

THE MERCHANTS HOUSE OF GLASGOW

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



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THE MERCHANTS HOUSE**

The Merchants House of Glasgow, although more ancient in origin, obtained its first recorded constitution in a Letter of Guildry in 1605, later ratified by an Act of the Scots Parliament in 1672. It is an Elective Incorporation, and one of the most important charitable institutions connected with the social, commercial and other interests of the City of Glasgow. Its regulations are amended from time to time in general meeting as necessary.

The Merchants House of Glasgow is a charity, registered in Scotland under the Charities and Trustee Investment (Scotland) Act 2005.

The business of the House is managed by the Lord Dean of Guild, the Vice Dean, three recent Ex-Deans and up to 36 Directors elected in terms of the regulations of the House. It has substantial assets in the form of property and investments, the latter being reviewed regularly.

The principal objectives are to pay benefits to beneficiaries and to provide assistance in the form of grants to charitable institutions within and around Glasgow. These matters are dealt with by the Grants Committee. In addition to committee meetings, there are quarterly meetings of Directors when the business of the House is fully reviewed, together with such other meetings as are necessary.

The Directors are also responsible for the administration of the various trust funds mentioned in the report. The House continues to receive trust funds for it to administer and legacies and bequests.

www.merchantshouse.org.uk

THE MERCHANTS HOUSE OF GLASGOW

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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THE MERCHANTS HOUSE OF GLASGOW

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

LEGAL AND ADMINISTRATIVE INFORMATION

Office Address 7 West George Street, Glasgow, G2 1BA
Telephone Number 0141 221 8272
Website www.merchantshouse.org.uk

Registered Charity Number SC008900

Auditors Wylie & Bisset (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Bankers Bank of Scotland
Corporate Banking, Level 6
110 St Vincent Street
Glasgow
G2 5ER

Insurance Brokers Marsh Commercial
G1 Building
5 George Square
Glasgow
G2 1AR

Investment Managers Rathbone Investment Management
50 George Square
Glasgow
G2 1EH

Solicitors Mitchells Robertson Ltd
George House
36 North Hanover Street
Glasgow
G1 2AD

THE MERCHANTS HOUSE OF GLASGOW

Report of the Directors for the year ended 31 December 2023

The Directors of the Merchants House of Glasgow present their Annual Report for the year ended 31 December 2023 under the Charities and Trustee Investment (Scotland) Act 2005 ("the Act"), together with the audited financial statements for the year then ended. They confirm that this report and the accounts comply with the requirements of the Act, the Charity Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Merchants House of Glasgow, although more ancient in origin, obtained its first recorded constitution in a Letter of Guildry in 1605, later ratified by an Act of the Scots Parliament in 1672. It is an Elective Incorporation, and one of the most important charitable institutions connected with civic, social, commercial and other interests of the City of Glasgow. Its Regulations are amended from time to time in general meeting as necessary. The Regulations were amended most recently in May 2021.

Objectives and Activities

The principal charitable objectives of the House are the relief of poverty by payment of benefits to individuals and providing grants to charitable bodies chiefly in Glasgow and the West of Scotland. During the year, benefits amounting to £73,065 were paid to 81 beneficiaries (2022: £96,074 paid to 99 beneficiaries) and grants totalling £203,890 were paid to 39 charitable bodies (2022: £218,065 paid to 54 charitable bodies).

The House manages substantial endowment funds, many of which have specific terms on the distribution of grants.

The House aims to distribute all its available income taking one year with another. For the year ended 31 December 2023, the unrestricted and restricted funds both show a surplus for the year, primarily as a result of two substantial donations. The House continues to seek relevant charities and beneficiaries to receive grants.

Achievements and Performance

A key aim for the House has been to continue increasing the letting activity of its Grand Hall, Directors' Room, Lord Dean's Room and James McCune Smith Room. During 2023, the events and hall hire net income (after deduction of direct expenses) increased to £111,180 (2022: £85,766). The rental income generated from let units in the subsidiary company, Ship Venture Limited, has increased to £293,707 as a result of increased tenancies (2022: £276,574).

The investments of the House are held with the primary purpose of producing an income stream to support the grant making activities. The dividends and interest received during the year of £294,404 has increased from £239,910 received in the previous year.

The value of the investment portfolios increased considerably during 2023 following the significant gains in global equities and fixed interest asset prices during the year. The House is able to adjust its level of giving to reflect changes in the income performance of the portfolios and those of its subsidiary company. The House could also choose to realise certain of its assets in the event income is remaining suppressed to sustain its charitable objectives given the highly liquid nature of the assets.

Grant Making Strategy

There are two main strands in the House's grant making strategy:

(1) we receive and encourage applications for grant funding for a wide range of charitable activity across the social, educational, health and cultural sectors which has impact in Glasgow and the West of Scotland; and

(2) we make grants from a number of designated and restricted funds for specific purposes.

The grant programme themes from the unrestricted funds continue to be food and fuel poverty, healthy living and encouraging social inclusion.

THE MERCHANTS HOUSE OF GLASGOW**Report of the Directors for the year ended 31 December 2023****Financial Review**

The financial position at 31 December 2023 remained strong with investments totalling £9,434,246 and cash balances of £1,171,068. The commercial premises let through Ship Venture Ltd had 86% occupancy at 31 December 2023.

The financial results for the year record a surplus of £58,766 before disposal and revaluation gains of the investments. The unrestricted funds had a surplus of £69,419 before taking into account the investment gains.

The investments of the House are held in accordance with the powers granted to the Directors. The Investment Policy during 2023 was to seek to maximise the income of the House while preserving the real value of the funds invested. The Policy is subject to periodic review with a detailed review being carried out each year. Following advice received from the House's investment managers a proposal to invest some of the portfolios under a total return mandate, where suitable, was approved at a meeting of Directors in November 2021. This covers approximately one quarter of the portfolios where the House is able to distribute capital as well as income. The change in approach was implemented during 2022.

The Directors delegate the management of the investment portfolios to investment managers, on a discretionary basis. The Investment Managers' performance is measured against appropriate bespoke benchmarks as follows:

Fund	Actual %	Benchmark %
Endowment Pool	7.1	11.7
Growth Pool	9.0	11.7
General Pool	9.6	11.7
Underwood	8.3	8.4

During 2023, equity markets experienced stark divergences between regions and individual stocks. This was particularly evident in the US equity market where the 7 largest technology stocks returned over 170% on aggregate and represented 30% of the main benchmark S&P 500 index. The remaining 493 companies in that index managed only single digit gains. This unusual pattern has had a material impact on relative performance as a sensibly diversified portfolio would not hold those 7 companies in a similar allocation to the benchmark, and so this had a notable contribution to the underperformance.

The Endowment Pool produced a lower return than the Growth and General portfolio on account of its bias toward income producing companies rather than the higher growth companies which performed better. The primary role of this portfolio is to generate the majority of the income to meet our charitable purposes.

The composition of the investment portfolio of the Underwood fund reflects the expected timescale within which this fund will be expended in accordance with the original wishes of the donors.

The heritable property owned by the House together with the investment in Ship Venture Limited is a designated fund.

The financial performance and position in future periods are particularly sensitive to vacant accommodation within the commercial property and a reduction in hall lets, fluctuations in the value of investments which are traded on the Stock Exchange and the dividends declared by the companies in which the House has invested.

At 31 December 2023 the House held a high cash balance compared to the normal historical position. This is a conscious decision to reduce investment risk in readiness to support potential refurbishment of the heritable property owned by the House.

