



**The Trades House of Glasgow**  
**Report and Consolidated Financial Statements**  
**Year ended 30 September 2019**  
**Scottish Charity No:SC040548**

**THE TRADES HOUSE OF GLASGOW  
YEAR ENDED 30 SEPTEMBER 2019  
Contents Page**

|   | <b>Page</b>  |
|---|--------------|
| <b>Trustees</b>   | <b>3-5</b>   |
| <b>Administrative information</b>                                       | <b>6</b>     |
| <b>Trustees Report</b>  | <b>7-12</b>  |
| <b>Independent Auditors Report</b>                                      | <b>13-14</b> |
| <b>Consolidated Statement of Financial Activities</b>                   | <b>15-16</b> |
| <b>Statement of Financial Activities</b>                                | <b>17-18</b> |
| <b>Consolidated Balance Sheet</b>                                       | <b>19</b>    |
| <b>Balance Sheet</b>  | <b>20</b>    |
| <b>Consolidated Statement of Cash Flows and Statement of Cash Flows</b> | <b>21</b>    |
| <b>Notes to the accounts</b>  | <b>22-37</b> |

# THE TRADES HOUSE OF GLASGOW YEAR ENDED 30 SEPTEMBER 2019

## THE PLATFORM

The individual trustees holding office on the Platform as at 10th September 2020 were:

Bruce Reidford, Deacon Convener  
Ken Dalgleish, Late Collector  
Tom McNally, Late Convener and Interim Collector  
Alistair J Dorward, Ex Convener  
Keith Brown, Ex Convener  
William J B Birse-Stewart, Collector Elect  
Ewen Mackie, Collector Nominate

## TRUSTEES

The trustees of Trades House in office during the period 1 October 2018 to 10 September 2020 were:

### HAMMERMEN

Peter McCarthy (retired 10 October 2018)  
Dr Gordon Masterton  
Colin Botfield  
John McKnight (resigned 2 June 2020)  
Professor Bruce Wood  
Andrew Young  
David Westmore (appointed 10 October 2018)  
Nina Baker (appointed 9 October 2019)

### TAILORS

Timothy J Purdon  
Fiona Scott (retired 9 October 2019)  
Gordon Price (retired 9 October 2019)  
Robert Primrose (retired 10 October 2018)  
Kenneth Gibb  
Alex Paterson  
Ken Kennedy (appointed 10 October 2018)  
Gordon Mather (appointed 9 October 2019)  
Janet Hansen (appointed 9 October 2019)

### CORDINERS

Dr .Beverly Bergman  
Professor Ewan McDonald  
Alistair Dorward  
Iain Lennox  
Dr. Adrian Pierotti  
Liam Devlin (retired 9 October 2019)  
Brian McAlinden (appointed 9 October 2019)

### MALTMEN

Michael A. McHugh (retired 10 October 2018)  
William J B Birse-Stewart  
George P Thomson (retired 9 October 2019)  
Charles Mackintosh  
Iain Macpherson  
Roddy Young  
David Moore (appointed 10 October 2018)  
Darren Wilson (appointed 9 October 2019)

# THE TRADES HOUSE OF GLASGOW YEAR ENDED 30 SEPTEMBER 2019

## **WEAVERS**

Kenneth W. MacDonald (Supernumerary) (appointed 10 October 2018)  
Kenneth Dalglish  
Colin Brown (retired 10 October 2018)  
Moirra Dalgetty (retired 9 October 2019)  
Breege Smyth  
Alex McCluskey  
Susanne McCormick (appointed 9 October 2019)

## **BAKERS**

Anita Brown (appointed 10 October 2018)  
Dr Rose Mary Harley (retired 9 October 2019)  
Bruce Reidford  
Elizabeth Reidford  
Scott Anderson (Supernumerary)  
Silvia Ciferri (appointed 9 October 2019)

## **SKINNERS**

David R Bird (retired 10 October 2018) (appointed 9 October 2019)  
Elsbeth Talbot  
Rev Thomas L Pollock  
Sophia Thalmessinger (retired 10 October 2018)  
Hugh Gilmour (appointed 10 October 2018)

## **WRIGHTS**

Jenny McIntyre (retired 10 October 2018)  
Dorothy Newlands of Lauriston (retired 9 October 2019)  
Graeme McDonald  
Richie Miller  
Shirin Parsno (appointed 10 October 2018)  
Gillian Christiansen (appointed 9 October 2019)

## **COOPERS**

Tom McInally  
Primrose Stark (retired 10 October 2018)  
Keith Brown  
Kenneth Dalby (retired 9 October 2019)  
Alasdair Ronald  
Don Bennett, (Supernumerary) (retired 10 October 2018)  
Sheonagh Beaton (appointed 10 October 2018)  
Graeme Creevy (Supernumerary) (appointed 10 October 2018) (Resigned 20<sup>th</sup> March 2019)  
John MacLeod (Supernumerary) (appointed 20<sup>th</sup> March 2019)  
Graeme Kidd (Supernumerary) (appointed 9 October 2019)

## **FLESHERS**

Ruth E. Maltman (retired 9 October 2019)  
Bill Gallacher (retired 10 October 2018)  
Col Stephanie Jackman (Resigned 17 September 2019)  
John Kerr (appointed 10 October 2018)  
Col Hugo Grant  
Gavin Queen (appointed 10 October 2018)  
Iris Gibson (appointed 17 September 2019) (Retired 9 October 2019)  
Graeme Lyall (appointed 9 October 2019)

**THE TRADES HOUSE OF GLASGOW  
YEAR ENDED 30 SEPTEMBER 2019**

**MASONS**

Gary Smith (retired 10 October 2018)  
David McLaren (retired 9 October 2019)  
Gordon Weetch  
John Brown  
David Taylor (appointed 10 October 2018)  
N. Grant Macleod (appointed 9 October 2019)

**GARDENERS**

Nick T Parry (retired 10 October 2018)  
Pauline Bell  
William G H Peebles  
Donald Wemyss (retired 9 October 2019)  
Lorne Scott (appointed 10 October 2018)  
Paul Carnan (appointed 9 October 2019)

**BARBERS**

Janet M Dobson (retired 10 October 2018)  
Karen Waugh (retired 9 October 2019)  
Dr Mary Warnock  
Dave King  
Neil MacEwen (appointed 10 October 2018)  
Aileen White (appointed 9 October 2019)

**BONNETMAKERS & DYERS**

Robert Linton (retired 10 October 2018) (appointed 17 September 2019) (retired 9 October 2019)  
(appointed 6 February 2020)  
Mariella MacLeod (retired 9 October 2019) (appointed 10 March 2020)  
Dianne Chapman  
Mungo Campbell (resigned 6 February 2020)  
David Hanlan (appointed 10 October 2018) (resigned 17 September 2019) (appointed 9 October 2019)  
(resigned 10 March 2020)  
Norman MacLean (Supernumerary) (appointed 9 October 2019)  
Ewen Mackie (appointed 17 June 2020)

**Chief Executive and Clerk: John Gilchrist CA MBA.**

**Trades House of Glasgow,**

**Trades Hall,**

**85 Glassford Street,**

**Glasgow G1 1UH**

**Tel:** 0141 553 1605

**Email:** [john.gilchrist@tradeshouse.org.uk](mailto:john.gilchrist@tradeshouse.org.uk)

[www.tradeshouse.org.uk](http://www.tradeshouse.org.uk)

**ADMINISTRATIVE INFORMATION  
YEAR ENDED 30 SEPTEMBER 2019**

**BANKERS:**

Bank of Scotland  
PO Box 1000  
BX21LB

**AUDITORS:**

RSM UK Audit LLP  
First Floor  
Quay 2  
139 Fountainbridge  
Edinburgh  
EH3 9QG

**INVESTMENT ADVISERS:**

Tilney  
130 St Vincent Street  
Glasgow  
G2 5SE

**LEGAL ADVISERS:**

Bannatyne Kirkwood France & Co  
16 Royal Exchange Square  
Glasgow  
G1 3AG

**REGISTERED ADDRESS:**

Trades Hall  
85 Glassford Street  
Glasgow  
G1 1UH  
Telephone 0141 553 1605

# TRUSTEES REPORT YEAR ENDED 30 SEPTEMBER 2019

The Trustees hereby submit their report and the audited financial statements for the year ended 30 September 2019.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing Documents

The Trades House of Glasgow was first constituted in 1605 under the arbitration award referred to as the Letter of Guildry, thereafter operated under an Act of Scots Parliament of 1672, and is now regulated by the Glasgow Trades House Order Confirmation Act 1920. The other governing documents are:-

- Declaration of the Trades House of Glasgow 2009
- Deeds of Appointment of 2010 and 2013 in respect of the constituent charity funds managed by Trades House of Glasgow
- The Rules and Bye Laws of the Trades House of Glasgow 23<sup>rd</sup> May 2018.

Trades House of Glasgow is a registered charity body with the Office of the Scottish Charity Register (OSCR) under number SC040548.

### Organisational Structure

The House comprises 64 representatives elected by the 14 ancient Incorporated Trades of Glasgow who each year choose a Deacon Convener and Collector.

The 64 representatives are elected by each Incorporation in September each year and they become independent House Trustees at the first House meeting on the following October. All Trustees are provided with copies of the Rules and Bye Laws and a formal training programme explaining the duties and responsibilities of charity Trustees is provided.

The Platform Committee of the House, comprising the Deacon Convener and Collector plus up to six other officers, provide general direction and supervision of the House's activities. The Chief Executive and Clerk to the House is its principal paid official, who provides strategic and operational advice and support to the Platform. He is also responsible for the daily management of administration, hall operations, commercial activities and, updating rules and regulations which are relevant to the working of the Trades House. The Collector of the House, acting through the Chief Executive and Clerk, is responsible for preparing the Accounts for each financial year. The House meets six times a year and the Platform Committee normally meet every month.

Trades House of Glasgow apply the seven principles set down in the Charity Governance Code throughout its governance procedures and structure.

The governance structure of Trades House of Glasgow has the following key committees:-

- Platform
- Hall Committee
- Finance Committee
- Investment Committee
- Charities Committee
- Education Committee
- Governance Committee
- Audit Committee

Trades House of Glasgow manages 20 restricted Charitable Funds which are detailed in these accounts.

### Group Structure

Trades House of Glasgow is the parent of a group which comprises Trades House of Glasgow (Charity number SC040548) and a subsidiary company Trades House of Glasgow (Services) Limited (Company number SC 471792). The Trades House of Glasgow (Services) Limited has three Directors, J. Gilchrist, Chief Executive, Keith Brown OBE, and Tom McNally. The principal activity of the company is the provision of commercial events and functions within Trades Hall of Glasgow

### Responsibilities of the Trustees

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

## **TRUSTEES REPORT YEAR ENDED 30 SEPTEMBER 2019**

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In the preparation of these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. 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.

### **Risk Management**

The Trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity and its subsidiary face
- the establishment of policies, systems and procedures to mitigate those risks
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified the following areas of risk:-

- The Covid-19 pandemic has had a significant impact upon Trades House and Trades Hall and a full review of its consequences across the business have been considered. Forecasts for the two years to September 2021 have been prepared and the effect upon income from Investments, Hall Trading and Rental Income has been assessed. The key assumptions and affect upon cash reserves have been assessed as follows:-
  - Investment Income – The investment portfolio has been negatively impacted, although the market has recovered some of its losses. Going forward it is thought that investment income will fall as companies reduce or cancel their dividends. After detailed discussions with our Investment Managers a prudent view upon future income has been taken.
  - Hall Trading – Hall Trading has been significantly impacted by lockdown and the effects of social distancing upon our ability to hold events and functions. A prudent assessment of future income has been made which has resulted in budgeted income for the two year period to September 2021 being reduced by 55%. The reduction in income has been offset by significant cost savings plus a restructure of staff leading to a reduction of four staff.
  - Rental Income – Due to lockdown and social distancing our tenant's ability to trade has been restricted. A prudent view has been taken upon the level of future rental income and we are managing the risk by regular reviews with the tenant.

