

Kleinwort Benson

TRUSTEES

THE THISTLE TRUST

(A COMPANY LIMITED BY GUARANTEE)

Report and Financial Statements

5 April 2005



A Member of

Dresdner Private Banking

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THE THISTLE TRUST

Report and Financial Statements 2005

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THE THISTLE TRUST

Legal and Administrative Information

- Constitution** : The Thistle Trust is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Charity number: 1091327. Company number 04383182.
- Registered Office and Address for Appeals** : The Secretary
The Thistle Trust, PO Box 191, 10 Fenchurch Street,
London, EC3M 3LB
- Investment Managers** : Rathbones Investment Management Limited
C/o 159 New Bond Street, London, W1S 2UD
- Bankers** : Rathbones Investment Management Limited
C/o 159 New Bond Street, London, W1S 2UD

Messrs C Hoare & Co.
32 Lowndes Street, London SW1X 9HZ
- Legal Advisers** : Dawsons
2 New Square, Lincoln's Inn, London, WC2A 3RZ
- Accountant** : Kleinwort Benson Trustees Limited
P O Box 191, 10 Fenchurch Street, London EC3M 3LB
- Auditors** : Moore Stephens LLP
St Paul's House, Warwick Lane, London, EC4M 7BP

Trustees

The Trustees serving during the year and since the year end were:-

Madeleine Hamilton Lady Kleinwort
Nigel Keith Douglas Porteous
Neil Derek Morris
Donald James McGilvray
Nicholas Robert Kerr-Sheppard

The charity trustees are also the directors under the Companies Act 1985 and are the subscribers to the memorandum. Further trustees may be appointed by ordinary resolution in order to fill a vacancy or as additional trustees.

Secretary

Nicholas Robert Kerr-Sheppard

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Report of the trustees for the year ended 5th April 2005

The trustees are pleased to present their Annual Report together with the Financial Statements of the charity for the year ended 5th April 2005.

Legal and administrative information set out on page 1 forms part of this report. The Financial Statements have been prepared in accordance with Section 45 of the Charities Act 1993, the Companies Act 1985 and the revised Statement of Recommended Practice – "Accounting and Reporting by Charities" issued in October 2000.

Objects of the charity

1. To promote study and research in the arts.
2. To promote or develop for the benefit of the public all aspects of the arts in all its branches including (but without prejudice to the generality of the foregoing) the promotion of lectures courses or classes and exhibitions.
3. To further public education in all aspects of the arts including the development of artistic taste and the knowledge understanding and appreciation of the arts in such manner as the trustees shall think fit including (but without prejudice to the generality of the foregoing) the award of scholarships, exhibitions, bursaries or maintenance, or allowances tenable at any school, university or other educational establishment.
4. Such other charitable purposes as the trustees shall in their absolute discretion think fit.

Grant making policy

The trustees' policy is to consider applications received on their individual merits. Only successful applicants are then contacted. During the year, the trustees resolved to make a number of donations, as detailed in Note 4 on page 9 of the accounts.

The charity requests a copy of the most recent Report and Financial Statements from applicants.

Organisation

The charity is managed by the trustees. No fund raising is undertaken to support the work of the charity. The trustees meet at least once a year.

Financial review & investment policy

The accounts have been prepared on an accruals basis, and are presented in a format that reflects the split of funds between income (unrestricted) and capital (expendable endowment). The accounts show a balance of unrestricted funds of £31,516.03: this is derived from investment income and bank interest received.

Incoming resources totalled £40,426.19. £58,033.00 was committed to charitable donations and £2,137.25 to management and administration, resulting in a net outgoing of resources for the year of £19,744.06.

THE THISTLE TRUST

Report of the trustees cont'd

The trustees have wide discretionary investment powers and there are no restrictions to the type of investments that can be held. A balanced approach between capital growth and income has been adopted, with the investment portfolio structured to provide a wide range of diversification to protect the Trust's Fund. The trustees periodically review and monitor the performance of the portfolio. All cash is held on interest bearing bank accounts.

Related parties

The charity does not have a relationship with any other charities or organisations.

Review of the activities and future developments

During the year the trustees made 8 donations to charities working in the field of the Arts, as detailed in note 4 to the accounts.

The trustees are satisfied with the financial position of the charity and confirm that there are adequate assets available to fulfil their obligations. There are no plans to alter the charity's activities next year.

Reserves policy and risk management

It is the trustees intention to reserve a small balance of income, partly to offset the possible fall in investment income, and to enable them to continue their policy of responding quickly to appeals for significant support where appropriate, the timing of which is unpredictable.

The trustees have considered what risks the charity faces and believe these to be the risks of *fraud or poor investment performance*; adequate systems are in place to mitigate the former.

