160,721	1,339,252
Investment income	2	-	422,307	422,307	451,057
Donations and fundraising		14,664	870,362	885,026	386,990
Legacies		-	93,970	93,970	184,406
Provision of out-patient services		-	30,247	30,247	49,225
Other incoming resources		-	32,056	32,056	28,439
Total incoming resources		14,664	3,839,830	3,854,494	3,041,400
Resources expended					
Cost of generating funds	3	-	738,020	738,020	664,002
Net incoming resources available for charitable application		14,664	3,101,810	3,116,474	2,377,398
Direct charitable expenditure:					
- Operations	4	9,209	2,799,735	2,808,944	2,563,492
- Support	4	-	327,154	327,154	315,277
- Grants payable and other assistance	5	-	16,384	16,384	19,606
Management and administration	6	-	308,300	308,300	226,776
Total resources expended		9,209	3,451,573	3,460,782	3,125,151
Net incoming/(outgoing) resources		5,455	(349,763)	(344,308)	(747,753)
Realised loss on investment assets		-	(383,436)	(383,436)	(132,276)
Statement of total recognised gains and losses					
Net income/(expenditure) for year		5,455	(733,199)	(727,744)	(880,029)
Unrealised loss on investment assets		-	(2,143,392)	(2,143,392)	(397,612)
Net movement in funds		5,455	(2,876,591)	(2,871,136)	(1,277,641)
Balances brought forward at 1st April		11,697	13,347,561	13,359,258	14,636,899
Balances carried forward at 31st March		17,152	10,470,970	10,488,122	13,359,258

All of the incoming resources and resources expended reported above relate to continuing activities.

The historical cost net expenditure for the year was £697,893 (2002: £850,178) representing the deficit for the year as adjusted for depreciation calculated on the historical cost of fixed assets.

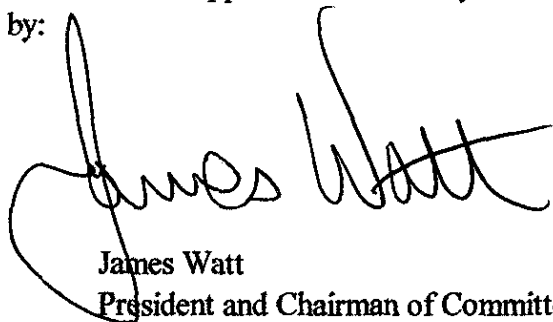
The Thistle Foundation

Balance Sheet

As at 31 March 2003

	Note	31 March 2003 £	31 March 2002 £
Fixed Assets:			
Tangible fixed assets	7	2,081,820	2,106,838
Investment assets	8	7,901,940	11,125,666
		<u>9,983,760</u>	<u>13,232,504</u>
Current Assets:			
Stocks		7,387	10,640
Debtors	9	395,422	503,228
Cash at bank and on hand		505,666	21,986
		<u>908,475</u>	<u>535,854</u>
Creditors: Amounts falling due within one year	10	404,113	409,100
Net Current Assets		<u>504,362</u>	<u>126,754</u>
Total Assets less Current Liabilities		<u>10,488,122</u>	<u>13,359,258</u>
Represented by:			
Restricted Funds	11	17,152	11,697
Unrestricted Funds:			
Designated reserves	11	106,437	106,325
General reserves	11	7,120,543	7,327,352
Revaluation reserve	11	3,243,990	5,913,884
		<u>10,488,122</u>	<u>13,359,258</u>

The financial statements were approved on 21st July 2003 and signed on behalf of the Committee by:


James Watt
President and Chairman of Committee

The Thistle Foundation

Cash Flow Statement

For the year ended 31 March 2003

		Year to 31 March 2003 £	Year to 31 March 2002 £
Reconciliation of net (outgoing) resources to net cash (outflow) from operating activities	Note		
Net (outgoing) resources for the year		(344,308)	(747,753)
Adjustment for items not involving the flow of funds:			
Depreciation		115,620	113,989
Non-operating cash flows eliminated:			
Investment income		(422,307)	(451,057)
Decrease/(increase) in stocks		3,253	(177)
Decrease/(increase) in debtors		107,806	(93,426)
(Decrease)/increase in creditors		(4,987)	27,157
Net cash (outflow) from operating activities		<u>(544,923)</u>	<u>(1,151,267)</u>

