

Thistle Foundation

(a company limited by guarantee)

Report and financial statements

Company number SC024409

Charity number SC016816

31 March 2020

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Reference and administrative details

Charity name	Thistle Foundation
Scottish charity number	SC016816
Company number	SC024409
Registered office and principal address	Thistle Foundation Thistle Centre of Wellbeing 13 Queen's Walk Edinburgh EH16 4EA
Patron	Her Majesty the Queen

Members of the Board of Trustees

Chris Bruce	Chair
Ian Williams	
Gwen Currie	(resigned – 6 January 2020)
David Giffin	(resigned – 10 June 2019)
Diana Noel-Paton	(resigned – 10 June 2019)
Deborah Kong	
Gillian Wilson	
Amanda Laurie	
Gary Kernahan	
John Hebson	(appointed 30 April 2019)
Mark Hoolahan	(appointed 30 April 2019)
Nigel Ferguson	(appointed 30 April 2019)

The Directorate Team

Mark Hoolahan	Chief Executive
Nicola Park	Director of Resources & Company Secretary

Auditor	BDO LLP 65 Haymarket Terrace Edinburgh EH12 5HD
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Bankers	Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2AD
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Investment advisers	Brewin Dolphin plc Sixth Floor Atria One 144 Morrison Street Edinburgh EH3 8EX
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Strategic report for the year ended 31 March 2020

Principal Activity and Review of the Business

Thistle Foundation (henceforth “Thistle”) provides a range of person centred health and wellbeing services and activities across Scotland for disabled adults and young people and those living with long term conditions. We work in partnership with local authorities, the NHS and other Third Sector organisations, and the people we support and their families to build capacity, resilience and coping skills so that people are better able to live a “good life”, whatever that means to them.

Objectives and Activities

Thistle’s mission reinforces the importance of having the opportunity to lead a good life and states “We believe life is for living. We always go the extra mile to help people with disabilities or long term conditions lead great authentic lives where they are in control.”

Thistle is a “boundary pushing” organisation helping bring about a society where everyone has the right to feel involved and empowered to live the life they choose, regardless of their disabilities or health condition.

“Excellence” for Thistle is our ability to bring our core values and principles to life across the organisation and we base our work and decision making on:

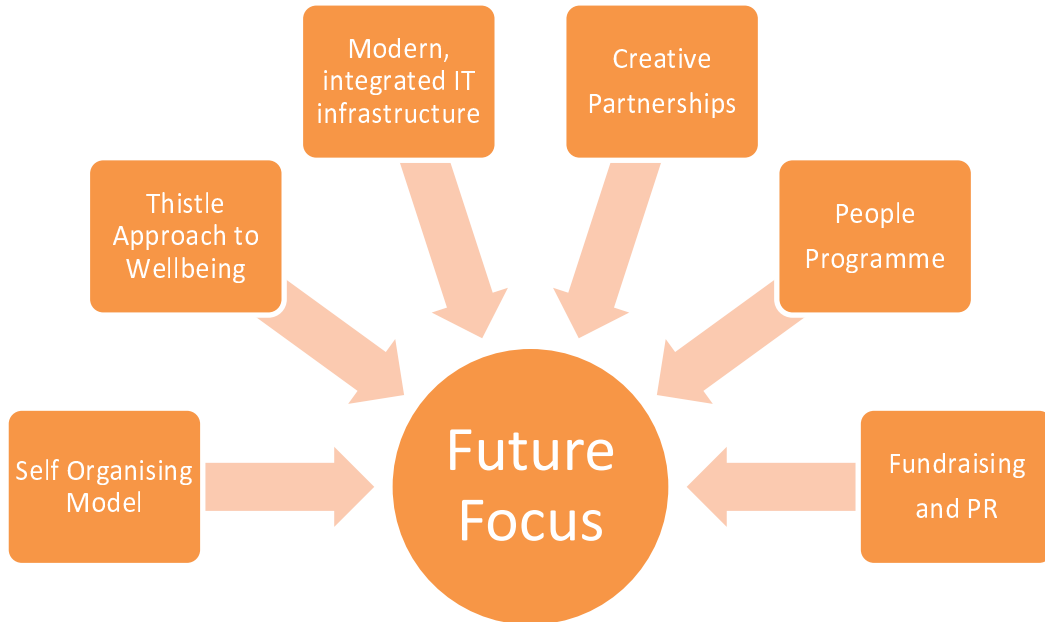
- delivery of person centred, strengths based support that focuses on what matters to people;
- engagement of people we support, families and volunteers;
- facilitation of wellbeing and fun; and
- achievement of financial sustainability.

Developing Thistle’s strategy

During 2019/20 the Board of Trustees agreed a set of strategic priorities for the Thistle Group over the period 2019-2023. These priorities will lay the foundations and prepare the group for the sustainable development of its work over the longer term.

Strategic report *(continued)*

Developing Thistle's strategy *(continued)*



Coronavirus Pandemic

In March 2020, following the declaration of global coronavirus pandemic, our Centre of Wellbeing in Craigmillar closed to the public, and most of our wellbeing support and office staff moved to remote working. Our Supported Living teams continued supporting people in their own homes. Our face-to-face fundraising and wellbeing support work paused as social distancing measures made it impossible to continue. A small number of our remaining staff who could not continue to work, or who were shielding, were placed on furlough under the Coronavirus Job Retention Scheme until autumn 2020 to protect their jobs for the future. The majority of our wellbeing work is now being delivered online until we decide it is appropriate to return to our usual workplaces.

Fundraising strategy

Throughout the year we continued to develop our in house face-to-face fundraising team. This approach is designed to clearly articulate the problems Thistle is uniquely experienced in solving, to let more people know how we could help them identify and develop their 'best hopes' for living a good life, and to boost our regular donor base to provide ongoing financial stability and allow us to expand our offer of this work. Prior to lockdown we were achieving our donor retention goals and growing our regular donor base to fund our innovative wellbeing work. We also began to develop Thistle's 'corporate offer' in conjunction with interested partners who would like to support their employees to boost their wellbeing by using elements of the Thistle Approach. We are keen to return to face-to-face fundraising when conditions permit and the campaign will continue to be funded into next year.

Strategic report *(continued)*

Thistle Health and Wellbeing

Through our subsidiary charity Thistle Health and Wellbeing, we have been redesigning our fully integrated wellbeing service to support people across the spectrum of life. Thistle's unique approach to supporting wellbeing is via 5 core activities:

1. Persistent engagement;
2. 1 to 1 solution focussed coaching;
3. Group based support;
4. Community connections; and
5. Developing peer support.

Through engaging in this process the people we support have opportunities to:

- take control of their lives by developing coping strategies and confidence;
- be less isolated and more connected; and
- live meaningful lives that are about thriving rather than just surviving.

Centre of Wellbeing

During the year the Centre of Wellbeing continued to welcome dozens of visitors daily, with people participating in classes or using the Hub as a place to meet up to chat or join other community activities where people meet around a shared passion and support each other informally. Our orchard and wildflower meadow, planted as part of our 75th anniversary celebrations in June 2019, provides a peaceful spot for people to relax in.

We hosted several events during the year. Particularly memorable was the 'Wandering Womb' event in October 2019 that brought women together to discuss women's health over the ages and somehow even managed to include knitted biological creations by the Women's hobby Hut!

Volunteers continue to support us in all our work and contribute in a wide variety of ways to the work of the charity. We recruited 6 new volunteers and reinstated the 3 day volunteer training programme. We also had a wonderful response to our appeal for drivers to help get our staff to work during the first weeks of Covid-19 restrictions. We also hosted a volunteer party in March to thank our volunteers for all their hard work.

Our gym membership continued to be popular and we have extended expiry dates to take account of the closure of the Centre to the public in March. Exercise continued to hold a large focus during the year with 145 sessions of Tai chi being delivered by our trained volunteers alongside many other fitness sessions such as curling.

Strategic report *(continued)*

Centre of Wellbeing *(continued)*

The Centre based team received 295 referrals and engaged approximately 84% in first consultations through our persistent engagement policy. 87% of those who attended a first consultation agreed support either to attend 1 to 1 wellbeing coaching, attend a course or take part in community activities provided by Thistle, Carrgomm or the Connecting Craigmillar project facilitated from the Thistle Hub. We delivered a total of 12 courses in the year – 7 Lifestyle Management, 3 mindfulness, 2 Veteran Voices, plus 1 Wellbeing in nature course. A total of 143 people started courses with an average attendance rate of 70%.

Following consultation with our community and staff we are partially reopening the Centre for people to access support from mid-November. Our plans for the redevelopment of the Garden Suite are on hold for the moment and will be reviewed when the Covid-19 situation is resolved and we are clear about the future needs for our buildings.

Veterans Programme

23 veterans received support this year including one to ones and group based support, as well as accessing our generic supports including the gym, tai chi and mindfulness. We also worked alongside a local Syrian men's group, continuing to host them in our Centre of Wellbeing, as well as inputting wellbeing related sessions and partnering with SAMH's The Changing Room project.

We successfully applied for grants from ABF (Army Benevolent Fund) and Armed Forces Covenant Impact Fund to support and develop our veterans work. We are grateful for additional financial support from the Thistle Trust at the outset of lockdown: this helped bridge the gap when other funds were delayed in reaching us due to circumstances.

Following our pilot work with Syrian men we have been awarded a larger grant which will be used to build upon the persistent engagement aspect of our work, helping us to engage with hard to reach populations. This may include the Syrian population resettled in Edinburgh as well as many others who find it hard to access our services without additional support to engage.

