THE LIVERPOOL MERCHANTS' GUILD

England & Wales · Charity number 206454

Details

Status	Registered
Legal form	Other
Registered	1963-02-28
Register	View on the Charity Commission register

Contact

Address	Monetta Llp 110-114 Duke Street Liverpool L1 5AG
Phone	01517031080
Email	info@liverpoolmerchantsguild.org.uk
Website	www.liverpoolmerchantsguild.org.uk

Activities

Objects: 1) TO RELIEVE INDIVIDUALS WHO HAVE BEEN A PROFESSIONAL OR SELF-EMPLOYED PERSON, A PERSON WHO WORKED IN A SUPERVISORY CAPACITY, OR A CLERICAL OR NON-MANUAL WORKER, AND THEIR DEPENDANTS, WHO ARE RESIDING IN MERSEYSIDE OR WHO HAVE SO RESIDED FOR A CONTINUOUS PERIOD OF NOT LESS THAN FIFTEEN YEARS WHO ARE NOT LESS THAN FIFTY YEARS OF AGE AND WHO ARE IN CONDITIONS OF NEED, HARDSHIP OR DISTRESS, EITHER BY PAYING PENSIONS OR BY MAKING GRANTS OR LOANS OF MONEY OR PROVIDING OR PAYING FOR ITEMS, SERVICES OR FACILITIES CALCULATED TO REDUCE SUCH NEED, HARDSHIP OR DISTRESS AS AFORESAID 2) TO ACCEPT AND ADMINISTER ANY FUNDS OR PROPERTY GIVEN OR BEQUEATHED TO THE GUILD UPON ANY TRUSTS FOR CHARITABLE PURPOSES WHICH IN THE OPINION OF THE BOARD OF MANAGEMENT OF THE GUILD CAN BE CONVENIENTLY CARRIED OUT AND ADMINISTERED BY THE GUILD

Activities: To relieve individuals who have been a professional or self employed person, a person who worked in a supervisory capacity, or a clerical or non manual worker and their dependents who are residing in Merseyside or who have so resided for a continuous period of not less than 15 years who are not less than 50 years of age and who are in conditions of need, hardship or distress

Downloaded from opencharities.uk/ew/206454

Classification

- **How:** Makes Grants To Individuals
- **What:** The Prevention Or Relief Of Poverty
- **Who:** Elderly/old People

Geography

- **Area of benefit:** MERSEYSIDE
- Knowsley
- Liverpool City
- Sefton
- St Helens
- Wirral

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,491,304	£1,314,187	£55,716,830	0
2023-12-31	£1,590,688	£1,283,799	£52,627,203	0
2022-12-31	£1,544,787	£1,433,892	£50,936,897	0
2021-12-31	£1,518,134	£1,510,261	£55,276,308	0
2020-12-31	£1,207,526	£1,487,964	£48,655,408	0

Downloaded from opencharities.uk/ew/206454

Trustees

Name	Role	Appointed
ROBERT JOHN CARTER	Chair	
ANDREW THOMAS MORRIS		
Catherine Gall		2025-09-30
Dr Catherine Lewis-Jones		2020-09-03
GILLIAN FERRIGNO		
LAWRENCE DOWNEY		
MR DUNCAN BAILEY		2016-07-15
SANDY TIMOTHY CHAPPLE GILL		
William James Frazer Kingdon		2025-09-30
William Tudor Mansel Roberts		2020-09-03

Downloaded from opencharities.uk/ew/206454

Linked charities

- AMERICAN CHAMBER OF COMMERCE FUND (206454-1)
- ANITA G LAWRENCE FUND (206454-10)
- FRANK BROCKLEHURST FUND (206454-11)
- KATHELEEN STEWART KENDALL FUND (206454-12)
- ESSIE NEWBERRY FUND (206454-13)
- EMILIE BICKERSTAFF FUND (206454-14)
- CHAIRMANS FUND (206454-15)
- RESERVE FUND (206454-16)
- GENERAL FUND (206454-17)
- ROGER LYON JONES FUND (206454-18)
- HARRISON FUND (206454-19)
- JOHN HILL FUND (206454-2)
- MRS ANNE BRANCKER FUND (206454-20)
- FRANK RIGBY FUND (206454-21)
- JOHN G AND MARY DOBSON FUND (206454-22)
- JOHN BURY ANNUITY FUND (206454-23)
- MRS E G BARTLEY FUND (206454-24)
- MISS HENRIETTA MACKAY FUND (206454-25)
- WILLIAM CLIFF FUND (206454-26)
- HENRY TATE FUND (206454-27)
- JOHN CROPPER FUND (206454-28)
- AILEEN CONGREVE FUND (206454-29)
- MR AND MRS GEORGE WILSON FUND (206454-3)
- FRANK AND GWEN WHITE FUND (206454-30)
- MRS M W ALLAN FUND (206454-31)
- C H COLLIE FUND (206454-32)
- ANDREW GIBSON FUND (206454-33)
- CHARLES AND KATE THORNE FUND (206454-34)
- E ALAN JOHNSTON FUND (206454-35)
- ISOLINA GEE FUND (206454-36)
- LUCIE AMELIA RIDLEY FUND (206454-37)
- THE WILLIAM HENRY AND HARRIET WATTS FUND (206454-38)
- W IMRIE LIVERPOOL CLERKS BENEVOLENT FUND (206454-39)
- THOMAS BARTLETT FUND (206454-4)

Downloaded from opencharities.uk/ew/206454

- J MARKE WOOD FUND (206454-40)
- W M SIMPSON FUND (206454-41)
- THE MISSES PATON FUND (206454-42)
- JAMES LORD BOWES ANNUITY OR ANNUITIES (206454-43)
- ISABEL GRACE HALL FUND (206454-44)
- JANE JONES' CHARITY (206454-45)
- RANDEL MYOTT MARTIN'S CHARITY (206454-46)
- ELIZABETH JANE PARKES' CHARITY (206454-47)
- THOMAS MOSS FUND (206454-5)
- W H SHIRLEY FUND (206454-6)
- MISS OLIVIA ATHERTON FUND (206454-7)
- MRS JAMES BARROW FUND (206454-8)
- FREDERIC BOWDEN FUND (206454-9)

Downloaded from opencharities.uk/ew/206454

THE LIVERPOOL MERCHANTS' GUILD

England & Wales - Charity number 206454

Accounts

The Liverpool Merchants' Guild
Annual Report & Financial Statements
Year ended 31st December 2024
Registered Charity
No.206454

The Liverpool Merchants' Guild

Financial Statements

Year ended 31st December 2024

Index

Page	
1 – 6	Trustees' Annual Report including statement of trustees' responsibilities
7 - 9	Auditors' Report
10	Statement of Financial Activities
11	Comparative Statement of Financial Activities for the year ended 31st December 2023
12	Statement of Financial Position
13	Statement of Cash Flows
14 – 23	Notes to the Financial Statements

Trustees' Annual Report

Year ended 31st December 2024

The Trustees present their Annual Report and the Financial Statements for the year ended 31st December 2024, which have been prepared in accordance with part 8 of the Charities Act 2011.

Structure, Governance and Management

The Charity was established by the will of the late Catherine Wright in 1868 as "Wright's Institution" and was incorporated along with all its subsidiary funds by Royal Charter in 1914 as The Liverpool Merchants' Guild. It is registered with the Charity Commission no. 206454. The Charity's address is 110-114, Duke Street, Liverpool, L1 5AG.

The Royal Charter was amended by a Scheme of the Charity Commission in May 1972 which extended the objects of the Guild and the ways in which benefits could be paid to beneficiaries, established a Common Investment Fund in respect of all of the separate funds that comprised the Guild, and granted unrestricted powers of investment. At the same time the Byelaws were updated to reflect these changes.

A Supplemental Royal Charter was granted in December 2006 which updated and replaced the original Charter and subsequent amendment after the Charity Commission had agreed a Scheme which updated the definitions of the objects of the Charity and the powers of investment. The Board of Management were also granted power to provide indemnity insurance for themselves and a simplified procedure for dealing with any future amendments to the Royal Charter was introduced.

In addition to the Royal Charter there are a set of Byelaws which deal with administrative and management matters. The Byelaws were extensively revised in conjunction with the granting of the Supplemental Charter in December 2006. In particular, the new Byelaws recognised a single class of membership of the Guild, being persons paying an annual subscription of £2.10. Ex-officio membership of the Guild and the Board of Management was, with the consent of the existing office holders, brought to an end.

The Board of Management of the Guild is elected from the members of the Guild.

The following persons, who are all trustees, have been members of the Board of Management during the year:-

Elected members:-

Mr R.J. Carter	(Chairman)
Mr S.T. Chapple-Gill	
Mrs G. Ferrigno	
Mr A.T. Morris	
Mr L. Downey	
Mr K. Head	(Resigned 17 October 2024)
Mr D. Bailey	
Mr W T M Roberts	
Dr C Lewis-Jones	

One third of the elected members are appointed on an annual basis at the Annual General Meeting.

There are two Sub-Committees appointed by the Board of Management.

Finance Sub-Committee – which deals with the management of the Guild's investments

Mr R.J. Carter	(Chairman)
Mr A.T. Morris	
Mr L. Downey	
Mr D. Bailey	

Selection Sub-Committee – which deals with the award of pensions and grants.

Mrs G. Ferrigno	(Chair)
Mr R.J. Carter	
Mr S.T. Chapple-Gill	
Mr K. Head	(Resigned 17 October 2024)
Mr D. Bailey	
Mr W T M Roberts	
Dr C Lewis-Jones	

New members are recruited on the basis of the skills, relevant experience or expertise that they are able to contribute to the Board of Management. They undergo a short period of induction training explaining the constitution of the Guild, the responsibilities of a Member of the Board of Management and the workings of the sub-committee to which they will be allocated.

Day to Day Management

The day to day management of the Charity is conducted by Monetta LLP in their capacity as Secretaries.

Risk Management

The Board of Management has assessed the major risks and uncertainties facing the charity and have identified these as:-

Security of Assets, Investment Policies, Fraud, Disaster Recovery and Safety during Visits to Beneficiaries

A summary of the plans and strategy for managing these risks are as follows:-

1. Security of Assets

Safe custody arrangements have been made with regard to the Guild's investments such that all share and stock certificates are held by either the New York Mellon Bank or in electronic format by Rathbone Nominees Limited.

2. Investment Policies

The Trustees have put in place a written investment policy and have delegated discretionary management of the Guild's investments to Rathbone Investment Management who regularly monitor the performance of the Guild's investments which performance is also regularly reviewed at meetings of the Finance Committee.

3. Fraud

The Trustees regularly monitor the financial performance of the Guild. There is a segregation of duties and, whilst cash balances of Liverpool Merchants' Guild are frequently managed by both the Secretaries and the Investment Managers, the Trustees insist on confirmation that both the Secretaries and the Investment Managers have adequate professional indemnity and insurance cover in place.

4. Disaster Recovery

The Secretaries ensure that data back-up procedures are in place together with adequate insurance cover.

5. Safety during Visits to Beneficiaries

The Trustees ensure that procedures with regard to the staff of the Secretaries visiting beneficiaries at home are strictly adhered to.

Objectives and Activities

The objects of the Charity as defined by the Supplemental Royal Charter of December 2006 are:-

To relieve individuals who have been a professional or self-employed person, a person who worked in a supervisory capacity, or a clerical or non-manual worker, and their dependants, who are residing in Merseyside, or who have so resided for a continuous period of not less than fifteen years, who are not less than fifty years of age and who are in conditions of need, hardship or distress, either by paying pensions or by making grants or loans of money or providing or paying for items, services or facilities calculated to reduce such need, hardship or distress as aforesaid.

To accept and administer any funds or property given or bequeathed to the Guild upon any trusts for charitable purposes which, in the opinion of the Board of Management of the Guild, can be conveniently carried out and administered by the Guild.

Benefit takes the form of pensions or grants of money for specific items of expense of such an amount as the Board of Management consider suitable to the circumstances of each individual case.

Achievements and Performance

Pensions were awarded to 25 new beneficiaries during the year (2023 - 13). The circumstances of existing beneficiaries were also reviewed resulting in an increase to their pensions of £59.200 Total pensions paid during the year amounted to £821,013. The Sub-Committee also made payments of grants totalling £137,553. The number of beneficiaries in receipt of pensions at the end of the year was 213 (2023 - 213).

Plans for Future Periods

The Liverpool Merchants' Guild continues to provide funding towards the support of independent living by means of the provision of specialist equipment or residential adaptations for individuals with special needs.

The principal short term and long term aims and objectives of The Liverpool Merchants' Guild are to increase the number of beneficiaries and positive efforts are still being made to achieve this aim, including updating the Guild's website to facilitate electronic applications.

All current beneficiaries have recently been informed that, in addition to making regular payments, The Liverpool Merchants' Guild also make grants available for items of exceptional expenditure. Additionally, grants are available to new applicants and this is stated both on the Guild's website and published in application guidelines.

Marketing

A range of materials, including a website, posters and brochures, have been produced to promote the Guild and it is hoped that this will result in an increase in the number of applications for benefit not only for grants to support independent living but also for ordinary pensions.

Finances

The Supplemental Charter of December 2006 granted the Board of Management power to invest funds, employ a professional fund manager and to arrange for the investments of the Guild to be held in the name of a nominee in the same manner as trustees of a trust are permitted to do by the Trustee Act 2000.

The capital funds of the Guild may also be invested in a Common Investment Fund established by a Scheme of the Charity Commission on 4th May 1972.

In March 2007 the Charity Commission approved a Scheme whereby the previously separate named funds were formally amalgamated into a single fund entitled The Liverpool Merchants' Guild.

The capital of the Guild is grouped into four funds:

The Permanent Endowed Fund is made up of all the original separate funds which were incorporated into the Guild at the time the original Royal Charter was granted together with subsequent bequests which had stipulated that the capital was not expendable. This fund is a restricted fund and only income may be expended in furtherance of the objects of the Guild.

The Legacies Fund is also a restricted fund but comprises bequests to the Guild where there has been no stipulation regarding capital. The whole of this fund is expendable on the objects of the Guild although at present only the income is being used.

The General Fund is an unrestricted fund and comprises unconditional bequests to the Guild. At present only income is being utilised with any unspent income at the end of each year being transferred to the Reserve Fund.

The Reserve Fund is an unrestricted fund and comprises unspent income accumulated over many years. Part of the Reserve Fund has been utilised in previous years to finance loans to beneficiaries to enable them to carry out essential property repairs. A further part of the Reserve Fund is invested temporarily.

Rathbone Investment Management continued to manage the Guild's investments on a discretionary basis, in accordance with the parameters set by the Finance Committee, under the terms of their appointment which commenced on 1st October 2013.