The reduction in income has been offset by cost savings and it is anticipated that Trades House will have sufficient cash reserves which will allow it to meet its liabilities and anticipated future charitable activities.

- Trades Hall is a Class A listed historical building and is recognised as a unique historical building of great importance to the history of Glasgow. We have longer term plans to install a fire suppression system within Trades Hall to reduce the effect of fire damage. This investment is dependent upon external grant support and availability of internal cash flow. The main areas of risk within the kitchens have been addressed by the installation of fire suppression systems.
- Operational risk arising from fire, health and safety within Trades Hall. We have focused on these risks which are being managed through a programme of ensuring all compliance matters are in place and a regular maintenance programme is under way.

### **Objective and Activities**

The objectives of Trades House are detailed in the Rules and Bye Laws as:-

- To convene the 14 Trade Incorporations of Glasgow in the spirit of Union is Strength and to promote awareness of the importance of the House and the Crafts in the history and culture of the City.
- To support organisations that work to improve the quality of life within the City of Glasgow and especially in respect of poverty, ill health or those with disabilities. Additionally, to provide individual support for those in ill health or in financial hardship.
- To support youth in the City through crafts, education and citizens awards and participation in sport.
- To raise funds to support the objectives.



## **TRUSTEES REPORT YEAR ENDED 30 SEPTEMBER 2019**

- To support the City of Glasgow in ways that promote its history, heritage and cultural background.
- To sustain Trades Hall as the home of the House and the Crafts and one of Glasgow's historic buildings.
- To preserve our artefacts by the provision of a Museum and Library and to make such exhibits available to the public to view and consult for research purposes where appropriate.

The activities of the House focus delivery of these objectives by:-

- Raising income from its Funds and events which is then devoted to charitable objects centred upon Glasgow, whether for relieving individual distress or more general wider public charitable purposes.
- The benefits of the charitable awards made by Trades House are reflected in –
  - The support of organisations through the Commonwealth Fund
  - The relief of families in poverty through the Relief Fund
  - The relief of children in poverty through the Drapers Fund
  - The support of children in Kinship care through the Kinship Care Initiative
  - The support of beneficiaries requiring financial support
- Management of various educational projects to support youth in the City through crafts, education and citizens awards.
- Trades House and the Deacon Convener, as Third Citizen of Glasgow, maintain a strong relationship with Glasgow City Council to help promote the history, heritage and culture of the city and promote awareness of the achievements of Trades House and the Crafts in the charitable and educational areas of the city.
- Trades Hall is promoted as a commercial venue which derives income from lets, events and commissions that is used to support and maintain the heritable property.
- Maintenance and investment in Trades Hall to ensure that the historical importance of the building will be ensured for future generations.
- Preservation of artefacts in the Craftsman's Museum in Trades Hall and research into the history of Trades House in the development of the culture and growth of Glasgow.

The success of delivery of the above activities is measured through some key performance indicators which focus upon:-

- The number and value of charitable awards made during the year.
- The number and value of events held in Trades Hall during the year.

### **Strategy**

The Trustees of Trades House have identified the purpose and strategy of Trades House as:-

To improve the lives of people in Greater Glasgow by tackling areas of significant charitable need, with a focus on social and civic wellbeing and education.

We will achieve this by:

- Convening and capitalising on the skills, commitment and combined strength of our 14 Incorporated Trades, and the Glasgow-grown charities based at Trades Hall
- Identifying where we can add most value, measuring our impact and sharing inspirational success stories that demonstrate the difference we make
- Reaching out to attract and welcome new friends and supporters and extend our influence in ways that reflect life in today's changing world.

### **Achievements**

In November 2019 Trades House received the Lord Provost's Award for the 'Charity of the Year 2019' as recognition of the charitable and educational work which Trades House carries out within the Glasgow area.

Charitable payments totalling £471,697 (2018: £492,858) were made to 767 individuals (2018: 723) and 70 organisations (2018: 72). Payments from the Drapers Fund totalling £93,909 (2018: £144,565) have assisted 254 (2018: 348) families with children to reduce the effects of distress caused by poverty. The Commonwealth Fund has made grants of £133,500 (2018: £125,626) to 58 (2018: 57) organisations in the Glasgow area, with a focus upon assisting small charities achieve their objectives.

The Trades House Kinship Care Initiative is a fund designed to provide opportunities to children being supported by their extended family, to reach their full potential and become active citizens in Glasgow. During the year awards totalling £20,000 (2018: £41,715) were made to support kinship children at homework clubs, which are recognised as a good foundation for the future education and personal development of children in kinship care.

During the year Trades House awarded £32,119 to send 137 disadvantaged young people upon adventure breaks to help with their personal development. This is part of a long term plan which will be developed further over the forthcoming year.

## **TRUSTEES REPORT YEAR ENDED 30 SEPTEMBER 2019**

Each year, the Deacon Convener and his Chain Gang, organise various charitable events to raise funds for charitable causes. During the year to September 2019, Deacon Convener Tom McInally and his Chain Gang successfully raised £25,151 before expenses, and made donations of £16,131 to their chosen charities.

The Trades House educational projects continue to be a success with college students displaying their creative skills at the annual Craftex event, and children presenting their creations at School Craft. The Trades House Glasgow Modern Apprentice Awards competition identifies apprentices who have shown the most proficiency in the development of their skills for their chosen vocation.

The Burns Festival gives children the opportunity to display their skills in relation to the works of Robert Burns, with one of the winners going on to win at national level.

During the year prizes totalling £13,963 (2018: £11,015) were made.

During the year £165,510 of expenditure was incurred making further improvements to Trades Hall. This included the installation of new floodlighting and a new P.A. system plus refurbishment of several areas within the building.

The recent substantial investment in the new Robert Adam Room plus new lighting and the installation of air conditioning throughout Trades Hall is helping to attract more weddings, functions and events to the Hall. During the year the Hall had total income of £314,816 (2018: £284,608). Income from Hall functions and events was £192,947 (2018: £163,371).

### **Future Plans**

Trades House has a five year business plan which, after recovery from the impact of Covid-19, plans for continued investment in Trades Hall plus a growth in commercial income to help support its charitable objectives. The five year plan includes a funding plan.

The Charities committee is reviewing the charity strategy of Trades House in order to focus awards upon the most deserving needs of society within Glasgow and during 2020 a review will be carried out upon the possible introduction of a significant operational project.

### **Going Concern**

The Trustees revisited the current year and future year budgets and cashflow forecasts to September 2021 in light of the impact of Covid-19 on the Group. These indicate that Trades House will have sufficient resources which will allow it to meet its liabilities and anticipated future charitable activities for at least the next 12 months.

On the basis of budgets, financial forecasts and cash flow projections the Trustees are satisfied that there are no material uncertainties and believe the going concern principle is appropriate to these financial statements.

### **Investment Policy**

Funds which are not required for day to day working capital are invested by our Investment Managers who have a discretionary portfolio mandate over the investments. The Investment Committee lay down the benchmark for the Fund Managers who invest according to that benchmark and their performance is reviewed bi-annually by the committee. The Investment Committee is appointed by the House for a term of 3 years.

### **Related Parties**

There are common dealings with the 14 Incorporations but these are all dealt with on an arm's length basis. Details of related party transactions are described in notes 20 and 21 to the accounts.

### **Financial Review**

The consolidated results for the year to 30<sup>th</sup> September 2019 comprise the audited results of Trades House of Glasgow and Trades House of Glasgow (Services) Limited for the year ended September 2019.

The Consolidated results show unrestricted funds having a deficit for the year of £119,877 (2018 deficit £74,063).

This comprises three parts – a deficit in House running costs of £12,643 (2018 surplus £5,223), a Hall trading loss of £111,816 (2018 Loss £80,975) and a surplus income from designated funds of £4,582 (2018 £1,689).

The Hall trading loss has increased due to –

- Repair charges totalling £86,497 compared to £31,745 last year. During the year high repair costs were incurred on the goods lift plus painting the building frontage.

The restricted funds show a surplus for the year of £115,737 (2018 £102,684).

## TRUSTEES REPORT YEAR ENDED 30 SEPTEMBER 2019

There were gains due to revaluation of investments £168,593 (2018: Losses £482,404), and losses upon sale of investments of £48,330 for the year (2018: Gains £15,051).

All Artefacts were revalued at current market value. Chains and Silverware were revalued by J. Forrest & Co. Limited, and all other artefacts, paintings, furniture, statues and other items, were revalued by Lyon & Turnbull, Auctioneers. A gain of £42,960 arose upon the revaluation of Chains and Silverware. No changes arose upon the valuation of other artefacts.

### Reserves Policy

The total value of the funds belonging to the Trades House and the Funds administered by the House as at 30 September 2019 are covered by the attached audited financial statements, and are as follows:

|              | 2019<br>£                | 2018<br>£                | 2017<br>£                |
|--------------|--------------------------|--------------------------|--------------------------|
| Unrestricted | 2,399,100                | 2,478,621                | 2,586,962                |
| Designated   | <u>153,666</u>           | <u>48,253</u>            | <u>46,563</u>            |
|              | 2,552,766                | 2,526,874                | 2,633,525                |
| Restricted   | <u>21,884,612</u>        | <u>21,751,421</u>        | <u>21,998,502</u>        |
|              | <u><u>24,437,378</u></u> | <u><u>24,278,295</u></u> | <u><u>24,632,027</u></u> |

Unrestricted Funds comprise certain Fixed Assets, plus investments, plus other net assets / (liabilities) and a part of the Trades Hall property, occupation of which is central to our activities. The remainder of the Trades Hall asset is held within restricted funds.

Restricted Funds mainly comprise a substantial investment portfolio which generates the income necessary to award grants and pensions in fulfilment of the conditions under which we received these funds. Our policy is to safeguard these reserves while accepting that in appropriate circumstances we are mandated to expend the capital of certain of the charity funds to carry out the donors' wishes. Restricted Reserves also have a value attributable to a share of Trades Hall and some related other Fixed Assets.

### Grant Making Policy

Grants payable are payments made to third parties in the furtherance of the objectives of the charity.

Grant applications made to the charity are considered by the Charities Committee and various Committees that manage each Fund in accordance with the guidelines prescribed for each Fund.

### Remuneration Policy for Key Management Personnel

The remuneration of the Chief Executive is reviewed annually by the Remuneration Committee. The remuneration reflects the nature of the charity and is benchmarked against charities of a similar size.

### Services provided by Volunteers

Trades House of Glasgow relies upon services undertaken by Trustees or past Trustees on a voluntary basis.

All House Committees have committee members who are current or past Trustees of the Trades House. Committees may meet on a monthly, bi-monthly, or quarterly basis, depending upon their purpose.

Education projects run by Trades House have committees which include past and present Trustees of Trades House.

Each year, the Deacon Convener's Chain Gang, a committee made up of the Deacons/Visitor, of each Incorporated Craft, plus representatives of Associated Organisations, undertake several fund raising activities to raise funds for the Deacon Convener's fund which donates money raised to a chosen charitable cause.

The number of full time equivalent days contribution of time by Trustees or past Trustees for 2019 was 660 days (2018: 612 days).

The above excludes the personal time invested by the Deacon Convener, as Third Citizen of Glasgow, attending many civic events in Glasgow and functions throughout the country promoting Glasgow and Trades House.