Cash Flow Statement

Net cash (outflow) from operating activities		(544,923)	(1,151,267)
Returns on investment			
Investment income		422,307	451,057
Capital Expenditure and Financial Investment			
Purchase of tangible fixed assets		(90,602)	(167,603)
Purchase of investment assets		(789,454)	(1,087,268)
Proceeds from sale of investment assets		1,183,085	1,462,950
Decrease in cash held as investment		303,267	162,496
		<u>606,296</u>	<u>370,575</u>
Increase/(decrease) in cash	13	<u>483,680</u>	<u>(329,635)</u>

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2003

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, and comply with the requirements of Statement of Recommended Practice; Accounting and Reporting by Charities (October 2000). A summary of the more important policies is set out below.

Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Income and expenditure

Incoming resources and resources expended are accounted for under the accruals basis, with the exception of donations which are accounted for when received. Resources expended are classified under the main headings of;

- Cost of generating funds
- Direct charitable expenditure – operations
- Direct charitable expenditure – support
- Direct charitable expenditure – grants payable and other assistance
- Management and administration

Central office expenses include both management and administration costs and support costs. In the Statement of Financial Activities these costs have been apportioned accordingly, applying a consistent formula.

Tangible Fixed Assets

The Foundation's buildings were valued on the basis of open market value in 1982, with subsequent additions at cost. On adoption of FRS15, the Foundation has followed the transitional provisions to retain the book value of land and buildings on this basis and not to adopt a policy of revaluation in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS11.

Investments

Shares listed on the London Stock Exchange are included in the balance sheet at middle market value at 31 March 2003. The historical cost of these investments is shown in a note to the financial statements.

Stock

Stocks are valued at the lower of cost or net realisable value.

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2003

1 Accounting policies (continued)

Depreciation

Depreciation is provided on a straight line basis using the following annual rates;

Buildings	2% on cost or valuation
Furniture, fittings and equipment	10% on cost
Computer and office equipment	25% on cost
Motor vehicles	25% on cost

Gain or loss on investments

Realised gains and losses on investment assets are transferred to general reserves. Unrealised gains and losses on investment assets are transferred to the revaluation reserve.

Restricted funds

Restricted funds are funds received for a specific purpose as declared by the donors and are accounted for separately from the other funds of the Foundation.

Designated reserves

It is the Foundation's policy to set aside certain unrestricted funds for specific projects or purposes. Such funds are classified as designated reserves and are accounted for separately from the other funds of the Foundation.

Revaluation reserve

The revaluation reserve consists of unrealised gains and losses on the revaluation of tangible fixed assets and investment assets.

Pension scheme

The Foundation contributes to a multi-employer pension scheme for employees (Federated Flexiplan No.1), which is administered by FPS Group Ltd. In accordance with FRS 17, the scheme is accounted for as a defined contribution scheme. Further information about the scheme is contained in note 16 to the financial statements.

Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the term of the lease.

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2003

2 Investment income

	Year to 31 March 2003 £	Year to 32 March 2002 £
Dividends from listed investments	414,070	438,531
Interest on deposits	8,237	12,526
	<u>422,307</u>	<u>451,057</u>

3 Cost of generating funds

	Year to 31 March 2003 £	Year to 31 March 2002 £
Staff costs	87,922	78,840
Purchase of goods for resale	6,420	6,171
Maintenance and leasing of equipment	14,530	-
Advertising and event expenses	23,738	21,758
Recruitment of donors	482,045	464,708
Other fundraising expenses	66,798	58,022
Office supplies and services	50,629	31,140
Depreciation	1,245	1,412
Other expenses	4,693	1,951
	<u>738,020</u>	<u>664,002</u>

