

Registered Number
SC24409

The Thistle Foundation

**Financial statements
For the year ended
31 March 2004**



The Thistle Foundation

Financial statements

For the year ended 31 March 2004

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**REPORT by the COMMITTEE to the FIFTY NINTH
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 person centred 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 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:

Michael Paul
Cherry Rowlings
Patricia Black (co-opted 1/4/04)

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 some 3,250 hours of support each week to around 60 clients living in their own homes in Edinburgh, the Lothians and Renfrew. The Foundation, in partnership with a number of other organisations which provide similar services, has developed a training course in person centred approaches for social care workers. This course is partly funded through support from the European Social Fund.

During the year the Foundation has undertaken several new and exciting pieces of work. In partnership with Midlothian Council it has developed a "Local Area Co-ordination" project. This involves members of staff working flexibly with a number of local people with a range of disabilities. Their key role is to support these individuals through times of transition and change in their lives, to build relationships with them and help them plan their own futures.

In addition the Foundation has undertaken some consultancy work for Councils around assisting with the preparation of person centred plans for people affected by the re-provisioning of a residential care home, and around working with disabled people to investigate alternatives to day centre provision.

These pieces of work fit in well with the Foundation's Strategic Plan which envisages growth in its role as an "enabling" organisation alongside its continuing provision of direct support.

Another aim of the Strategic Plan is the ending of the Foundation's role as a landlord. To this end the Foundation is negotiating an agreement with the Places for People group to take over ownership of the houses on its Craigmillar Estate. In exchange for ownership of the houses, the Places for People group will use the proceeds from building new houses for sale to fund a major refurbishment of the existing houses. This transfer of the housing stock will relieve the Foundation of a future liability for the refurbishment work, the cost of which it estimates to be around £7 million. In addition it will free the Foundation from future annual maintenance and management responsibilities and allow it to concentrate on its core aim of working towards an inclusive society. The housing stock is currently included in the accounts at a net book value of £999,500.

Fundraising

During the year the Fundraising and Marketing Department raised £736,171 from donations and other fundraising activities and £100,000 in legacy income. The cost of generating these funds was £298,634 resulting in net incoming resources for the year of £537,537, compared with £240,976 in the previous year. This substantial increase in mainly unrestricted funds has arisen as the Foundation begins to reap the rewards from the substantial sums it invested in donor recruitment programmes in previous years. Fundraising is vital to the Foundation's continuing development and an ongoing programme is being developed to maintain income at the levels required by the organisation. The Foundation wishes to express its sincere thanks to all those individuals, trusts, companies and other organisations which have supported its work during the year.

Results for the year

During the year ended 31st March 2004 the Foundation made a deficit of £122,108 before investment disposals. Improving market conditions resulted in gains in investment values compared with the previous year, and after taking account of realised and unrealised gains on investment assets, the value of net assets rose by £934,532 to £11,422,654. The Committee regularly reviews forward financial plans for the Foundation and is satisfied that it will remain on a sound financial footing for the foreseeable future.

Reserves Policy

As shown in the balance sheet on page 10, the Foundation's total reserves amount to £11,422,654 (2003: £10,488,122).

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 costs of the organisation, and provide a solid financial base from which to plan and develop the long term strategy of the Foundation.

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 the Foundation 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 the Audit and Finance Committee reviews the investment recommendations made by our investment managers. The Foundation's investment aim is to maximise overall rate of return while investing in low to medium risk holdings. 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. The value of investments rose in line with general stock market conditions and the Committee is satisfied with the underlying investment performance during the year ended 31st March 2004.

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.