THE MERCHANTS HOUSE OF GLASGOW

Report of the Directors for the year ended 31 December 2023

Structure, Governance and Management

The Directors of the Merchants House of Glasgow are the Trustees for the purposes of charity legislation in Scotland.

There are up to 41 Directors of the House comprising The Lord Dean of Guild, the Vice Dean, the Immediate Past Dean and the two immediate predecessors (all ex officio) together with up to 36 elected Directors who are appointed for a maximum of nine years.

Directors who are ex officio with effect from the annual meeting in May 2023 are:

Andrew McFarlane	Lord Dean of Guild
Donald Carmichael	Vice Dean
May Storrie CBE ***	Immediate Past Dean
Alasdair R J Ronald	Past Dean
Ian Dickson BEM DL	Past Dean
John F MacLeod DL **	Past Dean

The elected Directors during the year and to the date of signing the financial statements were:

Gayle Adnyana	James Dundas *	John Mason *****
Campbell Armour	Zoe Gillespie	Tony McElroy
David A R Ballantine	Virginia Hewitt *	Frances McMenamin
Grant Barclay *	Alan Horn *	Graham Mitchell *
Shabir Beg OBE *	Ronald Inglis	Steven Morris
Colin Botfield	Elizabeth Kennedy	Ann O'Connell
Philip Braat ****	A Angus Kerr **	Kim Schmulian **
Alistair S Burrow **	Eleanor Kerr	Bill Scott *****
Paul Carnan **	Allan C C Lapsley **	Elizabeth Simpson **
Lindsay Colville **	Douglas Lapsley	Charles Smith
Robert Cunningham	Geoff Leask	John Taylor
Vivien Currie MBE *	Gordon Lennox *	Karen Waugh
Ben Douglas-Lee *	Kerr Luscombe	Katy Wedderburn **

* Appointed 23/5/23

** Retired 23/5/23

*** Served until her death on 21/5/23

**** Appointed 21/2/23

***** Resigned 3/10/23

***** Appointed 20/2/24

Where the number of Directors proposed at an Annual General Meeting exceeds the number of vacancies, a vote of the members is held to determine who is appointed.

All new Directors are given access to guidance as to Trustees' duties and to statements of good practice in terms conforming to the requirements of the Charities and Trustee Investment (Scotland) Act 2005. A copy of Governance and Regulations of the Merchants House of Glasgow is also provided.

The Merchants House of Glasgow holds Directors' Liability Insurance for all Directors. The Directors are not employees and receive no remuneration.

Membership

There were 14 new members and the resignations and deaths of 2 members have been reported. It should be noted that a person does not rank as a voting member of the House until he or she has signed the Matriculation Roll. The active roll at 31/12/23 stood at 830.

THE MERCHANTS HOUSE OF GLASGOW

Report of the Directors for the year ended 31 December 2023

Organisational Structure

The Directors meet quarterly to review the affairs of the House and additionally, as required.

For effective conduct of business of the House there are eight main committees of Directors:

Audit Committee	Legacy and Philanthropy Committee
Employment & Remuneration Committee	Membership Development Committee
Finance Committee	Nominations Committee
Grants Committee	Property and Capital Projects Committee

The Committees meet according to their Terms of Reference. Each Committee makes recommendations for approval at the Directors' Quarterly Meeting except that the Grants Committee has the authority, without such approval, to award grants up to £10,000.

The day to day running of The House is delegated to the Chief Executive and his staff. Their remuneration is set by the Employment and Remuneration Committee in conjunction with the Lord Dean and the Chair of the Finance Committee. The key management personnel during the year are considered to be the Chief Executive and Collector, the Finance Assistant and the Events Manager.

Reserves Policy

The reserves policy of the House is to ensure there are sufficient levels of cash and immediately realisable funds to meet the expected financial commitments of the House for the next twelve months. This includes the amounts expected to be disbursed by way of grants and payments to beneficiaries. The Directors are committed to distributing as much of the net incoming unrestricted resources as possible subject to ensuring the real value of the capital funds is maintained. The Directors may take a longer-term view into account when considering the expected costs and benefits of capital projects.

The balance held in unrestricted funds at 31 December 2023 was £2,422,275 of which £1,670,082 is regarded as free reserves, after allowing for funds of £752,193 tied up in tangible fixed assets including the premises of the House.

Future Plans

The Directors intend to continue the work of the House over the coming years in a way which will enable it to maintain or increase its charitable giving in real terms and to enhance the impact of its giving. The Directors continue to offer to other charities the ability to merge or manage other funds with those of the House with a view to improving the management and efficiency of these funds in achieving their own objectives.

The Directors are examining potential future property investments within the House premises to secure its long term value and attractiveness for rental and hall lettings.

Subsidiary Company

The commercial letting of available space in the building is carried out within the wholly owned subsidiary Ship Venture Limited. The sole purpose of letting the available accommodation is to generate income for the House. The Directors do not wish to incur undue expense in obtaining a current valuation of the property as there is no present intention to dispose of it and the commercial property is integral to the building from which the House operates.

Ship Venture Limited makes a gift aid payment each year to the House in an amount equal to its taxable profits or, if lower, distributable profits, in accordance with established practice. For the year ended 31 December 2023, Ship Venture has undertaken to make a payment of £116,413 (2022: £54,732). The gift aid payment in the prior year was reduced following significant repair works undertaken by the subsidiary, principally in the basement area of the building.

THE MERCHANTS HOUSE OF GLASGOW

Report of the Directors for the year ended 31 December 2023

Risk Management

A Risk Register is maintained which is reviewed annually by the Audit Committee and is approved by the Directors. The Register identifies mitigating factors, further planned actions and allocates who is responsible for each risk. The major risks include:

The risk that the building is not properly maintained and available accommodation is not let to suitable tenants. This is mitigated by the appointment of professional property agents to manage and market the building.

The risk of making inappropriate investments which either do not produce sufficient income or are subject to excessive reductions in value. This is mitigated by the appointment of professional investment managers who manage the portfolios on a discretionary basis thus allowing them to respond promptly to any changes in market sentiment.

The risk that funds are disbursed to inappropriate recipients. Grants are only awarded after the standard application form has been completed and a copy of the recipient's most recent accounts have been provided to the House. For beneficiaries, payments are only made by direct transfer to confirmed bank accounts.

The risk of disbursing restricted funds to ineligible charities. This is mitigated by ensuring that the Grants Committee has received details of the purposes of each restricted fund and awards are only made in accordance with the relevant conditions.

The risk that there is inadequate control over the finances leading to an unsustainable position. This is mitigated by budgets being prepared in advance of each year and regular Management Accounts being reviewed by the Finance Committee and Directors.

In the opinion of the Directors, sufficient controls have been established to ensure that all relevant major risks have been adequately mitigated.

Related Parties

Details of Directors' expenses and any related party transactions are disclosed in Note 3 to the accounts. Directors are required to disclose at each meeting if they have any conflicts of interest, and these conflicts of interest are noted in the minutes of the Board or of the Committee to which they relate. Directors are also required to complete a Declaration of Interest Form which they are asked to review each year.

THE MERCHANTS HOUSE OF GLASGOW

Report of the Directors for the year ended 31 December 2023

Statement of Directors' Responsibilities

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

The law applicable in Scotland requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution will be proposed at the Annual General Meeting that Wylie & Bisset (Audit) Limited be reappointed as auditors to the House for the ensuing year.

