

**STRATHCLYDE HOUSE TRUST**

**Financial Statements**

**For the year ended 31 March 2021**

**Company Registration Number** SC169848

**Charity Number** SC025550

# STRATHCLYDE HOUSE TRUST

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# STRATHCLYDE HOUSE TRUST

## Trustees' report – statutory information For the year ended 31 March 2021

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### DIRECTORS AND TRUSTEES

Bryan Jarvis  
Andrew Symonds  
Alan Copeman

George Williamson  
Genefer Espejo

### REGISTERED OFFICE

31A Shore Rd,  
Skelmorlie  
PA17 5EH

**COMPANY NUMBER** SC169848  
**CHARITY NUMBER** SC025550

### BANKERS

Clydesdale Bank plc  
28 West High Street  
Crieff  
PH7 4DL

### AUDITORS

Jacob Cavenagh & Skeet  
Chartered Accountants  
5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

### KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the charity were the Trustees and the members of the Senior Management Team of Pilgrims' Friend Society, whose names and responsibilities are listed below:

Stephen Hammersley	<i>Chief Executive Officer</i>
Maureen Sim	<i>Director of Operations</i>
Adrian Bray	<i>Company Secretary (to 31/7/20)</i>
Debbie Buggs	<i>Director of Finance (from 1/6/20) and Company Secretary (from 1/8/20)</i>
Joshua Field	<i>Director of Human Resources (from 1/3/21)</i>
Andy Walsh	<i>Director of Property Services</i>
Phil Wainwright	<i>Director of Human Resources and IT (to 28/2/21)</i>
Alexandra Davis	<i>Director of Marketing and Communications</i>

# **STRATHCLYDE HOUSE TRUST**

## **Trustees' report**

**For the year ended 31 March 2021**

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The trustees are pleased to present their report, together with the financial statements of the company for the year ended 31 March 2021. The trustees' report incorporates the directors' report prepared for the purposes of company law.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Strathclyde House Trust is a registered charitable company (company number SC169848 and charity number SC025550). Responsibility for the day-to-day operations of the charity is delegated to the Chief Executive and Senior Management Team of Pilgrims' Friend Society the sole member of Strathclyde House Trust.

### **REVIEW OF THE YEAR**

The charity joined the Pilgrims' Friend Group in June 2019, and in January 2020 the group seconded Ruth Broomhall, an experienced housing manager, to the role of project officer with special responsibility for developing the charity, streamlining costs, and building a strong community.

In March 2020, Covid 19 brought the property market in Scotland to a halt, meaning that a number of potential sales and buybacks of property were temporarily halted and the restaurant, which was operated as a franchise, was forced to close to the public and offer a very limited service to residents only. At the beginning of the financial year under review, 13 flats were available for sale. During the year occupancy dropped further and 16 were available. The charity is obliged to pay council tax on all empty properties and once a property is empty for more than a year the rate of council tax doubles. Council tax payments contributed £22,000 (last year: £24,000) to the loss for the year.

During the year, the charity invested in repairs and renovations to the restaurant.

### **OBJECTIVES AND ACTIVITIES**

The charity provides care for the elderly in the community, including retired Ministers of religion and their spouses in a Christian environment.

The charity's trustees have considered the guidance regarding public benefit when considering and planning its objectives and activities for the year.

### **ACHIEVEMENTS AND PERFORMANCE**

During the year Strathclyde House Trust provided 57 flats available for sale or rental to older people in accordance with the charity's memorandum and articles of association.

### **FINANCIAL REVIEW**

The charity suffered a deficit of £60,000. This deficit has been deducted from the general fund of the charity.

A more detailed breakdown of the results may be found on page 10 and the related notes to the accounts.

# **STRATHCLYDE HOUSE TRUST**

## **Trustees' report (continued)**

**For the year ended 31 March 2021**

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The charity operates as two separate cost centres: the Strathclyde House Service Charge company, which accounts for expenditure rechargeable to the residents and reimbursable by them, and Skelmorlie Almshouses, which accounts for all other income and expenditure by the charity, including on the income side rental income, overnight accommodation and laundry income, and, on the expenditure side, costs of vacant flats, council tax and subsidy for the restaurant operated by the franchisee.

### **FUTURE DEVELOPMENTS**

The trustees have put into place actions to improve the operations of the charity including staff changes and a re-launch of the restaurant.

### **INVESTMENT POLICY**

Given that the charity has first refusal when properties are placed on the market by existing occupiers, it is thought prudent to retain all funds in a liquid form to ensure that the charity is able to make buybacks.