Midlothian Wellbeing Service

The Midlothian Wellbeing service continues to deliver its 3 year contract, providing wellbeing support to all 12 GP practices. As the team work to find innovative ways to address increased referral rates (and keep waiting lists down) they are investing time in their peer volunteer development programme to support the community building aspect of our offering. A developed peer programme can lead to briefer forms of support from practitioners as they guide people to more resources of peer led support which is a key feature of Thistle's approach.

The team have continued to build relationships with other services that provide similar and complementary forms of support. Over the last year Mental Health Nurses have been based in each GP practice. The relationships the Thistle team are building with mental health colleagues facilitate timely cross-referrals to ensure people accessing each service get the most appropriate support to meet their needs. Communicating our understanding of our similarities and different approaches to GPs enables them to refer people to the most appropriate service. This is a key theme of Midlothian's Mental Health

Strategic report *(continued)*

Midlothian Wellbeing Service *(continued)*

Collaborative, in which Thistle plays a part – to ensure people get timely access to the most appropriate service to meet their needs.

Local Schools

During the year we continued our children’s wellbeing work with local primary schools, developing both new and established partnerships and delivering projects with Brunstane, Castlevie and St John’s RC primary schools. We were also delighted to welcome children from Brunstane and Castlevie primary schools in joining us to celebrate Thistle’s 75th anniversary in June 2019.

Thistle’s children’s wellbeing programme supports children to develop tools and strategies that contribute to their wellbeing, feel more in control and manage difficult emotions, with topics including sleep; stress-management; relaxation and communication. The projects also provide opportunity for children to explore how they can support their peers.

The success of the project was recognised in a motion to the City of Edinburgh Council’s Children, Education and Families Committee in March 2020.

Thistle’s Young People’s Work

We secured an additional year of funding through the Scottish Government under the Support in the Right Direction fund. Through these funds we have:

- Established Thistle YP to support more young disabled people and their families as they move from school to adult life;
- Worked with 67 young people in drama sessions across 9 schools (2019 – 3) in Edinburgh, Mid & East Lothian and held 2 ‘Big Plans’ (a series of 6 sessions of group person centred planning); and
- Introduced new partnerships with organisations across the Lothians and peer-led elements to the work, including always having a young person who has previously participated as one of the Big Plan facilitators.

Using the ‘Big Plan’ we engaged with 17 young people, their family members and 19 volunteers to plan together for a good life after school. We continued our work alongside young people and families to support them to link to resources and opportunities to keep their plans on track, for instance supporting a young person to successfully secure ILF funding to purchase driving lessons. We also supported young people to access extended work traineeship placements in a print studio and café, through our partnership with Out of the Blue drill hall & Canongate Youth Project.

We also influenced strategy at several events during the year, involving young people and parents where we could and we are now utilising social media and video conferencing to stay connected with the young people and families we support, including a closed Facebook group and a weekly Zoom meet-up for young people.

Strategic report *(continued)*

Thistle Services C.I.C.

Thistle Services C.I.C. delivers supported living services on behalf of Health and Social Care Partnerships. Thistle's Supported Living service has continued to operate from our Centre of Wellbeing in Craigmillar serving Fife and the Lothians.

Between them, Thistle Services C.I.C. and Thistle Foundation support 117 people (2019 - 118), providing an average of 7,231 hours of support a week (2019 – 7,166) to people living in their own home. Support is highly individualised, personalised, and provided based on a distinctive way of working that:

1. engages people in good conversations that focus on their gifts and strengths;
2. establishes what matters to people and supports them to achieve their aspirations;
3. focuses on the whole person rather than the disability or health condition;
4. enables people to maximise choice and control in their lives by tailoring our input and intervention around the person and their life circumstances;
5. works at the pace of the person and from whatever point they are at in their life; and,
6. encourages active citizenship and provides opportunities for people to make a positive contribution by engaging in activities, volunteering, or work that is meaningful to them.

Quality and Impact on People's Lives

Over the year, a strong focus has been placed on continuing to develop the Thistle Approach in practice. This involved working with people we support and their families to develop specific person centred plans to suit their specific needs and to support them to lead a life that is meaningful and fulfilling to them. It also involved providing development support for workers in areas such as supporting people with their medication, personal finances, communication, and behavioural support strategies.

The Learning Team have continued to redesign the Learning Pathway for all Thistle staff. This has been influenced by our successful experience of our training programme 'Leading & Learning' and of the unfolding development of self-organisation at Thistle. In particular we have focussed on an offering which will be useful to all colleagues at Thistle, no matter what role they hold in the organisation. We have of course had to develop a virtual and blended approach during the Covid-19 crisis and we have realised that some of these innovations may be retained when we eventually return to something more like 'normal'.

The first step in that Pathway, 'See Life Differently', has been piloted and 3 more iterations are planned in 2020. Colleagues who have completed that course (or its predecessor 'Life is for Living') can progress to the next 3 modules of the Pathway which we will still call collectively Person Centred Principles into Practice. Our intention is to deliver at least 2 of each of these modules annually giving colleagues the opportunity to plan with their teams a progression through the Pathway over 1-2 years balancing their availability with the Team's needs.

Strategic report *(continued)*

Quality and Impact on People's Lives *(continued)*

During 2019/20 we have gathered stories of the impact that the support provided by Thistle teams has had on people's lives. A small summary sample of these included:

- a person who gained more control over their life by being supported to move from shared accommodation to living in their own flat with their own personal support team. The person became more able to express themselves and motivated to make decisions about their life;
- someone who gained confidence to go out and develop a busy social life by going to the shops, cafes, cinema and family gatherings having previously been unable to leave their house for two years due to severe anxiety;
- people who were supported by their Thistle team to plan and organise a holiday abroad that required very detailed and specialised support when in another country;
- a person who improved the level of happiness in their life by gaining new interests and skills by being supported to plan and engage in day trips, dancing, rugby, swimming and music;
- someone who was previously assumed unable to speak or to engage in domestic tasks who was supported through effective planning by their team to try new activities. The person gained an ability to engage in activities such as setting the dinner table and doing the dishes and is now able to communicate using some words.

The latest Care Inspection was carried out in February 2020 and the Care Inspectorate concluded by providing Thistle with 'Very Good' grade (5's) across all areas. The inspection report highlighted positive aspects of the support provided by Thistle that included evidence that the needs, wants and wishes of people we support are well understood by staff; that staff are good at adapting and responding to changes to peoples requirements and that they are good at encouraging people to try new things. The report also highlighted that support provided by Thistle teams focused on promoting peoples independence and that this was underpinned by a person centred and outcome focused way of working. It was reported that important improvements had been made in recording systems, quality checks and audits and that support plans had good information covering all aspects of peoples support needs and life. Communication and engagement with staff had generally improved and family members were pleased with improved levels of communication between themselves, staff and managers. The following quotes were provided by the inspector:

"With the support my daughter receives she has grown in confidence. She has matured and become more sociable..... I always feel my daughter is safe with her support worker, due to their training." **Family Member**

"Very proud to work for Thistle Foundation, in my opinion they are the most forward thinking, person centred organisation I know of. Great management team and workforce, very caring and supportive." **Thistle Team Member**

The inspector highlighted that the development of Self Organised Teams was generating improvements in support for people. Specifically, she highlighted that staff had clearer definitions and accountability regarding their roles and that that this was supported by a focus on individual staff member's strengths, working styles and an emphasis on more inclusive and productive teams meetings and peer support arrangements. The following feedback was provided:

"I have begun the 'test and learn' phase of self-organised teams. This is an excellent opportunity to learn and develop new and existing skills, enhancing self-esteem and team morale and progression with our roles and responsibilities being recognised." **Thistle Team Member**

Strategic report *(continued)*

Wellbeing Strategy and Staff Engagement

Over the year, Thistle has continued to work in partnership with Buurtzorg Britain and Ireland to develop the self-organised team's model in practice. To date 10 teams have participated in the 'test and learn' phase of the change programme and four teams have been recognised as self-organising. A further cohort of teams will take part in the programme during 2020/21. The three key aims of this change programme are to: invest in and value the workforce; develop person centred relationships; and, support people to live great lives.

As part of Thistle's People Programme an employee survey was carried out to establish the views of workers about what it is like to work at Thistle. The results were positive with: 72% saying they had the opportunity to do their best at work every day; 84% saying the mission/purpose of Thistle makes their job feel important; 92% saying they know which Thistle policies and procedures to follow at work; 66% saying that someone encourages their development; 84% saying they frequently or sometimes had opportunities to learn and grow; and, 76% saying they would recommend Thistle as a place to work. With workers highlighting areas where they would like to get involved in developing the organisation, further three priorities for improvement were identified in the areas of: staff wellbeing; communication, and workload.

Thistle Training and Consultancy Services C.I.C.

Thistle's Training and Consultancy subsidiary supports services and leaders across health and social care to improve person centred practice and transform care and support by developing a stronger orientation toward prevention, early intervention and support for self-management. We train practitioners in collaborative approaches which focus on outcomes (what matters to people and what they want) and strengths (what people already know and are doing). Knowing what matters to people, and knowing their strengths and resiliencies, supports practices such as shared decision making and care and support planning. We are passionate about transformative leadership practices which promote self-organisation, resilience and innovation in the workplace.

During the year, the Training & Consultancy team continued to deliver on 28 contracts across the central belt and within the statutory sector (NHS, health and social care partnerships and councils) as well as voluntary sector organisations. Contracts ranged in size from one-day courses with one facilitator, to substantial multi-day contracts, the largest of which are the combined Lothian House of care contracts. Covid-19 has created uncertainty around our customers' future training budgets therefore Trustees have decided to dissolve this subsidiary in the coming year and absorb Thistle's training and consultancy team and contract delivery into the remaining Thistle group.