Statement of Disclosure to the Auditor

So far as the Directors are aware, there is no relevant audit information of which the Charity's Auditors are unaware. Additionally, the Directors have taken all necessary steps that they ought to have taken as Directors, in order to make themselves aware of all the relevant audit information and to establish that the Charity's Auditors are aware of that information.

Approved by the Directors on 23 April 2024 and signed on their behalf by:

DocuSigned by:

5984C2B9C28B44C...
Andrew McFarlane
Lord Dean of Guild

THE MERCHANTS HOUSE OF GLASGOW

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MERCHANTS HOUSE OF GLASGOW FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of The Merchants House of Glasgow (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 December 2023 which comprise the group and parent charity's Statement of Financial Activities, the group and parent charity's Balance Sheets, the group and parent charity's Cash Flow Statements and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2023, and of the group and the parent charity's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect of going concern are described in the relevant sections of this report.

THE MERCHANTS HOUSE OF GLASGOW**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MERCHANTS HOUSE OF GLASGOW FOR THE YEAR ENDED 31 DECEMBER 2023****Other information**

The other information comprises the information included in the report and consolidated financial statements, 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 in relation to which the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the parent charity's 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.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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 directors 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 parent 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

THE MERCHANTS HOUSE OF GLASGOW

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MERCHANTS HOUSE OF GLASGOW FOR THE YEAR ENDED 31 DECEMBER 2023

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks or material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- The nature of the group and parent charity, the environment in which they operate and the control procedures implemented by management and the Trustees; and
- Our enquiries of management and Trustees about their identification and assessment of the risks of irregularities.

Based on our understanding of the group and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- Regulations and legislation pertinent to the charity's operations; and
- UK tax legislation.

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. We evaluated management and trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks of the group were related to;

- Posting inappropriate journal entries; and
- Management bias in accounting estimates.

Audit response to the risks identified

Our procedures to respond to the risks identified included the following;

- Gaining an understanding of the legal and regulatory framework applicable to the charity and the sector in which it
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, trustees and legal advisors concerning actual and potential litigation and claims;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; evaluating rationale of any significant transactions that are unusual or outside the normal course of business;

THE MERCHANTS HOUSE OF GLASGOW

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE MERCHANTS HOUSE OF GLASGOW FOR THE YEAR ENDED 31 DECEMBER 2023

Audit response to the risks identified (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 Charitable Trustees, as a body, in accordance with section 44(1) (c) of the Charities and Trustees Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Wylie & Bisset (Audit) Limited
A76FAEF21C0C4C5...

Claire Dalrymple FCCA (Senior Statutory Auditor)

For and on behalf of Wylie & Bisset (Audit) Limited, Statutory Auditor
168 Bath Street
Glasgow
G2 4TP

23 April 2024

THE MERCHANTS HOUSE OF GLASGOW

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £
Income and endowments from:					
Donations and legacies	4	161,963	100,000	-	261,963
Other trading activities	5	886,466	-	-	886,466
Investments	6	147,719	146,685	-	294,404
Total income		1,196,148	246,685	-	1,442,833
Expenditure on:					
Raising funds					
Other trading activities	7	934,160	-	-	934,160
Investment & management	8	5,375	2,350	44,300	52,025
Charitable activities	10	187,194	210,688	-	397,882
Total expenditure		1,126,729	213,038	44,300	1,384,067
Net income / (expenditure) and net movement in funds before gains on investments		69,419	33,647	(44,300)	58,766
Net gains on investments	16	52,284	16,327	359,761	428,372
Net movement in funds		121,703	49,974	315,461	487,138
Funds reconciliation					
Total funds brought forward		2,299,522	830,899	7,617,381	10,747,802
Transfer between funds	19	1,050	16,557	(17,607)	-
Total funds carried forward	19	2,422,275	897,430	7,915,235	11,234,940
		2022	2022	2022	2022
		£	£	£	£
Income and endowments from:					
Donations and legacies	4	62,385	-	-	62,385
Other trading activities	5	831,966	-	-	831,966
Investments	6	117,213	122,697	-	239,910
Total income		1,011,564	122,697	-	1,134,261
Expenditure on:					
Raising funds					
Other trading activities	7	882,586	-	-	882,586
Investment & management	8	3,982	1,477	32,806	38,265
Charitable activities	10	179,294	235,507	-	414,801
Total expenditure		1,065,862	236,984	32,806	1,335,652
Net (expenditure) / income and net movement in funds before losses on investments		(54,298)	(114,287)	(32,806)	(201,391)
Net losses on investments	16	(133,989)	(45,004)	(1,115,360)	(1,294,353)
Net movement in funds		(188,287)	(159,291)	(1,148,166)	(1,495,744)
Funds reconciliation					
Total funds brought forward		2,485,182	948,820	8,809,544	12,243,546
Transfer between funds	19	2,627	41,370	(43,997)	-
Total funds carried forward	19	2,299,522	830,899	7,617,381	10,747,802

THE MERCHANTS HOUSE OF GLASGOW

CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £
Income and endowments from:					
Donations and legacies	4	161,963	100,000	-	261,963
Other trading activities	5	33,600	-	-	33,600
Investments	6	267,100	146,685	-	413,785
Total income		462,663	246,685	-	709,348
Expenditure on:					
Raising funds					
Other trading activities	7	144,467	-	-	144,467
Investment & management	8	5,375	2,350	44,300	52,025
Charitable activities	10	187,194	210,688	-	397,882
Total expenditure		337,036	213,038	44,300	594,374
Net income / (expenditure) and net movement in funds before gains on investments					
		125,627	33,647	(44,300)	114,974
Net gains on investments	16	52,284	16,327	359,761	428,372
Net movement in funds					
		177,911	49,974	315,461	543,346
Funds reconciliation					
Total funds brought forward		2,256,093	830,899	7,617,381	10,704,373
Transfer between funds	19	1,050	16,557	(17,607)	-
Total funds carried forward		2,435,054	897,430	7,915,235	11,247,719
		2022 £	2022 £	2022 £	2022 £
Income and endowments from:					
Donations and legacies	4	62,385	-	-	62,385
Other trading activities	5	33,500	-	-	33,500
Investments	6	171,945	122,697	-	294,642
Total income		267,830	122,697	-	390,527
Expenditure on:					
Raising funds					
Other trading activities	7	115,171	-	-	115,171
Investment & management	8	3,982	1,477	32,806	38,265
Charitable activities	10	179,294	235,507	-	414,801
Total expenditure		298,447	236,984	32,806	568,237
Net (expenditure) / income and net movement in funds before losses on investments					
		(30,617)	(114,287)	(32,806)	(177,710)
Net losses on investments	16	(133,989)	(45,004)	(1,115,360)	(1,294,353)
Net movement in funds					
		(164,606)	(159,291)	(1,148,166)	(1,472,063)
Funds reconciliation					
Total funds brought forward		2,418,072	948,820	8,809,544	12,176,436
Transfer between funds	19	2,627	41,370	(43,997)	-
Total funds carried forward		2,256,093	830,899	7,617,381	10,704,373