The funds have performed as follows during the year: -

Bespoke Composite Benchmark – year to 31.12.2024 = 11.7%

Common Investment Fund	**31.12.2023**	**31.12.2024**	**%-age change**	**Benchmark**
Market value	47,052,405	49,467,973		
Cash held by Rathbones	410,169	777,018		
	47,462,574	50,244,991		
Income generated	-	1,384,202		
	47,462,574	51,629,193	8.8%	11.7%

Trustees' Annual Report

Year ended 31st December 2024

Reserve Fund	31.12.2023	31.12.2024	%-age change	Benchmark
Market value	4,154,410	4,753,401		
Cash held by Rathbones	222,500	69,902		
	4,060,525	4,823,303		
Income generated	-	90,769		
	4,060,525	4,914,072	21.02%	11.7%
Management fees taken	181,646	195,369		

During the year the Common Investment Fund and the Reserve Fund had combined realised gains on investments totalling £235,997 and unrealised gains on investments amounting to £2,676,513.

Overall, taking cash balances into account, the combined value of the Common Investment Fund and the Reserve Fund at 31st December 2024 amounted to £55,716,830 which was an increase of £3,089,627 on the combined value of the Common Investment Fund and the Reserve Fund at 31st December 2023 in the sum of £52,627,203.

There were no legacies or donations received during the year (2023 – nil).

The principal funding sources of the Charity are the investments which the Charity holds. During the reporting period investment income amounted to £1,491,287 which sum substantially covered the Guild's expenditure on charitable activities of £1,118,818.

Going Concern

In accordance with the requirements of FRS102 SORP, the Trustees have reviewed the financial position of the Guild. This review has covered a period up to 31st December 2025 and the Trustees of the Guild are unanimously of the view that the Charity is a going concern.

The Trustees are also unanimously of the view that there are no material uncertainties about the Charity's ability to continue.

Reserves

Whilst all charitable payments are entirely discretionary and there is no irrevocable commitment for further expenditure, the Board of Management consider that a reasonable level of reserve would equate to approximately 12 months expenditure. Current free reserves, £5,604,028, are approximately 51 months expenditure.

The Board of Management are comfortable with the level of reserves held, particularly in view of its intention to actively seek to increase the number of beneficiaries.

Responsibilities

Charity Law requires the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its financial activities for that period. In preparing those financial statements the Board of Management is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Statement of Recommended Practice "Charities SORP (FRS 102) issued by the Charity Commission and with applicable accounting standards subject to any material departures disclosed and explained in the financial statements.

- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Charity will continue in business.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Royal Charter of 2006. It is responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Trustees have complied with the duty in section 8 of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission (Public Benefit).

Post Balance Sheet Events

The Trustees have been closely monitoring events since the beginning of 2025 and can report that there has been a decrease of 9.79% in the level of dividend income generated by the Guild's investments comparing the first six months of 2025 with the first six months of 2024.

Secretaries

The Secretaries of the Guild are Monetta LLP, Chartered Accountants, 110-114 Duke Street, Liverpool, L1 5AG.

Bankers

The Guild's principal bankers are Barclays Bank PLC, City Office, 48B and 50 Lord Street, Liverpool, L2 1TD.

Investment Managers

The Guild's Investment Managers are Rathbone Investment Management, Port of Liverpool Building, Pier Head, Liverpool, L3 1NW.

Auditors

The Guild's auditors are Mitchell Charlesworth (Audit) Limited, The Plaza, 100 Old Hall Street, Liverpool, L3 9QJ.

Solicitors

The Guild's solicitors are Brabners LLP, Horton House, Exchange Flags, Liverpool, L2 3YL.

Website: www.liverpoolmerchantsguild.org.uk

E-Mail: info@liverpoolmerchantsguild.org.uk

Telephone and Fax
Tel: 0151 703 1080
Fax: 0151 703 1085

On behalf of the Board of Management

R J Carter

.....
Mr R.J. Carter
Chairman

Date ...30/9/.....2025

Independent Auditors' Report to the Trustees of The Liverpool Merchants' Guild

Opinion

We have audited the financial statements of The Liverpool Merchants' Guild (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and 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 charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 twelve 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 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 we do not express any form of assurance conclusion thereon. 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 and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or

- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to 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 auditors under section 144 of the Charities Act 2011 and report in accordance with the Act 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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 as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice.

Use of our audit report

This report is made solely to the charity's trustees as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth

Mitchell Charlesworth (Audit) Limited 29/10/2025

Accountants
Statutory Auditor

The Plaza,
100 Old Hall Street
Liverpool
L3 9QJ

Mitchell Charlesworth (Audit) Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

The Liverpool Merchants' Guild
Statement of Financial Activities
Year ended 31st December 2024

	Note	Restricted Funds		Unrestricted Funds			2023
		Endowed Funds £	Legacies Fund £	General Fund £	Reserve Fund £	Total Funds £	£
Income and endowments from							
Donations and legacies		-	-	-	-	-	-
Subscriptions		-	-	17	-	17	19
Income from Investments							
UK Investment Income		885,340	38,935	145,364	56,272	1,125,911	1,205,931
Non UK Investment Income		260,364	11,450	42,749	34,497	349,060	327,371
Deposit Interest		10,655	469	1,749	3,443	16,316	57,367
Total Income and endowments		**1,156,359**	**50,854**	**189,879**	**94,212**	**1,491,304**	**1,590,688**
Expenditure on							
Expenditure on raising funds	3	161,707	7,111	26,551	-	195,369	182,646
Expenditure on Charitable activities	4	926,046	40,725	152,047	-	1,118,818	1,101,153
Total Expenditure		**1,087,753**	**47,836**	**178,598**	**-**	**1,314,187**	**1,283,799**
Net gains on investments	9 & 11	2,028,848	89,223	333,116	461,323	2,912,510	1,383,417
Net Income		2,097,454	92,241	344,397	555,535	3,089,627	1,690,306
Transfer of Special Dividends	7	-	-	-	-	-	-
Transfers between funds	8	(68,606)	(3,018)	(11,281)	82,905	-	-
Net Movement of Funds		**2,028,848**	**89,223**	**333,116**	**638,440**	**3,089,627**	**1,690,306**
Total Funds Brought Forward		39,398,790	1,731,182	6,468,227	5,029,004	52,627,203	50,936,897
Total Funds Carried Forward		**41,427,638**	**1,820,405**	**6,801,343**	**5,667,444**	**55,716,830**	**52,627,203**

For an analysis of the comparative figures for the year ended 31 December 2023 see page 11

The Liverpool Merchants' Guild
Comparative Statement of Financial Activities
For the Year ended 31st December 2023

	Restricted Funds		Unrestricted Funds		
	Endowed Funds £	Legacies Fund £	General Fund £	Reserve Fund £	Total 2023 £
Income and endowments from					
Donations and legacies	-	-	-	-	-
Subscriptions	-	-	19	-	19
Income from Investments					
UK Investment Income	955,982	42,041	156,963	50,945	1,205,931
Non UK Investment Income	232,203	10,212	38,126	46,830	327,371
Deposit Interest	36,121	1,588	5,931	13,727	57,367
Total Income and endowments	**1,224,306**	**53,841**	**201,039**	**111,502**	**1,590,688**
Expenditure on					
Expenditure on raising funds	151,176	6,648	24,822	-	182,646
Expenditure on Charitable activities	911,424	40,082	149,647	-	1,101,153
Total Expenditure	**1,062,600**	**46,730**	**174,469**	**-**	**1,283,799**
Net (losses) on investments	872,016	38,349	143,176	329,876	1,383,417
Net Income / Expenditure	1,033,722	45,460	169,746	441,378	1,690,306
Transfers between funds	(161,706)	(7,111)	(26,570)	195,387	-
Net Movement of Funds	**872,016**	**38,349**	**143,176**	**636,765**	**1,690,306**
Total Funds Brought Forward	38,526,774	1,692,833	6,325,051	4,392,239	50,936,897
Total Funds Carried Forward	**39,398,790**	**1,731,182**	**6,468,227**	**5,029,004**	**52,627,203**

The notes on pages 14 to 23 form part of these financial statements.

The Liverpool Merchants' Guild

Statement of Financial Position

31st December 2024

	Note	£	2024 £	£	2023 £
Fixed Assets					
Investments and cash held by the Common Investment Fund	9		50,049,386		47,598,199
Current Assets					
Debtors & prepayments due within one year	10	102		393	
Debtors due after more than one year	10	63,416		68,338	
Investments	11	4,753,401		4,154,410	
Cash at Bank		906,610		858,602	
		5,723,529		5,081,743	
Current Liabilities					
Creditors & accruals due in less than one year	12	56,085		52,739	
Reserve Fund / Net Current Assets			5,667,444		5,029,004
Total Assets less Current liabilities			**55,716,830**		**52,627,203**
Funds of the Charity:					
Restricted Funds:					
Permanent Endowed Funds	15		41,427,638		39,398,790
Legacies Fund	15		1,820,405		1,731,182
Unrestricted Funds:					
General Fund	15		6,801,343		6,468,227
Reserve Fund	14		5,667,444		5,029,004
Total Charity Funds			**55,716,830**		**52,627,203**

Approved on behalf of the Board of Management on 30/9/2025

R J Carter .....
Chairman

Mrs G Ferrigno .....
Trustee

The notes on pages 14 to 23 form part of these financial statements.

	2024	2023
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per the statement of financial activities)	3,089,627	1,690,306
Adjustments for:		
Net gains on investments	(2,912,510)	(1,383,417)
Dividends, interest from investments	(1,491,287)	(1,590,669)
Decrease in debtors	5,213	6,547
Increase in creditors	3,346	1,922
Net cash used by operating activities	(1,305,611)	(1,275,311)

Statement of Cash Flows

Cash Flows from Operating Activities:		
Net cash used by operating activities	(1,305,611)	(1,275,311)
Cash Flows from investing Activities:		
Dividends, interest from investments	1,491,287	1,590,669
Proceeds from sale of investments	17,310,922	8,354,412
Purchase of investments	(17,412,971)	(10,517,297)
Net cash provided by (used by) investing activities	1,389,238	(572,216)
Change in cash and cash equivalents in the the reporting period	83,627	(1,847,527)
Cash and cash equivalents at the beginning of the reporting period	1,404,396	3,251,923
Cash and cash equivalents at the end of the reporting period	1,488,023	1,404,396
Made up as to:		
Reserve Fund - Current Assets - Cash at bank	906,610	858,602
Common Investment Fund - Fixed Assets - Cash Deposits	581,413	545,794
	1,488,023	1,404,396

1 Accounting Policies

Legal status

Liverpool Merchants' Guild constitutes a public benefit entity as defined by FRS 102.

a Scope and basis of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and are 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) ('the SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has invovled following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Irleand (FRS 102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The financial statements have been prepared on a going concern basis. This is discussed in the Trustees' report at page 5 under the heading 'going concern'.

b Incoming Resources

Income arising on the Common Investment Fund investments is allocated to each fund in proportion to the value of the funds at 31st December 2023.

c Investment Income

Dividends and bank interest are included as incoming resources when they are received.

d Legacies and Donations Received

Legacies and donations are recognised upon receipt or when it is probable that they will be received.

Receipt is normally probable when:

- there has been grant of probate:
- the exectors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy:
- any conditions attached to the legacy are either within the control of the charity or have been met.

e Taxation

The Guild is a registered Charity and is not liable to UK taxation on its charitable activities and is not registered for VAT purposes. Expenditure is stated inclusive of any applicable VAT.

f Pensions and Grants

All charitable payments are made for the benefit of individuals who meet the criteria for elegibility as set out in the Guild's Byelaws and Regulations and are made for the relief of hardship or need. All awards are made at the discretion of the Board of Management which does not enter into any commitment to renew or repeat any payment.
Charitable payments are accounted for as and when paid.

g Loans to Beneficiaries

Loans are granted to beneficiaries for the purpose of funding essential property maintenance or repairs. They are interest free and are repayable when the beneficiary ceases to occupy the property involved. Loans are only made from the Reserve Fund.

h Investments

Investments held as fixed assets and current assets are all listed on a recognised stock exchange and are included in the financial statements at market value.

Those investments which are held as current assets are part of the Reserve Fund and are highly liquid investments which are readily realisable.

1 Accounting Policies (cont)

i Investment Gains and Losses

Realised and unrealised gains and losses on the Common Investment Fund investments are allocated to each capital fund in aliquot portions. Gains or losses arising on investments of the Reserve Fund are treated as additions or reductions to that fund and are available to set off against future expenditure.

j Fund Accounting

Following advice from the Charity Commission in June 1972, the Guild's capital funds were reclassified from a single permanent endowed capital account into restricted and unrestricted funds. Restricted funds have been further subdivided into permanent and expendable funds.

Funds in existence in June 1972, the date of implementation of the scheme by the Charity Commission, have been classified as permanent endowed funds and any additions to those funds since that date have been treated as additions to the permanent endowment. New funds received since June 1972 have been classifed as restricted or unrestricted funds according to the terms or conditions attaching to the bequest to the Guild. Details of the various funds are set out in Notes 15 and 16.

All funds classified as restricted are held for the specific purpose of paying pensions or other benefis to eligible beneficiaries.

k Debtors due after more then one year

Debtors due after more than one year comprise loans to beneficiaries, both secured and unsecured. As there is no certainly when these amounts will be recovered the net present value, therefore, cannot be measured.

l Current Assets - Investments

Current asset investments represent stocks and shares quoted on recognised stock exchanges. Such stocks and shares can be immediately sold in exchange for cash which is receivable on the ordinary settlement terms of the stock exchange in question and have been revalued on the basis of prices quoted on the relevant Stock Exchange.

m Current Assets - Cash at Bank

Cash at bank represents monies held either at Barclays Bank or with Rathbone Investment Management. Such monies are immediately available and no notice period is required for access to same.

n Current Liabilities - Creditors & Accruals

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting Policies (cont)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 *Judgements and key sources of estimation uncertainty*

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Expenditure on Raising funds	2024	2023
	£	£
Investment Management fees	195,369	182,646
	195,369	**182,646**

4 Expenditure on Charitable activities	2024	2023
	£	£
Pensions	821,013	862,055
Grants	137,553	103,684
Auditors' remuneration	6,000	5,670
Secretaries fees	147,600	126,000
Postage, stationery and web design etc.	6,652	3,744
	1,118,818	**1,101,153**

Expenditure on Charitible activities is allocated in proportion to the endowed, legacy and general fund values at 31st December 2023.

All charitable payments are for the benefit of individuals. At 31st December 2024 there were 213 beneficiaries. (2023 : 213).

5 Trustees Remuneration

No member of the Board of Management or any connected persons received any remuneration in respect of their services as trustees. Additionally no member of the Board of Management or any connected persons received or waived any reimbursement of expenses. (2023 - none)

6 Employees

The Liverpool Merchants' Guild does not have any employees and does not provide any retirement or post employment benefits to anyone. (2023 - none)

7 Transfer of Special Dividends

No special dividends or similar income have been received during the year which require a transfer between income and capital.

The Guild still considers it appropriate to make a transfer when such income arises. The capital funds would then have been credited in proportion to the fund values at the end of the previous year.