The Lothian House of Care Programme

The collaboration continued to work to embed 'good conversations' at the heart of primary care and social care working alongside 6 GP practices in one cohort and a further 4 practices in the most recent cohort. This latest round focussed on working with people experiencing multi-morbidity of long term health conditions and the difference a more holistic approach makes. Reflective practice and supportive facilitation was an ongoing part of the programme with the long term conditions teams in Edinburgh; IMPACT nursing, Pulmonary Rehab and Cardiac Rehab. The impact of focusing on what matters to people and what is already working for them is making a difference to both patients and staff, as two Practice Nurses described – "it has been helpful to prompt discussion around things that wouldn't usually come up in a routine appointment. It has changed the course of the conversation and this is more satisfying" and another saying "The difference this approach makes is that the care is individualised. Disease is no

Strategic report *(continued)*

The Lothian House of Care Programme *(continued)*

longer the primary focus. When we focus on what matters for the person it is a healing and an upward spiral for them”.

Self-Organisation

In conjunction with Buurtzorg Britain and Ireland, Thistle Training and Consultancy worked to further Thistle’s development of self-organised teams. This ground breaking work allows teams to develop and use their own skills and knowledge to provide best service to the people we support and have a real impact on their lives. We will continue to work in partnership with Buurtzorg Britain and Ireland to develop self-organised teams within Thistle Foundation and to bring our model of person centred support to other organisations.

Risk management

The Board of Trustees have completed a comprehensive review of the risks to which the group and charity is exposed, particularly business, operational and financial risks, and introduced procedures and reporting regimes to manage and, where appropriate, reduce the identified risks. The internal control systems are designed to meet Thistle’s particular needs and the risks to which it is exposed, to manage those risks and to provide reasonable assurance against misstatement or loss.

Established regular procedures, including budgetary controls, operate to monitor the receipt of income and both revenue and capital expenditure. A Risk Register identifies risks and assigns specific actions and responsibilities for mitigating them. The main risks identified by the Board, and mitigating actions, are as follows:

Risk	Mitigated by
People we support and/or staff/volunteers contract Covid-19	Good infection prevention and control practices; use of appropriate PPE; regular communications to raise awareness of good practice; physical distancing; reduced contact and footfall between and within services; closure of the Centre of Wellbeing.
Recruitment and retention challenges	Accelerated recruitment and on boarding during Covid-19 crisis has resulted in near full establishment of teams. Barriers in recruitment process have been highlighted and permanent resolutions are being developed.
Risk of IT systems failure at critical time	ICT review with Optimum PPS highlighted risks relating to process, infrastructure, team capability gaps, and some actions for improvement and these are being actively progressed. New end to end IT software system has been selected and implementation is in progress at the date of this report (systems due to go-live 1st April 2021).

Strategic report *(continued)*

Risk management *(continued)*

Risk	Mitigated by
Face-to-face (F2F) fundraising investment fails to make a good return	Management regularly review KPIs, such as the number of new donors and donor attrition rates, and report these to the Trustees. The F2F team stood down in March due to Covid-19 and have since been furloughed, therefore 80% of their salary costs are met by the Coronavirus Job Retention Scheme. The future return to F2F fundraising is under review due to ensure it can be done safely and with the support of the public.
Investment Portfolio loses value and income decreases	Active and ongoing relationship with brokers to ensure risk is managed and understood. Initial steep fall in value of and income from portfolio has stabilised since June 2020.

Looking ahead to next year

Thistle's 75th anniversary event in June 2019 was a huge success and attended by many staff, people we support, trustees and members of the local community. It was also a suitable occasion to say farewell and thank you to Diana Noel-Paton for her significant contribution to Thistle over almost 25 years of service. Diana took the opportunity to hand over the baton of Chief Executive to Mark Hoolahan.

In June 2019 David Giffin, the Chair of the Board of Trustees, handed over his responsibilities to Thistle Trustee Chris Bruce. Thistle and the people we support have benefitted greatly from David's expertise and commitment for many years and we extend our heartfelt thanks to him for this.

Like other organisations Thistle was significantly challenged by the coronavirus pandemic as we reached the end of 2019/20. We took immediate actions to keep people we support, families and staff safe through the national period of lockdown. In 2020/21, we continue to focus on our strategic priorities whilst continuing to sense and respond to the ongoing challenges presented by Covid-19.

Approved by the Members of the Board of Trustees on 1 December 2020 and signed on its behalf by:



Chris Bruce
Chair of the Board of Trustees

Trustees' report for the year ended 31 March 2020

The Board of Trustees, who are Directors for the purposes of company law and Trustees for the purposes of charity law, present their report and financial statements for the year ended 31 March 2020. The reference and administrative details on page 1 and the strategic report on pages 2 to 11 form part of the Trustees' report.

Structure, governance and management

Thistle Foundation was established by Memorandum and Articles of Association dated 7 June 1944 as a company limited by guarantee not having share capital, whose objectives are wholly charitable.

The governing body of Thistle Foundation is the Board of Trustees which currently comprises ten (of a possible ten) Ordinary Members and meets five times a year to review strategy and performance. The Trustees are responsible for developing strategies and policies and for ensuring that these are implemented. Authority to conduct the day-to-day operations of Thistle Foundation is delegated to the Chief Executive Officer who is also a Trustee, and until June 2019 also the Depute Chief Executive Officer. From June 2019 the Depute CEO post no longer exists. Members of the Directorate Team attend all Board meetings.

Senior management staff remuneration is set by the Finance and Audit Committee. At 31 March 2020, the charity considered key management to be made up of 2 individuals with details of remuneration included in Note 7.

The Board of Trustees are appointed based on selection criteria which ensure that collectively it maintains a broad range of relevant skills and experience. An induction pack is provided to all new Trustees to ensure that they are briefed on the charity's objectives, strategy and activities. This Trustee Handbook includes the Memorandum and Articles of Association, risk register, policies and procedures on issues such as delegation of authority, recruitment, investment, reserves and conflict of interest and other guidance. Third party indemnity insurance is in place for Trustees.

Thistle Foundation Group

Thistle Foundation formed a group of wholly owned subsidiaries on 1 April 2015 and these subsidiaries have been operating since 2015.

The group comprises:

Thistle Services C.I.C. – a community interest company which delivers care services to Local Authorities;
Thistle Training and Consultancy Services C.I.C. – a community interest company leading on person centred approaches within health and social care in Scotland; and
Thistle Health and Wellbeing – a charity supporting people to get good lives where they are able to contribute as full members of their community.

Trustees of Thistle Foundation are also Directors of each of the subsidiary companies.

Trustees' report *(continued)*

Group Finance and Audit Committee

The Board of Trustees has established a formally constituted Group Finance and Audit Committee, with specific terms of reference and with a nominated Member of the Board of Trustees as its Chair.

The committee is charged with reviewing the audited annual financial statements of the parent charity and its subsidiaries and recommending them to the Board of Trustees. It reviews reports from the auditor, and monitors management actions to implement recommendations made by the external auditor. It determines the frequency and process of tendering for external audit services, considers the appointment, resignation or dismissal of the auditor, approves their fee annually, reviews their independence and objectivity and matters relating to non-audit services.

The Group Finance and Audit Committee also reviews the Charity's investment strategy and monitors investment performance.

The Chief Executive and Director of Resources attend meetings of the Group Finance and Audit Committee.

Related party relationships

The Thistle Trust, established in terms of a Deed of Trust dated 20 March 1952, owns and is responsible for the Robin Chapel situated within Thistle village, Craigmillar, Edinburgh. The Trust is an independent body governed by a separate board of trustees. Administration is undertaken by Thistle Foundation.

Subject to certain conditions, the Trust Deed allows payments to be made to Thistle Foundation and Thistle Health and Wellbeing at the Trustees' discretion.

Get2gether is an organisation established by Thistle Foundation and other organisations and is based in Thistle's accommodation. Thistle Foundation provides a payroll service.

Employees

Thistle Foundation is an equal opportunities employer and all people with a disability will be interviewed if they meet the minimum criteria of the person specification for a role and Thistle continues to employ people in paid peer roles across the organisation. We currently employ 4 people who originally came to Thistle for support.

We value our staff, seeing them as our greatest resource, and this year have continued to focus on managing staff retention, turnover and sickness levels all of which still compare well with industry benchmarks (where they exist). Sickness at 3.2% (2019: 2.4%) is higher than the average for the year and reflects the initial impact on absence due to Covid-19 issues, the vast majority of which were self-isolating. In common with other organisations in the care sector staff recruitment remains a challenge, particularly with front line workers. We invest in our employees' training and development, with programmes such as 'Leading and Learning' for all support staff ensuring that the person centred approach is embedded throughout Thistle. This year we continued with the 'test and learn' phase of our Wellbeing Strategy, with pioneer teams working together with families and people we support to develop self-organised teams.

We support our staff through a variety of means including investment in in-house training and development, regular supervision sessions with their line manager, team meetings, information and consultation sessions, practice development groups and reflective practice.

Trustees' report *(continued)*

Gender Pay Gap Reporting

All employers with 250 or more employees are required to publish figures each year comparing men and women's average pay across the organisation. The gender pay gap is the difference in the average hourly wage of all men and women across a workforce. However in March 2020 the UK government announced that there would be no expectation on employers to report their gender pay gap for 2019/20 due to Covid-19 related workload.

As the difference between male and female pay across all the measures required by the regulation has been negligible at Thistle since reporting began, we did not calculate the figures this year.