### Auditors

A resolution will be proposed at the Annual General Meeting that RSM UK Audit LLP be re-appointed as auditors.

**TRUSTEES REPORT  
YEAR ENDED 30 SEPTEMBER 2019**

**Disclosure of information to Auditors**

As far as the Platform Committee are aware, at the time the report is approved:

- a) there is no relevant information of which the House's auditors are unaware,
- b) the Platform Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of the information.

On behalf of the Trustees:



**Tom McNally  
Collector**

**Date: 10 September 2020**

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE TRADES HOUSE OF GLASGOW

## Opinion

We have audited the financial statements of Trades House of Glasgow (the 'charity') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the Group and parent charity Statement of Financial Activities, the group and parent company Balance Sheets, the group and parent charity Cash Flow Statement 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 FRS 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 charity's affairs as at 30 September 2019 and of its 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our 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 relating 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 charity'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.

## Other information

The other information comprises the information included in the Trustees Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

# INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE TRADES HOUSE OF GLASGOW

## Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on pages 7 and 8 the trustees 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 determine 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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 on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



RSM UK Audit LLP  
Statutory Auditor  
First Floor  
Quay 2  
139 Fountainbridge  
Edinburgh  
EH3 9QG

Date 15 September 2020

**THE TRADES HOUSE OF GLASGOW**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 30 SEPTEMBER 2019**

|   | Notes | Unrestricted<br>Funds | Restricted<br>Funds | Total<br>Funds<br>Year to<br>September<br>2019 | Total<br>Funds<br>Year to<br>September<br>2018 |
|---|-------|-----------------------|---------------------|--|--|
|   |       | £                     | £                   | £  | £  |
| <b>Income and Endowments from:</b>                  |       |                       |                     |  |  |
| Donations and Legacies                              |       | 29,228                | -                   | 29,228   | 3,293  |
| Trades Hall trading                                 |       | 314,816               | -                   | 314,816  | 284,608  |
| Fundraising activities                              |       | 65,605                | 19,912              | 85,517   | 120,804  |
| Matriculation Fees and Other Income                 |       | 19,078                | -                   | 19,078   | 16,466   |
| Investment Income                                   | 2     | 38,376                | 929,048             | 967,424  | 945,461  |
| <b>Total Income</b>                                 |       | <u>467,103</u>        | <u>948,960</u>      | <u>1,416,063</u>                               | <u>1,370,632</u>                               |
| <b>Expenditure on:</b>                              |       |                       |                     |  |  |
| Trades Hall trading                                 | 3     | 426,632               | 15,809              | 442,441  | 365,583  |
| Raising Funds                                       |       | 39,200                | 4,380               | 43,580   | 66,388   |
| Investment Management Costs                         |       | 2,409                 | 45,763              | 48,172   | 44,112   |
|   |       | <u>468,241</u>        | <u>65,952</u>       | <u>534,193</u>                                 | <u>476,083</u>                                 |
| Charitable Activities:                              |       |                       |                     |  |  |
| Grants Individuals                                  | 4a    | 13,963                | 280,019             | 293,982  | 318,832  |
| Institutions  | 4b    | 8,000                 | 169,715             | 177,715  | 174,026  |
| Support Costs                                       | 5     | 96,776                | 317,537             | 414,313  | 373,070  |
|   |       | <u>118,739</u>        | <u>767,271</u>      | <u>886,010</u>                                 | <u>865,928</u>                                 |
| <b>Total Expenditure</b>                            |       | <u>586,980</u>        | <u>833,223</u>      | <u>1,420,203</u>                               | <u>1,342,011</u>                               |
| <b>(Deficit)/Surplus of Funds</b>                   |       | <u>(119,877)</u>      | <u>115,737</u>      | <u>(4,140)</u>                                 | <u>28,621</u>                                  |
| Net Gains/(Losses) on Revaluation of Investments    | 10    | 5,935                 | 162,658             | 168,593  | (482,404)                                      |
| Net (Losses)/Gains on Realisation of Investments    |       | -                     | (48,330)            | (48,330)                                       | 15,051   |
| Transfer  | 15    | 96,874                | (96,874)            | -  | -  |
| <b>Net Income/(Expenditure)</b>                     |       | <u>(17,068)</u>       | <u>133,191</u>      | <u>116,123</u>                                 | <u>(438,732)</u>                               |
| Other Recognised Gains/(Losses)                     |       |                       |                     |  |  |
| Gain on Revaluation of Artefacts                    | 9     | 42,960                | -                   | 42,960   | -  |
| Gain on Revaluation of Property                     |       | -                     | -                   | -  | 85,000   |
| <b>Net movement in Funds</b>                        |       | <u>25,892</u>         | <u>133,191</u>      | <u>159,083</u>                                 | <u>(353,732)</u>                               |
| <b>Reconciliation of Funds:</b>                     |       |                       |                     |  |  |
| Total Funds brought forward                         |       | 2,526,874             | 21,751,421          | 24,278,295                                     | 24,632,027                                     |
| <b>Balance carried forward at 30 September 2019</b> |       | <u>2,552,766</u>      | <u>21,884,612</u>   | <u>24,437,378</u>                              | <u>24,278,295</u>                              |

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended were derived from continuing activities. The notes on pages 22 to 37 form part of these financial statements.

**THE TRADES HOUSE OF GLASGOW**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 30 SEPTEMBER 2019**

Details of comparative figures for  
2018

|   | Notes | Unrestricted<br>Funds | Restricted<br>Funds | Total<br>Funds<br>Year to<br>September<br>2018 |
|---|-------|-----------------------|---------------------|--|
|   |       | £                     | £                   | £  |
| <b>Income and Endowments from:</b>                  |       |                       |                     |  |
| Donations and Legacies                              |       | 3,293                 | -                   | 3,293  |
| Trades Hall trading                                 |       | 284,608               | -                   | 284,608  |
| Fundraising activities                              |       | 101,390               | 19,414              | 120,804  |
| Matriculation Fees and Other Income                 |       | 16,466                | -                   | 16,466   |
| Investment Income                                   | 2     | 41,098                | 904,363             | 945,461  |
| <b>Total Income</b>                                 |       | <u>446,855</u>        | <u>923,777</u>      | <u>1,370,632</u>                               |
| <b>Expenditure on:</b>                              |       |                       |                     |  |
| Trades Hall trading                                 | 3     | 365,583               | -                   | 365,583  |
| Raising Funds                                       |       | 44,387                | 22,001              | 66,388   |
| Investment Management Costs                         |       | 4,411                 | 39,701              | 44,112   |
|   |       | <u>414,381</u>        | <u>61,702</u>       | <u>476,083</u>                                 |
| Charitable Activities:                              |       |                       |                     |  |
| Grants Individuals                                  | 4a    | 11,016                | 307,816             | 318,832  |
| Institutions  | 4b    | 3,000                 | 171,026             | 174,026  |
| Support Costs                                       | 5     | 92,521                | 280,549             | 373,070  |
|   |       | <u>106,537</u>        | <u>759,391</u>      | <u>865,928</u>                                 |
| <b>Total Expenditure</b>                            |       | <u>520,918</u>        | <u>821,093</u>      | <u>1,342,011</u>                               |
| <b>(Deficit)/Surplus of Funds</b>                   |       | <u>(74,063)</u>       | <u>102,684</u>      | <u>28,621</u>                                  |
| Net (Losses)/Gains on Revaluation of Investments    |       | (16,052)              | (466,352)           | (482,404)                                      |
| Net (Losses)/Gains on Realisation of Investments    |       | (14,435)              | 29,486              | 15,051   |
| Donation to Kinship                                 |       | -                     | -                   | -  |
| Transfer of Funds                                   |       | (36,951)              | 36,951              | -  |
| <b>Net (Expenditure)/Income</b>                     |       | <u>(141,501)</u>      | <u>(297,231)</u>    | <u>(438,732)</u>                               |
| <b>Other Recognised Gains/(Losses)</b>              |       |                       |                     |  |
| Loss on Artefacts                                   |       | -                     | -                   | -  |
| Gain on Revaluation of Property                     |       | 34,850                | 50,150              | 85,000   |
| <b>Net movement in Funds</b>                        |       | <u>(106,651)</u>      | <u>(247,081)</u>    | <u>(353,732)</u>                               |
| <b>Reconciliation of Funds:</b>                     |       |                       |                     |  |
| Total Funds brought forward                         |       | 2,633,525             | 21,998,502          | 24,632,027                                     |
| <b>Balance carried forward at 30 September 2018</b> |       | <u>2,526,874</u>      | <u>21,751,421</u>   | <u>24,278,295</u>                              |



**THE TRADES HOUSE OF GLASGOW**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 30 SEPTEMBER 2019**

|   | Notes | Unrestricted<br>Funds   | Restricted<br>Funds      | Total<br>Funds<br>Year to<br>September<br>2019 | Total<br>Funds<br>Year to<br>September<br>2018 |
|---|-------|-------------------------|--------------------------|--|--|
|   |       | £                       | £                        | £  | £  |
| <b>Income and Endowments from:</b>                  |       |                         |                          |  |  |
| Donations and Legacies                              |       | 29,228                  | -                        | 29,228   | 23,334   |
| Trades Hall trading                                 |       | 109,146                 | -                        | 109,146  | 108,475  |
| Fundraising activities                              |       | 65,605                  | 19,912                   | 85,517   | 120,804  |
| Matriculation Fees and Other Income                 |       | 60,875                  | -                        | 60,875   | 57,235   |
| Investment Income                                   | 2     | 38,376                  | 929,048                  | 967,424  | 945,461  |
| <b>Total Income</b>                                 |       | <u>303,230</u>          | <u>948,960</u>           | <u>1,252,190</u>                               | <u>1,255,309</u>                               |
| <b>Expenditure on:</b>                              |       |                         |                          |  |  |
| Trades Hall trading                                 | 3     | 252,568                 | 15,809                   | 268,377  | 222,110  |
| Raising Funds                                       |       | 39,200                  | 4,380                    | 43,580   | 66,388   |
| Investment Management Costs                         |       | 2,409                   | 45,763                   | 48,172   | 44,112   |
|   |       | <u>294,177</u>          | <u>65,952</u>            | <u>360,129</u>                                 | <u>332,610</u>                                 |
| Charitable Activities:                              |       |                         |                          |  |  |
| Grants Individuals                                  | 4a    | 13,963                  | 280,019                  | 293,982  | 318,832  |
| Institutions  | 4b    | 8,000                   | 169,715                  | 177,715  | 174,026  |
| Support Costs                                       | 5     | 110,838                 | 317,537                  | 428,375  | 406,714  |
|   |       | <u>132,801</u>          | <u>767,271</u>           | <u>900,072</u>                                 | <u>899,572</u>                                 |
| <b>Total Expenditure</b>                            |       | <u>426,978</u>          | <u>833,223</u>           | <u>1,260,201</u>                               | <u>1,232,182</u>                               |
| <b>(Deficit)/Surplus of Funds</b>                   |       | <u>(123,748)</u>        | <u>115,737</u>           | <u>(8,011)</u>                                 | <u>23,127</u>                                  |
| Net Gains/(Losses) on Revaluation of Investments    | 10    | 5,935                   | 162,658                  | 168,593  | (482,404)                                      |
| Net (Losses)/Gains on Realisation of Investments    |       | -                       | (48,330)                 | (48,330)                                       | 15,051   |
| Transfer  | 15    | 96,874                  | (96,874)                 | -  | -  |
| <b>Net Income/(Expenditure)</b>                     |       | <u>(20,939)</u>         | <u>133,191</u>           | <u>112,252</u>                                 | <u>(444,226)</u>                               |
| <b>Other Recognised Gains/(Losses)</b>              |       |                         |                          |  |  |
| Gain on Revaluation of Artefacts                    | 9     | 42,960                  | -                        | 42,960   | -  |
| Gain on Revaluation of Property                     |       |                         |                          |  | 85,000   |
| <b>Net movement in Funds</b>                        |       | <u>22,021</u>           | <u>133,191</u>           | <u>155,212</u>                                 | <u>(359,226)</u>                               |
| <b>Reconciliation of Funds:</b>                     |       |                         |                          |  |  |
| Total Funds brought forward                         |       | 2,525,583               | 21,751,421               | 24,277,004                                     | 24,636,230                                     |
| <b>Balance carried forward at 30 September 2019</b> |       | <u><u>2,547,604</u></u> | <u><u>21,884,612</u></u> | <u><u>24,432,216</u></u>                       | <u><u>24,277,004</u></u>                       |

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended were derived from continuing activities. The notes on pages 22 to 37 form part of these financial statements.

