

THE THISTLE TRUST
(A COMPANY LIMITED BY GUARANTEE)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016



THE THISTLE TRUST

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COMPANY INFORMATION FOR THE YEAR ENDED 5 APRIL 2016

Constitution The Thistle Trust is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Its members' contributions to the assets of the company in the event of winding up are limited to £10 each.

Charity Number: 1091327 Company Number: 04383182

Registered Office/administration office and address for appeals The Thistle Trust, c/o Kleinwort Benson Trustees Limited, 14 St George Street, London, W1S 1FE

Bankers and Investment Managers Kleinwort Benson Bank Limited
14 St George Street, London, W1S 1FE

Legal advisers Druces LLP
Salisbury House, London Wall, London, EC2M 5PS

Administrators Kleinwort Benson Trustees Limited
14 St George Street, London, W1S 1FE

Independent Examiners Kreston Reeves LLP
37 St Margaret's Street, Canterbury, Kent CT1 2TU

Trustees

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

Madeleine, Lady Kleinwort
Catherine Mary Trevelyan
Neil Derek Morris (Chairman)
Donald James McGilvray
Selina Helen Louisa Kleinwort Dabbas

The charity trustees are also the directors under the Companies Act 2006 and are subscribers to the Memorandum. Further trustees may be appointed by ordinary resolution in order to fill a vacancy or as additional trustees.

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TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2016

The trustees (who are also directors of the Charity for the purposes of the Companies Act 2006) are pleased to present their Annual Report together with the financial statements of the charity for the year ended 5 April 2016.

Company information set out on page 1 forms part of this report. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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 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 the award of scholarships, exhibitions, bursaries or maintenance, or allowances 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 pages 10 and 11 of the financial statements.

The charity requests a copy of applicants' most recent report and financial statements.

Appointment of Trustees and Charity Organisation

The charity is managed by the trustees who are appointed under the terms of the Trust Deed, with daily administration being dealt with by the Administrators. No fund raising is undertaken to support the work of the charity. The trustees meet at least once a year.

Financial review and investment policy and performance

The financial statements 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 financial statements show a balance of unrestricted funds of £24,264.24 (2015:£4,691.55).

Incoming resources totalled £38,315.69 (2015: £33,634.34). Charitable donations totalled £43,995.00 (2015: £41,100.00), with £18,047.98 (2015: £17,859.08) spent on investment management, governance and administration, resulting in a net outgoing of resources for the year of £23,727.29 (2015: £25,324.74). £29,195.00 (2015:£17,175.66) was transferred from the Expendable Endowment to the Unrestricted Fund for expenditure on donations.

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TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2016

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 diversification to protect the Trust Fund and benchmarked against the WM Charities Index. The trustees periodically review the performance of the portfolio. All cash is held on interest-bearing bank accounts.

Charity's public benefit

The trustees have ensured that all activities throughout the period have been for the interest of public benefit. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Review of the activities and future developments

During the year the trustees made 25 donations to charities working in the field of the arts, as detailed in note 4 to the financial statements.

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

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that the support and governance costs are covered. The trustees consider that a level of three months is sufficient given the flexibility afforded by the total return approach towards the investment of the permanent endowment which allows trustees to transfer amounts from the unapplied total element of the endowment fund in the case of urgent need. The balance held as unrestricted funds at 5 April 2016 was £24,264.24 which is regarded as free reserves. Actual three month cash payments totalled £11,984.50. The current level of reserves is therefore higher than is needed and this will be adjusted by reducing the amount from the unapplied total return in 2017.

It is the trustees' intention to maintain an unrestricted fund at least equivalent to the historic cost of investments, together with a small cash 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 fraud and investment performance is regularly monitored.

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2016**

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the safeguarding of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the trustees have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

By order of the trustees:


Neil D Morris
(Chairman)

31 October 2016
Date

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INDEPENDENT EXAMINER'S REPORT

Independent Examiner's Report to the Trustees of the Thistle Trust

I report on the financial statements of the company for the year ended 5 April 2016, which are set out on pages 6 to 13.

Respective responsibilities of trustees and the examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met, or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

S. Rouse

Samantha Rouse FCCA DChA
Chartered Certified Accountant

Date 31 OCTOBER 2016

KRESTON REEVES LLP
37 St Margaret's Street
Canterbury
Kent, CT1 2TU

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**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2016**