Volunteers

Thistle Foundation acknowledges with grateful thanks the support of 63 dedicated volunteers who have contributed in a wide variety of ways to the work of the charity. These volunteers are active in Health and Wellbeing, and many of these also work with supporting fundraising and administrative functions. All of our volunteers have a disability or long term condition.

Financial review

The financial results for the year of Thistle Foundation are summarised in the Consolidated Statement of Financial Activities on page 23 and the Group Balance Sheet on page 25. They show a net decrease in funds of £795,506 (2019: net increase in funds of £108,557). This includes losses on Investments of £591,241 (2019: gains £161,362).

Setting aside donations and legacies, group turnover increased from £9.01m in 2019 to £9.29m, an increase of 3.2% and expenditure grew from £9.41m in 2019 to £9.83m, an increase of 4.5%.

The Group's balance sheet shows a net current assets position of £172k (2019: net current assets £63k). Thistle Foundation has a liquid investment portfolio of £4.8m (2019: £5.6m) which can be called upon to meet any liabilities when they fall due.

In common with a number of providers of Supported Living Services, Thistle pays enhanced rates for sleepovers and has paid at least the national minimum wage for all hours worked with effect from 1 April 2015, and Thistle became a Scottish Living Wage employer from October 2016.

Thistle Foundation group seeks to maximise income generation from supported living, health and wellbeing, training and consultancy and fundraising initiatives in an effort to achieve financial stability, remain competitive and provide value for money services without reducing the quality of service provision for which Thistle has become known.

The costs of the Centre of Wellbeing, where so much of our work takes place, are not fully funded. This building is however an integral part of our work helping people to 'get a good life'. Thistle Foundation therefore made a donation of £220,000 to Thistle Health and Wellbeing this year, a donation that is in line with Thistle Foundation's objectives. This donation partly funds the new fundraising campaign and also supports the operational costs of the Centre in the short term.

Trustees' report *(continued)*

Financial review *(continued)*

Thistle Foundation is very grateful for the continued support of our individual donors, trusts, and the corporate sector. The largest proportion of fundraised income continues to come from our monthly individual donors, without whose ongoing support Thistle would not be able to develop and maintain its innovative services.

This year we raised £329,479 in donations and legacies with a return on investment of 1.16:1 (2019: £347,948 with ROI 1.08:1). The improved ROI year on year reflects the cost savings achieved on bringing the face-to-face campaign in-house last year and our growing abilities in getting our message across and build lasting relationships with our donors. The ongoing investment in our face to face fundraising activities will allow Thistle to grow unrestricted income to support the goals of reducing waiting times for wellbeing services, cover the unfunded costs of running Thistle's Centre of Wellbeing, and fund future innovation. Thistle management and Trustees remain committed to our ambitious approach this year and next, including community events and our face-to-face campaign when we are able to get these up and running again. Some community events have moved online or have been performed in a physically distanced way due to Covid-19 restrictions.

Reserves

Reserves are required to meet Thistle Group's working capital requirements and to develop new services for the people we support, as well as to provide income to meet some of the organisation's other costs.

The Trustees reviewed the reserves policy last year and concluded that a target of 3 months' operating expenditure is appropriate to ensure the continued ability of the group to develop and to meet their objectives. Operating expenditure of £9.83m resulted in a target of £2.46m of unrestricted reserves (2019: £9.41m and £2.35m). Currently, Thistle Group unrestricted funds stand at £7.9m (2019 – £8.8m) and Thistle Foundation unrestricted funds are £7.8m (2019 - £8.7m) therefore the objective has been met, however deducting fixed assets of £3.1m (2019: £3.15m) and the value of the listed investment portfolio £4.8m (2019: £5.6m) leaves unrestricted reserves of £58k (2019: -£11k). Given that efforts are being made to increase our unrestricted income via the evolving fundraising campaign Trustees consider this to be acceptable.

Trustees decided to retain £4.5m in a moderate risk investment portfolio to generate income for the Group, and to release funds from the smaller portfolio of low risk investments when funding activities such as the new fundraising campaign.

The Board of Trustees will keep its reserves policy under review as part of the monitoring of the Strategic Plan, also bearing in mind the changing economic climate and any effects this may have on levels of reserves.

Trustees' report *(continued)*

Investment policy and performance

The Finance and Audit Committee is responsible for recommending to the Trustees an overall investment strategy for Thistle, appointing and monitoring the performance of investment managers on their behalf and ensuring that they comply with all statutory requirements in respect of investments.

The closing value of investments decreased to £4.8m reflecting significant market turbulence due to the Covid-19 situation (2019: £5.6m). Investment income for the year is £220.5k however our investment manager projects a reduced income of around £180k next year (2019: £209k).

Following completion of the Centre of Wellbeing building in 2016, the Finance Committee reviewed its approach to the charity's investments. It decided to split the investment portfolio, with £5m being invested in moderate risk investments, where the charity accepted a greater short term risk in order to generate potentially higher long term returns, and the balance in a portfolio with low risk investments which would be likely to have lower market volatility and allow for increased levels of return in the short term.

The moderate risk portfolio contains around 76% equities and 24% fixed income investments. The low risk portfolio contains around 54% equities with 46% fixed income securities. The portfolios are managed on behalf of the charity by Brewin Dolphin.

The Finance and Audit Committee regularly review the portfolio against benchmarks to ensure that the policy is effective and to monitor the performance of the investment manager.

Going concern basis

In March 2020, following the declaration of global pandemic due to coronavirus Covid-19, our Centre of Wellbeing in Craigmillar closed to the public, and most of our wellbeing support and office staff moved to working from home. However the majority of our work, supporting people in their own homes, continued, with our wonderful teams of Personal Assistants and Wellbeing Practitioners supporting people in their daily lives in spite of restrictions.

The majority of the charity's income comes from providing supported living services to the people we support. The Covid-19 situation has not impacted on that income, nor do we expect it to during the ongoing crisis, as the support continues to be needed as per our contracts. Other sources of income, such as income from donations and from our investment portfolio, are less certain therefore we have built in significant reductions in this income to our five-year financial planning process to ensure the charity's financial position remains strong into the future.

Budgets and cash flow forecasts have been prepared by management for at least 12 months from the date of signing of these financial statements and these indicate no issues with regards to the group or charity's ability to continue as a going concern. Given the strength of the balance sheet and availability and liquidity of the investment portfolio, the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. As a result of this the Trustees have prepared the financial statements on a going concern basis.

Trustees' report *(continued)*

Post balance sheet events

Thistle's ongoing dispute with the Scottish Government over the reclaim of £450,000 of grant funding relating to 2002 to 2012 was resolved in November 2020, with Thistle agreeing to pay out a significantly smaller amount spread over the next 5 years. This is a non-adjusting post balance sheet event.

Future developments

Like everyone else Thistle is operating in an uncertain environment right now, with many aspects of it outwith our control and future changes difficult to predict. However we are committed to continuing to support people across the spectrum of life, both in our local community and further afield, with their wellbeing throughout this crisis and beyond. We are ideally placed to support people to get good lives after Covid, including support with the condition now known as 'long Covid' and are also beginning to expand our offering to corporate partners.

The explosion in the use of video conferencing technology is giving us better reach than before, fulfilling a growing ambition to offer services across Scotland. We are continuing with our IT transformation project, equipping our frontline staff with up to date tools needed to help them provide person centred support with a reduced administrative burden on them.

We will continue to develop our thinking on self-organising teams as we work through the 'test and learn' phase with our pioneer teams, harnessing our frontline workers' skills and abilities to offer even more to the people we support.

Trustees' responsibilities

The Trustees are responsible for preparing the strategic report, the trustees' report and the financial statements in accordance with applicable law and regulations.

Company law and charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law and charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Trustees' report *(continued)*

Trustees' responsibilities *(continued)*

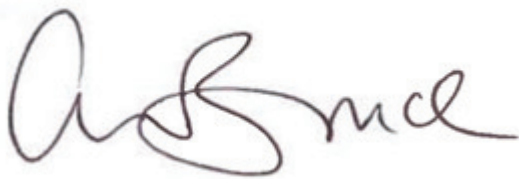
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. 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.

Disclosure of information to auditor

All the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the group and charity's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The trustees are not aware of any relevant audit information of which the auditor is unaware.

In approving the trustees' report, the trustees are also approving the strategic report in their capacity as company directors.

Approved by the Members of the Board of Trustees on 1 December 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Chris Bruce', written in a cursive style.

Chris Bruce
Chair of the Board of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THISTLE FOUNDATION

Opinion

We have audited the financial statements of Thistle Foundation ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2020 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THISTLE FOUNDATION (CONTINUED)

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises the reference and administrative information, strategic report and trustees' report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report included within the Trustees report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THISTLE FOUNDATION (CONTINUED)

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THISTLE FOUNDATION
(CONTINUED)**

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and 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, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Gill (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Edinburgh
United Kingdom
Date 7 December 2020

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Financial Activities (incorporating income and expenditure account)

for the year ended 31 March 2020

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
Income from:		£	£	£	£
Donations and legacies	3	329,479	-	329,479	347,948
Income from charitable activities					
Supported living		4,782,199	-	4,782,199	4,407,456
Health and wellbeing		13,289	589,400	602,689	717,688
Community Interest Companies trading activities		3,639,645	-	3,639,645	3,619,449
Investment income		220,504	-	220,504	208,774
Other income		46,524	3,196	49,720	52,737
Total Income		9,031,640	592,596	9,624,236	9,354,052
Expenditure on:					
Raising funds		284,696	-	284,696	323,573
Charitable activities		5,393,092	553,012	5,946,104	5,712,187
Community Interest Companies trading operations		3,597,701	-	3,597,701	3,565,255
Release of Pension Liability		-	-	-	(194,158)
Total Expenditure	5	9,275,489	553,012	9,828,501	9,406,857
Gains/(losses) on investments					
Realised gain/(loss) on sale of investments		34,771	-	34,771	(28,997)
Unrealised (losses)/gains on investments	11	(626,012)	-	(626,012)	190,359
Net (expenditure)/income	2	(835,090)	39,584	(795,506)	108,557
Transfers between funds:	14				
General funds		114,403	-	114,403	106,318
Revaluation funds		(114,403)	-	(114,403)	(106,318)
Funds balance brought forward	14	8,761,581	74,358	8,835,939	8,727,382
Total funds at 31 March 2020	14	7,926,491	113,942	8,040,433	8,835,939

All activities relate to continuing operations. There are no other recognised gains or losses in the year.