**THE TRADES HOUSE OF GLASGOW**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 30 SEPTEMBER 2019**

Details of comparative figures for 2018

|   | Notes | Unrestricted<br>Funds   | Restricted<br>Funds      | Total<br>Funds<br>Year to<br>September<br>2018 |
|---|-------|-------------------------|--------------------------|--|
|   |       | £                       | £                        | £  |
| <b>Income and Endowments from:</b>                  |       |                         |                          |  |
| Donations and Legacies                              |       | 23,334                  | -                        | 23,334   |
| Trades Hall trading                                 |       | 108,475                 | -                        | 108,475  |
| Fundraising activities                              |       | 101,390                 | 19,414                   | 120,804  |
| Matriculation Fees and Other Income                 |       | 57,235                  | -                        | 57,235   |
| Investment Income                                   | 2     | 41,098                  | 904,363                  | 945,461  |
| <b>Total Income</b>                                 |       | <u>331,532</u>          | <u>923,777</u>           | <u>1,255,309</u>                               |
| <b>Expenditure on:</b>                              |       |                         |                          |  |
| Trades Hall trading                                 | 3     | 222,110                 | -                        | 222,110  |
| Raising Funds                                       |       | 44,387                  | 22,001                   | 66,388   |
| Investment Management Costs                         |       | 4,411                   | 39,701                   | 44,112   |
|   |       | <u>270,908</u>          | <u>61,702</u>            | <u>332,610</u>                                 |
| Charitable Activities:                              |       |                         |                          |  |
| Grants Individuals                                  | 4a    | 11,016                  | 307,816                  | 318,832  |
| Institutions  | 4b    | 3,000                   | 171,026                  | 174,026  |
| Support Costs                                       | 5     | 126,165                 | 280,549                  | 406,714  |
|   |       | <u>140,181</u>          | <u>759,391</u>           | <u>899,572</u>                                 |
| <b>Total Expenditure</b>                            |       | <u>411,089</u>          | <u>821,093</u>           | <u>1,232,182</u>                               |
| <b>(Deficit)/Surplus of Funds</b>                   |       | <u>(79,557)</u>         | <u>102,684</u>           | <u>23,127</u>                                  |
| Net (Losses)/Gains on Revaluation of Investments    |       | (16,052)                | (466,352)                | (482,404)                                      |
| Net (Losses)/Gains on Realisation of Investments    |       | (14,435)                | 29,486                   | 15,051   |
| Donation to Kinship                                 |       | -                       | -                        | -  |
| Transfer of Funds                                   |       | (36,951)                | 36,951                   | -  |
| <b>Net (Expenditure)/Income</b>                     |       | <u>(146,995)</u>        | <u>(297,231)</u>         | <u>(444,226)</u>                               |
| <b>Other Recognised Gains/(Losses)</b>              |       |                         |                          |  |
| Loss on Artefacts                                   |       | -                       | -                        | -  |
| Gain on Revaluation of Property                     |       | 34,850                  | 50,150                   | 85,000   |
| <b>Net movement in Funds</b>                        |       | <u>(112,145)</u>        | <u>(247,081)</u>         | <u>(359,226)</u>                               |
| <b>Reconciliation of Funds:</b>                     |       |                         |                          |  |
| Total Funds brought forward                         |       | 2,637,728               | 21,998,502               | 24,636,230                                     |
| <b>Balance carried forward at 30 September 2018</b> |       | <u><u>2,525,583</u></u> | <u><u>21,751,421</u></u> | <u><u>24,277,004</u></u>                       |

**THE TRADES HOUSE OF GLASGOW  
CONSOLIDATED BALANCE SHEET  
AS AT 30 SEPTEMBER 2019**

|  | Notes | 2019<br>£         | 2018<br>£         |
|--|-------|-------------------|-------------------|
| <b>FIXED ASSETS</b>                            |       |                   |                   |
| Tangible Assets                                | 9     | 3,885,337         | 3,737,291         |
| Investments                                    | 10    | <u>20,217,285</u> | <u>20,106,146</u> |
|  |       | 24,102,622        | 23,843,437        |
| <b>CURRENT ASSETS</b>                          |       |                   |                   |
| Stock  |       | 13,478            | 3,742             |
| Debtors  | 11    | 260,016           | 243,141           |
| Cash at Bank and in Hand                       |       | 409,273           | 323,860           |
| Investment Manager Deal Account                |       | <u>1,489</u>      | <u>215,473</u>    |
|  |       | 684,256           | 786,216           |
| <b>LIABILITIES</b>                             |       |                   |                   |
| Creditors: amounts falling due within one year | 12    | <u>(161,365)</u>  | <u>(141,154)</u>  |
| <b>Net current assets</b>                      |       | 522,891           | 645,062           |
| Creditors: amounts falling due after one year  | 13    | (188,135)         | (210,204)         |
| <b>NET ASSETS</b>                              |       | <u>24,437,378</u> | <u>24,278,295</u> |
| <b>FUNDS OF THE CHARITY</b>                    |       |                   |                   |
| Unrestricted Funds                             |       | 2,552,766         | 2,526,874         |
| Restricted Funds                               | 15    | <u>21,884,612</u> | <u>21,751,421</u> |
|  | 16    | <u>24,437,378</u> | <u>24,278,295</u> |

The notes on pages 22 to 37 form part of these financial statements.

The financial statements were approved and authorised for issue by the House Trustees on 10<sup>th</sup> September 2020 and signed on its behalf by:



**Tom McNally**  
Collector

**Date: 10 September 2020**

**THE TRADES HOUSE OF GLASGOW  
BALANCE SHEET  
AS AT 30 SEPTEMBER 2019**

|  | Notes | 2019<br>£         | 2018<br>£         |
|--|-------|-------------------|-------------------|
| <b>FIXED ASSETS</b>                            |       |                   |                   |
| Tangible Assets                                | 9     | 3,885,337         | 3,737,291         |
| Investments                                    | 10    | 20,217,285        | 20,106,146        |
|  |       | <u>24,102,622</u> | <u>23,843,437</u> |
| <b>INVESTMENT IN SUBSIDIARY COMPANY</b>        | 22    | 1                 | 1                 |
| <b>CURRENT ASSETS</b>                          |       |                   |                   |
| Stock  |       | 13,478            | 3,742             |
| Debtors  | 11    | 232,505           | 221,875           |
| Cash at Bank and in Hand                       |       | 399,819           | 310,781           |
| Investment Manager Deal Account                |       | <u>1,489</u>      | <u>215,473</u>    |
|  |       | 647,291           | 751,871           |
| <b>LIABILITIES</b>                             |       |                   |                   |
| Creditors: amounts falling due within one year | 12    | <u>(129,562)</u>  | <u>(108,101)</u>  |
|  |       | 517,729           |                   |
| <b>Net current assets</b>                      |       |                   | 643,770           |
| Creditors: amounts falling due after one year  | 13    | (188,135)         | (210,204)         |
|  |       | <u>24,432,216</u> | <u>24,277,004</u> |
| <b>FUNDS OF THE CHARITY</b>                    |       |                   |                   |
| Unrestricted Funds                             |       | 2,547,604         | 2,525,583         |
| Restricted Funds                               | 15    | 21,884,612        | 21,751,421        |
|  | 16    | <u>24,432,216</u> | <u>24,277,004</u> |

The notes on pages 22 to 37 form part of these financial statements.

The financial statements were approved and authorised for issue by the House Trustees on 10<sup>th</sup> September 2020 and signed on its behalf by:



**Tom McInally**  
Collector

**Date: 10 September 2020**

**THE TRADES HOUSE OF GLASGOW  
CONSOLIDATED STATEMENT OF CASH FLOWS  
AND STATEMENT OF CASH FLOWS  
YEAR ENDED 30 SEPTEMBER 2019**

|  | Notes | Consolidated<br>2019<br>£ | Trades<br>House<br>2019<br>£ | Consolidated<br>2018<br>£ | Trades<br>House<br>2018<br>£ |
|--|-------|---------------------------|------------------------------|---------------------------|------------------------------|
| <b>Net Cash (used in) operating activities</b>   | 24    | <u>(918,422)</u>          | <u>(914,797)</u>             | <u>(960,936)</u>          | <u>(948,380)</u>             |
| Cash flows from Investing activities:            |       |                           |                              |                           |                              |
| Investment income                                |       | 967,424                   | 967,424                      | 945,461                   | 945,461                      |
| Purchase of Plant & Equipment                    |       | (165,510)                 | (165,510)                    | (374,432)                 | (374,432)                    |
| Purchase of Investments                          |       | (549,732)                 | (549,732)                    | (607,163)                 | (607,163)                    |
| Proceeds from Sale of Investments                |       | 558,855                   | 558,855                      | 846,253                   | 846,253                      |
| Bank Loan Received                               |       | -                         | -                            | 250,000                   | 250,000                      |
| Bank Loan Repayments                             |       | <u>(21,186)</u>           | <u>(21,186)</u>              | <u>(18,607)</u>           | <u>(18,607)</u>              |
| <b>Net Cash provided by investing activities</b> |       | <u>789,851</u>            | <u>789,851</u>               | <u>1,041,512</u>          | <u>1,041,512</u>             |
| <b>(Decrease)/Increase in cash in the year</b>   |       | (128,571)                 | (124,946)                    | 80,576                    | 93,132                       |
| Cash at the beginning of the year                |       | 539,333                   | 526,254                      | 458,757                   | 433,122                      |
| <b>Total cash at the end of the year</b>         |       | <u>410,762</u>            | <u>401,308</u>               | <u>539,333</u>            | <u>526,254</u>               |

# NOTES TO THE ACCOUNTS YEAR ENDED 30 SEPTEMBER 2019

## 1. ACCOUNTING POLICIES

### General Information

Trades House of Glasgow is a registered charity body under number SC040548.

The Trades House of Glasgow was first constituted in 1605 under the arbitration award referred to as the Letter of Guildry, thereafter operated under an Act of Scots Parliament of 1672, and is now regulated by the Glasgow Trades House Order Confirmation Act 1920.

The charity's principal activities and nature of the charity's operations are detailed in the Objectives and Activities section of the Trustees report on page 8 and 9.

The charity's registered address is Trades Hall, 85 Glassford Street, Glasgow G1 1UH.

### Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), UK Generally Accepted Accounting Practice (UK GAAP) including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The charity meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in Sterling (£).

### Basis of Consolidation

The financial statements consolidate the financial statements of the charity and its subsidiary for the financial period ended 30 September 2019.