4 Direct Charitable Expenditure

	Year to 31 March 2003 £	Year to 31 March 2002 £
<u>Operations</u>		
Staff costs	2,446,259	2,208,082
Resource centre activities	13,184	15,520
Maintenance	111,827	97,694
Other property costs	79,189	75,226
Catering	-	21,231
Office supplies and services	27,770	30,660
Other professional fees	19,940	384
Depreciation	83,502	84,612
Other expenses	27,273	30,083
	<u>2,808,944</u>	<u>2,563,492</u>

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2003

4 Direct Charitable Expenditure (continued)

	Year to 31 March 2003	Year to 31 March 2002
	£	£
<u>Support</u>		
Staff costs	297,280	292,293
Office supplies and services	13,923	11,089
Other expenses	15,951	11,895
	<u>327,154</u>	<u>315,277</u>

5 Grants payable and other assistance

	Year to 31 March 2003	Year to 31 March 2002
	£	£
Other grants and assistance	<u>16,384</u>	<u>19,606</u>

The Foundation works with other organisations involved in helping disabled people to secure housing suitable to their particular needs. Cases referred by such organisations are dealt with on an individual basis and assistance provided where it is considered appropriate.

6 Management and Administration

	Year to 31 March 2003	Year to 31 March 2002
	£	£
Staff costs	98,123	86,920
Maintenance	1,751	511
Other property costs	3,644	2,029
Office supplies and services	55,694	44,357
Audit fees	3,900	3,650
Other professional fees	77,926	55,777
Members expenses	435	455
Depreciation	30,873	27,965
Provision for bad or doubtful debts	28,000	-
Other expenses	7,954	5,112
	<u>308,300</u>	<u>226,776</u>

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2003

7 Tangible Fixed Assets

	Land & Buildings	Furniture Fittings & Equipment	Computer & Office Equipment	Motor Vehicles	Total
<u>Cost or valuation</u>	£	£	£	£	£
At 1 April 2002	2,987,964	205,744	189,859	83,725	3,467,292
Additions	-	84,144	6,458	-	90,602
At 31 March 2003	2,987,964	289,888	196,317	83,725	3,557,894
Being: Valuation	2,353,000				
Cost	634,964				
	2,987,964				
<u>Depreciation</u>					
At 1 April 2002	1,003,379	155,226	142,662	59,187	1,360,454
Charge for period	59,759	18,385	26,522	10,954	115,620
At 31 March 2003	1,063,138	173,611	169,184	70,141	1,476,074
<u>Net book value</u>					
At 31 March 2003	1,924,826	116,277	27,133	13,584	2,081,820
At 31 March 2002	1,984,585	50,518	47,197	24,538	2,106,838

The buildings on the Foundation's site in Craigmillar, Edinburgh were valued in 1982 by D M Hall and Son, Chartered Surveyors on the basis of open market value. No estimate was included of the development value of unused land on the site. The historical cost value less depreciation of the assets was £817,078. The current value of the land and buildings is very much dependent on their future use. The Committee is satisfied that, in the event of the Foundation's winding up, the assets would realise at least the value at which they are carried in the accounts.

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2003

7 Tangible Fixed Assets (continued)

The net book value at 31 March 2003 represents fixed assets used for:

	Land & Buildings £	Furniture Fittings & Equipment £	Computer & Office Equipment £	Motor Vehicles £	Total £
Direct charitable purposes	1,924,826	32,491	6,177	13,584	1,977,078
Fundraising and publicity	-	1,360	860	-	2,220
Management and administration	-	82,426	20,096	-	102,522
	<u>1,924,826</u>	<u>116,277</u>	<u>27,133</u>	<u>13,584</u>	<u>2,081,820</u>