The comparatives by fund are disclosed in Note 24.

The notes on pages 27 to 48 form part of these accounts.

Charity Statement of Financial Activities (incorporating income and expenditure account)

for the year ended 31 March 2020

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£
Income from:					
Donations and legacies	3	35,103	-	35,103	74,158
Charitable activities					
Supported living		4,782,199	-	4,782,199	4,407,456
Investment income		220,504	-	220,504	208,774
Other income		46,524	3,196	49,720	60,337
Total Income		5,084,330	3,196	5,087,526	4,750,725
Expenditure on:					
Raising funds		28,591	-	28,591	28,801
Charitable activities		5,123,822	3,196	5,127,018	4,720,886
Donation to Thistle Health & Wellbeing		220,000	-	220,000	280,000
Release of Pension Liability		-	-	-	(194,158)
Total Expenditure		5,372,413	3,196	5,375,609	4,835,529
Gains/(losses) on investments					
Realised gain/(loss) on sale of investments		34,771	-	34,771	(28,997)
Unrealised (losses)/gains on investments	11	(626,012)	-	(626,012)	190,359
Net (expenditure)/income	2	(879,324)	-	(879,324)	76,558
Transfers between funds:	15				
Designated funds		-	-	-	-
General funds		114,560	-	114,560	106,138
Revaluation funds		(114,560)	-	(114,560)	(106,138)
Reconciliation of funds					
Total funds balance brought forward	15	8,709,627	-	8,709,627	8,633,069
Total funds at 31 March 2020	15	7,830,303	-	7,830,303	8,709,627

All activities relate to continuing operations. There are no other recognised gains or losses in the year.

The comparatives by fund are disclosed in Note 24.

The notes on pages 27 to 48 form part of these accounts

Consolidated and Charity Balance Sheets at 31 March 2020

	Note	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Fixed assets					
Tangible fixed assets	9	3,066,854	3,066,854	3,148,870	3,148,870
Investments	11	4,801,567	4,801,567	5,623,874	5,623,874
Investment in subsidiaries	10	-	200	-	200
		<u>7,868,421</u>	<u>7,868,621</u>	<u>8,772,744</u>	<u>8,772,944</u>
Current assets					
Debtors	12	1,253,561	1,125,401	865,667	910,392
Cash at bank and in hand		290,399	249,419	879,097	548,093
		<u>1,543,960</u>	<u>1,374,820</u>	<u>1,744,764</u>	<u>1,458,485</u>
Creditors: amounts falling due within one year	13	<u>(1,371,948)</u>	<u>(1,413,138)</u>	<u>(1,681,569)</u>	<u>(1,521,802)</u>
Net current assets/(liabilities)		172,012	(38,318)	63,195	(63,317)
Total assets less current liabilities		8,040,433	7,830,303	8,835,939	8,709,627
Net assets		<u>8,040,433</u>	<u>7,830,303</u>	<u>8,835,939</u>	<u>8,709,627</u>
Unrestricted funds					
	14,15				
Designated funds		65,415	65,415	177,861	177,861
Revaluation funds		542,655	542,655	1,283,070	1,283,070
General funds		7,318,421	7,222,233	7,300,650	7,248,696
		<u>7,926,491</u>	<u>7,830,303</u>	<u>8,761,581</u>	<u>8,709,627</u>
Restricted funds					
	14,15				
Restricted Revenue funds		113,942	-	74,358	-
		<u>113,942</u>	<u>-</u>	<u>74,358</u>	<u>-</u>
Total funds	16,17	<u>8,040,433</u>	<u>7,830,303</u>	<u>8,835,939</u>	<u>8,709,627</u>

The notes on pages 27 to 48 form part of these accounts.

These financial statements were approved and authorised for issue on 1 December 2020 and signed on behalf of the Board of Trustees by



Chris Bruce
Chair of the Board of Trustees

Consolidated statement of cash flows

	Note	2020 £	2019 £
Cash flow from operating activities			
Net (expenditure)/income per SOFA		(795,506)	108,557
Realised (profit)/loss on sale of listed investments		(34,771)	28,997
Unrealised loss/(profit) on listed investments		626,012	(190,359)
Realised (gain) on sales of fixed assets		-	(200)
Investment income		(220,504)	(208,774)
Depreciation		82,016	93,428
(Increase)/Decrease in debtors		(380,630)	129,304
(Decrease) in creditors		(309,621)	(148,338)
Cash used in operating activities		<u>(1,033,004)</u>	<u>(187,385)</u>
Cash flows from investing activities			
Dividend and interest income		213,240	206,894
Purchase of tangible fixed assets		-	(25,505)
Proceeds from sale of fixed assets		-	200
Purchase of investments		(586,331)	(778,142)
Proceeds from sale of investments		821,007	1,021,833
Cash generated by investing activities		<u>447,916</u>	<u>425,280</u>
(Decrease)/increase in cash and cash equivalents in the year		(585,088)	237,895
Total cash and cash equivalents at the beginning of the year		907,887	669,992
Total cash and cash equivalents at the end of the year		<u>322,799</u>	<u>907,887</u>
Analysis of cash and cash equivalents			
Cash at bank and in hand		290,399	879,097
Cash held within investments	11	32,400	28,790
Total cash and cash equivalents		<u>322,799</u>	<u>907,887</u>

Net Debt Reconciliation

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at Bank	907,887	(585,088)	322,799

The notes on pages 27 to 48 form part of these accounts.

Notes to the financial statements

1. Accounting policies

Thistle Foundation is a private company, limited by guarantee, registered in Scotland, UK, and is a registered charity with the Office of the Scottish Charity Regulator. The charity and company number, address of the charity's registered office and the nature of its principal activities is set out in the reference and administrative details and strategic report. The reporting currency is GBP and the level of rounding is to the nearest pound.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also required the charity to exercise judgement in applying the entity accounting policies (see Note 1a below).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The Statement of Financial Activities (SoFA) and balance sheet consolidate the financial statements of the company and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. The company has used paragraph 4 (1) of Schedule 1 to SI 2008 No. 410 "The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008" to reflect the special nature of the company's activities. Details of the investments in subsidiaries are shown in Note 10.

The charity has taken advantage of the exemption under FRS102 Section 1 not to disclose a charity only statement of cash flows.

Thistle Foundation constitutes a public benefit entity as defined by FRS 102.

Going concern basis

The group has net expenditure of £795,506 for the year ended 31 March 2020 (2019 – net income of £108,557) and at 31 March 2020 has net current assets of £172,012 (2019 - £63,195 net current assets). The group has an investment portfolio of £4,801,567 (2019 - £5,623,874) which can be liquidated if required to meet liabilities as they fall due and at 31 March 2020 the group has total general funds of £7,318,421 (2019 - £7,300,650).

In March 2020, following the declaration of global pandemic due to coronavirus Covid-19, our Centre of Wellbeing in Craigmillar closed to the public, and most of our wellbeing support and office staff moved to working from home. Our face-to-face wellbeing support and fundraising had to stop as social distancing measures made it impossible to continue. Where it was appropriate a small number of our staff were placed on furlough under the Coronavirus Job Retention Scheme to protect their jobs for the future, and we look forward to welcoming them back later in the year. However the majority of our work, supporting people in their own homes, continued, with our wonderful teams of Personal Assistants and Wellbeing Practitioners supporting people in their daily lives in spite of restrictions.

The majority of the charity's income comes from providing supported living services to the people we support. The Covid-19 situation has not impacted on that income, nor do we expect it to during the ongoing crisis, as the support continues to be needed as per our contracts. Other sources of income, such as income from donations and from our investment portfolio, are less certain therefore we have built in significant

Notes to the financial statements *(continued)*

1. Accounting policies *(continued)*

Going concern basis *(continued)*

reductions in this income to our five-year financial planning process to ensure the charity's financial position remains strong into the future.

Budgets and cash flow forecasts have been prepared by management for at least 12 months from the date of signing of these financial statements and these indicate no issues with regards to the group or charity's ability to continue as a going concern. Given the strength of the balance sheet and availability and liquidity of the investment portfolio, the Trustees believe that, while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the charity's ability to continue as a going concern. As a result of this the Trustees have prepared the financial statements on a going concern basis.

Income

All income is accounted for in the SoFA when the group and charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income received by way of donations is accounted for on a receivable basis.
- Voluntary income received by way of grants is included in full in the SoFA when receivable.
- Grants, where entitlement is not conditional on the delivery of specific performance by the charity, are recognised when Thistle Foundation becomes unconditionally entitled to the grant. Where entitlement is related to performance and specific deliverables, income is recognised as the Foundation earns the right to consideration by its performance.
- Investment income is included when receivable.
- Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled and the amount of the incoming resources can be measured with sufficient reliability.