THE MERCHANTS HOUSE OF GLASGOW**CONSOLIDATED AND CHARITY BALANCE SHEET AS AT 31 DECEMBER 2023**

	Note	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fixed assets					
Tangible assets	14 & 15	752,193	806,644	666,200	666,200
Investments	16	9,434,246	8,985,773	9,634,246	9,185,773
Total Fixed Assets		10,186,439	9,792,417	10,300,446	9,851,973
Current assets					
Debtors	17	171,812	216,723	122,560	62,932
Cash at bank and in hand	22	1,171,068	1,075,138	869,197	868,157
Total Current Assets		1,342,880	1,291,861	991,757	931,089
Liabilities					
Creditors falling due within one year	18	294,379	336,476	44,484	78,689
Net Current assets		1,048,501	955,385	947,273	852,400
Net Assets		11,234,940	10,747,802	11,247,719	10,704,373
The Funds of the Charity					
Unrestricted funds	19	2,422,275	2,299,522	2,435,054	2,256,093
Restricted funds	19	897,430	830,899	897,430	830,899
Endowment funds	19	7,915,235	7,617,381	7,915,235	7,617,381
Total Charity Funds		11,234,940	10,747,802	11,247,719	10,704,373

Approved by the Directors on 23 April 2024 and signed on their behalf by:

DocuSigned by:

 5984C2B9C28B44C...
 Andrew McFarlane
Lord Dean of Guild

DocuSigned by:

 8361BA3CB5ED454...
 Alasdair Ronald
Past Dean

THE MERCHANTS HOUSE OF GLASGOW

**STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Cash flows from operating activities					
Cash (used in) operating activities	21	(173,373)	(314,514)	(330,963)	(417,682)
Tax paid		-	-	-	-
Net cash (used in) operating activities		(173,373)	(314,514)	(330,963)	(417,682)
Cash flows from investing activities					
Dividends, interest and rents from investments		294,404	239,910	352,101	442,693
Purchase of property, plant and equipment		(5,000)	(24,626)	-	-
(Decrease) / increase in cash investments		(11,337)	3,139	(11,337)	3,139
Proceeds from sale of investments		787,296	2,021,789	787,296	2,021,789
Purchase of investments		(796,060)	(1,849,814)	(796,060)	(1,849,814)
Net cash provided by investing activities		269,303	390,398	332,000	617,807
Change in cash and cash equivalents in the year		95,930	75,884	1,037	200,125
Cash and cash equivalent brought forward	22	1,075,138	999,254	868,157	668,032
Cash and cash equivalents carried forward	22	1,171,068	1,075,138	869,194	868,157

THE MERCHANTS HOUSE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these financial statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The financial statements consolidate the results of the House and its wholly owned subsidiary, Ship Venture Ltd, on a line by line basis.

The House constitutes a public benefit entity as defined by FRS 102.

At the time of approving the financial statements, the Trustees have a reasonable expectation that the House has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The House's presentation currency is sterling and amounts in the financial statements are rounded to the nearest £.

(b) Funds structure

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created funds for specific purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal. Endowment funds are permanent or expendable capital funds. Further details of each fund are disclosed in note 19.

(c) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the House is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(d) Financial instruments

The House only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their fair value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE MERCHANTS HOUSE OF GLASGOW**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****1. Accounting Policies (continued)****(e) Income recognition**

Income is recognised once the House has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

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

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

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

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

(f) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the House to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (h) below.

Costs of raising funds comprise the costs of commercial trading including investment management costs and certain legal fees and their associated support costs.

Expenditure on charitable activities includes Grants and Benefits Payable and other activities undertaken to further the purposes of the House and their associated support costs.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the House. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the House.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the House that would permit the House to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the Trustees as providing the best current available estimate of the opportunity cost of money reflecting the time value of money to the House.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

THE MERCHANTS HOUSE OF GLASGOW**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****1. Accounting Policies (continued)****(g) Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the House has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the House of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the House which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(h) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the House and its compliance with regulation and good practice. These costs include costs related to statutory audit and relevant legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing grants and benefits are broadly equivalent. The allocation of support and governance costs is analysed in note 9.

(i) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The House does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the House is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(j) Tangible fixed assets and depreciation

Heritable property is accounted for at historic cost and not at valuation as the property is let out to a wholly owned subsidiary.

No depreciation is provided on heritable property as it is the policy of the House to maintain the property in such condition that its value taken as a whole is not impaired with the passage of time. Consequently, any element of depreciation would, in the opinion of the Lord Dean and Directors, be immaterial.

The cost of furniture and fittings and expenditure on repairs and renewals is charged in the year in which it is incurred. All assets costing more than £1,000 are capitalised and valued at historical cost. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life:

	Basis
Building Improvements	10% per annum on additions prior to 1/1/19, 20% on additions thereafter
Equipment	10% and 33.33% per annum on additions prior to 1/1/19, 20% on additions thereafter

THE MERCHANTS HOUSE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. Accounting Policies (continued)

(k) Heritage assets

The House has a collection of heritage assets which includes antique furniture, fine artwork, 20th century decorative furniture, statues & sculptures and silver. Due to the lack of comparable market values for the collection and the expense of obtaining reliable valuations, the assets are not recognised in the Balance Sheet.

(l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(n) Creditors and provisions

Creditors and provisions are recognised where the House has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(o) Realised gains and losses

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

(p) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- * a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- * a present obligation following a grant offer where settlement is either not considered probable; or
- * the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

THE MERCHANTS HOUSE OF GLASGOW**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****1. Accounting Policies (continued)****(q) Judgements in applying accounting policies and key sources of estimates uncertainty**

In preparing the financial statements, management is required to make estimates and assumptions which affect the reported income, expenditure, assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from each estimate.

The Trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Depreciation of fixed assets – fixed assets are depreciated over the useful life of the asset. The useful lives of fixed assets are based on the knowledge of senior management, with reference to assets' expected life cycle.

Bad debt provision - trade debtors are reviewed by appropriate experienced senior management on a case by case basis with the balance outstanding and the ageing of the debtor taken into consideration.

Allocation of expenditure between activities – support costs are allocated between charitable activities and governance based on the time spent by senior management on undertaking the charity's activities.

(r) Allocation of investment management fees across the funds

Investment management fees are incurred quarterly and are calculated with reference to the investment valuation during the quarter. The gains and losses arising from investment sales and the revaluation gains or losses are allocated to the endowment funds (or a restricted fund where there is no associated endowment). The Trustees consider that the investment management fees are directly related to the investment gains and losses and, therefore, should be allocated in the same way as the gains or losses ie across the endowment funds (or restricted fund where there is no associated endowment).

2. Legal status of the House

The House is a charity registered in Scotland under the Charities and Trustee Investment (Scotland) Act 2005.

3. Related party transactions and Trustees' expenses and remuneration

The Trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind (2022: £nil). Expenses paid to the Trustees in the year totalled £nil (2022: £nil).

During the year the following related party transactions took place:

- the House paid Directors Liability Insurance premiums of £492 (2022: £488).
- donations of £235,915 were received from directors during the year (2022 - £17,534).
- Ronald Inglis is a director of Mitchells Robertson Ltd who provided legal services during the year costing £4,060 (2022 - £3,870).
- Katy Wedderburn (no longer a director) was a partner of MacRoberts who provided legal services during the prior year (2022 - £1,020).
- Angus Kerr (no longer a director) is a director of Rathbones who provided investment services. 2022 investment management fees were £38,266.