### **RESERVES POLICY**

The Charity holds funds of £2,053,000 at the year end. There are no restricted funds. Of the general funds, £664,000 could only be realised by disposing of tangible fixed assets. In addition, a further £1,281,000 represents flats held for sales. This means that the reserves (that is, the part of the charity's unrestricted funds that is freely available to spend on any of the charity's purposes) is £108,000, a shortfall of £62,000 against a target of £170,000 being three months' worth of expenses. To bridge this gap, the charity has access to funding from its parent charity if needed. Under the arrangements recorded in note 10, the charity has historically made use of its right to buy back flats, and potential cash flow strain from this has been managed so as not to cause problems in the past.

### **RISK MANAGEMENT**

The major risks faced by this charity revolve around occupancy issues and matching the expenditure on the operation of the flats with income from residents to reimburse these costs.

### **STAFF MATTERS**

The charity employed between two and three staff on Strathclyde House and around 10 staff working in the restaurant, The Clyde Kitchen. Previously the restaurant had been operated by a separate independent business.

### **KEY MANAGEMENT PERSONNEL**

The key management personnel of the charity (all of whom are employed by Pilgrims' Friend Society, a fellow member of the Pilgrims' Friend Group, and listed on page 1) are in charge of directing, controlling, running and operating the charity on a day-to-day basis. Details of their remuneration and expenses reimbursed, and other related party transactions are disclosed in notes 8 and 13 to the financial statements. Their pay is reviewed annually.

### **FUNDRAISING POLICY**

The charity has not hitherto sought to raise donations and therefore has not developed a fundraising policy.

# STRATHCLYDE HOUSE TRUST

## Trustees' report (continued)

For the year ended 31 March 2021

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### RELATED PARTIES

The trustees of the charity consider the following to be related parties:

1. Key Management Personnel of Pilgrims' Friend Society
2. The following charities:
  - a. Pilgrims' Friend Society (charity no. 1045920, company no. 3027071)
  - b. The Pilgrims' Friend Group (formerly APFS 1807) (charity no. 1134979, company no. 7169875)
  - c. Pilgrim Homes Trust (charity no. 1183226, company no. 11685624)
3. PFG Trading Limited - a limited company
4. Aged Pilgrims' Friend Society Trust Limited - a limited company which holds title to the properties owned by Pilgrim Homes Trust.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The trustees (who are also directors of Strathclyde House Trust for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with 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).

Company law 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 charitable company and of the income and expenditure, of the charitable company for that period. In preparing 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

### STATEMENT OF DISCLOSURE TO AUDITOR

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the charity's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the charity's auditor is aware of that information.

# STRATHCLYDE HOUSE TRUST

## Trustees' report (continued) For the year ended 31 March 2021

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### AUDITORS

Jacob Cavenagh & Skeet were the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

The above report is prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the trustees and signed on their behalf by

*A J Symonds*

Andrew Symonds  
Trustee

Date: 29 July 2021

# STRATHCLYDE HOUSE TRUST

## Independent auditor's report to the trustees of Strathclyde House Trust For the year ended 31 March 2021

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### OPINION

We have audited the financial statements of Strathclyde House Trust (the charity) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

### OTHER INFORMATION

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.



# **STRATHCLYDE HOUSE TRUST**

## **Independent auditor's report to the trustees of Strathclyde House Trust (continued) For the year ended 31 March 2021**

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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.

### **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

### **RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 company or to cease operations, or have no realistic alternative but to do so.

# STRATHCLYDE HOUSE TRUST

## Independent auditor's report to the trustees of Strathclyde House Trust (continued) For the year ended 31 March 2021

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### 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 Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to charity financial reporting, employment, health & safety and care and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and Companies Act 2006.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to:

- accounting measurements of property
- disclosure of capital commitments or provisions
- recognition of legacy income
- fraudulent extraction of cash
- government grants

In response to the risks identified we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation
- identifying and reviewing journal entries
- discussions with management and review of legal correspondence
- reviewing Trustees' meeting minutes
- evaluating the charity's internal controls
- testing the calculation of claims made under the Coronavirus Job Retention Scheme

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

# STRATHCLYDE HOUSE TRUST

## Independent auditor's report to the trustees of Strathclyde House Trust (continued) For the year ended 31 March 2021

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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](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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Paul Newton*