### Going Concern

The Trustees have considered the application of the going concern principle. In light of the impact of Covid-19 detailed budgets and cashflow forecasts have been prepared for the two year period to September 2021 and these indicate that Trades House will have sufficient resources which will allow it to meet its liabilities and anticipated future charitable activities for the foreseeable future.

On the basis of budgets, financial forecasts and cash flow projections the Trustees are satisfied that there are no material uncertainties and believe the going concern principle is appropriate to these financial statements.

### Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from Hall activities is recognised when the function takes place.

### Donations and Legacies

Donations, legacies and similar incoming resources are included gross in the year in which they are received which is when the House becomes entitled to the resource.

### Grants Received

Revenue grants received are included in the year for which they are received.

### Investment, Rental & Catering Income

Income from investments, catering and rental income is included in the year in which it is receivable.

## **NOTES TO THE ACCOUNTS YEAR ENDED 30 SEPTEMBER 2019**

### **Expenditure**

All expenditure, including any value added tax which is irrecoverable, is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure, it is possible settlement will be required and the amount of the obligation can be measured reliably. All directly attributable costs are allocated to the relevant functional category. All costs of supporting charitable expenditure and generating funds are allocated to the relevant heading in a consistent basis.

### **Grants Payable**

Grants are accounted for when approved by the relevant Committee and notified to the recipient. They are awarded at their discretion to qualifying needy individuals and charitable organisations devoted to the welfare of Glasgow and its citizens within the terms of each Fund.

### **Holiday Pay Accrual**

Accrued liabilities include the liability for short-term compensated absence arising from employee entitlement to paid annual holiday leave which has arisen in the year due but not taken.

### **Support Costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll, marketing and governance costs which support the charitable and educational activities. These costs have all been allocated to charitable activities.

### **Tangible Assets and Depreciation**

Where there is an enduring benefit, expenditure on assets in excess of £200 is capitalised.

Property is shown at current market value based on a 30 September 2018 valuation. In the opinion of the Trustees the building's estimated useful life is greater than 50 years and on that basis no depreciation is charged. Accordingly the Trustees have opted to carry out an annual impairment review in line with FRS 102.

Artefacts are shown at current market value based upon valuations carried out during September 2019. An annual impairment review in line with FRS 102 is carried out.

Plant and Equipment is stated at cost less depreciation. Depreciation is provided at rates which are calculated to write off the cost of each asset over its expected useful life. The annual rates which are applied from the date the asset comes into use, are as follows:-

Plant & Equipment at Cost - between 5 and 20 years straight line.

### **Pensions**

The Trades House makes contributions to individual pension plans for certain employees. Contributions are charged in the income and expenditure account as they become payable.

### **Stock**

Stock of promotional goods is valued at the lower of cost and net realisable value.

### **Investments**

Quoted Fixed Asset Investments have been incorporated at mid-market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

### **Realised gains and losses**

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or purchase value if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 SEPTEMBER 2019**

**Funds policy**

Unrestricted funds are available for use at the discretion of the Platform Committee in furtherance of the general objectives of the House.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are used in accordance with the rules of each specific fund.

**Trust Funds**

On 1 June 2014 all funds under management were re-organised into new groupings of funds to improve the management and administration of each respective Fund as well as a more effective application of the funds.

Subject to separate accounting for each type of Fund, investments for each Fund are pooled and administration expenses charged equitably on the basis of income. In distributing income, regard is taken in each Trust administered by the House to the expressed wishes of the benefactor or terms of the new re-organised groupings.

**Taxation**

The Trades House of Glasgow is a recognised charity by HM Revenue and Customs and accordingly there is no liability to taxation on any of its income.

| <b>2. INVESTMENT INCOME –<br/>Consolidated and Trades House</b> | <b>Unrestricted</b>          | <b>Restricted</b>                | <b>2019</b>                  | <b>2018</b>                      |
|---|------------------------------|----------------------------------|------------------------------|----------------------------------|
|   | £                            | £                                | £                            | £                                |
| Dividends   | 51,361                       | 914,048                          | 965,409                      | 944,702                          |
| Bank interest   | 2,015                        | -                                | 2,015                        | 759                              |
| Interest paid by unrestricted fund<br>(Note 18)                 | <u>(15,000)</u>              | <u>15,000</u>                    | <u>-</u>                     | <u>-</u>                         |
|   | <u>38,376</u>                | <u>929,048</u>                   | <u>967,424</u>               | <u>945,461</u>                   |
| <br>  |                              |                                  |                              |                                  |
| <b>3. HALL TRADING COSTS</b>                                    | <b>Consolidated<br/>2019</b> | <b>Trades<br/>House<br/>2019</b> | <b>Consolidated<br/>2018</b> | <b>Trades<br/>House<br/>2018</b> |
|   | £                            | £                                | £                            | £                                |
| <b>Unrestricted</b>   |                              |                                  |                              |                                  |
| Direct costs  | 17,969                       | -                                | 14,539                       | 995                              |
| Staff costs (note 7)  | 136,815                      | -                                | 118,262                      | -                                |
| Insurance & utilities   | 55,397                       | 55,397                           | 61,002                       | 61,002                           |
| Other overheads   | 62,161                       | 42,880                           | 76,488                       | 64,821                           |
| Repairs & maintenance   | 109,676                      | 109,676                          | 55,153                       | 55,153                           |
| Depreciation  | 43,183                       | 43,183                           | 40,139                       | 40,139                           |
| Loss on Disposal of Fixed Assets                                | 1,432                        | 1,432                            | -                            | -                                |
|   | <u>426,632</u>               | <u>252,568</u>                   | <u>365,583</u>               | <u>222,110</u>                   |
| <br>  |                              |                                  |                              |                                  |
| <b>Restricted</b>   |                              |                                  |                              |                                  |
| Depreciation  | <u>15,809</u>                | <u>15,809</u>                    | <u>-</u>                     | <u>-</u>                         |

Depreciation related to Plant & Equipment expenditure which was incurred for the purpose of enhancing and ensuring the continued operation of Trades Hall has been split between Unrestricted and Restricted Funds in the same ratio as the value of the building is allocated between Funds.



**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 SEPTEMBER 2019**

|                                    | Consolidated<br>2019 | Trades<br>House<br>2019 | Consolidated<br>2018 | Trades<br>House<br>2018 |
|------------------------------------|----------------------|-------------------------|----------------------|-------------------------|
|                                    | Number               | Number                  | Number               | Number                  |
| <b>4. GRANTS</b>                   |                      |                         |                      |                         |
| <b>a) Individual Beneficiaries</b> | 767                  | 767                     | 723                  | 723                     |
|                                    | £                    | £                       | £                    | £                       |
| Grants                             | 252,917              | 252,917                 | 275,336              | 275,336                 |
| Bursaries & Educational Grants     | <u>27,102</u>        | <u>27,102</u>           | <u>43,496</u>        | <u>43,496</u>           |
|                                    | <u>280,019</u>       | <u>280,019</u>          | <u>318,832</u>       | <u>318,832</u>          |
|                                    | <b>Number</b>        | <b>Number</b>           | <b>Number</b>        | <b>Number</b>           |
| <b>b) Other Charitable Grants</b>  | 70                   | 70                      | 72                   | 72                      |
|                                    | £                    | £                       | £                    | £                       |
| Grants over £3,000:                |                      |                         |                      |                         |
| University of Glasgow              | -                    | -                       | 4,130                | 4,130                   |
| Homeless Street Team               | 5,800                | 5,800                   | -                    | -                       |
| Glasgow Golden Generation          | 5,000                | 5,000                   | -                    | -                       |
| Cumbernauld Theatre                | 5,000                | 5,000                   | -                    | -                       |
| Childrens World                    | 4,000                | 4,000                   | -                    | -                       |
| Voluntary Tutors Organisation      | -                    | -                       | 21,715               | 21,715                  |
| Geeza Break                        | 20,000               | 20,000                  | 20,000               | 20,000                  |
| Chest Heart Stroke                 | 5,600                | 5,600                   | -                    | -                       |
| Good Morning Service               | 5,000                | 5,000                   | -                    | -                       |
| Right Track Scotland               | 5,000                | 5,000                   | -                    | -                       |
| Glasgow Bute Benevolent Society    | 9,000                | 9,000                   | 9,000                | 9,000                   |
| Ocean Youth Trust                  |                      |                         | 7,000                | 7,000                   |
| Venture Trust                      |                      |                         | 3,191                | 3,191                   |
| Duke of Edinburgh Support Team     |                      |                         | 4,000                | 4,000                   |
| Hearts & Minds                     |                      |                         | 3,180                | 3,180                   |
| Accord Hospice                     |                      |                         | <u>5,000</u>         | <u>5,000</u>            |
| Total over £3,000                  | 64,400               | 64,400                  | 77,216               | 77,216                  |
| Total other grants                 | <u>105,315</u>       | <u>105,315</u>          | <u>96,810</u>        | <u>96,810</u>           |
|                                    | <u>169,715</u>       | <u>169,715</u>          | <u>174,026</u>       | <u>174,026</u>          |
|                                    | £                    | £                       | £                    | £                       |
| Total Grants:                      |                      |                         |                      |                         |
| From Corporate Funds               | 21,963               | 21,963                  | 14,016               | 14,016                  |
| From Trust Funds                   | <u>449,734</u>       | <u>449,734</u>          | <u>478,842</u>       | <u>478,842</u>          |
|                                    | <u>471,697</u>       | <u>471,697</u>          | <u>492,858</u>       | <u>492,858</u>          |

Awards from Corporate Funds represent grants awarded from the Deacon Convener's Fund plus awards made to students and other participants in the educational projects managed by Trades House.

In each of the grant awards to the institutions above, one grant was made.

Awards from Trust Funds represent grants made from Funds under Management as listed in note 16.

**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 SEPTEMBER 2019**

| <b>5 SUPPORT COSTS</b>    | <b>Consolidated<br/>2019<br/>£</b> | <b>Trades<br/>House<br/>2019<br/>£</b> | <b>Consolidated<br/>2018<br/>£</b> | <b>Trades<br/>House<br/>2018<br/>£</b> |
|---------------------------|------------------------------------|--|------------------------------------|--|
| Staff costs (note 7)      | 218,084                            | 232,146                                | 191,742                            | 225,386                                |
| Pensioners                | 3,750                              | 3,750                                  | 3,750                              | 3,750                                  |
| Social Worker             | 32,323                             | 32,323                                 | 31,399                             | 31,399                                 |
| Communication & publicity | 35,120                             | 35,120                                 | 27,589                             | 27,589                                 |
| Office administration     | 125,036                            | 125,036                                | 118,590                            | 118,590                                |
|                           | <u>414,313</u>                     | <u>428,375</u>                         | <u>373,070</u>                     | <u>406,714</u>                         |

The support costs are all allocated to Charitable activities.