4. Income from donations and legacies

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Grants and donations	261,963	62,385	261,963	62,385
Legacies	-	-	-	-
	<u>261,963</u>	<u>62,385</u>	<u>261,963</u>	<u>62,385</u>

THE MERCHANTS HOUSE OF GLASGOW**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****5. Income from other trading activities**

		Group		Charity	
		2023	2022	2023	2022
		£	£	£	£
Rental income	serviced units	293,707	276,574	-	-
	hall and room hire and events	229,644	229,168	-	-
Service charge income		325,665	265,740	-	-
Government and other grants		2,650	3,450	-	-
Insurance claim		-	23,534	-	-
Administrative income		34,800	33,500	33,600	33,500
		<u>886,466</u>	<u>831,966</u>	<u>33,600</u>	<u>33,500</u>

The wholly owned trading subsidiary Ship Venture Limited is incorporated in the United Kingdom (company number SC166242) and pays all its taxable profits to the House under the gift aid scheme. Ship Venture Limited's core business is that of management and rental of property and all commercial trading operations carried on at its Glasgow premises. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2023	2022
	£	£
Rental income and service charges	850,215	771,482
Cost of sales and administration costs	(789,693)	(767,415)
Other operating income	2,650	26,984
Interest receivable	931	-
Interest payable	(3,896)	-
Net profit	<u>60,207</u>	<u>31,051</u>
Amount gift aided to the House	(116,413)	(54,732)
Retained in subsidiary	<u>(56,206)</u>	<u>(23,681)</u>

The assets and liabilities of the subsidiary were:

Fixed Assets	85,990	140,441
Current assets	467,937	458,276
Current liabilities	(366,707)	(355,291)
Total net assets	<u>187,220</u>	<u>243,426</u>
Aggregate share capital and reserves	<u>187,220</u>	<u>243,426</u>

6. Investment income

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Dividends and interest – equities and bonds	291,343	239,659	291,343	239,659
Interest on cash deposits	3,061	251	6,029	251
Gift aid donation from subsidiary	-	-	116,413	54,732
	<u>294,404</u>	<u>239,910</u>	<u>413,785</u>	<u>294,642</u>

THE MERCHANTS HOUSE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

7. Raising funds – expenditure on other trading activities – Group

	Direct Costs £	Support Costs £	Total 2023 £	Total 2022 £
Ship Venture direct costs	789,693	-	789,693	767,415
House support costs	-	144,467	144,467	115,171
	<u>789,693</u>	<u>144,467</u>	<u>934,160</u>	<u>882,586</u>

8. Raising funds - Investment and management costs - Group and Charity

	Direct Costs £	Support Costs £	Total 2023 £	Total 2022 £
Investment management fees	52,025	-	52,025	38,265

9. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	2023			2022			Basis of apportionment
	Governance related £	Other support costs £	Total allocated £	Governance related £	Other support costs £	Total allocated £	
Staff costs	13,926	194,282	208,208	11,767	157,319	169,086	Staff time
Office costs	2,046	32,045	34,091	1,475	23,118	24,593	Staff time
Total	<u>15,972</u>	<u>226,327</u>	<u>242,299</u>	<u>13,242</u>	<u>180,437</u>	<u>193,679</u>	

Governance costs:

	2023 £	2022 £
Auditor's remuneration	9,369	6,631
Support costs (see above)	15,972	13,242
	<u>25,341</u>	<u>19,873</u>

Allocation of governance and other support costs:

	2023 £	2022 £
Grants payable	85,281	67,726
Benefits payable	21,921	17,411
Raising funds	144,466	115,173
Total allocated	<u>251,668</u>	<u>200,310</u>

10. Analysis of expenditure on charitable activities - Group and Charity

	Grants Payable £	Benefits Payable £	2023 Total £	Grants Payable £	Benefits Payable £	2022 Total £
Grants payable (note 11)	203,890	-	203,890	218,065	-	218,065
Benefits payable to individuals	-	73,065	73,065	-	96,074	96,074
Staff costs	12,200	1,525	13,725	13,800	1,725	15,525
Governance and support costs (note 9)	85,281	21,921	107,202	67,726	17,411	85,137
Group and Charity total	<u>301,371</u>	<u>96,511</u>	<u>397,882</u>	<u>299,591</u>	<u>115,210</u>	<u>414,801</u>

THE MERCHANTS HOUSE OF GLASGOW**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****11. Analysis of grants**

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	2023 £	£	£	2022 £
Grants to institutions						
Scottish Nautical Welfare Society	-	12,200	12,200	-	10,000	10,000
Ocean Youth Trust	-	10,000	10,000	-	10,000	10,000
Richmond's Hope	-	10,000	10,000	-	10,000	10,000
Govan Home and Education Link Project (Gova	-	10,000	10,000	-	-	-
Minority Communities Addiction	10,000	-	10,000	-	-	-
St Mirren's FC Charitable Trust	-	10,000	10,000	-	-	-
Govanhill Baths Community Trust		8,600	8,600			
NHS gifts	-	8,000	8,000	-	5,000	5,000
Musical	-	7,500	7,500	-	-	-
Hope Connections	-	7,300	7,300	-	-	-
GCC Maths Project	-	7,000	7,000	-	-	-
Leanne Fund		7,000	7,000			
Church of Scotland	-	5,855	5,855	-	-	-
The Royal Liverpool Seamen's Orphan Institute	-	5,600	5,600	-	10,260	10,260
Lodging House Mission	-	5,000	5,000	5,000	3,000	8,000
Refuweege	-	5,000	5,000	-	-	-
University of Glasgow	-	5,000	5,000	-	-	-
Croft Visitors Centre	5,000	-	5,000	-	-	-
Glasgow's Golden Generation	-	5,000	5,000	-	-	-
Mission to Seamen (Belfast)	-	-	-	-	12,250	12,250
Say Women	-	-	-	11,157	-	11,157
Girlguiding Renfrewshire	-	-	-	-	10,000	10,000
Renfrewshire Foodbank	-	-	-	-	10,000	10,000
Launch Foods Foundation	-	-	-	-	7,500	7,500
MediCinema	-	-	-	-	6,000	6,000
Childrens Wood	-	-	-	1,500	3,500	5,000
Possibilities	-	-	-	5,000	-	5,000
Awards between £3,001 and £5,000	11,985	16,100	28,085	3,300	20,011	23,311
Awards between £2,001 and £3,000	6,000	18,750	24,750	4,717	50,920	55,637
Awards between £1,001 and £2000	-	6,000	6,000	3,450	13,000	16,450
Awards of £1,000 or less	-	1,000	1,000	500	2,000	2,500
	32,985	170,905	203,890	34,624	183,441	218,065
Governance, staff and support costs	85,281	12,200	97,481	67,726	13,800	81,526
Total	118,266	183,105	301,371	102,350	197,241	299,591

THE MERCHANTS HOUSE OF GLASGOW**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****11. Analysis of grants (continued)**

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	2023	£	£	2022
	£	£	£	£	£	£
Grants by category:						
Care for -						
Disabled & Ailing	-	21,500	21,500	6,500	18,000	24,500
Cancer Sufferers	-	3,000	3,000	-	2,000	2,000
Elderly	-	25,850	25,850	-	39,250	39,250
Youth	-	5,600	5,600	-	16,260	16,260
Drug & alcohol dependant	10,000	-	10,000	-	3,000	3,000
Homeless	-	5,000	5,000	-	4,000	4,000
Bereaved	-	10,000	10,000	5,000	3,000	8,000
Relief for -						
Carers	7,092	-	7,092	2,500	12,000	14,500
Deprived / poverty	4,175	43,100	47,275	11,157	37,500	48,657
Children	-	-	-	4,800	11,000	15,800
Isolation (promotion of social inclusion)	-	4,500	4,500	-	-	-
Promotion of -						
Music	3,000	7,500	10,500	80	5,420	5,500
Sport	-	-	-	1,950	2,000	3,950
Healthy Living	5,000	17,000	22,000			
Education -						
Youth Organisations	-	-	-	-	10,000	10,000
Primary/Secondary	-	7,000	7,000	-	-	-
Sail training / outward bound	-	10,000	10,000	-	10,000	10,000
Others	-	5,000	5,000	-	-	-
Rehabilitation	-	-	-	-	2,500	2,500
Glasgow Cathedral	-	-	-		1,000	1,000
Miscellaneous	3,718	5,855	9,573	2,637	6,511	9,148
	32,985	170,905	203,890	34,624	183,441	218,065
Governance, staff and support costs	85,281	12,200	97,481	67,726	13,800	81,526
Total	118,266	183,105	301,371	102,350	197,241	299,591

A full list of grants paid is available on the website.