8 Transfer between funds

At the end of each year transfers are made to or from the Reserve Fund in respect of the surplus or deficit of income on each of the other funds and is made up as follows:

	Note	Restricted Funds		Unrestricted Funds		
		Endowed Funds	Legacies Fund	General Fund	Reserve Fund	Total Funds
		£	£	£	£	£
Subscriptions		-	-	17	-	17
UK Investment Income		885,340	38,935	145,364	56,272	1,125,911
Non UK Investment Income		260,364	11,450	42,749	34,497	349,060
Deposit Interest		10,655	469	1,749	3,443	16,316
		1,156,359	50,854	189,879	94,212	1,491,304
Expenditure on raising funds	3	161,707	7,111	26,551	-	195,369
Expenditure on charitable acitvities	4	926,046	40,725	152,047	-	1,118,818
		1,087,753	47,836	178,598	-	1,314,187
Net surplus before gains and losses, to be transferred		68,606	3,018	11,281	(82,905)	-

9 Fixed Assets

Investments

Common Investment Fund	In UK	Outside UK	Total 2024	2023
	£	£	£	£
Market Value 1st January 2024	29,093,024	17,959,381	47,052,405	43,988,306
Acquisitions	3,576,388	11,826,965	15,403,353	9,591,870
Disposals	(9,855,813)	(5,583,159)	(15,438,972)	(7,581,312)
Realised (losses) / gains	273,721	(149,495)	124,226	20,823
Unrealised gains on revaluation of Investments	21,868	2,305,093	2,326,961	1,032,718
Market Value 31st December 2024	**23,109,188**	**26,358,785**	**49,467,973**	**47,052,405**
Cost at 31st December 2024	**16,887,718**	**20,880,967**	**37,768,685**	**33,869,355**
Investment Cash Deposits				
Cash at Bank	**581,413**	-	**581,413**	**545,794**
Total Common Investment Fund Investments	**23,690,601**	**26,358,785**	**50,049,386**	**47,598,199**

9 Fixed Assets (cont)	Value 31.12.2024	%	Value 31.12.2023	%
UK Investments	£		£	
Government Securities	1,570,928	6.80	1,923,654	6.61
Banks	678,180	2.93	1,532,355	5.27
Beverages	1,025,150	4.44	1,153,824	3.97
Commodities	753,572	3.26	810,108	2.78
Global Investments	2,186,440	9.46	2,668,089	9.17
Infrastructure Funds	1,583,850	6.85	2,075,481	7.13
Investment Banking & Brokerage	690,642	2.99	-	-
Life Assurance	299,390	1.30	416,984	1.43
Media and Photography	1,088,700	4.71	1,057,400	3.63
Mining	896,557	3.88	1,477,912	5.08
Oil and Gas	2,807,259	12.15	4,018,391	13.81
Overseas Index Linked Government Bonds	823,258	3.56	458,775	1.58
Personal Care, Drug and Grocery	919,833	3.98	1,809,037	6.22
Pharmaceuticals	1,004,928	4.35	1,387,923	4.77
Precious Metals	472,800	2.05	394,120	1.35
Private Equity Stock	391,745	1.70	443,610	1.52
Support Services	944,445	4.09	1,140,798	3.92
Tobacco	619,200	2.68	493,533	1.70
UK Investment Companies	-	-	852,775	2.93
UK Index Linked Government Bonds	-	-	465,397	1.60
UK Investment Grade Bonds	1,900,389	8.22	1,961,791	6.74
UK Investment Grade Bonds - Higher Quality	1,744,172	7.55	1,762,857	6.06
Water and Gas	707,750	3.05	788,210	2.73
	23,109,188	**100.00**	**29,093,024**	**100.00**
Investments outside the UK				
Asia	1,635,070	6.20	1,496,780	8.33
European Investments	2,133,055	8.09	2,623,722	14.61
Japanese	2,454,630	9.31	1,930,098	10.75
US Shares	20,136,030	76.39	11,908,781	66.31
	26,358,785	**100.00**	**17,959,381**	**100.00**
Total Quoted Investments	**49,467,973**		**47,052,405**	

There were no individual direct holdings that represented more than 5% of the total value of fixed and current asset investments at 31st December 2024.

9 Fixed Assets (cont)

All investments are investments in quoted securities or unit trusts. These have been revalued at 31st December 2024 on the basis of prices quoted on the relevant Stock Exchange or by the fund manager.

All of the fixed asset investments are held in direct furtherance of the charity's objects.

10 Debtors

		2024	2023
		£	£
Due within one year	Other debtors	102	393
		102	**393**
Due after more than one year	Secured loans to beneficiaries	51,184	51,184
	Unsecured loans to beneficiaries	12,232	17,154
		63,416	**68,338**

Loans to beneficiaries are interest-free and have no fixed date for repayment.

As there is no certainty as to when loans to beneficiaries will be recovered, the net present value of those loans cannot be measured

11 Current Asset Investments

Quoted Investments in UK	2024	2023
	£	£
Market Value 1st January 2024	4,154,410	3,672,207
Acquisitions	2,009,618	925,427
Disposals	(1,871,950)	(773,100)
Realised gains / (losses)	111,771	(59,268)
Unrealised gains on revaluation of investments	349,552	389,144
Market Value 31st December 2024	**4,753,401**	**4,154,410**
Cost at 31st December 2024	**3,840,303**	**3,265,986**

Current asset investments represent the temporary investment of previous accumulations of income.

All investments are investments in quoted securities. These have been revalued at 31st December 2024 on the basis of prices quoted on the relevant Stock Exchange.

11 Current Asset Investments (cont)

	Value 31.12.2024 £	%	Value 31.12.2023 £	%
Government Securities	145,890	3.07	184,629	4.44
Banks	33,612	0.71	130,219	3.13
Commodities	54,858	1.15	73,856	1.78
Global Investments	44,520	0.94	-	-
Infrastructure Funds	21,167	0.45	38,902	0.94
Investment Banking & Brokerage	65,453	1.38	-	-
Oil and Gas	69,561	1.46	82,509	1.99
Overseas Index Linked Government Bonds	78,293	1.65	41,525	1.00
Personal Care, Drug and Grocery	-	-	16,802	0.40
Pharmaceuticals	136,084	2.86	217,851	5.24
Private Equity Stock	39,395	0.83	44,611	1.07
Support Services	108,655	2.29	37,200	0.90
UK Investment Companies	-	-	36,547	0.88
UK Index Linked Government Bonds	-	-	42,124	1.01
UK Investment Grade Bonds	225,004	4.73	231,849	5.58
UK Investment Grade Bonds - Higher Quality	179,616	3.78	183,388	4.41
Water and Gas	36,100	0.76	40,204	0.97
European Investments	656,083	13.80	184,949	4.45
US Shares	2,308,447	48.56	2,129,025	51.25
Japanese	550,663	11.58	438,220	10.55
	4,753,401	**100.00**	**4,154,410**	**100.00**

12 Creditors - amounts due within one year

	2024 £	2023 £
Accruals	56,085	52,739
	56,085	52,739

13 Capital Funds

	£	£
Balance 1st January 2024	47,598,199	46,544,658
Net incoming resources for the year	82,905	195,387
Transfer to Reserve Fund	(82,905)	(195,387)
Realised investment gains	124,226	20,823
Unrealised gains on revaluation of investments	2,326,961	1,032,718
Balance 31st December 2024	**50,049,386**	**47,598,199**

14 Reserve Fund

	£	£
Balance 1st January 2024	5,029,004	4,392,239
Net incoming resources for the year	94,212	111,502
Transfer from from Capital Funds	82,905	195,387
Realised gains / (losses) on disposal of investments	111,771	(59,268)
Unrealised gains on revaluation of investments	349,552	389,144
Balance 31st December 2024	**5,667,444**	**5,029,004**

15 Capital Funds

	2024	2023
	£	£
Restricted Funds		
Permanent Endowed Fund	**41,427,638**	**39,398,790**
Legacies Fund	**1,820,405**	**1,731,182**
Unrestricted Funds		
General Fund	**6,801,343**	**6,468,227**
Total Capital Funds	**50,049,386**	**47,598,199**

In March 2007 the Charity Commission approved a scheme whereby the individual named funds that had comprised the Permanent Endowed Fund were formally amalgamated into one single fund entitled The Liverpool Merchants' Guild.

The following is a list of funds that now comprise the Liverpool Merchants' Guild Permanent Endowed Fund:-

Mrs W M Allen Fund
American Chamber of Commerce Fund
Miss Olivia Atherton fund
Mrs James Barrow Fund
Thomas Bartlett Fund
Mrs E E Bartley Fund
Frederic Bowden Fund
James Lord Bowes Fund
Mrs Anna Brancker Fund
Frank Brocklehurst Fund
John Bury Annuity Fund
William Cliff Fund
C H Collie Fund
Aileen Congrieve Fund
John Cropper Fund
John G & Mary Dobson Fund
Emma Elliston Fund
Isolina Gee Fund
General & Roger Lyon Jones Fund
Andrew Gibson Fund
Isabel Grace Hall Fund
Harrison Fund
John Hill Fund
William Imrie Liverpool Clerks Benevolent Fund
E Alan Johnston Fund
Helen Johnston Fund
Johnston Family Fund
Kathleen Stewart Kendall Fund
Anita G Lawrence Fund
Miss Henrietta McKay Fund
Thomas Moss Fund
Essie Newberry Fund
Thomas William & Alice Eleanor Oakshott Memorial Fund
The Misses Paton Fund
Mercey Richardson Fund
Lucie Amelia Ridley Fund
Frank Rigby Fund
John Winser Sheriff Fund
W H Shirley Fund
W M Simpson Fund
Henry Tate Fund
Charles & Kate Thorne Fund
The William Henry & Harriet Watt Fund
Frank & Gwen White Fund
Mr & Mrs George Wilson Fund
J Marke Wood Fund

16 Summary of Net Assets by Funds - 31 December 2024

	Fixed Assets	Current Assets	Total
Restricted Funds	£	£	£
Permanent Endowed Funds	41,427,638	-	41,427,638
Legacies Fund	1,820,405	-	1,820,405
Unrestricted Funds			
General Fund	6,801,343	-	6,801,343
Reserve Fund	-	5,667,444	5,667,444
	50,049,386	**5,667,444**	**55,716,830**

Summary of Net Assets by Funds - 31 December 2023

	Fixed Assets	Current Assets	Total
Restricted Funds	£	£	£
Permanent Endowed Funds	39,398,790	-	39,398,790
Legacies Fund	1,731,182	-	1,731,182
Unrestricted Funds			
General Fund	6,468,227	-	6,468,227
Reserve Fund	-	5,029,004	5,029,004
	47,598,199	**5,029,004**	**52,627,203**

Restricted funds are held for the specific purpose of paying pensions or other benefits to eligible beneficiaries.

The capital of the permanent endowed funds may not be expended, only the income arising on these funds may be utilised in the payment of pensions or other benefits to beneficiaries.

Unrestricted funds may be utilised for any purpose of the Guild.

17 Commitments

Payment of pensions and grants is entirely discretionary. The Board of Management is of the opinion that there were no commitments for either revenue or capital expenditure at 31st December 2024 (2023 - £nil).

18 Related Parties

S T Chapple Gill, a member of the Board of Management is a consultant to the firm Brabners LLP. Mr D. Bailey, also a member of the board of management, is a partner in the firm Brabners LLP. Brabners LLP provide legal services to the Guild. An Order has been obtained from the Charity Commission allowing the Guild to continue to utilise the services of this firm. £nil was charged by Brabners during the year (2023 - £nil). The amount outstanding to Brabners LLP at 31 December 2024 was £nil (2023 - £nil).

Mr A.T. Morris, who is a Trustee of Liverpool Merchants Guild, was an employee of Rathbone Investment Management (retired 30 June 2023). This latter company were appointed by the management Board of Liverpool Merchants' Guild to manage the Guild's investments on a discretionary basis with effect from 1st October 2013. Agreement to the appointment of Rathbone Investment Management was obtained from the Charity Commission. Rathbone Investment Management received remuneration included in these accounts amounting to £182,646. (2022 - £180,093). The amount outstanding to Rathbone Investment Management at 31 December 2023 was £46,657. (2022 - £45,209).

There are no other related party transactions.

19 Financial instruments	**2024**	**2023**
Carrying amount of financial assets	£	£
Debt instruments measured at amortised cost		
Debtors	63,416	68,338
Cash held	1,488,023	1,404,396
	1,551,439	1,472,734
Instruments measured at fair value through SOFA		
Investments held by Reserve Fund	4,753,401	4,154,410
Investments held by Common Investment Fund	49,467,973	47,052,405
	54,221,374	51,206,815
Carrying amount of financial liabilities		
Measured at amortised cost		
Accruals	56,085	52,739

THE LIVERPOOL MERCHANTS' GUILD

England & Wales - Charity number 206454

Accounts

The Liverpool Merchants' Guild
Annual Report & Financial Statements
Year ended 31st December 2023
Registered Charity
No.206454

Index

Page	
1 – 6	Trustees' Annual Report including statement of trustees' responsibilities
7 - 9	Auditors' Report
10	Statement of Financial Activities
11	Comparative Statement of Financial Activities for the year ended 31st December 2022
12	Statement of Financial Position
13	Statement of Cash Flows
14 – 24	Notes to the Financial Statements

Trustees' Annual Report

Year ended 31st December 2023

The Trustees present their Annual Report and the Financial Statements for the year ended 31st December 2023, which have been prepared in accordance with part 8 of the Charities Act 2011.

Structure, Governance and Management

The Charity was established by the will of the late Catherine Wright in 1868 as "Wright's Institution" and was incorporated along with all its subsidiary funds by Royal Charter in 1914 as The Liverpool Merchants' Guild. It is registered with the Charity Commission no. 206454. The Charity's address is 110-114, Duke Street, Liverpool, L1 5AG.

The Royal Charter was amended by a Scheme of the Charity Commission in May 1972 which extended the objects of the Guild and the ways in which benefits could be paid to beneficiaries, established a Common Investment Fund in respect of all of the separate funds that comprised the Guild, and granted unrestricted powers of investment. At the same time the Byelaws were updated to reflect these changes.

A Supplemental Royal Charter was granted in December 2006 which updated and replaced the original Charter and subsequent amendment after the Charity Commission had agreed a Scheme which updated the definitions of the objects of the Charity and the powers of investment. The Board of Management were also granted power to provide indemnity insurance for themselves and a simplified procedure for dealing with any future amendments to the Royal Charter was introduced.

In addition to the Royal Charter there are a set of Byelaws which deal with administrative and management matters. The Byelaws were extensively revised in conjunction with the granting of the Supplemental Charter in December 2006. In particular, the new Byelaws recognised a single class of membership of the Guild, being persons paying an annual subscription of £2.10. Ex-officio membership of the Guild and the Board of Management was, with the consent of the existing office holders, brought to an end.

The Board of Management of the Guild is elected from the members of the Guild.

The following persons, who are all trustees, have been members of the Board of Management during the year:-

Elected members:-

Mr R.J. Carter (Chairman)
Mr S.T. Chapple-Gill
Mrs G. Ferrigno
Mr A.T. Morris
Mr L. Downey
Mr K. Head
Mr D. Bailey
Mr W T M Roberts
Dr C Lewis-Jones

One third of the elected members are appointed on an annual basis at the Annual General Meeting.