**Paul Newton FCA (Senior Statutory Auditor)  
for and on behalf of Jacob Cavenagh & Skeet**

**Chartered Accountants  
Statutory Auditor**

5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

Date: 3 August 2021

# STRATHCLYDE HOUSE TRUST

## Statement of financial activities (including Income and Expenditure Account) For the year ended 31 March 2021

	Note	Year ended 31 March 2021			15 months ended 31 March 2020		
		Unrest- ricted Funds £000	Rest- ricted Funds £000	Total £000	Unrest- ricted Funds £000	Rest- ricted Funds £000	Total £000
<b>Income from:</b>							
Donations and legacies	2	-	-	-	2,045	-	2,045
Investments	3	2	-	2	2	-	2
Charitable activities	4	<u>611</u>	-	<u>611</u>	<u>627</u>	-	<u>627</u>
<b>Total income</b>		<u>613</u>	-	<u>613</u>	<u>2,674</u>	-	<u>2,674</u>
<b>Expenditure on:</b>							
Raising funds		3	-	3	1	-	1
Charitable activities	5	634	-	634	707	-	707
Other	6	<u>36</u>	-	<u>36</u>	<u>80</u>	-	<u>80</u>
<b>Total expenditure</b>		<u>673</u>	-	<u>673</u>	<u>788</u>	-	<u>788</u>
<b>Net (expenditure)/income</b>	7	( 60)	-	( 60)	1,886	-	1,886
<b>Reconciliation of funds</b>							
Total funds brought forward		<u>2,113</u>	-	<u>2,113</u>	<u>227</u>	-	<u>227</u>
<b>Total funds carried forward</b>		<u>2,053</u>	-	<u>2,053</u>	<u>2,113</u>	-	<u>2,113</u>

All of the activities are continuing. There were no recognised gains or losses other than those stated above.

The notes on pages 13 to 19 form part of these financial statements.

# STRATHCLYDE HOUSE TRUST

## Balance sheet

As at 31 March 2021

Company number: SC 169848

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	Note	31 March 2021		31 March 2020	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	9		664		626
<b>Current assets</b>					
Stock of freehold flats held for resale	10	1,281		1,021	
Debtors and prepayments	11	294		540	
Cash at bank and in hand		<u>91</u>		<u>1</u>	
		1,666		1,562	
<b>Creditors:</b> Amounts falling due within one year	12	( <u>277</u> )		( <u>75</u> )	
<b>Net current assets</b>			<u>1,389</u>		<u>1,487</u>
<b>Total assets less current liabilities</b>			<u>2,053</u>		<u>2,113</u>
<b>Funds:</b>					
Unrestricted funds			<u>2,053</u>		<u>2,113</u>
<b>Total Funds</b>			<u>2,053</u>		<u>2,113</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standards (FRS 102).

The financial statements were approved by the Trustees on 29 July 2021 and signed on their behalf by:

*A J Symonds*

Andrew Symonds  
Trustee

Company Registration No: SC169848

The notes on pages 13 to 19 form part of these financial statements.

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# STRATHCLYDE HOUSE TRUST

## Statement of cash flows For the year ended 31 March 2021

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	Year ended 31 March 2021 £000	15 months ended 31 March 2020 £000
<b>Cash flows from operating activities</b>		
<b>Trading and donations</b>		
Net (expenditure)/income	( 60)	1,886
Depreciation	34	23
Interest and dividends included in investing activities	( 2)	( 2)
<b>Net cash (used by)/provided by trading and donations</b>	<b>( 28)</b>	<b>1,907</b>
<b>Working capital movements</b>		
(Increase) in stocks	( 260)	( 282)
Decrease/(increase) in debtors	246	( 380)
Increase/(decrease) in creditors	202	(1,447)
<b>Net cash provided by/(used in) working capital movements</b>	<b>188</b>	<b>(2,109)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>160</b>	<b>( 202)</b>
<b>Cash flows from investing activities</b>		
Payments on additions of tangible fixed assets	( 72)	-
Interest and dividends received	2	2
<b>Net cash (used in)/provided by investing activities</b>	<b>( 70)</b>	<b>2</b>
<b>Net cash inflow/(outflow)</b>	<b>90</b>	<b>( 200)</b>
Cash and cash equivalents at 1 April 2020	1	201
<b>Cash and cash equivalents at 31 March 2021</b>	<b>91</b>	<b>1</b>

The notes on pages 13 to 19 form part of these financial statements.