Trustees' responsibilities in relation to the financial statements

The Memorandum and Articles of Association require that the trustees maintain proper books of account and prepare consecutive statements of account relating to a period of not more than twelve months, together with a balance sheet relating to the end of such period. Charity legislation and related regulations prescribe the manner in which the trustees must prepare accounts for each financial year. In the preparation of these accounts, the trustees have agreed to accept responsibility to ensure that accounts are prepared in accordance with the applicable legislation and regulations. In discharging their responsibilities, the trustees have ensured that:

- (i) suitable accounting policies have been selected and consistently applied;
- (ii) any judgements and estimates made are reasonable and prudent;
- (iii) applicable accounting standards have been followed and any material departures have been disclosed and explained in the accounts;
- (iv) accounts have been prepared on a going concern basis unless they deem it inappropriate that the Trust will continue to operate.

THE THISTLE TRUST

Report of the trustees cont'd

In accordance with charity legislation, the trustees are responsible for keeping proper financial records, which disclose with reasonable accuracy, at any one time, the financial position of the trust. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As charity trustees, the directors also have the responsibility to ensure that:

- The purposes for which the charity was established are carried out
- The funds of the charity are only used for the purposes permitted by the Memorandum and Articles
- Activities carried out by or on behalf of the charity are properly undertaken; and
- Proper overall control of the charity is exercised by meeting regularly.

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

The company is limited by guarantee and its members' contributions to the assets of the company in the event of winding up are limited to £10 each.

Auditors

The auditors, Moore Stephens, are willing to continue in office. The trustees have elected to dispense with the obligation to appoint auditors annually.

By order of the trustees:


Neil D Morris
Chairman

Date 24th November 2005

THE THISTLE TRUST

Independent auditors' report to the trustees

We have audited the financial statements for the year ended 5th April 2005 set out on pages 6 to 10. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the charitable company's trustees, 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 charitable company's 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charitable company's trustees 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 Trustees' Report is not consistent with the financial statements, if the charitable company 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

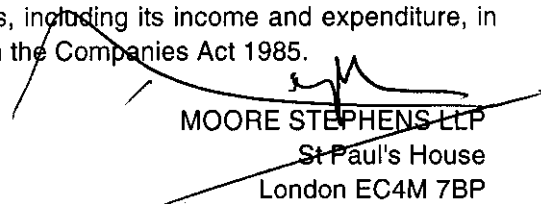
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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 charitable company's affairs as at 5th April 2005 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

S. Deemee 2005


MOORE STEPHENS LLP
St Paul's House
London EC4M 7BP
Registered Auditor
Chartered Accountants

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Statement of Financial Activities for the Year Ended 5 April 2005

	Note	Unrestricted Fund	Expendable Endowment	Total 2005	Total 2004
Incoming Resources					
Investment Income	6	40,426.19	-	40,426.19	28,122.68
Donation Received		-	-	-	50,000.00
Total Incoming Resources		£40,426.19	£ -	£40,426.19	£78,122.68
Resources Used					
Donations to Charitable Institutions	4	58,033.00	-	58,033.00	31,000.00
Management and Administration	3	2,137.25	16,712.07	18,849.32	5,685.61
Total Resources Used		£60,170.25	£16,712.07	£76,882.32	£36,685.61
Net Incoming (Outgoing) Resources for the Year		(£19,744.06)	(£16,712.07)	(£36,456.13)	£41,437.07
Gains/(Losses) on Investments	5				
Unrealised Gain		-	67,710.89	67,710.89	70,306.29
Realised (Loss)		-	(67.06)	(67.06)	-
Net Movement of Resources in the Year		(£19,744.06)	£50,931.76	£31,187.70	£111,743.36
Funds					
At 5 April 2004		51,260.09	1,051,825.05	1,103,085.14	991,341.78
Net Movements of Resources in the year		(19,744.06)	50,931.76	31,187.70	111,743.36
At 5 April 2005		£31,516.03	£1,102,756.81	£1,134,272.84	£1,103,085.14

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Balance Sheet as at 5 April 2005

	Notes	£	2005 £	£	2004 £
Fixed Assets					
Investments (Book value £976,360.82)	5		1,102,756.81		1,051,825.05
Current Assets					
Debtors	7	18,330.31		5,584.39	
Cash at Bank		25,145.01		46,850.70	
		<u>43,475.32</u>		<u>52,435.09</u>	
Current Liabilities					
Creditors, amounts falling due within one year	8	<u>11,959.29</u>		<u>1,175.00</u>	
Net Current Assets			31,516.03		51,260.09
Assets less Current Liabilities			£1,134,272.84		£1,103,085.14
Capital Fund					
Expendable Endowments			1,102,756.81		1,051,825.05
Income Fund					
Unrestricted Fund			31,516.03		51,260.09
			£1,134,272.84		£1,103,085.14

The financial statements were approved by the Trustees on 17/10/ 2005
Signed on behalf of the Trustees.