There are two Sub-Committees appointed by the Board of Management.

Finance Sub-Committee – which deals with the management of the Guild's investments

Mr R.J. Carter (Chairman)
Mr A.T. Morris
Mr L. Downey
Mr D. Bailey

Selection Sub-Committee – which deals with the award of pensions and grants.

Mrs G. Ferrigno (Chair)
Mr R.J. Carter
Mr S.T. Chapple-Gill
Mr K. Head
Mr D. Bailey
Mr W T M Roberts
Dr C Lewis-Jones

New members are recruited on the basis of the skills, relevant experience or expertise that they are able to contribute to the Board of Management. They undergo a short period of induction training explaining the constitution of the Guild, the responsibilities of a Member of the Board of Management and the workings of the sub-committee to which they will be allocated.

Day to Day Management

The day to day management of the Charity is conducted by Monetta LLP in their capacity as Secretaries.

Risk Management

The Board of Management has assessed the major risks and uncertainties facing the charity and have identified these as:-

Security of Assets, Investment Policies, Fraud, Disaster Recovery and Safety during Visits to Beneficiaries

A summary of the plans and strategy for managing these risks are as follows:-

1. Security of Assets

Safe custody arrangements have been made with regard to the Guild's investments such that all share and stock certificates are held by either the New York Mellon Bank or in electronic format by Rathbone Nominees Limited.

2. Investment Policies

The Trustees have put in place a written investment policy and have delegated discretionary management of the Guild's investments to Rathbone Investment Management who regularly monitor the performance of the Guild's investments which performance is also regularly reviewed at meetings of the Finance Committee.

3. Fraud

The Trustees regularly monitor the financial performance of the Guild. There is a segregation of duties and, whilst cash balances of Liverpool Merchants' Guild are frequently managed by both the Secretaries and the Investment Managers, the Trustees insist on confirmation that both the Secretaries and the Investment Managers have adequate professional indemnity and insurance cover in place.

4. Disaster Recovery

The Secretaries ensure that data back-up procedures are in place together with adequate insurance cover.

5. Safety during Visits to Beneficiaries

The Trustees ensure that procedures with regard to the staff of the Secretaries visiting beneficiaries at home are strictly adhered to.

Objectives and Activities

The objects of the Charity as defined by the Supplemental Royal Charter of December 2006 are:-

To relieve individuals who have been a professional or self-employed person, a person who worked in a supervisory capacity, or a clerical or non-manual worker, and their dependants, who are residing in Merseyside, or who have so resided for a continuous period of not less than fifteen years, who are not less than fifty years of age and who are in conditions of need, hardship or distress, either by paying pensions or by making grants or loans of money or providing or paying for items, services or facilities calculated to reduce such need, hardship or distress as aforesaid.

To accept and administer any funds or property given or bequeathed to the Guild upon any trusts for charitable purposes which, in the opinion of the Board of Management of the Guild, can be conveniently carried out and administered by the Guild.

Benefit takes the form of pensions or grants of money for specific items of expense of such an amount as the Board of Management consider suitable to the circumstances of each individual case.

Achievements and Performance

Pensions were awarded to 13 new beneficiaries during the year (2022 - 25). The circumstances of existing beneficiaries were also reviewed resulting in an increase to their pensions of £33.900 Total pensions paid during the year amounted to £862,055. The Sub-Committee also made payments of grants totalling £103,683. The number of beneficiaries in receipt of pensions at the end of the year was 213 (2022 - 244).

Plans for Future Periods

The Liverpool Merchants' Guild continues to provide funding towards the support of independent living by means of the provision of specialist equipment or residential adaptations for individuals with special needs.

The principal short term and long term aims and objectives of The Liverpool Merchants' Guild are to increase the number of beneficiaries and positive efforts are still being made to achieve this aim, including updating the Guild's website to facilitate electronic applications.

All current beneficiaries have recently been informed that, in addition to making regular payments, The Liverpool Merchants' Guild also make grants available for items of exceptional expenditure. Additionally, grants are available to new applicants and this is stated both on the Guild's website and published in application guidelines.

Marketing

A range of materials, including a website, posters and brochures, have been produced to promote the Guild and it is hoped that this will result in an increase in the number of applications for benefit not only for grants to support independent living but also for ordinary pensions.

Finances

The Supplemental Charter of December 2006 granted the Board of Management power to invest funds, employ a professional fund manager and to arrange for the investments of the Guild to be held in the name of a nominee in the same manner as trustees of a trust are permitted to do by the Trustee Act 2000.

The capital funds of the Guild may also be invested in a Common Investment Fund established by a Scheme of the Charity Commission on 4th May 1972.

In March 2007 the Charity Commission approved a Scheme whereby the previously separate named funds were formally amalgamated into a single fund entitled The Liverpool Merchants' Guild.

The capital of the Guild is grouped into four funds:

The Permanent Endowed Fund is made up of all the original separate funds which were incorporated into the Guild at the time the original Royal Charter was granted together with subsequent bequests which had stipulated that the capital was not expendable. This fund is a restricted fund and only income may be expended in furtherance of the objects of the Guild.

The Legacies Fund is also a restricted fund but comprises bequests to the Guild where there has been no stipulation regarding capital. The whole of this fund is expendable on the objects of the Guild although at present only the income is being used.

The General Fund is an unrestricted fund and comprises unconditional bequests to the Guild. At present only income is being utilised with any unspent income at the end of each year being transferred to the Reserve Fund.

The Reserve Fund is an unrestricted fund and comprises unspent income accumulated over many years. Part of the Reserve Fund has been utilised in previous years to finance loans to beneficiaries to enable them to carry out essential property repairs. A further part of the Reserve Fund is invested temporarily.

Rathbone Investment Management continued to manage the Guild's investments on a discretionary basis, in accordance with the parameters set by the Finance Committee, under the terms of their appointment which commenced on 1st October 2013.

The funds have performed as follows during the year: -

Bespoke Composite Benchmark – year to 31.12.2023 = 10.86%

Common Investment Fund	31.12.2022	31.12.2023	%-age change	Benchmark
Market value	43,988,306	47,052,405		
Cash held by Rathbones	2,183,525	410,169		
	46,171,831	47,462,574		
Income generated	-	1,479,167		
	46,171,831	48,941,741	6.00%	10.86%

Reserve Fund	31.12.2022	31.12.2023	%-age change	Benchmark
Market value	3,672,207	4,154,410		
Cash held by Rathbones	388,318	222,500		
	4,060,525	4,376,910		
Income generated	-	111,502		
	4,060,525	4,488,412	10.54%	10.86%
Management fees taken	180,093	181,646		

During the year the Common Investment Fund and the Reserve Fund had combined realised losses on investments totalling £38,445 and unrealised gains on investments amounting to £1,421,862.

Overall, taking cash balances into account, the combined value of the Common Investment Fund and the Reserve Fund at 31st December 2023 amounted to £52,627,203 which was an increase of £1,690,306 on the combined value of the Common Investment Fund and the Reserve Fund at 31st December 2022 in the sum of £50,936,897.

There were no legacies or donations received during the year (2022 – nil).

The principal funding sources of the Charity are the investments which the Charity holds. During the reporting period investment income amounted to £1,590,669 which sum substantially covered the Guild's expenditure on charitable activities of £1,101,153.

Going Concern

In accordance with the requirements of FRS102 SORP, the Trustees have reviewed the financial position of the Guild. This review has covered a period up to 31st December 2024 and the Trustees of the Guild are unanimously of the view that the Charity is a going concern.

The Trustees are also unanimously of the view that there are no material uncertainties about the Charity's ability to continue.

Reserves

Whilst all charitable payments are entirely discretionary and there is no irrevocable commitment for further expenditure, the Board of Management consider that a reasonable level of reserve would equate to approximately 12 months expenditure. Current free reserves, £4,960,666, are approximately 46 months expenditure.

The Board of Management are comfortable with the level of reserves held, particularly in view of its intention to actively seek to increase the number of beneficiaries.

Responsibilities

Charity Law requires the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its financial activities for that period. In preparing those financial statements the Board of Management is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Statement of Recommended Practice "Charities SORP (FRS 102) issued by the Charity Commission and with applicable accounting standards subject to any material departures disclosed and explained in the financial statements.

- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Charity will continue in business.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Royal Charter of 2006. It is responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Trustees have complied with the duty in section 8 of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission (Public Benefit).

Post Balance Sheet Events

The Trustees have been closely monitoring events since the beginning of 2024 and can report that there has been a decrease of 5% in the level of dividend income generated by the Guild's investments comparing the first eight months of 2024 with the first eight months of 2023.

Secretaries

The Secretaries of the Guild are Monetta LLP, Chartered Accountants, 110-114 Duke Street, Liverpool, L1 5AG.

Bankers

The Guild's principal bankers are Barclays Bank PLC, City Office, 48B and 50 Lord Street, Liverpool, L2 1TD.

Investment Managers

The Guild's Investment Managers are Rathbone Investment Management, Port of Liverpool Building, Pier Head, Liverpool, L3 1NW.

Auditors

The Guild's auditors are Mitchell Charlesworth (Audit) Limited, Tempest, Suite 5.1, Tithebarn Street, Liverpool, L2 2DT.

Solicitors

The Guild's solicitors are Brabners LLP, Horton House, Exchange Flags, Liverpool, L2 3YL.

Website: www.liverpoolmerchantsguild.org.uk

E-Mail: info@liverpoolmerchantsguild.org.uk

Telephone and Fax
Tel: 0151 703 1080
Fax: 0151 703 1085

On behalf of the Board of Management

.....
Mr R.J. Carter
Chairman

Date 17 Oct 2024

Independent Auditors' Report to the Trustees of The Liverpool Merchants' Guild

Opinion

We have audited the financial statements of The Liverpool Merchants' Guild (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and 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 charity's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 twelve 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 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 we do not express any form of assurance conclusion thereon. 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 and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or

- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to 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 auditors under section 144 of the Charities Act 2011 and report in accordance with the Act 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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 as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice.

Use of our audit report

This report is made solely to the charity's trustees as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mitchell Charlesworth (Audit) Limited

Mitchell Charlesworth (Audit) Limited 18 October 2024

Chartered Accountants
Statutory Auditor

Tempest,
Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

Mitchell Charlesworth (Audit) Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

The Liverpool Merchants' Guild
Statement of Financial Activities
Year ended 31st December 2023

	Note	Restricted Funds		Unrestricted Funds			2022
		Endowed Funds £	Legacies Fund £	General Fund £	Reserve Fund £	Total Funds £	£
Income and endowments from							
Donations and legacies	3	-	-	-	-	-	-
Subscriptions		-	-	19	-	19	19
Income from Investments							
UK Investment Income		955,982	42,041	156,963	50,945	1,205,931	1,124,782
Non UK Investment Income		232,203	10,212	38,126	46,830	327,371	302,460
Deposit Interest		36,121	1,588	5,931	13,727	57,367	117,526
Total Income and endowments		**1,224,306**	**53,841**	**201,039**	**111,502**	**1,590,688**	**1,544,787**
Expenditure on							
Expenditure on raising funds	4	151,176	6,648	24,822	-	182,646	180,093
Expenditure on Charitable activities	5	911,424	40,082	149,647	-	1,101,153	1,253,799
Total Expenditure		**1,062,600**	**46,730**	**174,469**	**-**	**1,283,799**	**1,433,892**
Net gains / (losses) on investments	10 & 12	872,016	38,349	143,176	329,876	1,383,417	(4,450,306)
Net Income / (expenditure)		1,033,722	45,460	169,746	441,378	1,690,306	(4,339,411)
Transfer of Special Dividends	8	-	-	-	-	-	-
Transfers between funds	9	(161,706)	(7,111)	(26,570)	195,387	-	-
Net Movement of Funds		**872,016**	**38,349**	**143,176**	**636,765**	**1,690,306**	**(4,339,411)**
Total Funds Brought Forward		38,526,774	1,692,833	6,325,051	4,392,239	50,936,897	55,276,308
Total Funds Carried Forward		**39,398,790**	**1,731,182**	**6,468,227**	**5,029,004**	**52,627,203**	**50,936,897**

For an analysis of the comparative figures for the year ended 31 December 2022 see page 11

The Liverpool Merchants' Guild
Comparative Statement of Financial Activities
For the Year ended 31st December 2022

	Restricted Funds		Unrestricted Funds		
	Endowed Funds	Legacies Fund	General Fund	Reserve Fund	Total 2022
	£	£	£	£	£
Income and endowments from					
Donations and legacies	-	-	-	-	-
Subscriptions	-	-	19	-	19
Income from Investments					
UK Investment Income	894,874	39,354	146,929	43,625	1,124,782
Non UK Investment Income	214,943	9,453	35,291	42,773	302,460
Deposit Interest	89,937	3,955	14,767	8,867	117,526
Total Income and endowments	**1,199,754**	**52,762**	**197,006**	**95,265**	**1,544,787**
Expenditure on					
Expenditure on raising funds	149,063	6,555	24,475	-	180,093
Expenditure on Charitable activities	1,037,770	45,638	170,391	-	1,253,799
Total Expenditure	**1,186,833**	**52,193**	**194,866**	**-**	**1,433,892**
Net (losses) on investments	(3,110,342)	(136,785)	(510,687)	(692,492)	(4,450,306)
Net Income / Expenditure	(3,097,421)	(136,216)	(508,547)	(597,227)	(4,339,411)
Transfers between funds	(12,921)	(569)	(2,140)	15,630	-
Net Movement of Funds	**(3,110,342)**	**(136,785)**	**(510,687)**	**(581,597)**	**(4,339,411)**
Total Funds Brought Forward	41,637,116	1,829,618	6,835,738	4,973,836	55,276,308
Total Funds Carried Forward	**38,526,774**	**1,692,833**	**6,325,051**	**4,392,239**	**50,936,897**

The notes on pages 14 to 23 form part of these financial statements.

The Liverpool Merchants' Guild

Statement of Financial Position

31st December 2023

	Note	2023		2022	
		£	£	£	£
Fixed Assets					
Investments and cash held by the Common Investment Fund	10		47,598,199		46,544,658
Current Assets					
Debtors & prepayments due within one year	11	393		332	
Debtors due after more than one year	11	68,338		74,946	
Investments	12	4,154,410		3,672,207	
Cash at Bank		858,602		695,571	
		5,081,743		4,443,056	
Current Liabilities					
Creditors & accruals due in less than one year	13	52,739		50,817	
Reserve Fund / Net Current Assets			5,029,004		4,392,239
Total Assets less Current liabilities			**52,627,203**		**50,936,897**
Funds of the Charity:					
Restricted Funds:					
Permanent Endowed Funds	16		39,398,790		38,526,774
Legacies Fund	16		1,731,182		1,692,833
Unrestricted Funds:					
General Fund	16		6,468,227		6,325,051
Reserve Fund	15		5,029,004		4,392,239
Total Charity Funds			**52,627,203**		**50,936,897**

Approved on behalf of the Board of Management on 17.10.2024

R J Carter .....
Chairman

Mrs G Ferrigno .....
Trustee

The notes on pages 14 to 23 form part of these financial statements.