8 Investment Assets

	31 March 2003 Market Value £	31 March 2003 Cost £	31 March 2002 Market Value £	31 March 2002 Cost £
<u>UK Listed Investments</u>				
At 1 April 2001	10,788,020	6,366,683	11,693,590	5,985,508
Additions	789,454	789,454	1,087,268	1,087,268
Disposals	(1,566,521)	(1,040,019)	(1,595,226)	(706,093)
Net unrealised losses	(2,143,392)	-	(397,612)	-
At 31 March 2002	<u>7,867,561</u>	<u>6,116,118</u>	<u>10,788,020</u>	<u>6,366,683</u>
Cash deposits	<u>34,379</u>	<u>34,379</u>	<u>337,646</u>	<u>337,646</u>
	<u>7,901,940</u>	<u>6,150,497</u>	<u>11,125,666</u>	<u>6,704,329</u>

The following holdings individually represented in excess of 5% of the market value of the Foundation's portfolio of UK listed investments as at 31 March 2003.

Holding	Market Value £
38,786 Glaxo Smithkline Ordinary 25p shares	431,688
50,000 M&G Securities Ltd Charifund Inc	437,355
144,717 Shell Transport & Trading Ordinary 25p shares	553,543
395,750 Treasury 8.5% Loan Stock 2007	467,143

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2003

9 Debtors	31 March 2003 £	31 March 2002 £
Due within one year:		
Charges due for accommodation and support	266,955	265,015
Income tax recoverable	23,442	28,407
Legacies receivable	-	83,461
Sundry debtors	3,489	7,913
Short term loans	40,191	36,460
Prepayments and accrued income	-	37,929
	<u>334,077</u>	<u>459,185</u>
Due after more than one year:		
Long term loans	61,345	44,043
	<u>395,422</u>	<u>503,228</u>

The Foundation has provided loans to assist disabled people to achieve home ownership. The Foundation works in partnership with another organisation which refers applications for such assistance and these are dealt with on an individual basis taking account of the merits of each case. The loans are free of interest and are repayable on fixed dates up to the year 2012.

10 Creditors: amounts falling due within one year	31 March 2003 £	31 March 2002 £
Trade creditors	20,776	13,583
Social security costs and other taxes	56,837	54,529
Other creditors and provisions	326,500	340,988
	<u>404,113</u>	<u>409,100</u>

11 Funds	Restricted Funds £	Unrestricted Funds £	Total £	Year to 31 March 2002 £
At 1 April 2002	11,697	13,347,561	13,359,258	14,636,899
Net movement in funds for period	5,455	(2,876,591)	(2,871,136)	(1,277,641)
At 31 March 2003	<u>17,152</u>	<u>10,470,970</u>	<u>10,488,122</u>	<u>13,359,258</u>

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2003

11 Funds (continued)

Restricted funds	Balance at 1 April 2002 £	Incoming Resources £	Resources Expended £	Transfers between Funds £	Balance at 31 March 2003 £
Community Garden	9,194	328	(7,151)	-	2,371
IT Project	-	7,200	-	-	7,200
Pool Hoist	-	6,500	-	-	6,500
Other restricted funds	2,503	636	(2,058)	-	1,081
	<u>11,697</u>	<u>14,664</u>	<u>(9,209)</u>	<u>-</u>	<u>17,152</u>
Unrestricted funds					
Designated reserves					
Health Services	3,591	1,808	(1,696)	-	3,703
Other future development project	102,734	-	-	-	102,734
	<u>106,325</u>	<u>1,808</u>	<u>(1,696)</u>	<u>-</u>	<u>106,437</u>
General reserves	7,327,352	3,838,022	(4,571,333)	526,502	7,120,543
Revaluation reserve	5,913,884	-	(2,143,392)	(526,502)	3,243,990
	<u>13,347,561</u>	<u>3,839,830</u>	<u>(6,716,421)</u>	<u>-</u>	<u>10,470,970</u>

Restricted funds are represented by cash balances.