| <b>6 AUDITORS REMUNERATION</b> | <b>Consolidated<br/>2019<br/>£</b> | <b>Trades<br/>House<br/>2019<br/>£</b> | <b>Consolidated<br/>2018<br/>£</b> | <b>Trades<br/>House<br/>2018<br/>£</b> |
|--------------------------------|------------------------------------|--|------------------------------------|--|
| Payable to RSM UK Audit LLP:   |                                    |  |                                    |  |
| Audit Fee                      | 13,650                             | 10,800                                 | 13,150                             | 10,400                                 |
| Tax Services                   | <u>1,200</u>                       | <u>-</u>                               | <u>2,625</u>                       | <u>1,625</u>                           |
|                                | <u>14,850</u>                      | <u>10,800</u>                          | <u>15,775</u>                      | <u>12,025</u>                          |

| <b>7. STAFF COSTS</b>                    | <b>Consolidated<br/>2019</b> | <b>Trades<br/>House<br/>2019</b> | <b>Consolidated<br/>2018</b> | <b>Trades<br/>House<br/>2018</b> |
|--|------------------------------|----------------------------------|------------------------------|----------------------------------|
| Average number of employees for the year | 12                           | 6                                | 12                           | 6                                |
| Aggregate payroll costs for the year     | <b>£</b>                     | <b>£</b>                         | <b>£</b>                     | <b>£</b>                         |
| Wages & salaries                         | 337,867                      | 229,990                          | 295,493                      | 226,202                          |
| Pensioners                               | 3,750                        | 3,750                            | 3,750                        | 3,750                            |
| Social security                          | 34,467                       | 22,104                           | 33,452                       | 19,616                           |
| Pension Contributions                    | 14,888                       | 12,375                           | 12,458                       | 10,968                           |
|  | <u>390,972</u>               | <u>268,219</u>                   | <u>345,153</u>               | <u>260,536</u>                   |

Payroll costs have been allocated as follows:

|                     |                |                |                |                |
|---------------------|----------------|----------------|----------------|----------------|
| Hall Trading costs  | 136,815        | -              | 118,262        | -              |
| House Support costs | 218,084        | 232,146        | 191,742        | 225,386        |
| Pensioners          | 3,750          | 3,750          | 3,750          | 3,750          |
| Social Worker costs | 32,323         | 32,323         | 31,399         | 31,399         |
|                     | <u>390,972</u> | <u>268,219</u> | <u>345,153</u> | <u>260,535</u> |

**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 SEPTEMBER 2019**

**8. EMPLOYEES AND KEY MANAGEMENT PERSONNEL**

The key management personnel of the Trades House comprise the Trustees and the Chief Executive. The total employee benefits for the key management personnel were £107,536 in 2019 (2018 £103,400).

The number of employees and key management personnel whose total employee benefits fell within the following bands was as follows:

|                               | <b>2019</b> | <b>2018</b> |
|-------------------------------|-------------|-------------|
| £100,000 - £109,999 per annum | 1           | 1           |

The Trades House makes contributions to individual pension plans for certain employees. Pension contributions are charged in the Statement of Financial Activities as they become payable.

One employee earned in excess of £60,000 per annum (2018: 1) and contributions of £9,776 were made on this employee's behalf. (2018 £9,400).

The Members of the House were not paid or reimbursed for expenses in either year with the exception of the Deacon Convener who is reimbursed for cost of ceremonial wear, entertaining and necessarily incurred travel costs up to a maximum of £3,000 (2018: £3,000).

**9 FIXED ASSETS – Consolidated and Trades House**

|                                     | <b>Property</b>  | <b>Plant &amp; Equipment</b> | <b>Artefacts</b> | <b>Total</b>     |
|-------------------------------------|------------------|------------------------------|------------------|------------------|
| <b>Cost/Valuation</b>               | <b>£</b>         | <b>£</b>                     | <b>£</b>         | <b>£</b>         |
| As at 1 October 2018                | 2,485,000        | 669,354                      | 727,672          | 3,882,026        |
| Revaluation                         | -                | -                            | 42,960           | 42,960           |
| Additions                           | -                | 165,510                      | -                | 165,510          |
| Disposals                           | -                | (33,650)                     | -                | (33,650)         |
| As at 30 September 2019             | <u>2,485,000</u> | <u>801,214</u>               | <u>770,632</u>   | <u>4,056,846</u> |
| <b>Aggregate Depreciation</b>       |                  |                              |                  |                  |
| As at 1 October 2018                | -                | 144,735                      | -                | 144,735          |
| Charge for the year                 | -                | 58,992                       | -                | 58,992           |
| Disposals                           | -                | (32,218)                     | -                | (32,218)         |
| As at 30 September 2019             | -                | <u>171,509</u>               | -                | <u>171,509</u>   |
| Net book value at 30 September 2019 | <u>2,485,000</u> | <u>629,705</u>               | <u>770,632</u>   | <u>3,885,337</u> |
| Net book value at 30 September 2018 | <u>2,485,000</u> | <u>524,619</u>               | <u>727,672</u>   | <u>3,737,291</u> |

The property at Trades Hall, 85 Glassford Street, Glasgow, was valued by Lambert Smith Hampton at 30th September 2018 on a Market Value basis.

The insured value of Trades Hall is £30,327,768.

Artefacts includes £475,520 of chains and silverware which were valued by J. Forrest & Co. Limited at 31st October 2019 on a Market Value basis.

Artefacts also includes £295,112 of pictures and paintings, furniture and other items valued by Lyon & Turnbull, auctioneers, at 22<sup>nd</sup> October 2019 on a Market Value basis.

**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 SEPTEMBER 2019**

**10 INVESTMENTS – Consolidated and Trades House**

|                                   | <b>2019</b>              | <b>2018</b>              |
|-----------------------------------|--------------------------|--------------------------|
|                                   | <b>£</b>                 | <b>£</b>                 |
| Market value at 1 October 2018    | 20,106,146               | 20,812,588               |
| Additions                         | 549,732                  | 607,163                  |
| Disposals                         | (607,186)                | (831,201)                |
| Net gain/(loss) on revaluation    | <u>168,593</u>           | <u>(482,404)</u>         |
| Market value at 30 September 2019 | <u><u>20,217,285</u></u> | <u><u>20,106,146</u></u> |
| <br>                              |                          |                          |
| Unrestricted Funds                | 1,194,211                | 1,093,352                |
| Restricted Funds                  | <u>19,023,074</u>        | <u>19,012,794</u>        |
|                                   | <u><u>20,217,285</u></u> | <u><u>20,106,146</u></u> |

All investments are Listed Investments

|                                  | <b>Consolidated<br/>2019</b> | <b>Trades<br/>House<br/>2019</b> | <b>Consolidated<br/>2018</b> | <b>Trades<br/>House<br/>2018</b> |
|----------------------------------|------------------------------|----------------------------------|------------------------------|----------------------------------|
|                                  | <b>£</b>                     | <b>£</b>                         | <b>£</b>                     | <b>£</b>                         |
| <b>11. DEBTORS</b>               |                              |                                  |                              |                                  |
| Dividends                        | 197,607                      | 197,607                          | 178,377                      | 178,377                          |
| Trade debtors                    | 34,335                       | 6,826                            | 41,525                       | 11,477                           |
| Amount due by Subsidiary Company | -                            | 891                              | -                            | 8,782                            |
| Other debtors                    | <u>28,074</u>                | <u>27,181</u>                    | <u>23,239</u>                | <u>23,239</u>                    |
|                                  | <u><u>260,016</u></u>        | <u><u>232,505</u></u>            | <u><u>243,141</u></u>        | <u><u>221,875</u></u>            |

|  | <b>Consolidated<br/>2019</b> | <b>Trades<br/>House<br/>2019</b> | <b>Consolidated<br/>2018</b> | <b>Trades<br/>House<br/>2018</b> |
|--|------------------------------|----------------------------------|------------------------------|----------------------------------|
|  | <b>£</b>                     | <b>£</b>                         | <b>£</b>                     | <b>£</b>                         |
| <b>12. CREDITORS:</b>                      |                              |                                  |                              |                                  |
| <b>Amounts falling due within one year</b> |                              |                                  |                              |                                  |
| Trade creditors                            | 26,096                       | 23,599                           | 33,134                       | 30,874                           |
| Social security and other taxes            | 18,070                       | 7,201                            | 17,684                       | 6,880                            |
| Advance payments                           | 9,004                        | 9,004                            | 9,205                        | 9,205                            |
| Other creditors and accruals               | 78,070                       | 59,633                           | 59,943                       | 39,954                           |
| Bank Loan due within one year (Note 14)    | 22,071                       | 22,071                           | 21,188                       | 21,188                           |
| Provision for VAT repayable                | <u>8,054</u>                 | <u>8,054</u>                     | <u>-</u>                     | <u>-</u>                         |
|  | <u><u>161,365</u></u>        | <u><u>129,562</u></u>            | <u><u>141,154</u></u>        | <u><u>108,101</u></u>            |

**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 SEPTEMBER 2019**

|  | <b>Consolidated<br/>2019<br/>£</b> | <b>Trades<br/>House<br/>2019<br/>£</b> | <b>Consolidated<br/>2018<br/>£</b> | <b>Trades<br/>House<br/>2018<br/>£</b> |
|--|------------------------------------|--|------------------------------------|--|
| <b>13. CREDITORS:</b>                                  |                                    |  |                                    |  |
| <b>Amounts falling due after one year</b>              |                                    |  |                                    |  |
| Bank Loan (Note 14)                                    | 188,135                            | 188,135                                | 210,204                            | 210,204                                |
|  | <u>188,135</u>                     | <u>188,135</u>                         | <u>210,204</u>                     | <u>210,204</u>                         |
|  |                                    |  |                                    |  |
|  | <b>Consolidated<br/>2019<br/>£</b> | <b>Trades<br/>House<br/>2019<br/>£</b> | <b>Consolidated<br/>2018<br/>£</b> | <b>Trades<br/>House<br/>2018<br/>£</b> |
| <b>14. BANK LOAN:</b>                                  |                                    |  |                                    |  |
| Balance Outstanding at 1 <sup>st</sup> October 2018    | 231,392                            | 231,392                                | 250,000                            | 250,000                                |
| Loan Repayments  | (21,186)                           | (21,186)                               | (18,608)                           | (18,608)                               |
| Balance Outstanding at 30 <sup>th</sup> September 2019 | <u>210,206</u>                     | <u>210,206</u>                         | <u>231,392</u>                     | <u>231,392</u>                         |
| Balance due within one year                            | 22,071                             | 22,071                                 | 21,188                             | 21,188                                 |
| Balance due years 2 to 5                               | 99,014                             | 99,014                                 | 94,695                             | 94,695                                 |
| Balance due over 5 years                               | 89,121                             | 89,121                                 | 115,509                            | 115,509                                |
|  | <u>210,206</u>                     | <u>210,206</u>                         | <u>231,392</u>                     | <u>231,392</u>                         |

On 26 October 2017 a loan of £250,000 was arranged with The Bank of Scotland. The Loan is over a ten year period at a Fixed Rate of 4.41%.