The Liverpool Merchants' Guild

Statement of Cash Flows

Year ended 31st December 2023

	2023	2022
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,690,306	(4,339,411)
Adjustments for:		
Net (gains) / losses on investments	(1,383,417)	4,450,306
Dividends, interest from investments	(1,590,669)	(1,544,768)
Decrease in debtors	6,547	9,938
Increase / (decrease) in creditors	1,922	(10,959)
Net cash provided (used by) operating activities	(1,275,311)	(1,434,894)

Statement of Cash Flows

Cash Flows from Operating Activities:		
Net cash provided (used by) operating activities	(1,275,311)	(1,434,894)
Cash Flows from investing Activities:		
Dividends, interest from investments	1,590,669	1,544,768
Proceeds from sale of investments	8,354,412	5,485,803
Purchase of investments	(10,517,297)	(5,844,085)
Net cash provided by (used by) investing activities	(572,216)	1,186,486
Change in cash and cash equivalents in the the reporting period	(1,847,527)	(248,408)
Cash and cash equivalents at the beginning of the reporting period	3,251,923	3,500,331
Cash and cash equivalents at the end of the reporting period	1,404,396	3,251,923
Made up as to:		
Reserve Fund - Current Assets - Cash at bank	858,602	695,571
Common Investment Fund - Fixed Assets - Cash Deposits	545,794	2,556,352
	1,404,396	3,251,923

1 Accounting Policies

Legal status

Liverpool Merchants' Guild constitutes a public benefit entity as defined by FRS 102.

a Scope and basis of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and are 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) ('the SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has invovled following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Irleand (FRS 102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The financial statements have been prepared on a going concern basis. This is discussed in the Trustees' report at page 5 under the heading 'going concern'.

b Incoming Resources

Income arising on the Common Investment Fund investments is allocated to each fund in proportion to the value of the funds at 31st December 2022.

c Investment Income

Dividends and bank interest are included as incoming resources when they are received.

d Legacies and Donations Received

Legacies and donations are recognised upon receipt or when it is probable that they will be received.

Receipt is normally probable when:

- there has been grant of probate:
- the exectors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy:
- any conditions attached to the legacy are either within the control of the charity or have been met.

e Taxation

The Guild is a registered Charity and is not liable to UK taxation on its charitable activities and is not registered for VAT purposes. Expenditure is stated inclusive of any applicable VAT.

f Pensions and Grants

All charitable payments are made for the benefit of individuals who meet the criteria for elegibility as set out in the Guild's Byelaws and Regulations and are made for the relief of hardship or need. All awards are made at the discretion of the Board of Management which does not enter into any commitment to renew or repeat any payment.
Charitable payments are accounted for as and when paid.

g Loans to Beneficiaries

Loans are granted to beneficiaries for the purpose of funding essential property maintenance or repairs. They are interest free and are repayable when the beneficiary ceases to occupy the property involved. Loans are only made from the Reserve Fund.

h Investments

Investments held as fixed assets and current assets are all listed on a recognised stock exchange and are included in the financial statements at market value.

Those investments which are held as current assets are part of the Reserve Fund and are highly liquid investments which are readily realisable.

1 Accounting Policies (cont)

i Investment Gains and Losses

Realised and unrealised gains and losses on the Common Investment Fund investments are allocated to each capital fund in aliquot portions. Gains or losses arising on investments of the Reserve Fund are treated as additions or reductions to that fund and are available to set off against future expenditure.

j Fund Accounting

Following advice from the Charity Commission in June 1972, the Guild's capital funds were reclassified from a single permanent endowed capital account into restricted and unrestricted funds. Restricted funds have been further subdivided into permanent and expendable funds.

Funds in existence in June 1972, the date of implementation of the scheme by the Charity Commission, have been classified as permanent endowed funds and any additions to those funds since that date have been treated as additions to the permanent endowment. New funds received since June 1972 have been classifed as restricted or unrestricted funds according to the terms or conditions attaching to the bequest to the Guild. Details of the various funds are set out in Notes 16 and 17.

All funds classified as restricted are held for the specific purpose of paying pensions or other benefis to eligible beneficiaries.

k Debtors due after more then one year

Debtors due after more than one year comprise loans to beneficiaries, both secured and unsecured. As there is no certainly when these amounts will be recovered the net present value, therefore, cannot be measured.

l Current Assets - Investments

Current asset investments represent stocks and shares quoted on recognised stock exchanges. Such stocks and shares can be immediately sold in exchange for cash which is receivable on the ordinary settlement terms of the stock exchange in question and have been revalued on the basis of prices quoted on the relevant Stock Exchange.

m Current Assets - Cash at Bank

Cash at bank represents monies held either at Barclays Bank or with Rathbone Investment Management. Such monies are immediately available and no notice period is required for access to same.

n Current Liabilities - Creditors & Accruals

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting Policies (cont)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 *Judgements and key sources of estimation uncertainty*

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and Legacies

	2023	2022
	£	£
Legacies - see page 5 for details	-	-
Donations - see page 5 for details	-	-
	-	-

4 Expenditure on Raising funds

	2023	2022
	£	£
Investment Management fees	182,646	180,093
	182,646	180,093

5 Expenditure on Charitable activities

	2023	2022
	£	£
Pensions	862,055	960,673
Grants	103,684	159,344
Auditors' remuneration	5,670	5,400
Secretaries fees	126,000	126,000
Postage, stationery and web design etc.	3,744	2,362
Bank charges	-	20
	1,101,153	1,253,799

Expenditure on Charitible activities is allocated in proportion to the endowed, legacy and general fund values at 31st December 2022.

All charitable payments are for the benefit of individuals. At 31 December 2023 there were 213 beneficiaries. (2022 : 244).

6 Trustees Remuneration

No member of the Board of Management or any connected persons received any remuneration in respect of their services as trustees. Additionally no member of the Board of Management or any connected persons received or waived any reimbursement of expenses. (2022 - none)

S T Chapple Gill, a member of the Board of Management is a consultant to the firm Brabners LLP. Mr D. Bailey, also a member of the board of management, is a partner in the firm Brabners LLP. Brabners LLP provide legal services to the Guild. An Order has been obtained from the Charity Commission allowing the Guild to continue to utilise the services of this firm. £nil was charged by Brabners during the year (2022 - £nil). The amount outstanding to Brabners LLP at 31 December 2023 was £nil (2022 - £nil).

Mr A.T. Morris, who is a Trustee of Liverpool Merchants Guild, was an employee of Rathbone Investment Management (retired 30 June 2023). This latter company were appointed by the management Board of Liverpool Merchants' Guild to manage the Guild's investments on a discretionary basis with effect from 1st October 2013. Agreement to the appointment of Rathbone Investment Management was obtained from the Charity Commission. Rathbone Investment Management received remuneration included in these accounts amounting to £182,646. (2022 - £180,093). The amount outstanding to Rathbone Investment Management at 31 December 2023 was £46,657. (2022 - £45,209).

7 Employees

The Liverpool Merchants' Guild does not have any employees and does not provide any retirement or post employment benefits to anyone. (2022 - none)

8 Transfer of Special Dividends

No special dividends or similar income have been received during the year which require a transfer between income and capital.

The Guild still considers it appropriate to make a transfer when such income arises. The capital funds would then have been credited in proportion to the fund values at the end of the previous year.

9 Transfer between funds

At the end of each year transfers are made to or from the Reserve Fund in respect of the surplus or deficit of income on each of the other funds and is made up as follows:

	Note	Restricted Funds		Unrestricted Funds		
		Endowed Funds	Legacies Fund	General Fund	Reserve Fund	Total Funds
		£	£	£	£	£
Subscriptions		-	-	19	-	19
UK Investment Income		955,982	42,041	156,963	50,945	1,205,931
Non UK Investment Income		232,203	10,212	38,126	46,830	327,371
Deposit Interest		36,121	1,588	5,931	13,727	57,367
		1,224,306	53,841	201,039	111,502	1,590,688
Expenditure on raising funds	4	151,176	6,648	24,822	-	182,646
Expenditure on charitable acitvities	5	911,424	40,082	149,647	-	1,101,153
		1,062,600	46,730	174,469	-	1,283,799
Net surplus before gains and losses, to be transferred		161,706	7,111	26,570	(195,387)	-

10 Fixed Assets

Investments

Common Investment Fund	In UK	Outside UK	Total 2023	2022
	£	£	£	£
Market Value 1st January 2023	29,229,787	14,758,519	43,988,306	47,487,793
Acquisitions	5,389,484	4,202,386	9,591,870	5,376,102
Disposals	(5,368,908)	(2,212,404)	(7,581,312)	(5,117,775)
Realised (losses) / gains	(70,719)	91,542	20,823	(470,074)
Unrealised (losses) / gains on revaluation of Investments	(86,620)	1,119,338	1,032,718	(3,287,740)
Market Value 31st December 2023	**29,093,024**	**17,959,381**	**47,052,405**	**43,988,306**
Cost at 31st December 2023	**20,350,155**	**13,519,200**	**33,869,355**	**28,343,246**
Investment Cash Deposits				
Cash at Bank	**545,794**	-	**545,794**	**2,556,352**
Total Common Investment Fund Investments	**29,638,818**	**17,959,381**	**47,598,199**	**46,544,658**

10 Fixed Assets (cont)	Value 31.12.2023	%	Value 31.12.2022	%
UK Investments	£		£	
Fixed Income	-	-	323,038	1.11
Government Securities	1,923,654	6.61	482,966	1.65
Banks	1,532,355	5.27	2,051,637	7.02
Beverages	1,153,824	3.97	1,474,600	5.04
Commodities	810,108	2.78	726,658	2.49
General Industries	-	-	551,800	1.89
Global Investments	2,668,089	9.17	3,408,364	11.66
Infrastructure Funds	2,075,481	7.13	2,268,668	7.76
Life Assurance	416,984	1.43	1,141,200	3.90
Media and Photography	1,057,400	3.63	1,490,236	5.10
Mining	1,477,912	5.08	1,617,721	5.53
Oil and Gas	4,018,391	13.81	4,106,321	14.05
Overseas Index Linked Government Bonds	458,775	1.58	-	-
Personal Care, Drug and Grocery	1,809,037	6.22	1,797,524	6.15
Pharmaceuticals	1,387,923	4.77	1,444,034	4.94
Precious Metals	394,120	1.35	647,300	2.21
Private Equity Stock	443,610	1.52	519,752	1.78
Software and Computer Services	-	-	38,756	0.13
Support Services	1,140,798	3.92	1,385,770	4.74
Telecommunication Services	-	-	217,484	0.74
Tobacco	493,533	1.70	705,523	2.41
UK Investment Companies	852,775	2.93	739,200	2.53
UK Index Linked Government Bonds	465,397	1.60	-	-
UK Investment Grade Bonds	1,961,791	6.74	525,061	1.80
UK Investment Grade Bonds - Higher Quality	1,762,857	6.06	823,111	2.82
Water and Gas	788,210	2.73	743,063	2.55
	29,093,024	**100.00**	**29,229,787**	**100.00**
Investments outside the UK				
Asia	1,496,780	8.33	1,589,113	10.77
European Investments	2,623,722	14.61	2,012,305	13.63
Japanese	1,930,098	10.75	1,744,075	11.82
US Shares	11,908,781	66.31	9,413,026	63.78
	17,959,381	**100.00**	**14,758,519**	**100.00**
Total Quoted Investments	**47,052,405**		**43,988,306**	

There were no individual direct holdings that represented more than 6% of the total value of fixed and current asset investments at 31st December 2023.

10 Fixed Assets (cont)

All investments are investments in quoted securities or unit trusts. These have been revalued at 31st December 2023 on the basis of prices quoted on the relevant Stock Exchange or by the fund manager.

All of the fixed asset investments are held in direct furtherance of the charity's objects.

11 Debtors

		2023	2022
		£	£
Due within one year	Other debtors	393	332
		393	**332**
Due after more than one year	Secured loans to beneficiaries	51,184	56,265
	Unsecured loans to beneficiaries	17,154	18,681
		68,338	**74,946**

Loans to beneficiaries are interest-free and have no fixed date for repayment.

As there is no certainty as to when loans to beneficiaries will be recovered, the net present value of those loans cannot be measured

12 Current Asset Investments

Quoted Investments in UK	2023	2022
	£	£
Market Value 1st January 2023	3,672,207	4,264,744
Acquisitions	925,427	467,983
Disposals	(773,100)	(368,028)
Realised (losses) / gains	(59,268)	(29,886)
Unrealised (losses) / gains on revaluation of investments	389,144	(662,606)
Market Value 31st December 2023	**4,154,410**	**3,672,207**
Cost at 31st December 2023	**3,265,986**	**3,249,006**

Current asset investments represent the temporary investment of previous accumulations of income.

All investments are investments in quoted securities. These have been revalued at 31st December 2023 on the basis of prices quoted on the relevant Stock Exchange.

12 Current Asset Investments (cont)

	Value 31.12.2023 £	%	Value 31.12.2022 £	%
Fixed Income	-	-	147,817	4.03
Government Securities	184,629	4.44	53,663	1.46
Banks	130,219	3.13	197,364	5.37
Commodities	73,856	1.78	66,248	1.80
General Industries	-	-	91,047	2.48
Infrastructure Funds	38,902	0.94	48,848	1.33
Media and Photography	-	-	54,868	1.49
Oil and Gas	82,509	1.99	84,057	2.29
Overseas Index Linked Government Bonds	41,525	1.00	-	-
Personal Care, Drug and Grocery	16,802	0.40	17,837	0.49
Pharmaceuticals	217,851	5.24	225,190	6.13
Private Equity Stock	44,611	1.07	52,268	1.42
Software and Computer Services	-	-	14,533	0.40
Support Services	37,200	0.90	30,600	0.83
Telecommunications Services	-	-	80,410	2.19
UK Investment Companies	36,547	0.88	31,680	0.86
UK Index Linked Government Bonds	42,124	1.01	-	-
UK Investment Grade Bonds	231,849	5.58	65,633	1.79
UK Investment Grade Bonds - Higher Quality	183,388	4.41	61,560	1.68
Water and Gas	40,204	0.97	37,901	1.03
European Investments	184,949	4.45	289,523	7.88
US Shares	2,129,025	51.25	1,656,280	45.10
Japanese	438,220	10.55	364,880	9.94
	4,154,410	**100.00**	**3,672,207**	**100.00**

13 Creditors - amounts due within one year

	2023 £	2022 £
Accruals	52,739	50,817
	52,739	50,817

14 Capital Funds

	£	£
Balance 1st January 2023	46,544,658	50,302,472
Net incoming resources for the year	195,387	15,630
Transfer to Reserve Fund	(195,387)	(15,630)
Realised investment gains / (losses)	20,823	(470,074)
Unrealised gains / (losses) on revaluation of investments	1,032,718	(3,287,740)
Balance 31st December 2023	**47,598,199**	**46,544,658**

15 Reserve Fund

	£	£
Balance 1st January 2023	4,392,239	4,973,836
Net incoming resources for the year	111,502	95,265
Transfer from from Capital Funds	195,387	15,630
Realised (losses) on disposal of investments	(59,268)	(29,886)
Unrealised gains / (losses) on revaluation of investments	389,144	(662,606)
Balance 31st December 2023	**5,029,004**	**4,392,239**

16 Capital Funds

	2023	2022
	£	£
Restricted Funds		
Permanent Endowed Fund	**39,398,790**	**38,526,774**
Legacies Fund	**1,731,182**	**1,692,833**
Unrestricted Funds		
General Fund	**6,468,227**	**6,325,051**
Total Capital Funds	**47,598,199**	**46,544,658**

In March 2007 the Charity Commission approved a scheme whereby the individual named funds that had comprised the Permanent Endowed Fund were formally amalgamated into one single fund entitled The Liverpool Merchants' Guild.