	Note	Unrestricted Fund £	Expendable Endowment £	Total 2016 £	Total 2015 £
Income and Endowments					
Investments:					
Investment Income	3	38,315.69	-	38,315.69	33,634.34
Total Income and Endowments		£38,315.69	-	£38,315.69	£33,634.34
Expenditure					
Cost of raising funds:					
Kleinwort Benson Investment Management Fee	5	-	8,254.98	8,254.98	8,126.08
Expenditure on charitable activities:					
Donations	4	43,995.00	-	43,995.00	41,100.00
Support Costs	5	3,943.00	5,850.00	9,793.00	9,733.00
Total Expenditure		£47,938.00	£14,104.98	£62,042.98	£58,959.08
Net (Expenditure)		(£9,622.31)	(£14,104.98)	(£23,727.29)	(£25,324.74)
Net (Losses)/Gains on Investments	6				
Realised Loss		-	(26,639.99)	(26,639.99)	(14,057.22)
Unrealised (Losses)/Gains		-	(11,297.35)	(11,297.35)	80,566.70
Currency Gains		-	2,485.71	2,485.71	363.30
Transfer from expendable endowment		29,195.00	(29,195.00)	-	-
		29,195.00	(64,646.63)	(35,451.63)	66,872.78
Net Movement in Funds in the Year		£19,572.69	(£78,751.61)	(£59,178.92)	£41,548.04
Funds					
At 5 April 2015		4,691.55	1,281,608.59	1,286,300.14	1,244,752.10
Net Movement of Resources in the Year		19,572.69	(78,751.61)	(59,178.92)	41,548.04
At 5 April 2016		£24,264.24	£1,202,856.98	£1,227,121.22	£1,286,300.14

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

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**BALANCE SHEET
FOR THE YEAR ENDED 5 APRIL 2016**

	Note	2016 £	2015 £
Fixed Assets			
Investments	6	1,212,180.42	1,286,108.59
Current Assets			
Debtors	7	2,406.61	1,110.09
Cash at Bank		22,267.19	8,814.46
		<u>24,673.80</u>	<u>9,924.55</u>
Current Liabilities			
Creditors, amounts falling due within one year	8	<u>9,733.00</u>	<u>9,733.00</u>
Net Current Assets		<u>14,940.80</u>	<u>191.55</u>
Assets less Current Liabilities		<u><u>£1,227,121.22</u></u>	<u><u>£1,286,300.14</u></u>
Capital Fund			
Expendable Endowment	9	1,202,856.98	1,281,608.59
Income Fund			
Unrestricted Fund	10	<u>24,264.24</u>	<u>4,691.55</u>
		<u><u>£1,227,121.22</u></u>	<u><u>£1,286,300.14</u></u>

The trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 (The Act) and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 5 April 2016 and of its net incoming resources/resources expended for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements so far as applicable to the company.

The financial statements were approved by the trustees on 31 October 2016

Signed on behalf of the trustees.


Neil D Morris (Chairman)

Registration No: 04383182

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

1 Accounting Policies

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

Basis of Preparation and Assessment of Going Concern

The financial statements have been prepared under the historical cost convention except for investments, which have been included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing these financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

- Income recognition

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to investment income is recognised at the time investment income is receivable.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment manager of the dividend yield of the investment portfolio.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

- Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Fund Accounting

Income funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Capital funds comprise expendable endowments, whereby there is no requirement to spend the capital unless, or until, the charity trustees decide to do so. These funds are invested to produce unrestricted income which can be spent in accordance with the charitable objectives.

Investment income, gains and losses are allocated to the appropriate fund.

Investments

Listed investments are included in the financial statements at mid-market value at the balance sheet date. Unlisted investments are included in the balance sheet at their historical cost less any amounts written off. Investments include cash held for investment purposes.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Exchange gains and losses arising on transactions in the year are recognised in the Statement of Financial Activities.

2 Information regarding Trustees and Employees

The charity has no employees and during the year trustees received no remuneration (2015: nil) and claimed no expenses (2015: nil).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016**

3 Investment Income	2016 £	2015 £
Income from UK Listed Securities	38,207.44	33,544.90
Bank Interest	108.25	87.30
HM Revenue & Customs Interest	-	2.14
	£38,315.69	£33,634.34
4 Donations	2016 £	2015 £
ARTISTIC CAUSES - (25 Donations)		
Actors Touring Company	1,000.00	-
Awards For Young Musicians	-	700.00
Battersea Arts Centre	-	2,000.00
Birmingham Contemporary Music Group	2,000.00	-
Bush Theatre	1,500.00	-
Cahoots NI	2,000.00	-
Cheltenham Festival	-	1,500.00
City of Birmingham Symphony Orchestra	-	1,000.00
Craft Scotland	2,000.00	-
Deal Festival	-	3,000.00
Early Opera Company	1,000.00	-
ESO	1,000.00	-
Future Talent	-	1,500.00
Foundation for Young Musicians	2,000.00	-
Gladstone's Library	-	1,000.00
Glasgow Lunchtime Theatre Ltd	-	750.00
Half Moon Young People's Theatre	-	2,000.00
Jermyn Street Theatre	2,000.00	-
Juventus Lyrica Association	8,000.00	-
London Contemporary Dance School	-	2,000.00
London Music Masters	1,500.00	-
Mahogany Opera Group	2,000.00	-
Melos Sinfonia	-	2,000.00
Monteverdi Choir & Orchestra Ltd	1,500.00	-
1500	1,000.00	-
National Centre for Circus Arts	2,000.00	-
Northern Ballet	-	2,000.00
Orchestra of the Age of Enlightenment	1,000.00	-
Balance carried forward	£31,500.00	£19,450.00