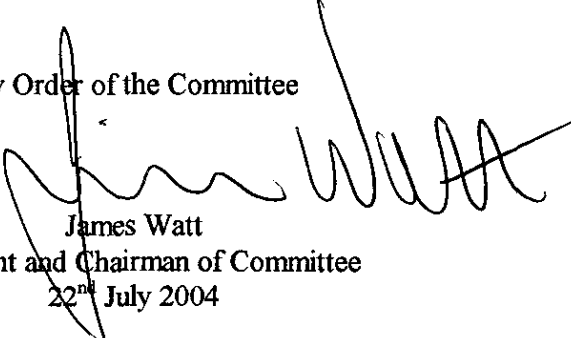
Connected Charity

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 18 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
22nd July 2004

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
Patricia Black (co-opted 1st April 2004)

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

Solicitors

McGrigor Donald
Pacific House
70 Wellington St
Glasgow
G2 6SB

Bankers

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

Auditors

Geoghegan & Co
6 St Colme Street
Edinburgh
EH3 6AD

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 2004**

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 2004. 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 2004 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
22nd July 2004

The Thistle Foundation

Statement of Financial Activities (including Income and Expenditure Account) For the year ended 31 March 2004

	Note	Restricted	Unrestricted	Total	Total
		Funds Year to 31 March 2004 £	Funds Year to 31 March 2004 £		
Incoming resources					
Charitable activities					
- Charges for accommodation		-	252,231	252,231	230,167
- Support services		-	2,432,474	2,432,474	2,160,721
Investment income	2	-	441,013	441,013	422,307
Donations and fundraising		15,220	720,951	736,171	885,026
Legacies		-	100,000	100,000	93,970
Provision of out-patient services		-	44,395	44,395	30,247
Other incoming resources		-	54,224	54,224	32,056
Total incoming resources		15,220	4,045,288	4,060,508	3,854,494
Resources expended					
Cost of generating funds	3	-	298,634	298,634	738,020
Net incoming resources available for charitable application		15,220	3,746,654	3,761,874	3,116,474
Direct charitable expenditure:					
- Operations	4	3,615	3,258,321	3,261,936	2,808,944
- Support	4	-	335,704	335,704	327,154
- Grants payable and other assistance	5	-	24,408	24,408	16,384
Management and administration	6	-	261,934	261,934	308,300
Total resources expended		3,615	3,880,367	3,883,982	3,460,782
Net incoming/(outgoing) resources before transfers		11,605	(133,713)	(122,108)	(344,308)
Transfers between funds		(18,270)	18,270	-	-
Net incoming/(outgoing) resources for the year		(6,665)	(115,443)	(122,108)	(344,308)
Realised gain/(loss) on investment assets		-	92,934	92,934	(383,436)
Statement of total recognised gains and losses					
Net income/(expenditure) for year		(6,665)	(22,509)	(29,174)	(727,744)
Unrealised gain/(loss) on investment assets		-	963,706	963,706	(2,143,392)
Net movement in funds		(6,665)	941,197	934,532	(2,871,136)
Balances brought forward at 1st April		17,152	10,470,970	10,488,122	13,359,258
Balances carried forward at 31st March		10,487	11,412,167	11,422,654	10,488,122

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

The historical cost net income for the year was £677 (2003: £697,893 net expenditure) representing the deficit for the year as adjusted for depreciation calculated on the historical cost of fixed assets.

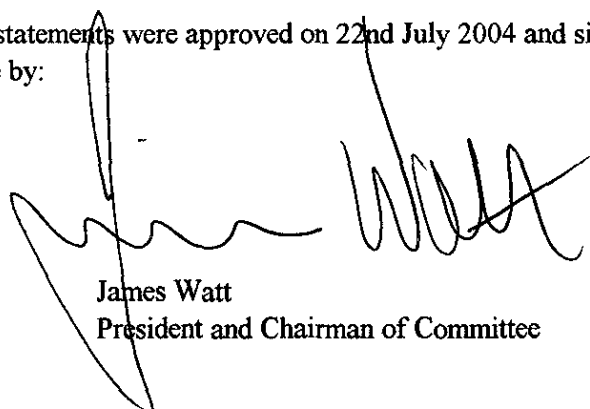
The Thistle Foundation

Balance Sheet

As at 31 March 2004

	Note	31 March 2004 £	31 March 2003 £
Fixed Assets:			
Tangible fixed assets	7	2,018,238	2,081,820
Investment assets	8	8,730,141	7,901,940
		<u>10,748,379</u>	<u>9,983,760</u>
Current Assets:			
Stocks		3,077	7,387
Debtors	9	595,859	395,422
Cash at bank and on hand		595,946	505,666
		<u>1,194,882</u>	<u>908,475</u>
Current Liabilities:			
Creditors: Amounts falling due within one year	10	520,607	404,113
Net Current Assets		<u>674,275</u>	<u>504,362</u>
Total Assets less Current Liabilities		<u>11,422,654</u>	<u>10,488,122</u>
Represented by:			
Restricted Funds	11	10,487	17,152
Unrestricted Funds:			
Designated reserves	11	3,890	106,437
General reserves	11	7,427,130	7,120,543
Revaluation reserve	11	3,981,147	3,243,990
		<u>11,422,654</u>	<u>10,488,122</u>