The following is a list of funds that now comprise the Liverpool Merchants' Guild Permanent Endowed Fund:-

Mrs W M Allen Fund
American Chamber of Commerce Fund
Miss Olivia Atherton fund
Mrs James Barrow Fund
Thomas Bartlett Fund
Mrs E E Bartley Fund
Frederic Bowden Fund
James Lord Bowes Fund
Mrs Anna Brancker Fund
Frank Brocklehurst Fund
John Bury Annuity Fund
William Cliff Fund
C H Collie Fund
Aileen Congrieve Fund
John Cropper Fund
John G & Mary Dobson Fund
Emma Elliston Fund
Isolina Gee Fund
General & Roger Lyon Jones Fund
Andrew Gibson Fund
Isabel Grace Hall Fund
Harrison Fund
John Hill Fund
William Imrie Liverpool Clerks Benevolent Fund
E Alan Johnston Fund
Helen Johnston Fund
Johnston Family Fund
Kathleen Steward Kendall Fund
Anita G Lawrence Fund
Miss Henrietta McKay Fund
Thomas Moss Fund
Essie Newberry Fund
Thomas William & Alice Eleanor Oakshott Memorial Fund
The Misses Paton Fund
Mercey Richardson Fund
Lucie Amelia Ridley Fund
Frank Rigby Fund
John Winser Sheriff Fund
W H Shirley Fund
W M Simpson Fund
Henry Tate Fund
Charles & Kate Thorne Fund
The William Henry & Harriet Watt Fund
Frank & Gwen White Fund
Mr & Mrs George Wilson Fund
J Marke Wood Fund

17 Summary of Net Assets by Funds - 31 December 2023

	Fixed Assets	Current Assets	Total
Restricted Funds	£	£	£
Permanent Endowed Funds	39,398,790	-	39,398,790
Legacies Fund	1,731,182	-	1,731,182
Unrestricted Funds			
General Fund	6,468,227	-	6,468,227
Reserve Fund	-	5,029,004	5,029,004
	47,598,199	**5,029,004**	**52,627,203**

Summary of Net Assets by Funds - 31 December 2022

	Fixed Assets	Current Assets	Total
Restricted Funds	£	£	£
Permanent Endowed Funds	38,526,774	-	38,526,774
Legacies Fund	1,692,833	-	1,692,833
Unrestricted Funds			
General Fund	6,325,051	-	6,325,051
Reserve Fund	-	4,392,239	4,392,239
	46,544,658	**4,392,239**	**50,936,897**

Restricted funds are held for the specific purpose of paying pensions or other benefits to eligible beneficiaries.

The capital of the permanent endowed funds may not be expended, only the income arising on these funds may be utilised in the payment of pensions or other benefits to beneficiaries.

Unrestricted funds may be utilised for any purpose of the Guild.

18 Commitments

Payment of pensions and grants is entirely discretionary. The Board of Management is of the opinion that there were no commitments for either revenue or capital expenditure at 31st December 2023 (2022 - £nil).

19 Related Parties

S T Chapple Gill, a member of the Board of Management is a consultant to the firm Brabners LLP. Mr D. Bailey, also a member of the board of management, is a partner in the firm Brabners LLP. Brabners LLP provide legal services to the Guild. An Order has been obtained from the Charity Commission allowing the Guild to continue to utilise the services of this firm. £nil was charged by Brabners during the year (2022 - £nil). The amount outstanding to Brabners LLP at 31 December 2023 was £nil (2022 - £nil).

Mr A.T. Morris, who is a Trustee of Liverpool Merchants Guild, was an employee of Rathbone Investment Management (retired 30 June 2023). This latter company were appointed by the management Board of Liverpool Merchants' Guild to manage the Guild's investments on a discretionary basis with effect from 1st October 2013. Agreement to the appointment of Rathbone Investment Management was obtained from the Charity Commission. Rathbone Investment Management received remuneration included in these accounts amounting to £182,646. (2022 - £180,093). The amount outstanding to Rathbone Investment Management at 31 December 2023 was £46,657. (2022 - £45,209).

There are no other related party transactions.

20 Financial instruments	2023	2022
Carrying amount of financial assets	£	£
Debt instruments measured at amortised cost		
Debtors	68,338	74,946
Cash held	1,404,396	3,251,923
	1,472,734	3,326,869
Instruments measured at fair value through SOFA		
Investments held by Reserve Fund	4,154,410	3,672,207
Investments held by Common Investment Fund	47,052,405	43,988,306
	51,206,815	47,660,513
Carrying amount of financial liabilities		
Measured at amortised cost		
Accruals	52,739	50,817

THE LIVERPOOL MERCHANTS' GUILD

England & Wales - Charity number 206454

Accounts

The Liverpool Merchants' Guild
Annual Report & Financial Statements
Year ended 31st December 2022
Registered Charity
No.206454

The Liverpool Merchants' Guild

Financial Statements

Year ended 31st December 2022

Index

Page	
1 – 6	Trustees' Annual Report including statement of trustees' responsibilities
7 - 9	Auditors' Report
10	Statement of Financial Activities
11	Comparative Statement of Financial Activities for the year ended 31st December 2021
12	Statement of Financial Position
13	Statement of Cash Flows
14 – 23	Notes to the Financial Statements

Trustees' Annual Report

Year ended 31st December 2022

The Trustees present their Annual Report and the Financial Statements for the year ended 31st December 2022, which have been prepared in accordance with part 8 of the Charities Act 2011.

Structure, Governance and Management

The Charity was established by the will of the late Catherine Wright in 1868 as "Wright's Institution" and was incorporated along with all its subsidiary funds by Royal Charter in 1914 as The Liverpool Merchants' Guild. It is registered with the Charity Commission no. 206454. The Charity's address is 110-114, Duke Street, Liverpool, L1 5AG.

The Royal Charter was amended by a Scheme of the Charity Commission in May 1972 which extended the objects of the Guild and the ways in which benefits could be paid to beneficiaries, established a Common Investment Fund in respect of all of the separate funds that comprised the Guild, and granted unrestricted powers of investment. At the same time the Byelaws were updated to reflect these changes.

A Supplemental Royal Charter was granted in December 2006 which updated and replaced the original Charter and subsequent amendment after the Charity Commission had agreed a Scheme which updated the definitions of the objects of the Charity and the powers of investment. The Board of Management were also granted power to provide indemnity insurance for themselves and a simplified procedure for dealing with any future amendments to the Royal Charter was introduced.

In addition to the Royal Charter there are a set of Byelaws which deal with administrative and management matters. The Byelaws were extensively revised in conjunction with the granting of the Supplemental Charter in December 2006. In particular, the new Byelaws recognised a single class of membership of the Guild, being persons paying an annual subscription of £2.10. Ex-officio membership of the Guild and the Board of Management was, with the consent of the existing office holders, brought to an end.

The Board of Management of the Guild is elected from the members of the Guild.

The following persons, who are all trustees, have been members of the Board of Management during the year:-

Elected members:-

Mr R.J. Carter (Chairman)
Mr S.T. Chapple-Gill
Mrs G. Ferrigno
Mr A.T. Morris
Mr L. Downey
Mr K. Head
Mr D. Bailey
Mr W M T Roberts
Dr C Lewis-Jones

One third of the elected members are appointed on an annual basis at the Annual General Meeting.

There are two Sub-Committees appointed by the Board of Management.

Finance Sub-Committee – which deals with the management of the Guild's investments

Mr R.J. Carter (Chairman)
Mr A.T. Morris
Mr L. Downey
Mr D. Bailey

Selection Sub-Committee – which deals with the award of pensions and grants.

Mrs G. Ferrigno (Chair)
Mr R.J. Carter
Mr S.T. Chapple-Gill
Mr K. Head
Mr D. Bailey
Mr W M T Roberts
Dr C Lewis-Jones

New members are recruited on the basis of the skills, relevant experience or expertise that they are able to contribute to the Board of Management. They undergo a short period of induction training explaining the constitution of the Guild, the responsibilities of a Member of the Board of Management and the workings of the sub-committee to which they will be allocated.

Day to Day Management

The day to day management of the Charity is conducted by Moore (NW) LLP in their capacity as Secretaries.

Risk Management

The Board of Management has assessed the major risks and uncertainties facing the charity and have identified these as:-

Security of Assets, Investment Policies, Fraud, Disaster Recovery and Safety during Visits to Beneficiaries

A summary of the plans and strategy for managing these risks are as follows:-

1. Security of Assets

Safe custody arrangements have been made with regard to the Guild's investments such that all share and stock certificates are held by either the New York Mellon Bank or in electronic format by Rathbone Nominees Limited.

2. Investment Policies

The Trustees have put in place a written investment policy and have delegated discretionary management of the Guild's investments to Rathbone Investment Management who regularly monitor the performance of the Guild's investments which performance is also regularly reviewed at meetings of the Finance Committee.

3. Fraud

The Trustees regularly monitor the financial performance of the Guild. There is a segregation of duties and, whilst cash balances of Liverpool Merchants' Guild are frequently managed by both the Secretaries and the Investment Managers, the Trustees insist on confirmation that both the Secretaries and the Investment Managers have adequate professional indemnity and insurance cover in place.

4. Disaster Recovery

The Secretaries ensure that data back-up procedures are in place together with adequate insurance cover.

5. Safety during Visits to Beneficiaries

The Trustees ensure that procedures with regard to the staff of the Secretaries visiting beneficiaries at home are strictly adhered to.

Objectives and Activities

The objects of the Charity as defined by the Supplemental Royal Charter of December 2006 are:-

To relieve individuals who have been a professional or self-employed person, a person who worked in a supervisory capacity, or a clerical or non-manual worker, and their dependants, who are residing in Merseyside, or who have so resided for a continuous period of not less than fifteen years, who are not less than fifty years of age and who are in conditions of need, hardship or distress, either by paying pensions or by making grants or loans of money or providing or paying for items, services or facilities calculated to reduce such need, hardship or distress as aforesaid.

To accept and administer any funds or property given or bequeathed to the Guild upon any trusts for charitable purposes which, in the opinion of the Board of Management of the Guild, can be conveniently carried out and administered by the Guild.

Benefit takes the form of pensions or grants of money for specific items of expense of such an amount as the Board of Management consider suitable to the circumstances of each individual case.

Achievements and Performance

Pensions were awarded to 25 new beneficiaries during the year (2021 - 30). The circumstances of existing beneficiaries were also reviewed resulting in an increase to their pensions of £40,700. Total pensions paid during the year amounted to £960,673. The Sub-Committee also made payments of grants totalling £159,344. The number of beneficiaries in receipt of pensions at the end of the year was 244 (2021 - 268).

Plans for Future Periods

The Liverpool Merchants' Guild continues to provide funding towards the support of independent living by means of the provision of specialist equipment or residential adaptations for individuals with special needs.

The principal short term and long term aims and objectives of The Liverpool Merchants' Guild are to increase the number of beneficiaries and positive efforts are still being made to achieve this aim, including updating the Guild's website to facilitate electronic applications.

All current beneficiaries have recently been informed that, in addition to making regular payments, The Liverpool Merchants' Guild also make grants available for items of exceptional expenditure. Additionally, grants are available to new applicants and this is stated both on the Guild's website and published in application guidelines.

Marketing

A range of materials, including a website, posters and brochures, have been produced to promote the Guild and it is hoped that this will result in an increase in the number of applications for benefit not only for grants to support independent living but also for ordinary pensions.

Finances

The Supplemental Charter of December 2006 granted the Board of Management power to invest funds, employ a professional fund manager and to arrange for the investments of the Guild to be held in the name of a nominee in the same manner as trustees of a trust are permitted to do by the Trustee Act 2000.

The capital funds of the Guild may also be invested in a Common Investment Fund established by a Scheme of the Charity Commission on 4th May 1972.

In March 2007 the Charity Commission approved a Scheme whereby the previously separate named funds were formally amalgamated into a single fund entitled The Liverpool Merchants' Guild.

The capital of the Guild is grouped into four funds:

The Permanent Endowed Fund is made up of all the original separate funds which were incorporated into the Guild at the time the original Royal Charter was granted together with subsequent bequests which had stipulated that the capital was not expendable. This fund is a restricted fund and only income may be expended in furtherance of the objects of the Guild.

The Legacies Fund is also a restricted fund but comprises bequests to the Guild where there has been no stipulation regarding capital. The whole of this fund is expendable on the objects of the Guild although at present only the income is being used.

The General Fund is an unrestricted fund and comprises unconditional bequests to the Guild. At present only income is being utilised with any unspent income at the end of each year being transferred to the Reserve Fund.

The Reserve Fund is an unrestricted fund and comprises unspent income accumulated over many years. Part of the Reserve Fund has been utilised in previous years to finance loans to beneficiaries to enable them to carry out essential property repairs. A further part of the Reserve Fund is invested temporarily.

Rathbone Investment Management continued to manage the Guild's investments on a discretionary basis, in accordance with the parameters set by the Finance Committee, under the terms of their appointment which commenced on 1st October 2013.

The funds have performed as follows during the year: -

Bespoke Composite Benchmark – year to 31.12.2022 = (3.8)%

Common Investment Fund	31.12.2021	31.12.2022	%-age change	Benchmark
Market value	47,487,793	43,988,306		
Cash held by Rathbones	2,309,527	2,183,525		
	49,797,320	46,171,831		
Income generated	-	1,449,522		
	49,797,320	47,621,353	(4.37)%	(3.8)%

Reserve Fund	31.12.2021	31.12.2022	%-age change	Benchmark
Market value	4,264,744	3,672,207		
Cash held by Rathbones	503,883	388,318		
	4,768,627	4,060,525		
Income generated	-	95,265		
	4,768,627	4,155,790	(12.85)%	(3.8)%
Management fees taken	187,439	180,093		

During the year the Common Investment Fund and the Reserve Fund had combined realised losses on investments totalling £499,960 and unrealised losses on investments amounting to £3,950,346.