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**NOTES TO THE FINANCIAL STATEMENTS
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Balance brought forward	£31,500.00	£19,450.00
Orchestra Live	-	1,000.00
Pegasus Opera Company	-	2,000.00
POLKA Theatre	-	1,000.00
Royal College of Music	1,000.00	-
Royal Northern College of Music	-	1,000.00
Royal Philharmonic Society	-	2,500.00
Royal Welsh College of Music & Drama	1,000.00	-
Sacconi Trust	-	1,000.00
Scottish Opera	-	2,000.00
Scottish Schools Orchestra Trust	-	1,000.00
SOHO Theatre	-	2,000.00
Southbank Centre	-	2,000.00
Sing for Pleasure	2,515.00	-
Spitalfields Music	-	1,150.00
St Martin in the Fields	2,000.00	-
Theatre503	1,180.00	-
The East West Educational Trust	2,000.00	-
The Faction	600.00	-
Tobacco Factory Theatres	1,000.00	-
Traffic of the Stage	-	1,000.00
Yorkshire Dance	-	2,000.00
Young Actors Theatre Ltd	-	1,000.00
Young Classical Artists Trust	-	1,000.00
We Light Up The House	1,200.00	-
	£43,995.00	£41,100.00
5 Support Costs	2016	2015
Unrestricted Fund	£	£
Kleinwort Benson Trustees Limited Fees	3,150.00	4,500.00
Independent Examiner's Fees	720.00	720.00
Bank Charges & Interest	60.00	-
Companies House	13.00	13.00
	3,943.00	5,233.00
Expendable Endowment		
Kleinwort Benson Trustees Limited Fees	5,850.00	4,500.00
Kleinwort Benson Trustees Limited ARC Fees	45.00	-
Kleinwort Benson Investment Management Fees	8,209.98	8,126.08
	£14,104.98	£12,626.08

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2016

6 Investments

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.

	2016 £	2015 £
Market Value Brought Forward	1,193,340.14	1,223,315.40
Purchases	1,687,755.20	414,659.37
Disposals	(1,712,931.86)	(511,144.11)
	<u>1,168,163.48</u>	<u>1,126,830.66</u>
Realised Loss	(26,639.99)	(14,057.22)
Unrealised (Losses)/Gains	(11,297.35)	80,566.70
	<u>1,130,226.14</u>	<u>1,193,340.14</u>
Market Value		
	<u>1,130,226.14</u>	<u>1,193,340.14</u>
Cash on Kleinwort Benson Account	81,954.28	92,768.45
	<u>81,954.28</u>	<u>92,768.45</u>
Total Investments	<u>£1,212,180.42</u>	<u>£1,286,108.59</u>

	2016 %	2015 %
Investments comprising greater than 5% of the Portfolio		
107,662 Artemis Fund Managers	7.57	-
72,4369 Kames Capital High Yield Bond	6.11	-
60,000 Legal & General All Stocks Gilt Index Trust Inc	-	5.97
6,317 Pimco Funds Global Investors Series	7.59	-
61,5452 Smith & Williamson Investment Funds	5.26	-
170,000 M & G Securities Ltd Corporate Bond Inc	-	5.82
68,112 Treasury 1.75% Index-Linked 22/07/19	6.27	-
72,069 Treasury 1.75% 7/09/22	6.38	-
70,387 Treasury 1.25% 22/7/18	6.22	-

7 Debtors

	2016 £	2015 £
Tax Repayment Due - HM Revenue & Customs	2,406.61	1,110.09
	<u>2,406.61</u>	<u>1,110.09</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2016**

8 Creditors, amounts falling due within one year	2016 £	2015 £
Kleinwort Benson Trustees Limited fees	9,000.00	9,000.00
Independent Examiner's fees	720.00	720.00
Companies House fee	13.00	13.00
	<u>£9,733.00</u>	<u>£9,733.00</u>

9 Expendable Endowment

**Movement in
Funds**

Balance 5 April 2015	Gains and Transfers	Balance 5 April 2016
£1,281,608.59	(78,751.61)	£1,202,856.98

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 allocated by the trustees towards charities and charitable activities, as set out in the Trustees' Report attached to these financial statements for the 2015/16 accounting year. Unrestricted funds are represented by the current assets which relate to the unrestricted fund of the charity.

11 Donations Received

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

12 Related party transactions and trustees' expenses and remuneration

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

Kleinwort Benson Trustees Limited received a fee of £7,500 plus VAT (£7,500 plus VAT in 2015) for administration services.