The financial statements were approved on 22nd July 2004 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 2004

		Year to 31 March 2004 £	Year to 31 March 2003 £
Reconciliation of net (outgoing) resources to net cash (outflow) from operating activities	Note		
Net (outgoing) resources for the year		(122,108)	(344,308)
Adjustment for items not involving the flow of funds:			
Depreciation		122,214	115,620
Non-operating cash flows eliminated:			
Investment income		(441,013)	(422,307)
Decrease in stocks		4,310	3,253
(Increase)/decrease in debtors		(200,437)	107,806
Increase/(decrease) in creditors		116,494	(4,987)
Net cash (outflow) from operating activities		(520,540)	(544,923)

Cash Flow Statement

Net cash (outflow) from operating activities		(520,540)	(544,923)
Returns on investment			
Investment income		441,013	422,307
Capital Expenditure and Financial Investment			
Purchase of tangible fixed assets		(58,632)	(90,602)
Purchase of investment assets		(1,010,864)	(789,454)
Proceeds from sale of investment assets		1,204,924	1,183,085
Decrease in cash held as investment		34,379	303,267
		169,807	606,296
Increase in cash	13	90,280	483,680

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2004

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Companies Act 1985 and follow the recommendations of the Statement of Recommended Practice: Accounting and Reporting by Charities (October 2000) as revised by Update Bulletin 1 (January 2003). 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.

The Foundation is not registered for VAT and accordingly all expenditure is shown gross of irrecoverable VAT.

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 opted 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.

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

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2004

1 Accounting policies (continued)

Investments

Shares listed on the London Stock Exchange are included in the balance sheet at middle market value at 31 March 2004. The historical cost of these investments is shown in a note to the financial statements.

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.

Stock

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

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 15 to the financial statements.

The pension costs charged in the financial statements represent the contributions payable by the Foundation during the year.

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 2004

2 Investment income

	Year to 31 March 2004 £	Year to 31 March 2003 £
Dividends from listed investments	429,342	414,070
Interest on deposits	11,671	8,237
	441,013	422,307

3 Cost of generating funds

	Year to 31 March 2004 £	Year to 31 March 2003 £
Staff costs	94,909	87,922
Purchase of goods for resale	9,314	6,420
Maintenance and leasing of equipment	14,500	14,530
Advertising and event expenses	12,790	23,738
Recruitment of donors	91,480	482,045
Other fundraising expenses	31,066	66,798
Office supplies and services	37,537	50,629
Depreciation	1,047	1,245
Other expenses	5,991	4,693
	298,634	738,020

4 Direct Charitable Expenditure

	Year to 31 March 2004 £	Year to 31 March 2003 £
<u>Operations</u>		
Staff costs	2,682,734	2,446,259
Resource centre activities	13,094	13,184
Maintenance	241,168	111,827
Other property costs	121,711	79,189
Office supplies and services	31,589	27,770
Other professional fees	47,856	19,940
Depreciation	83,847	83,502
Other expenses	39,937	27,273
	3,261,936	2,808,944

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2004

4 Direct Charitable Expenditure (continued)

	Year to 31 March 2004 £	Year to 31 March 2003 £
<u>Support</u>		
Staff costs	302,249	297,280
Office supplies and services	16,466	13,923
Other expenses	16,989	15,951
	<u>335,704</u>	<u>327,154</u>

