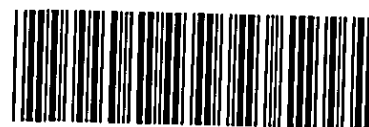


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THE THISTLE TRUST
(A COMPANY LIMITED BY GUARANTEE)

Report and Financial Statements

5 April 2006



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THE THISTLE TRUST

Report and Financial Statements 2006

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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 57005, 30 Gresham Street, London EC2P 2US
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
Administrator's	Kleinwort Benson Trustees Limited P O Box 57005, 30 Gresham Street, London EC2P 2US
Accountant's	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

THE THISTLE TRUST

Report of the trustees for the year ended 5th April 2006

The trustees are pleased to present their Annual Report together with the Financial Statements of the charity for the year ended 5th April 2006

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 – 2005

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 £25,369.44. This is derived from investment income and bank interest received.

Incoming resources totalled £45,583.71. £37,978.00 was committed to charitable donations and £13,226.01 to management and administration, resulting in a net outgoing of resources for the year of £5,620.30.

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

By order of the trustees

Neil D Morris
Chairman



Date 30th January 2007

**Accountant's Report to the Trustees on
The Unaudited Accounts of The Thistle Charitable Trust**

We report on the accounts for the year ended 5 April 2006 set out on pages 6 to 10

Respective Responsibilities of Trustees and Reporting Accountants

As described on page 4 the charitable company's trustees are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquires of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.


Opinion

In our opinion

- (a) the accounts are in agreement with the accounting records kept by the charitable company under section 221 of the Companies Act 1985,
- (b) having regard only to, and on the basis of, the information contained in those accounting records,
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, and
 - (ii) the charitable company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act (as modified by section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption in section 249B(1).

St Paul's House
London, EC4M 7BP

2nd February 2007


MOORE STEPHENS LLP
Chartered Accountants

THE THISTLE TRUST

Statement of Financial Activities for the Year Ended 5 April 2006

	Note	Unrestricted Fund	Expendable Endowment	Total 2006	Total 2005
Incoming Resources					
Investment Income	6	45,583 71	-	45,583 71	40,426 19
Total Incoming Resources		£45,583 71	£ -	£45,583 71	£40,426 19
Resources Used					
Donations to Charitable Institutions	4	37,978 00	-	37,978 00	58,033 00
Investment Advice Fee	3	-	6,690 46	6,690 46	6,004 28
Governance Costs	3	6,124 30	411 25	6,535 55	12,845 04
Total Resources Used		£44,102 30	£7,101 71	£51,204 01	£76,882 32
Net Incoming (Outgoing) Resources for the Year		£1,481 41	(£7,101 71)	(£5,620 30)	(£36,456 13)
Gains/(Losses) on Investments	5				
Unrealised Gain		-	225,137 20	225,137 20	67,710 89
Realised Gain		-	507 96	507 96	(67 06)
Transfer to Expendable Endowment		(7,628 00)	7,628 00	-	-
Net Movement of Resources in the Year		(£6,146 59)	£226,171 45	£220,024 86	£31,187 70
Funds					
At 5 April 2005		31,516 03	1,102,756 81	1,134,272 84	1,103,085 14
Net Movements of Resources in the year		(6,146 59)	226,171 45	220,024 86	31,187 70
At 5 April 2006		£25,369 44	£1,328,928 26	£1,354,297 70	£1,134,272 84

THE THISTLE TRUST

Balance Sheet as at 5 April 2006

	Notes	2006		2005	
		£	£	£	£
Fixed Assets					
Investments (Book value £949,640 62)	5		1,328,928 26		1,102,756 81
Current Assets					
Debtors	7	6,369 30		18,330 31	
Cash at Bank		24,310 14		25,145 01	
		<u>30,679 44</u>		<u>43,475 32</u>	
Current Liabilities					
Creditors, amounts falling due within one year	8	<u>5,310 00</u>		<u>11,959 29</u>	
Net Current Assets			25,369 44		31,516 03
Assets less Current Liabilities			£1,354,297 70		£1,134,272.84
Capital Fund					
Expendable Endowments			1,328,928 26		1,102,756 81
Income Fund					
Unrestricted Fund			25,369 44		31,516 03
			£1,354,297 70		£1,134,272.84