Neil D Morris
Chairman



Notes to the Accounts for the Year Ended 5 April 2005

1 Accounting Policies

These financial statements have been prepared in accordance with the particular accounting policies described below.

Accounting Convention

The financial statements have been prepared under the historical cost convention except for investments, which have been included at revalued amounts. Further, the financial statements have been prepared in accordance with the revised statement of Recommended Practice "Accounting by Charities", applicable accounting standards, and the Companies Act 1985.

Basis of Accounting

Donations are accounted for when received. Grants made are accounted for when the relevant expense has been incurred. All other income and expenditure is accounted for on an accruals basis.

Investments

Investments are included in the financial statements at mid-market value at the balance sheet date.

2 Information regarding Trustees and Employees

The charity had no employees. Trustee liability insurance has been purchased by Kleinwort Benson Trustees Limited.

3 Other Expenses

	2005 £	2004 £
Management and Administration:		
Unrestricted Fund		
Audit Fees	1,268.41	1,204.37
Rathbone's Accountancy Fee	775.50	-
Bank Charges & Interest	63.34	-
Companies House	30.00	-
	£2,137.25	£1,204.37
Expendable Endowment		
Kleinwort Benson Trustees Ltd (Accountancy/Administration Fees)	5,875.00	-
Dawson's (Administration/Legal Fees)	4,832.79	-
Investment Advice Fee	6,004.28	4,481.24
	£16,712.07	4,481.24

Notes to the Accounts for the Year Ended 5 April 2005

4 Donations to Charitable Institutions	2005 £	2004 £
ARTISTIC CAUSES - (8 Donations)		
Burlington Magazine Foundation	5,000.00	
Exeter University Foundation	1,500.00	
Public Catalogue Foundation	5,000.00	
Robinson College	1,783.00	
Royal Academy of Music	6,250.00	
Sir John Soanes Museum	10,000.00	
TyPa	8,500.00	
Unicorn Theatre	20,000.00	
	£58,033.00	£31,000.00

5 Investments: Listed on a recognised Stock Exchange

The portfolio is structured to achieve long term capital growth in real terms, whilst providing an income broadly in line with or above that of the UK equity market.

	2005 £	2004 £
Market value brought forward - UK Investments	1,045,268.00	73,525.60
Additions	161,585.08	917,143.79
Disposals	(160,118.91)	(15,707.68)
	<u>1,046,734.17</u>	<u>974,961.71</u>
Unrealised Gain	67,710.89	70,306.29
Realised (Loss)	(67.06)	-
Market value - UK Investments	1,114,378.00	1,045,268.00
Cash on Call Account	2,234.48	9,816.04
Transfer Between Funds		
Accumulated Dividend	(340.76)	(55.65)
Interest on Deposit	(3,203.34)	(3,203.34)
Accrued Interest	396.22	-
Kleinwort Benson Trustees Ltd (Accountancy/Administration Fees)	(5,875.00)	-
Dawson's (Administration/Legal Fees)	(4,832.79)	-
Investments	£1,102,756.81	£1,051,825.05

6 Investment Income	2005 £	2004 £
Income from UK listed Securities	39,997.70	22,369.70
Bank Interest	428.49	5,752.98
	£40,426.19	£28,122.68

Notes to the Accounts for the Year Ended 5 April 2005

	2005 £	2004 £
7 Debtors		
Tax Repayment Due from Inland Revenue	2,486.72	1,356.20
Accrued Interest	1,987.92	969.20
Transfer Between Funds		
Accumulated Dividend	340.76	55.65
Interest on Deposit	3,203.34	3,203.34
Accrued Interest	(396.22)	-
Kleinwort Benson Trustees Ltd (Accountancy/Administration Fees)	5,875.00	-
Dawson's (Administration/Legal Fees)	4,832.79	-
	£18,330.31	5,584.39

	2005 £	2004 £
8 Creditors, Amounts Falling Due Within One Year		
Kleinwort Benson Trustees Ltd (Accountancy/Administration Fees)	5,875.00	-
Dawson's (Administration/Legal Fees)	4,832.79	-
Audit Fees	1,251.50	1,175.00
	£11,959.29	£1,175.00

9 Expendable Endowments**Movement in Funds**

Balance 5 April 2004	Gains and Transfers	Balance 5 April 2005
£1,051,825.05	£50,931.76	£1,102,756.81

Income is available for general purposes. The expendable endowment is represented mainly by Investments listed on a recognised Stock Exchange.

10 Unrestricted Funds

The income funds of the Charity will be designated by the Trustees towards Charities and Charitable activities, as set out in the Trustees Report attached to these accounts in the 2004/05 accounting year. Unrestricted funds are represented by the net current assets of the charity.

11 Donations Received

There is no restriction on the use of donations to the trust.