5 Grants payable and other assistance

	Year to 31 March 2004 £	Year to 31 March 2003 £
Other grants and assistance	<u>24,408</u>	<u>16,384</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 2004 £	Year to 31 March 2003 £
Staff costs	95,653	98,123
Maintenance	5,417	1,751
Other property costs	5,776	3,644
Office supplies and services	46,900	55,694
Audit fees	5,500	3,900
Other professional fees	59,398	77,926
Members expenses	307	435
Depreciation	37,320	30,873
Provision for bad or doubtful debts	-	28,000
Other expenses	5,663	7,954
	<u>261,934</u>	<u>308,300</u>

The Thistle Foundation

Notes to the financial statements For the year ended 31 March 2004

7 Tangible Fixed Assets

	Land & Buildings	Furniture Fittings & Equipment	Computer & Office Equipment	Motor Vehicles	Total
<u>Cost or valuation</u>	£	£	£	£	£
At 1 April 2003	2,987,964	289,888	196,317	83,725	3,557,894
Additions	-	21,271	37,361	-	58,632
At 31 March 2004	2,987,964	311,159	233,678	83,725	3,616,526
Being: Valuation	2,353,000				
Cost	634,964				
	<u>2,987,964</u>				
<u>Depreciation</u>					
At 1 April 2003	1,063,138	173,611	169,184	70,141	1,476,074
Charge for period	59,759	20,031	33,414	9,010	122,214
At 31 March 2004	1,122,897	193,642	202,598	79,151	1,598,288
<u>Net book value</u>					
At 31 March 2004	1,865,067	117,517	31,080	4,574	2,018,238
At 31 March 2003	1,924,826	116,277	27,133	13,584	2,081,820

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 Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2004

7 Tangible Fixed Assets (continued)

The net book value at 31 March 2004 represents fixed assets used for:

	Land & Buildings £	Furniture Fittings & Equipment £	Computer & Office Equipment £	Motor Vehicles £	Total £
Direct charitable purposes	1,865,067	42,799	2,789	4,574	1,915,229
Fundraising and publicity	-	1,173	-	-	1,173
Management and administration	-	73,545	28,291	-	101,836
	<u>1,865,067</u>	<u>117,517</u>	<u>31,080</u>	<u>4,574</u>	<u>2,018,238</u>

8 Investment Assets

	31 March 2004 Market Value £	31 March 2004 Cost £	31 March 2003 Market Value £	31 March 2003 Cost £
<u>UK Listed Investments</u>				
At 1 April 2003	7,867,561	6,116,118	10,788,020	6,366,683
Additions	1,010,864	1,010,864	789,454	789,454
Disposals	(1,111,990)	(885,440)	(1,566,521)	(1,040,019)
Net unrealised gains/(losses)	963,706	-	(2,143,392)	-
At 31 March 2004	<u>8,730,141</u>	<u>6,241,542</u>	<u>7,867,561</u>	<u>6,116,118</u>
Cash deposits	-	-	34,379	34,379
	<u>8,730,141</u>	<u>6,241,542</u>	<u>7,901,940</u>	<u>6,150,497</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 2004.

Holding	Market Value £
50,000 M&G Securities Ltd Charifund Inc	540,170
144,717 Shell Transport & Trading Ordinary 25p shares	514,469
395,750 Treasury 8.5% Loan Stock 2007	442,923

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2004

9 Debtors	31 March 2004	31 March 2003
	£	£
Due within one year:		
Charges due for accommodation and support	405,271	266,955
Income tax recoverable	31,087	23,442
Sundry debtors	49,060	3,489
Short term loans	29,450	40,191
Prepayments and accrued income	30,185	-
	545,053	334,077
Due after more than one year:		
Long term loans	50,806	61,345
	595,859	395,422

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 2004	31 March 2003
	£	£
Trade creditors	54,404	20,776
Social security costs and other taxes	74,610	56,837
Other creditors and provisions	391,593	326,500
	520,607	404,113

11 Funds	Restricted Funds	Unrestricted Funds	Total	Year to 31 March 2003
	£	£	£	£
At 1 April 2003	17,152	10,470,970	10,488,122	13,359,258
Net movement in funds for period	11,605	922,927	934,532	(2,871,136)
Transfers between funds	(18,270)	18,270	-	-
At 31 March 2004	10,487	11,412,167	11,422,654	10,488,122