Overall, taking cash balances into account, the combined value of the Common Investment Fund and the Reserve Fund at 31st December 2022 amounted to £50,936,897 which was an decrease of £4,339,411 on the combined value of the Common Investment Fund and the Reserve Fund at 31st December 2021 in the sum of £55,276,308.

There were no legacies or donations received during the year (2021 – nil).

The principal funding sources of the Charity are the investments which the Charity holds. During the reporting period investment income amounted to £1,544,768 which sum substantially covered the Guild's expenditure on charitable activities of £1,253,799.

Going Concern

In accordance with the requirements of FRS102 SORP, the Trustees have reviewed the financial position of the Guild. This review has covered a period up to 31st December 2024 and the Trustees of the Guild are unanimously of the view that the Charity is a going concern.

The Trustees are also unanimously of the view that there are no material uncertainties about the Charity's ability to continue.

Reserves

Whilst all charitable payments are entirely discretionary and there is no irrevocable commitment for further expenditure, the Board of Management consider that a reasonable level of reserve would equate to approximately 12 months expenditure. Current free reserves, £4,317,292, are approximately 36 months expenditure.

The Board of Management are comfortable with the level of reserves held, particularly in view of its intention to actively seek to increase the number of beneficiaries.

Responsibilities

Charity Law requires the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its financial activities for that period. In preparing those financial statements the Board of Management is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Statement of Recommended Practice "Charities SORP (FRS 102) issued by the Charity Commission and with applicable accounting standards subject to any material departures disclosed and explained in the financial statements.

- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Charity will continue in business.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Royal Charter of 2006. It is responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Trustees have complied with the duty in section 8 of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission (Public Benefit).

Post Balance Sheet Events

The Trustees have been closely monitoring events since the beginning of 2023 and can report that there has been a decrease of 10.6% in the level of dividend income generated by the Guild's investments comparing the first four months of 2023 with the first four months of 2022.

Secretaries

The Secretaries of the Guild are Moore (NW) LLP, Chartered Accountants, 110-114 Duke Street, Liverpool, L1 5AG.

Bankers

The Guild's principal bankers are Barclays Bank PLC, City Office, 48B and 50 Lord Street, Liverpool, L2 1TD.

Investment Managers

The Guild's Investment Managers are Rathbone Investment Management, Port of Liverpool Building, Pier Head, Liverpool, L3 1NW.

Auditors

The Guild's auditors are BWM, Chartered Accountants, Tempest, Suite 5.1, Tithebarn Street, Liverpool, L2 2DT.

Solicitors

The Guild's solicitors are Brabners LLP, Horton House, Exchange Flags, Liverpool, L2 3YL.

Website: www.liverpoolmerchantsguild.org.uk

E-Mail: info@liverpoolmerchantsguild.org.uk

Telephone and Fax
Tel: 0151 703 1080
Fax: 0151 703 1085

On behalf of the Board of Management

.....
Mr R.J. Carter
Chairman

Date 26/9/.....2023

Independent Auditors' Report to the Trustees of The Liverpool Merchants' Guild

Opinion

We have audited the financial statements of The Liverpool Merchants' Guild (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and 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 charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 twelve 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 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 we do not express any form of assurance conclusion thereon. 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 and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or

- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to 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 auditors under section 144 of the Charities Act 2011 and report in accordance with the Act 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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 as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice.

Use of our audit report

This report is made solely to the charity's trustees as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BWM

BWM 04/10/2023

Chartered Accountants
Statutory Auditor

Tempest,
Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

BWM is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

The Liverpool Merchants' Guild
Statement of Financial Activities
Year ended 31st December 2022

	Note	Restricted Funds		Unrestricted Funds			2021
		Endowed Funds £	Legacies Fund £	General Fund £	Reserve Fund £	Total Funds £	£
Income and endowments from							
Donations and legacies	3	-	-	-	-	-	-
Subscriptions		-	-	19	-	19	19
Income from Investments							
UK Investment Income		894,874	39,354	146,929	43,625	1,124,782	1,198,237
Non UK Investment Income		214,943	9,453	35,291	42,773	302,460	265,247
Deposit Interest		89,937	3,955	14,767	8,867	117,526	54,631
Total Income and endowments		**1,199,754**	**52,762**	**197,006**	**95,265**	**1,544,787**	**1,518,134**
Expenditure on							
Expenditure on raising funds	4	149,063	6,555	24,475	-	180,093	187,439
Expenditure on Charitable activities	5	1,037,770	45,638	170,391	-	1,253,799	1,322,822
Total Expenditure		**1,186,833**	**52,193**	**194,866**	**-**	**1,433,892**	**1,510,261**
Net (losses) / gains on investments	10 & 12	(3,110,342)	(136,785)	(510,687)	(692,492)	(4,450,306)	6,613,027
Net (Expenditure) / Income		(3,097,421)	(136,216)	(508,547)	(597,227)	(4,339,411)	6,620,900
Transfer of Special Dividends	8	-	-	-	-	-	-
Transfers between funds	9	(12,921)	(569)	(2,140)	15,630	-	-
Net Movement of Funds		**(3,110,342)**	**(136,785)**	**(510,687)**	**(581,597)**	**(4,339,411)**	**6,620,900**
Total Funds Brought Forward		41,637,116	1,829,618	6,835,738	4,973,836	55,276,308	48,655,408
Total Funds Carried Forward		**38,526,774**	**1,692,833**	**6,325,051**	**4,392,239**	**50,936,897**	**55,276,308**

For an analysis of the comparative figures for the year ended 31 December 2021 see page 11

The Liverpool Merchants' Guild
Comparative Statement of Financial Activities
For the Year ended 31st December 2021

	Restricted Funds		Unrestricted Funds		
	Endowed Funds	Legacies Fund	General Fund	Reserve Fund	Total 2021
	£	£	£	£	£
Income and endowments from					
Donations and legacies	-	-	-	-	-
Subscriptions	-	-	19	-	19
Income from Investments					
UK Investment Income	959,397	42,192	157,523	39,125	1,198,237
Non UK Investment Income	190,384	8,373	31,259	35,231	265,247
Deposit Interest	45,209	1,988	7,423	11	54,631
Total Income and endowments	**1,194,990**	**52,553**	**196,224**	**74,367**	**1,518,134**
Expenditure on					
Expenditure on raising funds	155,143	6,823	25,473	-	187,439
Expenditure on Charitable activities	1,094,899	48,151	179,772	-	1,322,822
Total Expenditure	**1,250,042**	**54,974**	**205,245**	**-**	**1,510,261**
	(55,052)	(2,421)	(9,021)	74,367	7,873
Net Gains/(losses) on investments	4,959,458	218,104	814,293	621,172	6,613,027
Net Income / Expenditure	4,904,406	215,683	805,272	695,539	6,620,900
Transfers between funds	55,052	2,421	9,021	(66,494)	-
Net Movement of Funds	**4,959,458**	**218,104**	**814,293**	**629,045**	**6,620,900**
Total Funds Brought Forward	36,677,658	1,611,514	6,021,445	4,344,791	48,655,408
Total Funds Carried Forward	**41,637,116**	**1,829,618**	**6,835,738**	**4,973,836**	**55,276,308**

The notes on pages 14 to 23 form part of these financial statements.

The Liverpool Merchants' Guild

Statement of Financial Position

31st December 2022

	Note	2022		2021	
		£	£	£	£
Fixed Assets					
Investments and cash held by the Common Investment Fund	10		46,544,658		50,302,472
Current Assets					
Debtors & prepayments due within one year	11	332		307	
Debtors due after more than one year	11	74,946		84,909	
Investments	12	3,672,207		4,264,744	
Cash at Bank		695,571		685,652	
		4,443,056		5,035,612	
Current Liabilities					
Creditors & accruals due in less than one year	13	50,817		61,776	
Reserve Fund / Net Current Assets			4,392,239		4,973,836
Total Assets less Current liabilities			50,936,897		55,276,308
Funds of the Charity:					
Restricted Funds:					
Permanent Endowed Funds	16		38,526,774		41,637,116
Legacies Fund	16		1,692,833		1,829,618
Unrestricted Funds:					
General Fund	16		6,325,051		6,835,738
Reserve Fund	15		4,392,239		4,973,836
Total Charity Funds			50,936,897		55,276,308

Approved on behalf of the Board of Management on 26/9/2023

R J Carter .....
Chairman

Mrs G Ferrigno .....
Trustee

The notes on pages 14 to 23 form part of these financial statements.

Statement of Cash Flows

Year ended 31st December 2022

	2022	2021
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(4,339,411)	6,620,900
Adjustments for:		
Net losses / (gains) on investments	4,450,306	(6,613,027)
Dividends, interest from investments	(1,544,768)	(1,518,115)
Decrease in debtors	9,938	8,842
Decrease / increase in creditors	(10,959)	13,664
Net cash provided (used by) operating activities	(1,434,894)	(1,487,736)

Statement of Cash Flows

Cash Flows from Operating Activities:		
Net cash provided (used by) operating activities	(1,434,894)	(1,487,736)
Cash Flows from investing Activities:		
Dividends, interest from investments	1,544,768	1,518,115
Proceeds from sale of investments	5,485,803	6,624,629
Purchase of investments	(5,844,085)	(4,298,583)
Net cash provided by (used by) investing activities	1,186,486	3,844,161
Change in cash and cash equivalents in the the reporting period	(248,408)	2,356,425
Cash and cash equivalents at the beginning of the reporting period	3,500,331	1,143,906
Cash and cash equivalents at the end of the reporting period	3,251,923	3,500,331
Made up as to:		
Reserve Fund - Current Assets - Cash at bank	695,571	685,652
Common Investment Fund - Fixed Assets - Cash Deposits	2,556,352	2,814,679
	3,251,923	3,500,331

Notes To The Financial Statements

Year ended 31st December 2022

1 Accounting Policies

Legal status

Liverpool Merchants' Guild constitutes a public benefit entity as defined by FRS 102.

a Scope and basis of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and are 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) ('the SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has invovled following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Irleand (FRS 102) issued on 16th July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April 2005 which has since been withdrawn.

The financial statements have been prepared on a going concern basis. This is discussed in the Trustees' report at page 5 under the heading 'going concern'.

b Incoming Resources

Income arising on the Common Investment Fund investments is allocated to each fund in proportion to the value of the funds at 31st December 2021.

c Investment Income

Dividends and bank interest are included as incoming resources when they are received.

d Legacies and Donations Received

Legacies and donations are recognised upon receipt or when it is probable that they will be received.

Receipt is normally probable when:

- there has been grant of probate:
- the exectors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy:
- any conditions attached to the legacy are either within the control of the charity or have been met.

e Taxation

The Guild is a registered Charity and is not liable to UK taxation on its charitable activities and is not registered for VAT purposes. Expenditure is stated inclusive of any applicable VAT.

f Pensions and Grants

All charitable payments are made for the benefit of individuals who meet the criteria for elegiblity as set out in the Guild's Byelaws and Regulations and are made for the relief of hardship or need. All awards are made at the discretion of the Board of Management which does not enter into any commitment to renew or repeat any payment.
Charitable payments are accounted for as and when paid.

g Loans to Beneficiaries

Loans are granted to beneficiaries for the purpose of funding essential property maintenance or repairs. They are interest free and are repayable when the beneficiary ceases to occupy the property involved. Loans are only made from the Reserve Fund.

h Investments

Investments held as fixed assets and current assets are all listed on a recognised stock exchange and are included in the financial statements at market value.

Those investments which are held as current assets are part of the Reserve Fund and are highly liquid investments which are readily realisable.

1 Accounting Policies (cont)

i Investment Gains and Losses

Realised and unrealised gains and losses on the Common Investment Fund investments are allocated to each capital fund in aliquot portions. Gains or losses arising on investments of the Reserve Fund are treated as additions or reductions to that fund and are available to set off against future expenditure.

j Fund Accounting

Following advice from the Charity Commission in June 1972, the Guild's capital funds were reclassified from a single permanent endowed capital account into restricted and unrestricted funds. Restricted funds have been further subdivided into permanent and expendable funds.

Funds in existence in June 1972, the date of implementation of the scheme by the Charity Commission, have been classified as permanent endowed funds and any additions to those funds since that date have been treated as additions to the permanent endowment. New funds received since June 1972 have been classifed as restricted or unrestricted funds according to the terms or conditions attaching to the bequest to the Guild. Details of the various funds are set out in Notes 16 and 17.

All funds classified as restricted are held for the specific purpose of paying pensions or other benefis to eligible beneficiaries.

k Debtors due after more then one year

Debtors due after more than one year comprise loans to beneficiaries, both secured and unsecured. As there is no certainly when these amounts will be recovered the net present value, therefore, cannot be measured.

l Current Assets - Investments

Current asset investments represent stocks and shares quoted on recognised stock exchanges. Such stocks and shares can be immediately sold in exchange for cash which is receivable on the ordinary settlement terms of the stock exchange in question and have been revalued on the basis of prices quoted on the relevant Stock Exchange.

m Current Assets - Cash at Bank

Cash at bank represents monies held either at Barclays Bank or with Rathbone Investment Management. Such monies are immediately available and no notice period is required for access to same.

n Current Liabilities - Creditors & Accruals

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting Policies (cont)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 *Judgements and key sources of estimation uncertainty*

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and Legacies	2022	2021
	£	£
Legacies - see page 5 for details	-	-
Donations - see page 5 for details	-	-
	-	-

4 Expenditure on Raising funds	2022	2021
	£	£
Investment Management fees	180,093	187,439
	180,093	187,439

5 Expenditure on Charitable activities	2022	2021
	£	£
Pensions	960,673	1,052,346
Grants	159,344	136,431
Auditors' remuneration	5,400	4,884
Secretaries fees	126,000	108,000
Legal Costs	-	10,339
Postage, stationery and web design etc.	2,362	10,822
Bank charges	20	-
	1,253,799	1,322,822

Expenditure on Charitible activities is allocated in proportion to the endowed, legacy and general fund values at 31st December 2021.

All charitable payments are for the benefit of individuals. At 31st December 2022 there were 244 beneficiaries. (2021 : 268).

6 Trustees Remuneration

No member of the Board of Management or any connected persons received any remuneration in respect of their services as trustees. Additionally no member of the Board of Management or any connected persons received or waived any reimbursement of expenses. (2021 - none)

S T Chapple Gill, a member of the Board of Management is a consultant to the firm Brabners LLP. Mr D. Bailey, also a member of the board of management, is a partner in the firm Brabners LLP. Brabners LLP provide legal services to the Guild. An Order has been obtained from the Charity Commission allowing the Guild to continue to utilise the services of this firm. £nil was charged by Brabners during the year (2021 - £1,080). The amount outstanding to Brabners LLP at 31 December 2022 was £nil (2021 - £nil).

Mr A.T. Morris, who is a Trustee of Liverpool Merchants Guild, is an employee of Rathbone Investment Management. This latter company were appointed by the management Board of Liverpool Merchants' Guild to manage the Guild's investments on a discretionary basis with effect from 1st October 2013. Agreement to the appointment of Rathbone Investment Management was obtained from the Charity Commission. Rathbone Investment Management received remuneration included in these accounts amounting to £180,093. (2021 - £187,439). The amount outstanding to Rathbone Investment Management at 31 December 2022 was £45,209. (2021 - £49,109).