**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 SEPTEMBER 2019**

**15 INDIVIDUAL RESTRICTED FUNDS UNDER MANAGEMENT**

| a) CAPITAL                                | At 1<br>October<br>2018<br>£ | Transfer<br>£          | Gains on<br>Revaluation &<br>Realisation<br>£ | At 30<br>September<br>2019<br>£ |
|---|------------------------------|------------------------|---|---------------------------------|
| Commonweal General Fund                   | 3,904,732                    | -                      | 28,214  | 3,932,946                       |
| Andrew Kerr's Trust                       | 1,573,019                    | -                      | 11,447  | 1,584,466                       |
| John Dallas Supplementary Fund            | 58,064                       | -                      | 423   | 58,487                          |
| McAdam Fund                               | <u>613,161</u>               | <u>-</u>               | <u>4,462</u>                                  | <u>617,623</u>                  |
| Total Commonweal Fund                     | 6,148,976                    | -                      | 44,546  | 6,193,522                       |
| Nurses Fund                               | 282,338                      | -                      | 2,055   | 284,393                         |
| The Educational Fund                      | 698,561                      | -                      | (11,604)                                      | 686,957                         |
| Benefit of Aged in Glasgow                | 1,049,038                    | -                      | 7,634   | 1,056,672                       |
| The Relief Fund                           | 4,473,239                    | -                      | 35,080  | 4,508,319                       |
| Partick Queen Victoria's Diamond Jubilee  | 29,913                       | -                      | (2,734)                                       | 27,179                          |
| Potato Trades Benevolent Society          | 49,978                       | -                      | 364   | 50,342                          |
| Scottish Building Contractors Association | 107,387                      | -                      | 781   | 108,168                         |
| War Memorial Fund                         | 127,388                      | -                      | 927   | 128,315                         |
| Drapers Fund                              | 3,232,407                    | -                      | 24,987  | 3,257,394                       |
| VJ Cummings bequest                       | 553,641                      | -                      | 4,029   | 557,670                         |
| WW MacFarlane                             | 2,387,635                    | -                      | (10,877)                                      | 2,376,758                       |
| Glasgow Aged Women's Society              | 199,570                      | -                      | 83  | 199,653                         |
| Glasgow United Fleshers Society           | 317,936                      | -                      | 2,333   | 320,269                         |
| ISIBAS                                    | 319,649                      | -                      | 8,189   | 327,838                         |
| Lawton Bequest                            | 88,717                       | (88,717)               | -   | -                               |
| The Saint Andrew Society (Glasgow)        | <u>211,650</u>               | <u>-</u>               | <u>8,535</u>                                  | <u>220,185</u>                  |
|   | <u><u>20,278,023</u></u>     | <u><u>(88,717)</u></u> | <u><u>114,328</u></u>                         | <u><u>20,303,634</u></u>        |

The Lawton Bequest was transferred to Unrestricted Funds as the intention of the bequest was to enable Trades House to utilise the funds for its general charitable purposes.

**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 SEPTEMBER 2019**

**15 INDIVIDUAL RESTRICTED FUNDS UNDER MANAGEMENT**

| <b>b) REVENUE</b>                                   | <b>At 1<br/>October<br/>2018<br/>£</b> | <b>Income &amp;<br/>Donations<br/>£</b> | <b>Expenditure</b>          | <b>Awards &amp;<br/>Donations<br/>£</b> | <b>At 30<br/>September<br/>2019<br/>£</b> |
|---|--|---|-----------------------------|---|---|
| Commonweal General Fund                             | 226,354                                | 177,791                                 | 72,664                      | 88,250                                  | 243,231                                   |
| Andrew Kerr's Trust                                 | 118,417                                | 71,244                                  | 29,092                      | 36,000                                  | 124,569                                   |
| John Dallas Supplementary<br>Fund                   | 6,213                                  | 2,630                                   | 1,074                       | 1,250                                   | 6,519                                     |
| McAdam Fund   | <u>24,975</u>                          | <u>27,771</u>                           | <u>11,340</u>               | <u>8,000</u>                            | <u>33,406</u>                             |
| Total Commonweal Fund                               | 375,959                                | 279,436                                 | 114,170                     | 133,500                                 | 407,725                                   |
| Nurses Fund   | 51,935                                 | 12,787                                  | 5,222                       | 4,175                                   | 55,325                                    |
| The Educational Fund                                | 52,072                                 | 29,485                                  | 11,905                      | 26,602                                  | 43,050                                    |
| Benefit of Aged in Glasgow                          | 163,610                                | 47,419                                  | 19,402                      | 1,600                                   | 190,027                                   |
| The Relief Fund                                     | 342,602                                | 201,598                                 | 82,489                      | 97,281                                  | 364,430                                   |
| Partick Queen Victoria's<br>Diamond Jubilee         | 5,807                                  | 1,446                                   | 596                         | 1,100                                   | 5,557                                     |
| Potato Trades Benevolent<br>Society                 | 12,626                                 | 2,264                                   | 924                         | -                                       | 13,966                                    |
| Scottish Building<br>Contractors Association        | 13,587                                 | 4,864                                   | 1,986                       | 500                                     | 15,965                                    |
| War Memorial Fund                                   | 27,138                                 | 5,770                                   | 2,356                       | 2,200                                   | 28,352                                    |
| Drapers Fund  | 108,629                                | 147,351                                 | 60,130                      | 93,909                                  | 101,941                                   |
| VJ Cummings bequest                                 | 47,899                                 | 25,075                                  | 10,239                      | 12,500                                  | 50,235                                    |
| WW MacFarlane                                       | 59,466                                 | 118,567                                 | 47,878                      | 46,272                                  | 83,883                                    |
| Glasgow Aged Women's<br>Society                     | 40,943                                 | 10,083                                  | 4,151                       | 6,545                                   | 40,330                                    |
| Glasgow United Fleshers<br>Society                  | 42,844                                 | 15,425                                  | 6,348                       | 2,050                                   | 49,871                                    |
| ISIBAS  | 62,901                                 | 15,240                                  | 6,271                       | -                                       | 71,870                                    |
| Lawton Bequest                                      | 8,157                                  | -                                       | -                           | -                                       | 8,157                                     |
| The Saint Andrew Society<br>(Glasgow)               | 25,496                                 | 12,238                                  | 5,042                       | 1,500                                   | 31,192                                    |
| Kinship Care Initiative                             | <u>31,727</u>                          | <u>19,912</u>                           | <u>4,380</u>                | <u>20,000</u>                           | <u>27,259</u>                             |
|   | 1,473,398                              | 948,960                                 | 383,489                     | 449,734                                 | 1,589,135                                 |
| Transfer of Lawton Bequest<br>to Unrestricted Funds | <u>                    </u>            | <u>                    </u>             | <u>                    </u> | <u>                    </u>             | <u>(8,157)</u>                            |
|   | <u><u>1,473,398</u></u>                | <u><u>948,960</u></u>                   | <u><u>383,489</u></u>       | <u><u>449,734</u></u>                   | <u><u>1,580,978</u></u>                   |

**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 SEPTEMBER 2019**

**15 TOTAL RESTRICTED FUNDS UNDER MANAGEMENT**

|                        | <b>At 1<br/>October<br/>2019<br/>£</b> | <b>At 30<br/>September<br/>2019<br/>£</b> |
|------------------------|--|---|
| Capital                | 20,278,023                             | 20,303,634                                |
| Revenue                | <u>1,473,398</u>                       | <u>1,580,978</u>                          |
| Total Restricted Funds | <u><u>21,751,421</u></u>               | <u><u>21,884,612</u></u>                  |

The purpose of each Restricted Fund is detailed below:

**The Commonweal Fund**

The Commonweal Fund is for the advancement of 'any good and pious use' in the Commonweal of the Burgh. With reference to the heritage of this fund, the free annual income of the Commonweal Fund should be distributed for the following charitable purposes with particular focus on providing such benefit in Glasgow :-

- (a) The advancement of citizenship or community development
- (b) The advancement of education, research and educational institutions
- (c) The advancement of the arts, heritage, culture and science
- (d) The prevention and relief of poverty
- (e) The relief of those in need by reason of age and those suffering disadvantage through ill health, disability, financial hardship or other disadvantage.

**Andrew Kerr's Fund**

Three quarters of the free annual income shall be distributed in accordance with the purposes of The Commonweal Fund and one quarter shall be distributed to the Glasgow Bute Benevolent Society, a registered Scottish charity.

**John Dallas Supplementary Fund**

This fund's free annual income is to be distributed equally among the charities listed below, with any unallocated surplus income distributed in accordance with The Commonweal Fund –

- (a) The Glasgow Battalion Boys Brigade
- (b) The Scout Association
- (c) The Guide Association Scotland
- (d) The Girls Brigade in Scotland
- (e) Glasgow (Central) Citizens Advice Bureau.

**Mary Helen Forrest or McAdam Fund**

This fund's free annual income shall be applied for the advancement of education through scientific medical research at the University of Glasgow as detailed in clause (a) and (b) below with any surplus income distributed equally among the charities detailed at (c) below ("the McAdam Charities"):-

- (a) This fund shall be applied to award (for one or more years) educational scholarships in connection with scientific medical research with a particular focus on the study of the nature, causation and treatment of disease and will be known as "William and Margaret Forrest Scholarships".
- (b) The House may seek the advice from a list of people within the faculty of Medicine at Glasgow University (see Deed of Appointment).
- (c) The McAdam Charities are:-
  - (i) The Earl Haig Fund
  - (ii) Royal National Life Boat Institution
  - (iii) Fairbridge in Scotland
  - (iv) The Leprosy Mission Scotland.

**The Nurses Fund**

The Nurses Fund should be applied for the benefit of nurses and those suffering disadvantage through ill health, disability or other financial hardship.



## NOTES TO THE ACCOUNTS YEAR ENDED 30 SEPTEMBER 2019

### **The Educational Fund**

The Educational Fund should be applied for the advancement of education in Glasgow or those who have a connection with Glasgow.

### **Benefit of Aged in Glasgow Fund**

The Benefit of Aged in Glasgow Fund should be applied for the benefit of those in need by reason of age in Glasgow.

### **The Relief Fund**

The Relief Fund should be used for the relief of those in need by reason of financial hardship or other disadvantage in Glasgow and should ordinarily be applied to provide relief to/ for widow(er)s/ surviving partners/ surviving civil partners/ surviving cohabitants and other dependents (as selected in the sole discretion of the House).

### **Partick Queen Victoria's Diamond Jubilee Fund**

This fund should be applied for the advancement of health, the prevention and relief of poverty and for the relief of those suffering from ill health, disability, financial disability or other disadvantage in Partick.

### **Potato Trade Benevolent Society Fund**

This fund should be applied for the relief of financial hardship or other disadvantage for those connected with the Potato Trade in Scotland, whom failing any other deserving charitable cause in Scotland.

### **Scottish Building Contractors' Association Fund**

This fund's free annual income shall be applied for the advancement of education in connection with the Scottish Construction industry as detailed in clauses (1) to (3) below, with any surplus income distributed in accordance with the Educational Fund above.

- (1) This fund shall be applied to award a student in their final year of the HND in Construction Management at City of Glasgow College, or such similar course.
- (2) This fund shall be applied to award a student in their final year of the part time Construction Management BSc Degree at Glasgow Caledonian University.
- (3) This fund should be applied in connection with The Trades House Modern Apprentice of the Year Award to award the best candidate within the construction industry.

### **War Memorial Fund**

This fund should be applied for the relief of financial hardship or other disadvantage of ex-servicemen and women.

### **Glasgow United Fleshers Fund**

The purposes of the Glasgow United Fleshers Fund are as follows:-

"for such object or objects charitable for the purposes as the Trustees in their discretion may select and in particular for the assistance of those who have followed the trade of Fleshers, their widows, children and other dependents or any good other aged, distressed and disabled person, in such case of indigence, disability or otherwise as to form qualifying appropriate objects of charity".

### **Glasgow Aged Womens Society**

The purposes of the Glasgow Womens Society fund are as follows:-

"to aid widows and unmarried women of 60 years of age upwards, residing in Glasgow".

### **Victor J Cumming's Bequest**

The purposes of the Victor J Cumming Bequest are as follows:-

"that the net income from the residue of the estate should be distributed as follows:-

- One tenth to the Trades House of Glasgow to be applied for such charitable purposes as the Trades House may from time to time determine;
- One tenth to the Incorporation of Bakers;
- One tenth to the Association of Deacons of the Fourteen Incorporated Trades of Glasgow;
- One tenth to the Daughters Fund of the Association of Deacons;
- One tenth to the Weavers Society of Anderston;
- One tenth to the City of Glasgow native Benevolent Society.

## **NOTES TO THE ACCOUNTS YEAR ENDED 30 SEPTEMBER 2019**

In regard to the balance of the net income, the Trades House should decide this annually in such proportions as they may decide among the aforesaid beneficiaries.