Material legacies which have been notified but not recognised as incoming resources are disclosed by way of a note, including an estimate of the amount receivable.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

- Costs of raising funds comprise costs associated with attracting voluntary income and the costs of trading for fundraising purposes.
- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resources. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis as detailed in note 5.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Fixed assets

Thistle Foundation capitalises individual items of fixed asset expenditure in excess of £1,000.

Depreciation

Depreciation is provided to write off the cost or valuation of assets capitalised on a straight line basis using the following annual rates:

Buildings	2% on cost
Furniture, fittings and equipment	10% on cost
Computer and office equipment	Between 20% and 33.3% on cost
Motor vehicles	25% on cost

Land is not depreciated.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on deposit where funds can be accessed without penalty within three months or less from the opening of the account and cash held with the investment manager.

Financial Instruments

Thistle Foundation only enters into basic financial instruments. Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Investments

Investments are valued at bid market value at the balance sheet date and the unrealised gain or loss taken to the SoFA.

Unrealised gains and losses on investment assets are taken to the revaluation reserve which forms part of general funds of the charity.

Pension scheme

Until July 2008, Thistle Foundation contributed to Federated Flexiplan No 1, a multi-employer pension scheme for employees. In accordance with FRS 102, the scheme was accounted for as a defined contribution scheme. In May 2018 the charity ended its membership of this scheme.

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Operating leases

The leases are classified as operating leases; the title to the equipment remains with the lessor and the equipment would be due for replacement in 5 years. Rental charges are charged on a straight line basis over the term of the lease.

Unrestricted funds

Unrestricted funds are available for use at the discretion of the members of the Board of Trustees in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.

Designated funds

It is Thistle'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 Thistle Foundation. The trustees took the decision to set aside funds for the investment in fundraising to generate more individual donors, and had set aside £400,000 for this purpose in the year ending 31 March 2018. Of this, £334,585 has been spent by 31 March 2020.

Restricted funds

Restricted funds are funds received for a specific purpose imposed by the donor awarding body or through the terms of an appeal and are accounted for separately from the other funds of Thistle Foundation.

Revaluation reserve

The revaluation reserve comprises part of unrestricted funds and consists of unrealised gains and losses on the revaluation investment assets.

Notes to the financial statements *(continued)*

1. Accounting policies *(continued)*

1a Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the trustees have made the following judgements:

Determine whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. This depends on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Determined whether there are any indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and the viability and expected future performance of the asset.

Other key sources of estimation uncertainty are as follows:

Legacies

Legacies are recognised when the recognition criteria of entitlement, probability and measurement are met. In order for the measurement criteria to be met, management must receive confirmation as to the estimated value of the estate by representatives of the estate. If a legacy were to contain property, a formal valuation must be obtained by the estate before an amount is recognised within the financial statements.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

2. Net income/(expenditure) for the year

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
This is stated after charging:				
Depreciation	82,016	82,016	93,428	93,428
Auditor's remuneration – Audit	20,750	8,250	19,926	6,383
Auditor's remuneration – Other	2,840	-	3,942	-
Operating lease rentals – Other assets	16,115	16,115	17,044	17,044
Gain on sale of fixed asset	-	-	(200)	(200)
Release of pension liability	-	-	(194,158)	(194,158)

Notes to the financial statements *(continued)*

3. Donations and grants 2020

Group	Unrestricted	Restricted	2020
	£	£	£
Donations	267,146	-	267,146
Legacies	15,635	-	15,635
Trusts	16,390	-	16,390
Community Giving	30,308	-	30,308
	<u>329,479</u>	-	<u>329,479</u>

Charity	Unrestricted	Restricted	2020
	£	£	£
Donations	35,103	-	35,103
	<u>35,103</u>	-	<u>35,103</u>

Donations and grants 2019

Group	Unrestricted	Restricted	2019
	£	£	£
Donations	266,470	-	266,470
Legacies	600	-	600
Trusts	22,770	-	22,770
Community Giving	58,108	-	58,108
	<u>347,948</u>	-	<u>347,948</u>

Charity	Unrestricted	Restricted	2019
	£	£	£
Donations	74,158	-	74,158
	<u>74,158</u>	-	<u>74,158</u>

Notes to the financial statements (continued)

4. Government Grants

Income from charitable activities included the following Government Grants:

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
SVQ Grant	1,200	696	24,000	13,440
Centre of Wellbeing	49,028	-	118,448	-
LinkUp	46,253	-	45,113	-
Midlothian lifestyle management	308,335	-	295,953	-
House of care	98,600	-	42,897	-
Young person's project	7,958	-	102,236	-
	511,374	696	628,647	13,440

All of these are restricted. In the prior year also, all income from Government grants was restricted.

5. Total Expenditure – Group

	Direct Staff costs	Other direct costs	Support costs (Note 6)	Total 2020
Total Expenditure Group - 2020				
Raising funds				
Cost of generating voluntary income	212,639	43,466	-	256,105
Investment management costs	-	28,591	-	28,591
Total cost of raising funds	212,639	72,057	-	284,696
Charitable expenditure				
Support services	3,878,489	380,607	864,726	5,123,822
Health & wellbeing	545,007	146,297	127,782	819,086
Other projects	2,500	696	-	3,196
Total charitable expenditure	4,425,996	527,600	992,508	5,946,104
Release of Pension Liability	-	-	-	-
Trading activities	2,989,142	216,643	391,916	3,597,701
Total costs	7,627,777	816,300	1,384,424	9,828,501

Notes to the financial statements *(continued)*

6. Total Expenditure – Group *(continued)*

Total Expenditure Group - 2019	Direct Staff costs	Other direct costs	Support costs (Note 6)	Total 2019
Raising funds				
Cost of generating voluntary income	118,896	175,876	-	294,772
Investment management costs	-	28,801	-	28,801
Total cost of raising funds	118,896	204,677	-	323,573
Charitable expenditure				
Support services	3,547,356	357,658	799,932	4,704,946
Health & wellbeing	605,785	211,754	173,762	991,301
Other projects	2,500	13,440	-	15,940
Total charitable expenditure	4,155,641	582,852	973,694	5,712,187
Release of Pension Liability	-	(194,158)	-	(194,158)
Trading activities	2,918,563	289,284	357,408	3,565,255
Total costs	7,193,100	882,655	1,331,102	9,406,857

The cost of generating voluntary income is due to a decision to invest in fundraised income from other methods going forward rather than direct marketing. In the past this has provided a regular income for Thistle. The cost of fundraising was 78% of the funds raised. (2019: 66%)

Included within charitable expenditure are governance costs of £84,190 (2019: £131,642)

Governance costs comprise trustees' indemnity insurance premium, board of trustee meeting costs, training and audit fees. A portion of the salary costs of the Chief Executive and PA to the Directorate are allocated to the Governance Costs based on estimated time spent on governance matters. Trustees received no other remuneration or expenses in the current or prior years.

Notes to the financial statements *(continued)*

6. Allocation of support costs

Support costs include the following expenditure items and have been allocated across resources in the following manner:

	2020	2019
	£	£
Operating costs	866,538	836,206
Finance and IT	367,759	371,605
Human resources	150,127	123,291
	<u>1,384,424</u>	<u>1,331,102</u>

Expenditure incurred each year is, where possible, charged directly to support, advocacy, training, goods for sale or the cost of generating funds. Where there is more than one purpose, costs are shared between the activities in proportion to headcount of the respective department.

Included within support costs are staff costs of £844,925 (2019 – £833,863) relating to staff employed within support functions of the Group.

7. Staff costs

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
Staff costs were as follows:				
Salaries and wages	7,548,910	4,279,697	7,248,872	3,972,706
Social security costs	595,736	310,548	544,018	290,645
Pension costs	248,436	121,369	231,861	118,150
Redundancy/termination costs	14,300	14,300	2,213	2,213
	<u>8,407,382</u>	<u>4,725,914</u>	<u>8,026,964</u>	<u>4,383,714</u>

The redundancy/terminations cost was paid in the financial year.

Pension contributions due by the Group as at the 31 March 2020 were £36,476 (2019: £30,421)

The number of employees whose emoluments (salaries, wages and benefits in kind) fell within the following bands:

	2020	2019
	£	£
£60,000 - £69,999	-	2
£70,000 - £79,999	1	-
	<u> </u>	<u> </u>

The above remuneration is paid to the Chief Executive for services provided to the charity in his role as Chief Executive and not as his position as trustee.

Notes to the financial statements *(continued)*

7. Staff costs *(continued)*

During the year pension contributions on behalf of this staff member amounted to £5,654 (2019: 2 staff members £12,784).

The key management personnel of the parent charity, Thistle Foundation and of the Group comprise the Chief Executive Officer and the Director of Resources (2019: Chief Executive Officer, Depute Chief Executive Officer, Director of Wellbeing and the Director of Resources). The total employee benefits of the key management personnel were £125,436 (2019 £256,000). The Director of Wellbeing resigned during the year and the Chief Executive retired with the Depute Chief Executive Officer being promoted.

No other trustees received any remuneration from the charity but expenses of £3,558 (2019: £702) were reimbursed to two trustees (2019: one trustee) being business expenses paid to the trustee in relation to their CEO roles.