12. Net income for the year

This is stated after charging:	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Depreciation	59,451	59,871	-	-
Auditor's remuneration:				
Audit fees	13,030	10,860	8,610	5,940
Non-audit fees	759	691	759	691

THE MERCHANTS HOUSE OF GLASGOW**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****13. Analysis of staff costs and remuneration of key management personnel**

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Salaries and wages	198,720	167,196	198,720	167,196
Social security costs	12,682	9,422	12,682	9,422
Pension contributions	10,373	7,453	10,373	7,453
Total staff costs and employee benefits	221,775	184,071	221,775	184,071
			2023	2022
			£	£
Key management personnel remuneration			125,889	100,824

One employees had total employee benefits (excluding pension costs) in excess of £60,000 this year (2022: no employees).

During the year, the employment of one employee was terminated by mutual agreement following a period of ill-health. The cost to the charity was £4,626 which is included in staff costs for the year.

	2023 No.	2022 No.
The average number of persons, by headcount, employed by the House during the year was:	6	7

14. Tangible Fixed Assets - Group

	Heritable Property £	Equipment £	Total £
Cost or valuation			
At 1 January 2023	1,023,800	137,783	1,161,583
Additions	5,000	-	5,000
Disposals	(60,260)	(2,024)	(62,284)
At 31 December 2023	968,540	135,759	1,104,299
Depreciation			
At 1 January 2023	262,873	92,066	354,939
Charge for the year	35,537	23,914	59,451
Disposals	(60,260)	(2,024)	(62,284)
At 31 December 2023	238,150	113,956	352,106
Net book value			
At 31 December 2023	730,390	21,803	752,193
At 31 December 2022	760,927	45,717	806,644

At 31 December 2023 all fixed assets were held for mixed use.

Tangible Fixed Assets - Charity

	Heritable Property £
Cost or valuation	
At 1 January 2023 and At 31 December 2023	666,200
Depreciation	
At 1 January 2023 and At 31 December 2023	-
Net book value	
At 31 December 2023 and 31 December 2022	666,200

THE MERCHANTS HOUSE OF GLASGOW**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****15. Heritage Assets**

The House holds a collection of antique furniture, fine artwork, 20th century decorative furniture, statues & sculptures, silver and the Chains of Office of the Lord Dean and Vice-Dean. The collection is not capitalised in the balance sheet as the Trustees consider that the benefit of valuing the collection does not justify the costs that would be incurred. In March 2019 the collection was valued for insurance purposes at £272,300.

Antique Furniture / 20th Century decorative furniture

The collection includes various furniture items which are situated throughout the House in the Grand Hall, the Directors' Room, the Lord Dean's Room, the Vestibule and the James McCune Smith Room. The items include Edwardian hat stands, Victorian chairs, 19th Century chandeliers, mahogany chairs, side tables, mahogany and panel boards, a model tobacco ship, a Steinway grand piano and the door of the old Merchants House in the Bridgegate.

Fine Artwork

The art collection contains portraits of past Deans of Guild as well as several people of importance to the House along with paintings of local landmarks. The artwork is on display in the Grand Hall, the Directors' Room, the Lord Dean's Room and the James McCune Smith Room.

Statues & Sculptures

The House has carved white marble busts of both James Ewing of Strathleven and James Buchanan, together with a marble statue of Kirkman Findlay.

Silver

The Silver consists of three items - a Sheffield plated decorated tea tray, a pair of Sheffield plated Candelabra and a William IV decorated waiter.

16. Investments

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Investments	9,434,246	8,985,773	9,434,246	8,985,773
Subsidiary Undertaking	-	-	200,000	200,000
	<u>9,434,246</u>	<u>8,985,773</u>	<u>9,634,246</u>	<u>9,185,773</u>

	2023 £	2022 £
Movement in fixed asset listed investments		
Market value brought forward	8,985,773	10,455,240
Additions to investments at cost	796,060	1,849,814
Increase in cash investments	11,337	(3,139)
Disposals at carrying value	(730,923)	(2,344,238)
Net (loss) / gain on revaluation	371,999	(971,904)
Market value carried forward	<u>9,434,246</u>	<u>8,985,773</u>

	2023 £	2022 £
Investments at fair value comprised:		
Equities	9,340,532	8,903,396
Cash	93,714	82,377
Total	<u>9,434,246</u>	<u>8,985,773</u>

	2023 £	2022 £
Net gains / (losses) on investments comprise:		
Realised gains / (losses) on investments	56,373	(322,449)
Net gain / (loss) on revaluation	371,999	(971,904)
Total	<u>428,372</u>	<u>(1,294,353)</u>

THE MERCHANTS HOUSE OF GLASGOW**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****16. Investments (continued)**

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the House is considered in the financial review and investment policy and performance sections of the Report of the Directors.

The House manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The House does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5-year period will normally be corrected.

Subsidiary

The House holds 50,000 shares of £1 each in its wholly owned trading subsidiary company Ship Venture Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised in note 5.

17. Debtors

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	45,649	33,816	-	-
Other debtors	126,163	182,907	5,744	8,200
Due from group undertaking	-	-	116,816	54,732
	171,812	216,723	122,560	62,932

18. Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	75,366	69,162	1,866	3,609
Accrual for grants payable	14,661	11,177	14,661	11,177
Other creditors and accruals	194,099	256,137	27,957	21,129
Taxation and social security costs	10,253	-	-	-
Due to group undertaking	-	-	-	42,774
	294,379	336,476	44,484	78,689