# STRATHCLYDE HOUSE TRUST

## Notes to the financial statements For the year ended 31 March 2021

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### 1. ACCOUNTING POLICIES

The company is registered as a charitable company limited by guarantee incorporated in Scotland and is governed by its Memorandum and Articles of Association. Its registered office is 31A Shore Rd, Skelmorlie PA17 5EH.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### 1a. Basis of accounting

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”), “Accounting and Reporting by Charities” the Statement of Recommended Practice for Charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared on the historical cost convention.

The comparative period was lengthened by three months to coincide with the rest of the Pilgrims Friend Group. Therefore some of the activities in the comparative figures do not give a direct comparison.

#### 1b. Consolidation

This charity is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this charity, which are intended to give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the group. The charity has therefore taken advantage of exemptions from the requirement to disclose transactions with other group undertakings.

The financial statements of the charity are consolidated in the financial statements of The Pilgrims Friend Group. These consolidated financial statements are available from its registered office at 175 Tower Bridge Road, London SE1 2AL.

#### 1c. Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity 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.

#### 1d. Tangible fixed assets

Fixed assets are recorded at historic cost. Expenditure on existing properties is capitalised when works result in an enhancement of economic benefits of the asset. Other expenditure on the properties is charged to the income and expenditure account. Where appropriate, the historic cost less accumulated depreciation of any replaced components is released from the asset and recognised as a loss on disposal.

# STRATHCLYDE HOUSE TRUST

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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### 1. ACCOUNTING POLICIES (continued)

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life. The following rates are used on a straight-line basis:

Communal properties	50 years
Social investments – rental flats	50 years
Fixtures & Fittings	10 years

#### 1e. Income

Rental and ancillary income is recognised on the basis of when the service was provided to the resident. Voluntary income and donations (including legacies) are accounted for once the charity has entitlement to the income; it is probable the income will be received and the amount of income receivable can be reliably measured. Where material assets are donated to the charity for its use, these are capitalised at the estimated market value at the date of the gift and included under income.

#### 1f. Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Charitable expenditure includes all support costs in respect of the charity's activities.

#### 1g. Governance costs

This comprises expenditure on compliance with statutory legal requirements and is included in charitable activities.

#### 1h. Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustee for particular purposes. The aim and use of each designated fund are set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund are set out in note 13 to the financial statements.

#### 1i. Leases

Rentals payable under operating leases are dealt with on a straight-line basis over the lease term. Total lease repayments have been disclosed over the remaining life of the lease.

#### 1j. Stock of freehold flats held for resale

Stock is comprised of flats held for sale to new residents and are valued at the lower of cost and net realisable value. Cost is comprised of the purchase price of the properties.

#### 1k. Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.



# STRATHCLYDE HOUSE TRUST

## Notes to the financial statements (continued) For the year ended 31 March 2021

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### 1. ACCOUNTING POLICIES (continued)

#### 1l. Cash and cash equivalents

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

#### 1m. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation arising 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 recognised at their settlement amount. Concessionary loans are included at historic cost.

#### 1n. Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### 2. INCOME FROM DONATIONS AND LEGACIES

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Souter Charitable Trust	<u>-</u>	<u>2,045</u>

### 3. INCOME FROM INVESTMENTS

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Bank interest	<u>2</u>	<u>2</u>

### 4. INCOME FROM CHARITABLE ACTIVITIES

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Sale of freehold flats	539	578
Income from flat rental, laundry and overnight accommodation	<u>72</u>	<u>49</u>
	<b><u>611</u></b>	<b><u>627</u></b>

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# STRATHCLYDE HOUSE TRUST

## Notes to the financial statements (continued) For the year ended 31 March 2021

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### 5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Housing costs	61	113
Cost of flat sales	534	565
Governance costs:		
Auditors' fees for audit	4	4
Auditors' fees for accountancy	1	2
Depreciation	<u>34</u>	<u>23</u>
	<u>634</u>	<u>707</u>

### 6. OTHER EXPENDITURE

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
<i>Service charge expenditure by this charity</i>		
<i>Deficits</i>		
1/62 Burden shares	-	24
1/56 Burden shares	-	10
Residual charge unallocated to flats	9	18
Service charge share in respect of empty flats	<u>27</u>	<u>28</u>
	<u>36</u>	<u>80</u>

### 7. NET INCOME/(EXPENDITURE)

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
<i>This is stated after charging:</i>		
Depreciation	34	23
Auditors' remuneration	<u>4</u>	<u>4</u>

# STRATHCLYDE HOUSE TRUST

## Notes to the financial statements (continued) For the year ended 31 March 2021

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### 8. STAFF COSTS

	Year ended 31 March 2021 £000	Period ended 31 March 2020 £000
Wages and salaries:		
Homes employees	20	38
Social security costs	1	1
Other pension costs	-	-
	<u>21</u>	<u>39</u>
The average number of staff employed in the year on headcount was:	No	No
Homes	<u>4</u>	<u>2</u>

There were no employees (2020: none) whose emoluments exceeded £60,000.