8. Staff numbers

The average number of employees during the year were as follows:-

	Group		Charity	
	2020	2019	2020	2019
Chief Executive and Directorate	3	4	3	4
Support	358	362	358	362
Health & Wellbeing	24	24	-	-
Training & Consultancy	8	8	-	-
Fundraising	8	5	-	-
Administration and Support	22	22	22	22
	<u>423</u>	<u>425</u>	<u>383</u>	<u>388</u>

The fte number of employees during the year were as follows:-

	Group		Charity	
	2020	2019	2020	2019
Chief Executive and Directorate	2	3	2	3
Support	220	215	220	215
Health & Wellbeing	17	19	-	-
Training & Consultancy	5	5	-	-
Fundraising	7	4	-	-
Administration and Support	20	16	20	16
	<u>271</u>	<u>262</u>	<u>242</u>	<u>234</u>

Notes to the financial statements *(continued)*

9. Tangible fixed assets – Group and Charity

	Freehold Land and buildings £	Furniture, fittings and equipment £	Computer and office equipment £	Motor Vehicles £	Total £
Cost					
At 1 April 2019	3,202,802	175,291	114,311	-	3,492,404
Disposals	-	-	(19,817)	-	(19,817)
At 31 March 2020	3,202,802	175,291	94,494	-	3,472,587
Aggregate depreciation					
At 1 April 2019	179,209	51,810	112,515	-	343,534
Charge for year	63,997	17,322	697	-	82,016
Disposals	-	-	(19,817)	-	(19,817)
At 31 March 2020	243,206	69,132	93,395	-	405,733
Net book value					
At 31 March 2020	2,959,596	106,159	1,099	-	3,066,854
At 31 March 2019	3,023,593	123,481	1,796	-	3,148,870

The value of land not depreciated is £3,000 (2019: £3,000).

10. Investment in subsidiary undertakings

	Group £	Charity £
At 1 April 2019	-	200
Additions in the year	-	-
31 March 2020	-	200

The investments represent 100% of the 100 £1 ordinary shares held in Thistle Services CIC and Thistle Training and Consultancy Services CIC respectively. There were no additions in the year.

Notes to the financial statements (continued)

10. Investment in subsidiary undertakings (continued)

Name	Company Number	Charity Registration Number	Class of Share	Holding %	Principal Activity £
Thistle Services CIC	SC502185	-	Ordinary	100	Delivery of care services
Thistle Training and Consultancy Services CIC	SC502184	-	Ordinary	100	Provision of training and consultancy services
Thistle Health and Wellbeing	SC502027	SC045846	N/A – Limited by guarantee	100	Provision of person centred health and wellbeing services

11. Investments – Group and Charity

	2020 Market value £	2020 Cost £	2019 Market value £	2019 Cost £
UK Listed investments				
At 1 April 2019	5,595,084	4,312,014	5,677,413	4,478,564
Additions	586,331	586,331	778,142	778,142
Disposals at opening market value	(786,236)	(671,833)	(1,050,830)	(944,692)
Net unrealised (Loss)/Gain	(626,012)	-	190,359	-
At 31 March 2020	4,769,167	4,226,512	5,595,084	4,312,014
Cash deposits for reinvestment	32,400	32,400	28,790	28,790
	4,801,567	4,258,912	5,623,874	4,340,804

12. Debtors

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Contract income receivable	681,319	223,846	350,916	226,206
Amounts owed by group undertakings	-	509,590	-	351,022
Other debtors and prepayments	572,242	391,965	514,751	333,164
	1,253,561	1,125,401	865,667	910,392

Notes to the financial statements *(continued)*

13. Creditors

Creditors: Amounts falling due within one year

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Taxation and social security	310,902	310,902	298,853	298,853
Corporation Tax	9,839	-	4,503	-
Trade creditors	27,871	27,871	99,129	99,129
ESF - provision for clawback of funds*	450,000	450,000	450,000	450,000
Amounts owed to group undertakings	-	98,527	-	33,674
Other creditors and accruals	528,941	513,543	679,554	593,093
Deferred income	44,395	12,295	149,530	47,053
	<u>1,371,948</u>	<u>1,413,138</u>	<u>1,681,569</u>	<u>1,521,802</u>

*Thistle Foundation received notification in August 2017 that there is the potential for clawback of £450,000 relating to funding received in the period 2002 to 2012, in relation to delivery of a training programme by the Charity. Thistle contested this with the Scottish Government and reached agreement in November 2020 to pay a reduced amount. This is a non adjusting post balance sheet event therefore the provision is included at the year end and will be adjusted in next year's accounts.

Deferred Income

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Opening deferred income	149,530	47,053	85,513	1,250
Released from previous year	(149,530)	(47,053)	(85,513)	(1,250)
Deferred in current year	44,395	12,295	149,530	47,053
Closing deferred income	<u>44,395</u>	<u>12,295</u>	<u>149,530</u>	<u>47,053</u>

Income is deferred when the Group receives grants or donations for which the conditions of recognition have not yet been met.

Notes to the financial statements (continued)

14. Funds – Group 2020

	At 31 March 2019 £	Incoming resources £	Outgoing resources £	Other recognised gains/(losses) £	Transfers £	At 31 March 2020 £
Restricted funds						
SVQ - Scot Gov	-	1,200	(1,200)	-	-	-
Garden Project	-	2,500	(2,500)	-	-	-
Aspiring Communities Fund	-	49,028	(49,028)	-	-	-
Bank of Scotland	-	8,726	(8,726)	-	-	-
RS MacDonald	-	5,000	(5,000)	-	-	-
Robertson Trust	-	20,000	(20,000)	-	-	-
John Lewis	-	4,000	(4,000)	-	-	-
Tesco Bags for help	-	2,000	(2,000)	-	-	-
Link Up – Inspiring Scotland	1,611	42,235	(38,717)	-	-	5,129
Link Up – Other	1,301	4,018	(4,950)	-	-	369
Midlothian Lifestyle Management	41,501	308,335	(272,932)	-	-	76,904
Veterans Project	-	39,500	(39,500)	-	-	-
Young Persons - Scot Government	5,660	98,600	(86,010)	-	-	18,250
Young Persons - Scot Government Autism Innovation Fund	6,503	-	-	-	-	6,503
Young Persons – Out of the Blue	2,843	-	(650)	-	-	2,193
Young Persons – Other	1,970	-	-	-	-	1,970
House of Care	12,969	7,958	(18,303)	-	-	2,624
Total restricted funds	74,358	593,100	(553,516)	-	-	113,942
Unrestricted funds	7,300,650	9,031,640	(9,163,043)	34,771	114,403	7,318,421
Designated reserves	177,861	-	(112,446)	-	-	65,415
Revaluation reserve	1,283,070	-	-	(626,012)	(114,403)	542,655
Total unrestricted funds	8,761,581	9,031,640	(9,275,489)	(591,241)	-	7,926,491
Total funds	8,835,939	9,624,740	(9,829,005)	(591,241)	-	8,040,433

Notes to the financial statements (continued)

14. Funds – Group (continued)

Funds – Group 2019	At 31 March 2018 £	Incoming resources £	Outgoing resources £	Other recognised gains/(losses) £	Transfers £	At 31 March 2019 £
Restricted funds						
SVQ - Scot Gov	-	13,440	(13,440)	-	-	-
Garden Project	-	2,500	(2,500)	-	-	-
Aspiring Communities Fund	-	118,448	(118,448)	-	-	-
Bank of Scotland	-	26,250	(26,250)	-	-	-
RS MacDonald	-	10,000	(10,000)	-	-	-
Robertson Trust	-	20,000	(20,000)	-	-	-
Link Up – Inspiring Scotland	2,310	43,632	(44,331)	-	-	1,611
Link Up – Other	1,938	1,481	(2,118)	-	-	1,301
Midlothian Lifestyle Management	-	295,954	(254,453)	-	-	41,501
Veterans Project	13,304	40,000	(53,304)	-	-	-
Young Persons - Scot Government	2,604	102,236	(99,180)	-	-	5,660
Young Persons - Scot Government Autism Innovation Fund	6,503	-	-	-	-	6,503
Young Persons – Out of the Blue	2,843	-	-	-	-	2,843
Young Persons – Other	1,970	-	-	-	-	1,970
House of Care	39,646	42,897	(69,574)	-	-	12,969
Total restricted funds	71,118	716,838	(713,598)	-	-	74,358
Unrestricted funds	7,143,808	8,637,214	(8,557,513)	(28,997)	106,138	7,300,650
Designated reserves	313,607	-	(135,746)	-	-	177,861
Revaluation reserve	1,198,849	-	-	190,359	(106,138)	1,283,070
Total unrestricted funds	8,656,264	8,637,214	(8,693,259)	161,362	-	8,761,581
Total funds	8,727,382	9,354,052	(9,406,857)	161,362	-	8,835,939

SVQ grant is for the provision of training in SVQs in Health and Social Care from the Voluntary Sector Development Fund.

The Garden project is a therapeutic work project that supports a person living with a long term health condition to get into the routine and structure of work, through maintaining the garden.

Notes to the financial statements *(continued)*

14. Funds – Group *(continued)*

Aspiring Communities Fund is a project funded jointly by Scottish Government and European Social Fund to create a community of wellbeing in Craigmillar by working with local people with long term health conditions.

Bank of Scotland is a grant supporting self-management activities based in Thistle's Centre of Wellbeing in Craigmillar.

R S McDonald is year three of three of a grant supporting the self-management of neurological conditions.

Robertson Trust is year three of a three year grant to deliver group self-management support in the Centre of Wellbeing.

Link Up is a community development project that works on the basis that when the skills , passions and assets of local people are harnessed then lasting change can occur. In order to do this Link up workers support local people to establish groups and activities around shared interests and passion that help build relationships and social connections within the community.

Midlothian Lifestyle Management is a project funded by Midlothian Integrated Joint Board for the provision of self-management support based in GP practices in Midlothian.