For the year ended 5 April 2006 the company was entitled to exemption under Section 249A (1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2). The directors acknowledge their responsibility for i) Ensuring the company keeps accounting records which comply with section 221, and ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Trustees on 30th January 2007
Signed on behalf of the Trustees

Neil D Morris
Chairman



Notes to the Accounts for the Year Ended 5 April 2006

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 - 2005, 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

	2006 £	2005 £
Governance Costs		
Unrestricted Fund		
Kleinwort Benson Trustees Ltd (Accountancy/Administration Fees)	4,700 00	-
Moore Stephens Fee	595 30	1,268 41
Rathbone's Accountancy Fee	-	775 50
Dawson's (Administration/Legal Fees)	799 00	-
Bank Charges & Interest	-	63 34
Companies House	30 00	30 00
	£6,124 30	£2,137 25
Expendable Endowment		
Kleinwort Benson Trustees Ltd (Accountancy/Administration Fees)	-	5 875 00
Rathbone's Accountancy Fee	411 25	-
Dawson's (Administration/Legal Fees)	-	4,832 79
Investment Advice Fee	6,690 46	6,004 28
	£7,101 71	£16,712.07

Notes to the Accounts for the Year Ended 5 April 2006

4 Donations to Charitable Institutions**ARTISTIC CAUSES - (8 Donations)**

	2006	2005
	£	£
Sir John Soane's Museum	10,000 00	
Tate Modern	10,000 00	
Whitechapel Auto Gallery Trustee Ltd	5,000 00	
London Symphony Orchestra	4,167 00	
Gate Theatre	3,000 00	
Pursued by a Bear	2,811 00	
Menagerie Theatre Co Ltd	2,000 00	
Sussex Chorus	1,000 00	
	£37,978 00	£58,033 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

	2006	2005
	£	£
Market value brought forward - UK Investments	1,114,378 00	1,045,268 00
Additions	134,208 59	161,585 08
Disposals	(161,436 75)	(160,118 91)
	<u>1,087,149 84</u>	<u>1,046,734 17</u>
Unrealised Gain	225,137 20	67,710 89
Realised Gain	507 96	(67 06)
Market value - UK Investments	1,312,795 00	1,114,378 00
Cash on Call Account	19,631 80	2,234 48
Transfer Between Funds		
Accumulated Dividend	(691 42)	(340 76)
Interest on Deposit	(3,203 34)	(3,203 34)
Accrued Interest	396 22	396 22
Kleinwort Benson Trustees Ltd (Accountancy/Administration Fees)	-	(5,875 00)
Dawson's (Administration/Legal Fees)	-	(4,832 79)
Investments	£1,328,928 26	£1,102,756 81

6 Investment Income

	2006	2005
	£	£
Income from UK listed Securities	45,134 72	39,997 70
Bank Interest	448 99	428 49
	£45,583 71	£40,426 19

Notes to the Accounts for the Year Ended 5 April 2006

	2006 £	2005 £
7 Debtors		
Tax Repayment Due from Inland Revenue	882 84	2,486 72
Accrued Interest	1,987 92	1,987 92
Transfer Between Funds		
Accumulated Dividend	691 42	340 76
Interest on Deposit	3,203 34	3,203 34
Accrued Interest	(396 22)	(396 22)
Kleinwort Benson Trustees Ltd (Accountancy/Administration Fees)	-	5,875 00
Dawson's (Administration/Legal Fees)	-	4,832 79
	£6,369 30	18,330 31

	2006 £	2005 £
8 Creditors, Amounts Falling Due Within One Year		
Kleinwort Benson Trustees Ltd (Accountancy/Administration Fees)	4,700 00	5,875 00
Dawson's (Administration/Legal Fees)	-	4,832 79
Moore Stephens Fee	610 00	1,251 50
	£5,310 00	£11,959 29

9 Expendable Endowments**Movement in Funds**

Balance 5 April 2005	Gains and Transfers	Balance 5 April 2006
£1,102,756 81	£226,171 45	£1,328,928.26

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 2005/06 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.