	31 March 2003 £	31 March 2002 £
Revaluation reserve		
On revaluation of tangible fixed assets	1,492,548	1,492,548
On revaluation of investment assets	1,751,442	4,421,336
	<u>3,243,990</u>	<u>5,913,884</u>

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2003

12 Staff Costs

	Year to 31 March 2003 £	Year to 31 March 2002 £
Wages and salaries	2,552,972	2,310,898
Social security costs	197,364	179,563
Pension costs	104,776	105,221
Staff training and recruitment	68,232	58,996
Redundancy costs	6,240	11,457
	<u>2,929,584</u>	<u>2,666,135</u>

The emoluments of one member of staff are within the range of £50,000 - £59,999 (2002 - none)

The average number of staff employed during the period was;

	No	No
Full time	113	100
Part time	36	28
	<u>149</u>	<u>128</u>

Total Full time equivalent staff employed

<u>134</u>	<u>117</u>
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Travel expenses reimbursed to Committee Members

£	£
<u>435</u>	<u>455</u>

Number of Members reimbursed

No	No
<u>1</u>	<u>2</u>

13 Analysis of movement in cash balances

	31 March 2003 £	31 March 2002 £	Change in period £
Cash held on deposit	486,046	-	486,046
Cash at bank and in hand	19,620	21,986	(2,366)
	<u>505,666</u>	<u>21,986</u>	<u>483,680</u>

14 Other financial commitments

At 31st March 2003 the company was committed to make the following annual payments under non-cancellable operating leases.

	2003 £	2002 £
Operating leases which expire:		
Within 1 year	-	825
Within 2 to 5 years	24,343	6,065
After 5 years	-	14,529
	<u>24,343</u>	<u>21,419</u>

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2003

15 Loan Guarantee

In 1998 the Foundation undertook to act as guarantor to the Dunfermline Building Society with regard to a loan made to an individual disabled person for the purpose of purchasing a house. The amount of the loan was £36,337 and it was for a term of 25 years.

The borrower put into effect a suitable endowment insurance policy to allow for full repayment of the capital element of the loan at the date of maturity or in the event of death before that date.

The borrower repaid the loan in full in May 2003 and the Foundation's obligations under the guarantee ceased with effect from that date.

16 Pension scheme

The Thistle Foundation participates in a pension scheme for employees (Federated Flexiplan No 1), which is operated by Trustees, FPS Trustee Company Limited and is separate from the activities of the Foundation. The scheme is administered by FPS Group Limited.

The scheme is described as a targeted final salary scheme; that is, a money-purchase scheme, designed but not guaranteed to provide retirement pensions approximating to defined fractions of final salary per year of service. The fractions vary depending on the level of contribution rate being paid by employers and members. It is a centralised scheme in which some 444 employers participated as at 31 March 2002. Accounts for the year to 31 March 2002 show the market value of assets at that date as £60.5 million.

The actuarial review due at 31st March 2003 was brought forward by a year. As a result of the review the actuary recommended an increase of 1% in contributions in order to maintain targeted benefits at their present level. The Foundation has decided to absorb the cost of this increase into the employers contribution which now stands at 11% of salary.

Pension costs disclosed in note 12 above represent actual payments during the year.

17 Trustee Indemnity Insurance

The Foundation has in place a Trustee Indemnity Insurance policy with a limit of indemnity of £2,000,000 in the aggregate. The annual premium payable under the policy is £2,205.

The Thistle Foundation

Notes to the financial statements For the year ended 31st March 2003

18 Contracts and commitments

There was no committed expenditure on tangible fixed assets at 31st March 2003 or 31st March 2002.

19 Connected charity

The Thistle Trust, established in terms of a Deed of Trust dated 20th March 1952, owns and is responsible for the Robin Chapel situated within the grounds of the Thistle Foundation, Craigmillar, Edinburgh. The Trust is an independent body governed by a separate board of trustees. Administration is undertaken by the Thistle Foundation which receives a fee of £8,000 for this service. Information on the Thistle Trust and the Robin Chapel is available from the Finance and Administration Department, Niddrie Mains Road, Edinburgh EH16 4EA.

Subject to certain conditions the Trust Deed allows payments to be made to the Thistle Foundation at the Trustees' discretion. In the year to 31 March 2003 amounts received were £30,000.