The Veterans project delivers lifestyle management courses and individual support for Veterans, helping to support transition and reduce social isolation.

The Young Person's work is aimed at improving the experience of young people and their families making the transition from school to adult life. Main project delivery is funded by the Scottish Government.

House of Care is a project co-led by Thistle and NHS Lothian, funded by NHS Lothian and British Heart Foundation. NHS Lothian and Thistle are working together to coordinate Health and Social Care initiatives with the aim of adapting the House of Care model so that it can be used more widely.

The Designated reserve was set aside to fund an investment in increasing the number of individual regular donors. This was intended to be drawn down by March 2019, however the performance of the fundraising campaign has been slower and it is now likely to be drawn down by March 2021. The funding will support the wellbeing work in Thistle Health & Wellbeing, in the Centre of Wellbeing.

Notes to the financial statements *(continued)*

15. Funds –Thistle Foundation – Charity 2020

	At 31 March 2019 £	Incoming resources £	Outgoing resources £	Other recognised gains £	Transfers £	At 31 March 2020 £
<i>Restricted funds</i>						
SVQ - Scot Gov	-	696	(696)	-	-	-
Garden Project	-	2,500	(2,500)	-	-	-
Total restricted funds	-	3,196	(3,196)	-	-	-
Unrestricted funds						
Designated reserves	177,861	-	(112,446)	-	-	65,415
Revaluation reserve	1,283,070	-	-	(626,012)	(114,403)	542,655
Total unrestricted funds	8,709,627	5,084,330	(5,372,413)	(591,241)	-	7,830,303
Total funds	8,709,627	5,087,526	(5,375,609)	(591,241)	-	7,830,303

Funds –Thistle Foundation – Charity 2019

	At 31 March 2018 £	Incoming resources £	Outgoing resources £	Other recognised gains £	Transfers £	At 31 March 2019 £
<i>Restricted funds</i>						
SVQ - Scot Gov	-	13,440	(13,440)	-	-	-
Garden Project	-	2,500	(2,500)	-	-	-
Total restricted funds	-	15,940	(15,940)	-	-	-
Unrestricted funds						
Designated reserves	313,607	-	(135,746)	-	-	177,861
Revaluation reserve	1,198,849	-	-	190,359	(106,138)	1,283,070
Total unrestricted funds	8,633,069	4,734,785	(4,819,589)	161,362	-	8,709,627
Total funds	8,633,069	4,750,725	(4,835,529)	161,362	-	8,709,627

Notes to the financial statements *(continued)*

16. Analysis of group net assets by fund 2020

	Fixed Assets £	Investments £	Net current assets £	Total £
Unrestricted	3,066,854	4,801,567	58,070	7,926,491
Restricted	-	-	113,942	113,942
	<u>3,066,854</u>	<u>4,801,567</u>	<u>172,012</u>	<u>8,040,433</u>

Analysis of group net assets by fund 2019

	Fixed Assets £	Investments £	Net current (liabilities)/ assets £	Total £
Unrestricted	3,148,870	5,623,874	(11,163)	8,761,581
Restricted	-	-	74,358	74,358
	<u>3,148,870</u>	<u>5,623,874</u>	<u>63,195</u>	<u>8,835,939</u>

17. Analysis of charity net assets by fund 2020

	Fixed Assets £	Investments £	Net current (liabilities)/ assets £	Total £
Unrestricted	3,066,854	4,801,767	(38,318)	7,830,303
Restricted	-	-	-	-
	<u>3,066,854</u>	<u>4,801,767</u>	<u>(38,318)</u>	<u>7,830,303</u>

Analysis of charity net assets by fund 2019

	Fixed Assets £	Investments £	Net current (liabilities)/ assets £	Total £
Unrestricted	3,148,870	5,624,074	(63,317)	8,709,627
Restricted	-	-	-	-
	<u>3,148,870</u>	<u>5,624,074</u>	<u>(63,317)</u>	<u>8,709,627</u>

Notes to the financial statements *(continued)*

18. Other financial commitments

At 31 March 2020 the Group and Charity was committed to making the following total future payments under non-cancellable operating leases:

	2020	2019
	£	£
Future operating lease commitment:		
Within one year	18,398	20,132
Two to five years	9,342	26,580
	<u>27,740</u>	<u>46,712</u>

19. Pension scheme

Until July 2008 Thistle Foundation contributed to a defined benefit pension scheme known as The Federated Flexiplan No.1 ("the Plan"), a "last man standing scheme" which means that all participating employers are joint and severally liable for the Plan's liabilities.

Buy-Out of the Scheme Liabilities

The Scheme Trustee entered a buy-in covering the full Scheme liabilities with an insurer in February 2017. On 18 May 2018 the buy-out of the Plan was successfully completed. This resulted in the liability of £194,158 being fully discharged to the effect that no further contributions will be required from Thistle Foundation. Therefore, a credit of £194,158 was recognised in the financial statements for the year ended 31 March 2019.

20. Trustee indemnity insurance

Thistle has in place a Trustee Indemnity insurance policy with an aggregate limit of indemnity of £2,000,000. The annual premium payable under the policy, including insurance premium tax, is £1,233 (2019: £1,250).

Notes to the financial statements *(continued)*

21. Connected charities and related parties

The Thistle Trust, established in terms of a Deed of Trust dated 20 March 1952, owns and is responsible for the Robin Chapel situated within the grounds of Thistle Foundation, Craigmillar, Edinburgh. The Trust is an independent body governed by a separate board of Trustees. Administration is undertaken by Thistle Foundation which received a fee of £13,600 gross (2019: £12,000) for this service. Information on the Thistle Trust and the Robin Chapel is available from the Finance Department, Thistle Centre of Wellbeing, 13 Queen's Walk, Edinburgh EH16 4EA.

Subject to certain conditions the Trust Deed allows payments to be made to Thistle Foundation at the trustees' discretion. During the year to 31 March 2020 a donation of £15,000 towards the Veterans Project, and £2,500 for the Gardening project was approved by the Thistle Trust Board. (2019: £15,000 donation towards the Veterans Project and £10,000 for War affected men project, and £2,500 for the Gardening project).

Three of the trustees (2019: one) each have a family member who is a beneficiary of Thistle Foundation with fees raised on a commercial basis. In relation to this, total fees charged during the year were £271,774 (2019: £126,922) of which as at 31 March 2020 there is a balance of £2,259 (2019: £11,447) which is collectible in the normal course of business.

22. Ultimate controlling party

Thistle Foundation is controlled by its Voluntary Board of Directors. There is no controlling entity.

23. Financial Instruments

	Group 2020	Charity 2020	Group 2019	Charity 2019
Financial assets				
Financial assets at fair value through income and expenditure	4,801,567	4,801,567	5,623,874	5,623,874
Financial assets measured at amortised cost	1,505,211	1,341,806	1,688,249	1,419,809
Financial liabilities				
Financial liabilities measured at amortised cost	566,651	639,941	783,186	725,897

Financial assets and liabilities are initially measured at transaction price (including transaction costs). The Group only has financial assets and liabilities of a kind that qualify as basic financial instruments.

Financial assets at fair value through income & expenditure comprise investment assets.

Financial assets measured at amortised cost comprise investment in subsidiary undertakings, contract income receivable, other debtors, amounts owed by group undertakings and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors, ESF clawback, other creditors and accruals and amounts owed to group undertakings.

Notes to the financial statements *(continued)*

24. Consolidated SoFA prior year comparatives by fund for 31 March 2019

	Unrestricted Funds	Restricted Funds	Total Funds 2019
	£	£	£
Income from:			
Donations and legacies	347,948	-	347,948
Income from charitable activities			
Supported Living	4,407,456	-	4,407,456
Health and Wellbeing	16,790	700,898	717,688
Community Interest companies trading activities	3,619,449	-	3,619,449
ESF Clawback	-	-	-
Investment income	208,774	-	208,774
Other Income	36,797	15,940	52,737
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Total income	8,637,214	716,838	9,354,052
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Expenditure on:			
Raising funds	323,573	-	323,573
Charitable activities	4,998,589	713,598	5,712,187
Community interest companies trading operations	3,565,255	-	3,565,255
Release of Pension Liability	(194,158)	-	(194,158)
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Total expenditure	8,693,259	713,598	9,406,857
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All amounts in relation to investment movements in the year ended 31 March 2019 were unrestricted in nature.

Notes to the financial statements *(continued)*

25. Charity SoFA prior year comparatives by fund for 31 March 2019

	Unrestricted Funds	Restricted Funds	Total Funds 2019
Income from:	£	£	£
Donations and legacies	74,158	-	74,158
Charitable activities			
Supported living	4,407,456	-	4,407,456
Investment income	208,774	-	208,774
Other income	44,397	15,940	60,337
ESF Clawback	-	-	-
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Total Income	4,734,785	15,940	4,750,725
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Expenditure on:			
Raising funds	28,801	-	28,801
Charitable activities	4,704,946	15,940	4,720,886
Donations to Thistle Health & Wellbeing	280,000	-	280,000
Release of Pension Liability	(194,158)	-	(194,158)
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Total Expenditure	4,819,589	15,940	4,835,529
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All amounts in relation to investment movements in the year ended 31 March 2019 were unrestricted in nature.

26. Post Balance Sheet Events

Thistle Foundation received notification in August 2017 that there is the potential for clawback of £450,000 relating to funding received in the period 2002 to 2012, in relation to delivery of a training programme by the Charity. Thistle contested this with the Scottish Government and reached agreement in November 2020 to pay a reduced amount over the next 5 years. This is a non adjusting post balance sheet event.