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2004

11 Funds (continued)

Restricted funds	Balance at 1 April 2003 £	Incoming Resources £	Resources Expended £	Transfers between Funds £	Balance at 31 March 2004 £
Community Garden	2,371	-	(1,858)	-	513
IT Project	7,200	-	(894)	-	6,306
Pool Hoist	6,500	12,278	-	(18,270)	508
Other restricted funds	1,081	2,942	(863)	-	3,160
	<u>17,152</u>	<u>15,220</u>	<u>(3,615)</u>	<u>(18,270)</u>	<u>10,487</u>
Unrestricted funds					
Designated reserves					
Health Services	3,703	325	(138)	-	3,890
Other future development projects	102,734	-	-	(102,734)	-
	<u>106,437</u>	<u>325</u>	<u>(138)</u>	<u>(102,734)</u>	<u>3,890</u>
General reserves	7,120,543	4,137,897	(4,178,863)	347,553	7,427,130
Revaluation reserve	3,243,990	963,706	-	(226,549)	3,981,147
	<u>10,470,970</u>	<u>5,101,928</u>	<u>(4,179,001)</u>	<u>18,270</u>	<u>11,412,167</u>

Restricted funds at 31st March 2004 are represented by:

	31 March 2004 £	31 March 2003 £
Tangible fixed assets	2,682	-
Cash	7,805	17,152
	<u>10,487</u>	<u>17,152</u>

Revaluation reserve	31 March 2004 £	31 March 2003 £
On revaluation of tangible fixed assets	1,492,548	1,492,548
On revaluation of investment assets	2,488,599	1,751,442
	<u>3,981,147</u>	<u>3,243,990</u>

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2004

12 Staff Costs

	Year to 31 March 2004 £	Year to 31 March 2003 £
Wages and salaries - permanent staff	2,483,744	2,309,183
Wages and salaries - agency and relief staff	253,725	243,789
Social security costs	236,171	197,364
Pension costs	111,886	104,776
Staff training and recruitment	83,388	68,232
Redundancy costs	6,630	6,240
	<u>3,175,544</u>	<u>2,929,584</u>

The emoluments of one member of staff are within the range of £50,000 - £59,999 (2003 - one)

The average number of permanent staff employed during the period was;

	No	No
Full time	107	113
Part time	38	36
	<u>145</u>	<u>149</u>

Total Full time equivalent staff employed

<u>129</u>	<u>134</u>
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Travel expenses reimbursed to Committee Members

<u>£</u>	<u>£</u>
<u>307</u>	<u>435</u>

Number of Members reimbursed

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

13 Analysis of movement in cash balances

	31 March 2004 £	31 March 2003 £	Change in period £
Cash held on deposit	569,450	486,046	83,404
Cash at bank and in hand	26,496	19,620	6,876
	<u>595,946</u>	<u>505,666</u>	<u>90,280</u>

14 Other financial commitments

At 31st March 2004 the company was committed to make the following annual payments under non-cancellable operating leases.

	2004 £	2003 £
Operating leases which expire:		
Within 1 year	-	-
Within 2 to 5 years	24,549	24,343
After 5 years	-	-
	<u>24,549</u>	<u>24,343</u>

The Thistle Foundation

Notes to the financial statements

For the year ended 31 March 2004

15 Pension scheme

The Thistle Foundation participates in a pension scheme for employees (Federated Flexiplan No 1), which is operated by the Trustee, 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 380 employers participated as at 31 March 2003. Accounts for the year to 31 March 2003 show the market value of assets at that date as £51.2 million.

An actuarial review was conducted at 31st March 2001 and an increase was made to contribution rates in order to maintain targeted benefits at their present level. The Foundation absorbed the cost of this increase into the employer's contribution which now stands at 11% of salary.

16 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, including insurance premium tax is £2,362 (2003: £2,205).

17 Contracts and commitments

There was no committed expenditure on tangible fixed assets at 31st March 2004 or 31st March 2003.

Notes to the financial statements

For the year ended 31st March 2004

18 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 received a fee of £8,000 (2003: £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 2004 amounts received were £30,000 (2003: £30,000).