### **Drapers' Fund**

The purposes of the Trades House of Glasgow Drapers Fund are as follows:-

“provide for funds to be expended on firstly, general charitable purposes and secondly, should be given to people of any rank who have adopted others, the essential qualification being that adopted and adopter have lived together in family in the same condition and station of life for a period of no less than five years and that the grace and hospitality shall appear to be the motive for the adoptive being received and kept in the family by the adopter”.

### **WWM & M Macfarlane Trust**

The purposes of the WW Macfarlane and Mrs Mary Macfarlane Trust are as follows:-

“giving grants and/or pensions primarily to such deserving widows, relatives or dependents of persons who have been Directors of or in the employment of Macfarlane Lang and Company Limited (whether in Scotland, England or elsewhere) and subsidiarily to such deserving citizens of Glasgow, and the deserving widows, dependents and families of such citizens all as the trustees in their absolute discretion shall select”.

### **ISIBAS**

The purpose of this fund is to provide relief to necessitous and deserving individuals concerned with the Iron and Steel Merchants Trades in Scotland, their widows, widowers or dependents.

### **Kinship Care Initiative Fund**

The Kinship Care Initiative Fund is designed to provide opportunities to children being supported by their extended family, to reach their full potential and become active citizens in Glasgow.

Funds raised may be used for awards of grants for the purpose of sending young people to participate in outdoor activities and educational programmes which will build their characters and enhance their employment opportunities.

### **The Saint Andrew Society (Glasgow) Fund**

The aims of the Trust are to encourage participation in and stimulate appreciation of the history, literature, music, drama, arts and crafts and languages of Scotland, to cooperate with other Societies or Trusts which may advance any of the foregoing objects, to make contributions to hospitals, convalescent homes or any associations that have as their object the relief of suffering whether in Scotland or elsewhere, and to support the advancement of education.

**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 SEPTEMBER 2019**

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

| <b>Consolidated</b>        | <b>Fixed Assets</b>     | <b>Investments</b>       | <b>Other Net Assets</b> | <b>2019</b>              | <b>2018</b>              |
|----------------------------|-------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
|                            | <b>£</b>                | <b>£</b>                 | <b>£</b>                | <b>£</b>                 | <b>£</b>                 |
| Unrestricted Funds         | 2,128,471               | 1,194,211                | (923,582)               | 2,399,100                | 2,478,621                |
| Designated Funds (Note 23) | -                       | -                        | 153,666                 | 153,666                  | 48,253                   |
|                            | <u>2,128,471</u>        | <u>1,194,211</u>         | <u>(769,916)</u>        | <u>2,552,766</u>         | <u>2,526,874</u>         |
| Restricted Funds           | <u>1,756,866</u>        | <u>19,023,074</u>        | <u>1,104,672</u>        | <u>21,884,612</u>        | <u>21,751,421</u>        |
|                            | <u><u>3,885,337</u></u> | <u><u>20,217,285</u></u> | <u><u>334,756</u></u>   | <u><u>24,437,378</u></u> | <u><u>24,278,295</u></u> |

  

| <b>Trades House</b>        | <b>Fixed Assets</b>     | <b>Investments</b>       | <b>Other Net Assets</b> | <b>2019</b>              | <b>2018</b>              |
|----------------------------|-------------------------|--------------------------|-------------------------|--------------------------|--------------------------|
|                            | <b>£</b>                | <b>£</b>                 | <b>£</b>                | <b>£</b>                 | <b>£</b>                 |
| Unrestricted Funds         | 2,128,471               | 1,194,211                | (928,744)               | 2,393,938                | 2,477,330                |
| Designated Funds (Note 23) | -                       | -                        | 153,666                 | 153,666                  | 48,253                   |
|                            | <u>2,128,471</u>        | <u>1,194,211</u>         | <u>(775,078)</u>        | <u>2,547,604</u>         | <u>2,525,583</u>         |
| Restricted Funds           | <u>1,756,866</u>        | <u>19,023,074</u>        | <u>1,104,672</u>        | <u>21,884,612</u>        | <u>21,751,421</u>        |
|                            | <u><u>3,885,337</u></u> | <u><u>20,217,285</u></u> | <u><u>329,594</u></u>   | <u><u>24,436,216</u></u> | <u><u>24,277,004</u></u> |

Fixed Assets includes the Net Book Value of Plant & Equipment expenditure which was incurred for the purpose of enhancing and ensuring the continued operation of Trades Hall. This has been split between Unrestricted and Restricted Funds in the same ratio as the value of the building is allocated between Funds.

**17. INTEREST PAID BY UNRESTRICTED FUNDS**

In September 2011 a loan of £300,000, at an annual interest rate of 5%, was agreed from Restricted Funds to Unrestricted Funds to assist reducing bank borrowings of Trades House.

**18. CAPITAL COMMITMENTS**

|                              | <b>Consolidated</b> | <b>Trades House</b> | <b>Consolidated</b> | <b>Trades House</b> |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
|                              | <b>2019</b>         | <b>2019</b>         | <b>2018</b>         | <b>2018</b>         |
|                              | <b>£</b>            | <b>£</b>            | <b>£</b>            | <b>£</b>            |
| Approved Capital Commitments | <u>24,571</u>       | <u>24,571</u>       | <u>211,529</u>      | <u>211,529</u>      |

The above capital expenditure commitments are exclusive of any VAT.

**19. GUARANTEES**

Trades House of Glasgow has granted a Standard Security over the property at Trades Hall, 85 Glassford Street, Glasgow to the Bank of Scotland in respect of a bank loan for £250,000 (see Note 14) and an available overdraft facility of £100,000.

**20. RELATED PARTY/TRUSTEE TRANSACTIONS**

Donations of £28,580 (2018; £23,070) have been received from the 14 Incorporated Crafts for the support of Educational Projects, Kinship Care Initiative, and contributions to assist with the cleaning of portraits within Trades Hall.

**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 SEPTEMBER 2019**

**21. RELATED PARTY TRANSACTIONS**

Trades House of Glasgow has related party transactions of £55,859 (2018: £92,952) with its trading subsidiary Trades House of Glasgow (Services) Limited in respect of hall rental costs £26,000, management fee £15,797 and hall keeper services £14,062.

At 30 September 2019 the amount due by Trades House of Glasgow (Services) Limited was £,891 (2018:£8,782).

**22. INVESTMENT IN SUBSIDIARY COMPANY**

Trades House of Glasgow has a 100% shareholding in Trades House of Glasgow (Services) Limited, company number SC471792.

As at 30 September 2019 Trades House of Glasgow (Services) Limited had total assets of £37,854 liabilities of £36,693 and funds of £1,161. Turnover for the year to 30 September 2019 was £205,670 expenditure totalled £201,799 and the profit was £3,871.

**23. DESIGNATED FUNDS**

|                            | <b>Brought<br/>Forward</b> | <b>Incoming<br/>Resources</b> | <b>Resources<br/>Expended</b> | <b>Carried<br/>Forward</b> | <b>2018</b>   |
|----------------------------|----------------------------|-------------------------------|-------------------------------|----------------------------|---------------|
|                            | £                          | £                             | £                             | £                          | £             |
| Modern Apprentice Awards   | 2,877                      | 8,200                         | 6,596                         | 4,481                      | 2,877         |
| Burns Competition          | 614                        | 2,327                         | 1,910                         | 1,031                      | 614           |
| Craftex                    | 20,670                     | 18,600                        | 14,942                        | 24,328                     | 20,670        |
| School Craft & Citizenship | 3,593                      | 8,525                         | 5,934                         | 6,184                      | 3,593         |
| London Dinner              | 2,421                      | 13,933                        | 14,760                        | 1,594                      | 2,421         |
| Glasgow's Next Generation  | 13,233                     | -                             | 3,000                         | 10,233                     | 13,233        |
| Heritage Fund              | 4,845                      | 2,073                         | 1,933                         | 4,985                      | 4,845         |
|                            | <u>48,253</u>              | <u>53,658</u>                 | <u>49,075</u>                 | <u>52,836</u>              | <u>48,253</u> |
| Transfer of Lawton Bequest |                            |                               |                               | 100,830                    | -             |
|                            |                            |                               |                               | <u>153,666</u>             | <u>48,253</u> |

The Designated Funds are held for the following purposes:-

Modern Apprentice Award – this fund is used to meet the cost of operating and awards for the Modern Apprentice Award competition which takes place in June each year.

Burns Competition - this fund is used to meet the cost of operating and awards for the Burns Competition which takes place in January each year.

Craftex - this fund is used to meet the cost of operating and awards for the Craftex competition which takes place in June each year.

London Dinner – this fund is used to meet the cost of the Trades House of Glasgow London Dinner.

School Craft & Citizenship - this fund is used to meet the cost of operating and awards for the School Craft and Citizenship competitions which takes place in June each year.

Glasgow's Next generation – this fund is used to finance two young people from deprived backgrounds on courses managed by The Outward Bound Trust.

Heritage Fund – this fund is used to finance the cleaning of portraits throughout Trades Hall.

Lawton Bequest – This fund is to be used by Trades House for its general charitable purposes.

**NOTES TO THE ACCOUNTS  
YEAR ENDED 30 SEPTEMBER 2019**

|   | Consolidated<br>2019 | Trades<br>House<br>2019 | Consolidated<br>2018 | Trades<br>House<br>2018 |
|---|----------------------|-------------------------|----------------------|-------------------------|
|   | £                    | £                       | £                    | £                       |
| <b>24. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</b> |                      |                         |                      |                         |
| Net Income/(Expenditure)  | 116,123              | 112,252                 | (438,732)            | (444,226)               |
| Adjustments for:  |                      |                         |                      |                         |
| Depreciation charge   | 58,992               | 58,992                  | 40,139               | 40,139                  |
| Loss on Disposal of Fixed Assets                                  | 1,432                | 1,432                   | -                    | -                       |
| Investment Income   | (967,424)            | (967,424)               | (945,461)            | (945,461)               |
| (Gains)/ Losses on Investments                                    | (120,263)            | (120,263)               | 467,353              | 467,353                 |
| (Increase)/Decrease in Stock                                      | (9,736)              | (9,736)                 | (150)                | (150)                   |
| (Increase)/Decrease in debtors                                    | (16,875)             | (18,521)                | (16,466)             | (11,927)                |
| (Increase)/Decrease in amount due by Subsidiary                   | -                    | 7,891                   | -                    | 19,739                  |
| Increase/(Decrease) in Creditors                                  | 19,329               | 20,580                  | (67,619)             | (73,847)                |
| Net Cash provided by(used in) operating activities                | <u>(918,422)</u>     | <u>(914,797)</u>        | <u>(960,936)</u>     | <u>(948,380)</u>        |

**25. POST BALANCE SHEET EVENT**

- Consideration has been given to the effect of the impact of Covid-19 upon the assets of Trades House and it has been assessed that there are no post Balance Sheet adjustments required in respect of their value. However, due to stock market volatility there may be some changes in the value of the Investment portfolio as the value of investments may go up as well as down. The value of Investments as at 31<sup>st</sup> August 2020 was £17,335.866.
- As part of the agreed actions to mitigate the financial impact of Covid-19 Trades House and Trades House of Glasgow (Services) Limited have carried out a restructure of staff which has led to a reduction in headcount of four staff. The related cost for this will total £17,375 (Trades House £4,867). These costs have been included within the forecasts.
- Trades House has provided a letter of financial support for its subsidiary company, Trades House of Glasgow (Services) Limited. Trades Hall has been significantly impacted by Covid-19 with a forecast 55% reduction in income. This has been offset by significant costs savings and reductions in staffing levels. The forecast cash flows for Trades House include any financial support required by the subsidiary to meet ongoing operational costs. This has been assessed as possibly totalling £37,000. These costs have been included within the forecasts.