THE MERCHANTS HOUSE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

19. Charitable funds – Group

Analysis of Fund movements

	2022 Balance			2023 Balance		
	b/fwd	Income	Expenditure	Transfers	Gains	c/fwd
	£	£	£	£	£	£
Unrestricted funds						
Property fund	866,200	-	-	-	-	866,200
Carol Richmond Charitable Trust	3,718	1,214	(3,968)	1,050	-	2,014
Total designated funds	869,918	1,214	(3,968)	1,050	-	868,214
General funds	1,429,604	1,194,934	(1,122,761)	-	52,284	1,554,061
Total unrestricted funds	2,299,522	1,196,148	(1,126,729)	1,050	52,284	2,422,275
Endowment funds						
Historical Endowments	3,308,509	-	(18,360)	-	133,881	3,424,030
Benjamin MacKay Trust *	208,287	-	(1,541)	(4,191)	19,992	222,547
Bogles of Gilmorehill Bursaries	108,475	-	(873)	-	6,357	113,959
Buchanan & Ewing Bequests	172,441	-	(1,004)	-	7,322	178,759
Carol Richmond Charitable Trust *	57,892	-	(386)	(1,050)	5,007	61,463
Commercial Travellers of Scotland	163,547	-	(958)	-	6,989	169,578
George Craig Trust	400,804	-	(2,271)	-	16,550	415,083
Glasgow Nursing & Medical Relief *	515,689	-	(3,386)	(9,212)	43,940	547,031
Inverclyde Bequest	1,688,765	-	(9,653)	-	70,368	1,749,480
MacPherson Charitable Trust	103,905	-	(577)	-	4,205	107,533
Morgan Mortification	475,578	-	(2,738)	-	19,954	492,794
RNVR Club (Scot) Memorial Trust *	171,147	-	(1,159)	(3,154)	15,043	181,877
Ure Elder Trust	242,342	-	(1,394)	-	10,153	251,101
Total endowment funds	7,617,381	-	(44,300)	(17,607)	359,761	7,915,235
Restricted funds						
Benjamin MacKay Trust	37,752	4,845	(4,750)	4,191	-	42,038
Bogles of Gilmorehill Bursaries	48,635	5,057	(750)	-	-	52,942
Buchanan & Ewing Bequest	8,523	5,825	(5,750)	-	-	8,598
Commercial Travellers of Scotland	9,178	5,560	(4,350)	-	-	10,388
Dr James Black's Trust	25,030	806	(389)	-	1,012	26,459
George Craig Trust	8,210	13,165	(21,250)	-	-	125
Glasgow Nursing & Medical Relief	25,095	10,647	(28,633)	9,212	-	16,321
Inverclyde Bequest	50,252	55,977	(43,400)	-	-	62,829
Keir Trust	118,046	3,799	(11,406)	-	4,775	115,214
Kennedy Fund	-	101,330	(10,452)	-	5,930	96,808
Morgan Mortification	17,569	15,874	(6,605)	-	-	26,838
RNVR Club (Scot) Memorial Trust	13,990	3,645	(10,500)	3,154	-	10,289
Underwood Trust	460,042	12,078	(61,003)	-	4,610	415,727
Ure Elder Trust	8,577	8,077	(3,800)	-	-	12,854
Total restricted funds	830,899	246,685	(213,038)	16,557	16,327	897,430
TOTAL FUNDS	10,747,802	1,442,833	(1,384,067)	-	428,372	11,234,940

* These funds permit the utilisation of capital as well as income.

THE MERCHANTS HOUSE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

19. Charitable funds - Group (continued)

Analysis of Fund movements - prior year

	2021 Balance					2022 Balance
	b/fwd	Income	Expenditure	Transfers	Losses	c/fwd
	£	£	£	£	£	£
Unrestricted funds						
Property fund	866,200	-	-	-	-	866,200
Carol Richmond Charitable Trust	2,137	1,341	(2,387)	2,627	-	3,718
Total designated funds	868,337	1,341	(2,387)	2,627	-	869,918
General funds	1,616,845	1,010,223	(1,063,475)	-	(133,989)	1,429,604
Total unrestricted funds	2,485,182	1,011,564	(1,065,862)	2,627	(133,989)	2,299,522
Endowment funds						
Historical Endowments	3,726,041	-	(13,618)	-	(403,914)	3,308,509
Benjamin MacKay Trust *	286,005	-	(1,113)	(10,295)	(66,310)	208,287
Bogles of Gilmorehill Bursaries	127,874	-	(632)	-	(18,767)	108,475
Buchanan & Ewing Bequests	195,386	-	(748)	-	(22,197)	172,441
Carol Richmond Charitable Trust *	77,724	-	(284)	(2,627)	(16,921)	57,892
Commercial Travellers of Scotland	185,398	-	(713)	-	(21,138)	163,547
George Craig Trust	452,059	-	(1,672)	-	(49,583)	400,804
Glasgow Nursing & Medical Relief *	689,654	-	(2,490)	(23,044)	(148,431)	515,689
Inverclyde Bequest	1,908,985	-	(7,183)	-	(213,037)	1,688,765
MacPherson Charitable Trust	117,018	-	(428)	-	(12,685)	103,905
Morgan Mortification	537,984	-	(2,036)	-	(60,370)	475,578
RNVR Club (Scot) Memorial Trust *	231,774	-	(868)	(8,031)	(51,728)	171,147
Ure Elder Trust	273,642	-	(1,021)	-	(30,279)	242,342
Total endowment funds	8,809,544	-	(32,806)	(43,997)	(1,115,360)	7,617,381
Restricted funds						
Benjamin MacKay Trust	26,951	5,256	(4,750)	10,295	-	37,752
Bogles of Gilmorehill Bursaries	45,238	4,147	(750)	-	-	48,635
Buchanan & Ewing Bequest	9,368	4,905	(5,750)	-	-	8,523
Commercial Travellers of Scotland	9,606	4,672	(5,100)	-	-	9,178
Dr James Black's Trust	30,462	731	(2,860)	-	(3,303)	25,030
George Craig Trust	5,330	10,958	(18,016)	9,938	-	8,210
Glasgow Nursing & Medical Relief	10,885	11,766	(20,600)	23,044	-	25,095
Inverclyde Bequest	56,229	47,083	(53,060)	-	-	50,252
Keir Trust	135,208	3,240	(5,744)	-	(14,658)	118,046
Matthew B Campbell Trust	22,420	-	(22,420)	-	-	-
Morgan Mortification	18,925	13,343	(4,761)	(9,938)	-	17,569
RNVR Club (Scot) Memorial Trust	12,358	4,101	(10,500)	8,031	-	13,990
Underwood Trust	560,155	5,803	(78,873)	-	(27,043)	460,042
Ure Elder Trust	5,685	6,692	(3,800)	-	-	8,577
Total restricted funds	948,820	122,697	(236,984)	41,370	(45,004)	830,899
TOTAL FUNDS	12,243,546	1,134,261	(1,335,652)	-	(1,294,353)	10,747,802

THE MERCHANTS HOUSE OF GLASGOW**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****19. Charitable funds (continued)**

a) The unrestricted funds are available to be spent for any of the purposes of the House.

The Trustees have created the following designated funds:

Heritable Property

The property is held to generate rental income which the House can then use in line with its charitable objectives and activities. The fund covers both the property and the related investment in Ship Venture Limited.

Carol Richmond Charitable Trust

The income is applied for the benefit of Giffnock South Parish Church. £3,718 was paid out in the year.

b) Endowment funds and Restricted funds comprise;

Historical Endowments (Endowment fund):

These endowment funds comprise individual endowment funds where the original purpose of the fund has been extinguished or there are no remaining beneficiaries. Under the terms of the endowments the House can use the income as the Trustees see fit. The funds included within the balance are as follows: Ridge Beedle, Simon Dallas, Daniel Duncan, Rebecca Edgar, John Farquhar, Gardiner, Lawrence Glen, James Grant, Dr James McCallum, Sir George Mitchell, Marjory Shanks Schaw, Johnstone Smith, Templeton, Waugh's Bequest, Stephen Bicentenary Trust, Glasgow Corn Trade and Scottish Retail Credit Trust.