No trustee received any remuneration or had expenses reimbursed (2020: £nil).

The total aggregate remuneration of Key Management Personnel during the year was £nil (2020: £nil).

### 9. TANGIBLE FIXED ASSETS

	Freehold Communal Property £000	Freehold Rental Flats £000	Furniture, Fixtures and Fittings £000	Total £000
<b>Cost</b>				
As at 1 April 2020	450	391	22	863
Additions	<u>62</u>	<u>-</u>	<u>10</u>	<u>72</u>
As at 31 March 2021	<u>512</u>	<u>391</u>	<u>32</u>	<u>935</u>
<b>Depreciation</b>				
As at 1 April 2020	174	54	9	237
Charge for the year	<u>16</u>	<u>14</u>	<u>4</u>	<u>34</u>
As at 31 March 2021	<u>190</u>	<u>68</u>	<u>13</u>	<u>271</u>
<b>Net book value</b>				
As at 31 March 2021	<u>322</u>	<u>323</u>	<u>19</u>	<u>664</u>
As at 31 March 2020	<u>276</u>	<u>337</u>	<u>13</u>	<u>626</u>

# STRATHCLYDE HOUSE TRUST

## Notes to the financial statements (continued) For the year ended 31 March 2021

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### 10. STOCK

	2021 £000	2020 £000
Stock of freehold flats held for resale	<u>1,281</u>	<u>1,021</u>

	No. flats	Cost £000
As at 1 April 2020	13	1,021
Sold	( 5)	( 534)
Bought back	<u>8</u>	<u>794</u>
As at 31 March 2021	<u>16</u>	<u>1,281</u>

#### ***Contingent liabilities on housing stock***

Under the terms of the sale of properties at Strathclyde House, the Strathclyde House Trust has the right of first refusal when freehold flats are offered for sale and it is the practice of the charity to exercise that right to maintain the ethos and atmosphere on the site. The total potential value of flats not held in stock at 31 March 2021 is £3.5 million.

### 11. DEBTORS AND PREPAYMENTS

	2021 £000	2020 £000
Trade debtors	12	15
Other debtors and prepayments	<u>282</u>	<u>525</u>
	<u>294</u>	<u>540</u>

Other debtors and payments includes funds held in the service charge bank account on behalf of the charity.

### 12. CREDITORS AND ACCRUALS: amounts falling due within one year

	2021 £000	2020 £000
Owed to other group members	65	65
Trade creditors	2	-
Accruals and deferred income	6	7
Souter Charitable Trust loan	200	-
Other creditors, including taxation and social security	<u>4</u>	<u>3</u>
	<u>277</u>	<u>75</u>

The £200,000 loan from the Souter Charitable Trust was given to assist with the buy back of flats. It is repayable at 4% above base rate and is repayable when the flats are resold. The loan is secured on Flats 15, 61 and 62, which have an estimated market value of £240,000.

# STRATHCLYDE HOUSE TRUST

## Notes to the financial statements (continued) For the year ended 31 March 2021

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### 13. RELATED PARTY TRANSACTIONS

The Pilgrims Friend Group is the ultimate controlling charity of the group. The charity is a subsidiary of The Pilgrims Friend Group by virtue of that charity being the sole trustee of Pilgrims' Friend Society. Transactions with The Pilgrims Friend Group and its other group undertakings are not disclosed as consolidated financial statements for the group are publicly available.

Lady Elizabeth Souter was a trustee of the charity until 3 June 2019 and is also a trustee of the Souter Charitable Trust. On 3 June 2019, the Charity received a grant from the Souter Charitable Trust to extinguish the charity's liability to the Souter Charitable Trust and facilitate the financial turn-around of the charity. The total gifts from the Souter Charitable Trust in the period to 3 June 2019 amounted to £2,045,000.

Details of trustees' and key management personnel and remuneration are disclosed in Note 8 to the financial statements.

### 14. TAXATION

The company has charitable status and is therefore exempt from tax on its charitable income under the provision of section 505 of the Income and Corporation Taxes Act 1988.

### 15. COMPANY LIMITED BY GUARANTEE

The organisation is a charitable company limited by guarantee and has no share capital. In the event of the company being wound up, members are required to contribute an amount not exceeding £10.