The Benjamin MacKay Trust (Endowment fund and Restricted fund):

This trust was received by the House in July 2013. The House has undertaken to distribute at least one/seventh of the income generated each year to charitable organisations within the Lenzie/Kirkintilloch area. This fund permits the House to distribute capital as well as income. Awards of £4,000 were made during the year.

The Boggles of Gilmorehill Bursaries (Endowment fund and Restricted fund):

The Boggles of Gilmorehill Bursaries were established in 1992 by a gift of £50,000 from Ellen Bogle and Robert Bogle, descendants of the family which owned the Gilmorehill land on which the University of Glasgow is built. Awarded annually to home based graduate students undertaking a Masters Degree course in the Faculties of Divinity or Social Sciences and recommended to us by the University, the Bursaries are intended to benefit students whose financial needs are not met from public funds. No awards were made during the year.

The Buchanan and Ewing Bequest (Endowment fund and Restricted fund):

These grants are made specifically to Education Institutions to aid study. Awards of £5,000 were made during the year.

Carol Richmond Charitable Trust (Endowment fund and Designated fund):

Funds were transferred to the House in July 2006. This fund permits the House to distribute capital as well as income.

Commercial Travellers of Scotland Benevolent Fund for Widows and Orphans (Endowment fund and Restricted fund):

On 30th September 2009, the whole funds of the Commercial Travellers of Scotland Benevolent Fund for Widows and Orphans were transferred to the House on the understanding that the House would thereafter administer the funds in accordance with the objects of the House. There are now 2 beneficiaries and payments of £3,750 were made during the year.

Dr James Black's Trust (Restricted fund):

This small Trust was transferred to the House in August 2012 with a value of £17,981. It was principally for the benefit of retired domestic servants, but The House can also use it to disburse for other purposes. No awards were made in the year.

George Craig Trust (Endowment fund and Restricted fund):

Grants awarded by the George Craig Trust Committee amounted to £20,000. Grants of £1,000 each were given to assist in the education of 13 students. In addition, a grant of £7,000 was awarded to the Glasgow City Council's Maths Project.

The Glasgow Nursing and Medical Relief Association (Endowment fund and Restricted fund):

The whole funds of The Glasgow Nursing and Medical Relief Association were transferred to the House in 2006, on the understanding, incorporated into a formal undertaking, that the House would thereafter administer the fund in accordance with the wishes of the directors as expressed by them, prior to the dissolution and winding up of the Association. This fund permits the House to distribute capital as well as income. The fund is now managed by The Glasgow Nursing and Medical Relief Association Committee. In accordance with its brief, awards of £27,633 have been made to certain medical and nursing related charitable organisations in Glasgow and one retired member.

THE MERCHANTS HOUSE OF GLASGOW**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****19. Charitable funds (continued)****Inverclyde Bequest** (Endowment fund and Restricted fund):

The Inverclyde Bequest Fund was founded in 1906. During the past year the sum of £41,400 has been distributed in accordance with the terms of the bequest for the relief of seamen belonging to the Mercantile Marine of the Commonwealth and the United States, their wives, widows, children and family dependents. The funds are distributed directly to charities in Scotland, England and to Missions in the New York and Boston Districts.

The Keir Trust (Restricted fund):

This Trust was originally set up by Mrs Helen Pottage, who had a lifelong interest in the arts. The Trust was transferred to the House in March 2012, with the Investment value of £92,808 at the time, together with a residual cash balance of £3,298. This Trust must be used to benefit the greater good, rather than pensioners. Awards of £10,500 were made in the year.

The Kennedy Fund (Restricted fund):

This Fund was set up during 2023 with a donation of £100,000. The Fund must be used for the primary purposes of the Merchants House and must be expended in full during a period not exceeding 10 years. Awards of £10,000 were made in the year.

MacPherson Charitable Trust (Endowment fund):

Funds of £58,065 were transferred to the House in February 2005. Income generated from this fund is treated as unrestricted.

The Matthew B Campbell Trust (Restricted fund):

This trust was received by the House in April 2011. The House's guidance is to distribute the Fund within a 10 year period, 1/3rd of the fund going to charities in Paisley and District area, with 2/3rd being distributed within the West of Scotland area. The fund is now fully distributed.

The Morgan Mortification (Endowment fund and Restricted fund):

1/3 of the income generated from this fund is paid as a grant to the Presbytery of Glasgow. Awards of £5,855 were made in the year.

RNVR Club (Scotland) Memorial Trust (Endowment fund and Restricted fund):

The whole funds of RNVR Club (Scotland) Memorial Trust were transferred to The House in 2006, on the understanding that The House would thereafter administer the fund in accordance with the objects of the Trust. This fund permits the House to distribute capital as well as income. Awards of £10,000 were made in the year.

The Underwood Trust (Restricted fund):

A substantial donation was received by the House from the Underwood Trust in June 2013. The purpose of the Fund is to assist financially the deprived people of Glasgow and its surrounding environs (50%) and Paisley and its environs (50%). The disbursement is capital and interest over a period between 10 to 15 years. During the year awards totalling £54,900 were distributed to 8 charities. Awards are made in accordance with The House's own guidelines: -

- Organisations providing care and assistance to groups of or concerned with disabled, elderly or terminally ill, and socially deprived
- Organisations providing care, advancement and rehabilitation of youth
- Universities, colleges of further education and schools.

The Ure Elder Trust (Endowment fund and Restricted fund):

The Ure Elder Trust was transferred to the House in 2018. This fund is to be applied for the prevention or relief of poverty, the advancement of health, the advancement of education, the advancement of heritage and culture (including maintaining and keeping in good order and condition the burial ground in the Glasgow Necropolis forming Compartment Epsilon No. 278 and the Monument erected thereon), the relief of those in need or for any other charitable purpose. Focus is placed on the Greater Glasgow and Govan areas. Awards and beneficiary payments of £2,400 were made in the year.

Management Fee

The expenditure shown against each fund includes a proportion of the administration costs of the House.

THE MERCHANTS HOUSE OF GLASGOW

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

20. Allocation of net group assets over funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
Fixed assets	752,193	-	-	752,193
Investments	971,298	537,795	7,925,153	9,434,246
Current assets	968,347	374,533	-	1,342,880
Current liabilities	(269,563)	(14,898)	(9,918)	(294,379)
	2,422,275	897,430	7,915,235	11,234,940
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £
Fixed assets	806,644	-	-	806,644
Investments	933,111	423,493	7,629,169	8,985,773
Current assets	872,987	418,874	-	1,291,861
Current liabilities	(313,220)	(11,468)	(11,788)	(336,476)
	2,299,522	830,899	7,617,381	10,747,802

21. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Net income / (expenditure) for the year (as per the Statement of Financial Activities)	487,138	(1,495,744)	543,346	(1,472,063)
Adjustments for:				
Depreciation charges	59,451	59,871	-	-
Dividends and interest	(294,404)	(239,910)	(413,785)	(294,642)
(Gains) / losses on investments	(428,372)	1,294,353	(428,372)	1,294,353
Decrease in debtors	44,911	12,811	2,053	2,035
(Decrease) / increase in creditors	(42,097)	54,105	(34,205)	52,635
Net cash (used in) operating activities	(173,373)	(314,514)	(330,963)	(417,682)

22. Analysis of cash and cash equivalents

	Group		Charity	
	2023	2022	2023	2022
Cash in hand	1,171,068	1,075,138	869,197	868,157
Total cash and cash equivalents	1,171,068	1,075,138	869,197	868,157