7 Employees

The Liverpool Merchants' Guild does not have any employees and does not provide any retirement or post employment benefits to anyone. (2021 - none)

8 Transfer of Special Dividends

No special dividends or similar income have been received during the year which require a transfer between income and capital.

The Guild still considers it appropriate to make a transfer when such income arises. The capital funds would then have been credited in proportion to the fund values at the end of the previous year.

9 Transfer between funds

At the end of each year transfers are made to or from the Reserve Fund in respect of the surplus or deficit of income on each of the other funds and is made up as follows:

	Note	Restricted Funds		Unrestricted Funds		
		Endowed Funds £	Legacies Fund £	General Fund £	Reserve Fund £	Total Funds £
Subscriptions		-	-	19	-	19
UK Investment Income		894,874	39,354	146,929	-	1,081,157
Non UK Investment Income		214,943	9,453	35,291	-	259,687
Deposit Interest		89,937	3,955	14,767	-	108,659
		1,199,754	52,762	197,006	-	1,449,522
Expenditure on raising funds	4	149,063	6,555	24,475	-	180,093
Expenditure on charitable acitvities	5	1,037,770	45,638	170,391	-	1,253,799
		1,186,833	52,193	194,866	-	1,433,892
Net deficit before gains and losses, to be transferred		(12,921)	(569)	(2,140)	15,630	-

10 Fixed Assets

Investments

Common Investment Fund	In UK	Outside UK	Total 2022	2021
	£	£	£	£
Market Value 1st January 2022	29,955,246	17,532,547	47,487,793	43,502,926
Acquisitions	3,603,345	1,772,757	5,376,102	3,628,854
Disposals	(2,760,718)	(2,357,057)	(5,117,775)	(5,635,842)
Realised (losses) / gains	(240,583)	(229,491)	(470,074)	443,421
Unrealised (losses) / gains on revaluation of Investments	(1,327,503)	(1,960,237)	(3,287,740)	5,548,434
Market Value 31st December 2022	29,229,787	14,758,519	43,988,306	47,487,793
Cost at 31st December 2022	17,425,579	10,917,667	28,343,246	32,274,955
Investment Cash Deposits				
Cash at Bank	2,556,352	-	2,556,352	2,814,679
Total Common Investment Fund Investments	31,786,139	14,758,519	46,544,658	50,302,472

10 Fixed Assets (cont)	Value 31.12.2022	%	Value 31.12.2021	%
UK Investments	£		£	
Fixed Income	323,038	1.11	404,429	1.35
Government Securities	482,966	1.65	-	-
Banks	2,051,637	7.02	1,706,920	5.70
Beverages	1,474,600	5.04	1,630,544	5.44
Commodities	726,658	2.49	-	-
Food and Drug Retailers	1,797,524	6.15	1,924,642	6.43
General Financial	-	-	670,320	2.24
General Industries	551,800	1.89	577,000	1.93
Global Investments	3,408,364	11.66	4,610,282	15.39
Infrastructure Funds	2,268,668	7.76	2,523,280	8.42
Investment Trusts	739,200	2.53	1,033,725	3.45
Life Assurance	1,141,200	3.90	1,327,890	4.43
Media and Photography	1,490,236	5.10	2,361,220	7.88
Mining	1,617,721	5.53	1,357,628	4.53
Oil and Gas	4,106,321	14.05	2,861,574	9.55
Pharmaceuticals	1,444,034	4 94	1,804,084	6 02
Precious Metals	647,300	2.21	603,200	2.01
Private Equity Stock	519,752	1.78	626,241	2.09
Software & Computer Services	38,756	0.13	168,055	0.56
Support Services	1,385,770	4.74	1,712,701	5.72
Telecommunication Services	217,484	0.74	289,824	0.97
Tobacco	705,523	2.41	587,703	1.96
UK Investment Grade Bonds	1,348,172	4.61	384,433	1.28
Water & Gas	743,063	2.56	789,551	2.65
	29,229,787	**100.00**	**29,955,246**	**100.00**
Investments outside the UK				
Asia	1,589,113	10.77	1,686,131	9.62
Europe Investment Trusts	2,012,305	13.63	2,315,119	13.20
Japanese	1,744,075	11.82	1,966,991	11.22
US Shares	9,413,026	63.78	11,564,306	65.96
	14,758,519	**100.00**	**17,532,547**	**100.00**
Total Quoted Investments	**43,988,306**		**47,487,793**	

There were no individual direct holdings that represented more than 6% of the total value of fixed and current asset investments at 31st December 2022.

10 Fixed Assets (cont)

All investments are investments in quoted securities or unit trusts. These have been revalued at 31st December 2022 on the basis of prices quoted on the relevant Stock Exchange or by the fund manager.

All of the fixed asset investments are held in direct furtherance of the charity's objects.

11 Debtors

		2022	2021
		£	£
Due within one year	Other debtors	332	307
		332	307
Due after more than one year	Secured loans to beneficiaries	56,265	66,228
	Unsecured loans to beneficiaries	18,681	18,681
		74,946	84,909

Loans to beneficiaries are interest-free and have no fixed date for repayment.

As there is no certainty as to when loans to beneficiaries will be recovered, the net present value of those loans cannot be measured

12 Current Asset Investments

Quoted Investments in UK	2022	2021
	£	£
Market Value 1st January 2022	4,264,744	3,962,630
Acquisitions	467,983	669,729
Disposals	(368,028)	(988,787)
Realised (losses) / gains	(29,886)	93,667
Unrealised (losses) / gains on revaluation of investments	(662,606)	527,505
Market Value 31st December 2022	3,672,207	4,264,744
Cost at 31st December 2022	3,249,006	3,078,185

Current asset investments represent the temporary investment of previous accumulations of income.

All investments are investments in quoted securities. These have been revalued at 31st December 2022 on the basis of prices quoted on the relevant Stock Exchange.

12 Current Asset Investments (cont)

	Value 31.12.2022 £	%	Value 31.12.2021 £	%
Banks	197,364	5.37	162,437	3.81
Government Securities	53,663	1.46	-	-
Household Goods	17,837	0.49	19,660	0.46
Fixed Income	147,817	4.03	185,060	4.34
General Industries	91,047	2.48	95,205	2.23
Infrastructure Funds	48,848	1.33	51,928	1.22
Investment Trusts	31,680	0.86	44,303	1.04
Media and Photography	54,868	1.49	183,860	4.31
Water and Gas	37,901	1.03	40,272	0.94
Oil & Gas	84,057	2.29	58,499	1.37
Pharmaceuticals	225,190	6.13	296,506	6.95
Private Equity Stock	52,268	1.42	62,977	1.48
Software & Computer Services	14,533	0.40	63,021	1.48
Support Services	30,600	0.83	44,250	1.04
Telecommunications Services	80,410	2.19	107,157	2.51
Commodities	66,248	1.80	-	-
UK Investment Grade Bonds	127,193	3.46	-	-
Europe Investment Trusts	289,523	7.88	304,093	7.13
US Shares	1,656,280	45.10	2,084,796	48.88
Japanese	364,880	9.94	460,720	10.80
	3,672,207	**100.00**	**4,264,744**	**100.00**

13 Creditors - amounts due within one year

	2022 £	2021 £
Accruals	50,817	61,776
	50,817	61,776

14 Capital Funds

	£	£
Balance 1st January 2022	49,778,022	43,786,167
Net incoming / (outgoing) resources for the year	15,630	(66,494)
Transfer to / from Reserve Fund	(15,630)	66,494
Realised investment (losses) / gains	(470,074)	443,421
Unrealised (losses) / gains on revaluation of investments	(3,287,740)	5,548,434
Balance 31st December 2022	**46,020,208**	**49,778,022**

15 Reserve Fund

	£	£
Balance 1st January 2022	4,973,836	4,344,791
Net incoming resources for the year	95,265	74,367
Transfer from / (to) from Capital Funds	15,630	(66,494)
Realised (losses) / gains on disposal of investments	(29,886)	93,667
Unrealised (losses) / gains on revaluation of investments	(662,606)	527,505
Balance 31st December 2022	**4,392,239**	**4,973,836**

16 Capital Funds

	2022	2021
	£	£
Restricted Funds		
Permanent Endowed Fund	38,526,774	41,637,116
Legacies Fund	1,692,833	1,829,618
Unrestricted Funds		
General Fund	6,325,051	6,835,738
Total Capital Funds	46,544,658	50,302,472

In March 2007 the Charity Commission approved a scheme whereby the individual named funds that had comprised the Permanent Endowed Fund were formally amalgamated into one single fund entitled The Liverpool Merchants' Guild.

The following is a list of funds that now comprise the Liverpool Merchants' Guild Permanent Endowed Fund:-

Mrs W M Allen Fund
American Chamber of Commerce Fund
Miss Olivia Atherton fund
Mrs James Barrow Fund
Thomas Bartlett Fund
Mrs E E Bartley Fund
Frederic Bowden Fund
James Lord Bowes Fund
Mrs Anna Brancker Fund
Frank Brocklehurst Fund
John Bury Annuity Fund
William Cliff Fund
C H Collie Fund
Aileen Congrieve Fund
John Cropper Fund
John G & Mary Dobson Fund
Emma Elliston Fund
Isolina Gee Fund
General & Roger Lyon Jones Fund
Andrew Gibson Fund
Isabel Grace Hall Fund
Harrison Fund
John Hill Fund
William Imrie Liverpool Clerks Benevolent Fund
E Alan Johnston Fund
Helen Johnston Fund
Johnston Family Fund
Kathleen Steward Kendall Fund
Anita G Lawrence Fund
Miss Henrietta McKay Fund
Thomas Moss Fund
Essie Newberry Fund
Thomas William & Alice Eleanor Oakshott Memorial Fund
The Misses Paton Fund
Mercey Richardson Fund
Lucie Amelia Ridley Fund
Frank Rigby Fund
John Winser Sheriff Fund
W H Shirley Fund
W M Simpson Fund
Henry Tate Fund
Charles & Kate Thorne Fund
The William Henry & Harriet Watt Fund
Frank & Gwen White Fund
Mr & Mrs George Wilson Fund
J Marke Wood Fund

17 Summary of Net Assets by Funds - 31 December 2022

	Fixed Assets	Current Assets	Total
Restricted Funds	£	£	£
Permanent Endowed Funds	38,526,774	-	38,526,774
Legacies Fund	1,692,833	-	1,692,833
Unrestricted Funds			
General Fund	6,325,051	-	6,325,051
Reserve Fund	-	4,392,239	4,392,239
	46,544,658	**4,392,239**	**50,936,897**

Summary of Net Assets by Funds - 31 December 2021

	Fixed Assets	Current Assets	Total
Restricted Funds	£	£	£
Permanent Endowed Funds	41,637,116	-	41,637,116
Legacies Fund	1,829,618	-	1,829,618
Unrestricted Funds			
General Fund	6,835,738	-	6,835,738
Reserve Fund	-	4,973,836	4,973,836
	50,302,472	**4,973,836**	**55,276,308**

Restricted funds are held for the specific purpose of paying pensions or other benefits to eligible beneficiaries.

The capital of the permanent endowed funds may not be expended, only the income arising on these funds may be utilised in the payment of pensions or other benefits to beneficiaries.

Unrestricted funds may be utilised for any purpose of the Guild.

18 **Commitments**

Payment of pensions and grants is entirely discretionary. The Board of Management is of the opinion that there were no commitments for either revenue or capital expenditure at 31st December 2022 (2021 - £nil).

19 **Related Parties**

S T Chapple Gill, a member of the Board of Management is a consultant to the firm Brabners LLP. Mr D. Bailey, also a member of the board of management, is a partner in the firm Brabners LLP. Brabners LLP provide legal services to the Guild. An Order has been obtained from the Charity Commission allowing the Guild to continue to utilise the services of this firm. £nil was charged by Brabners during the year (2021 - £1,080). The amount outstanding to Brabners LLP at 31 December 2022 was £nil (2021 - £nil).

Mr A.T. Morris, who is a Trustee of Liverpool Merchants Guild, is an employee of Rathbone Investment Management. This latter company were appointed by the management Board of Liverpool Merchants' Guild to manage the Guild's investments on a discretionary basis with effect from 1st October 2013. Agreement to the appointment of Rathbone Investment Management was obtained from the Charity Commission. Rathbone Investment Management received remuneration included in these accounts amounting to £180,093. (2021 - £187,439). The amount outstanding to Rathbone Investment Management at 31 December 2022 was £45,209. (2021 - £49,109).

There are no other related party transactions.

20 **Financial instruments**	2022	2021
Carrying amount of financial assets	£	£
Debt instruments measured at amortised cost		
Debtors	74,946	84,909
Cash held	3,251,923	3,500,331
	3,326,869	3,585,240
Instruments measured at fair value through SOFA		
Investments held by Reserve Fund	3,672,207	4,264,744
Investments held by Common Investment Fund	43,988,306	47,487,793
	47,660,513	51,752,537
Carrying amount of financial liabilities		
Measured at amortised cost		
Accruals	50,817	61,776

Document Activity Report

Document Sent Mon, 02 Oct 2023 09:41:39 GMT

Document Activity History

Document history shows most recent activity first

Date	Activity

You can verify that this is a genuine Portal document by uploading it to the following secure web page:

http://bwm.accountantspace.co.uk/messages/VerifyDocument

Document Activity Report

Document Sent Thu, 05 Oct 2023 15:15:41 GMT

Document Activity History

Document history shows most recent activity first

Date	Activity

You can verify that this is a genuine Portal document by uploading it to the following secure web page:

http://bwm.accountantspace.co.uk/messages/VerifyDocument

THE LIVERPOOL MERCHANTS' GUILD

England & Wales - Charity number 206454

Accounts

The Liverpool Merchants' Guild
Annual Report & Financial Statements
Year ended 31st December 2021
Registered Charity
No.206454

The Liverpool Merchants' Guild

Financial Statements

Year ended 31st December 2021

Index

Page	
1 – 6	Trustees' Annual Report
7 - 9	Auditors' Report
10	Statement of Financial Activities
11	Comparative Statement of Financial Activities for the year ended 31st December 2020
12	Statement of Financial Position
13	Statement of Cash Flows
14 – 23	Notes to the Financial Statements

Trustees' Annual Report

Year ended 31st December 2021

The Trustees present their Annual Report and the Financial Statements for the year ended 31st December 2021, which have been prepared in accordance with part 8 of the Charities Act 2011.

Structure, Governance and Management

The Charity was established by the will of the late Catherine Wright in 1868 as "Wright's Institution" and was incorporated along with all its subsidiary funds by Royal Charter in 1914 as The Liverpool Merchants' Guild. It is registered with the Charity Commission no. 206454. The Charity's address is 110-114, Duke Street, Liverpool, L1 5AG.

The Royal Charter was amended by a Scheme of the Charity Commission in May 1972 which extended the objects of the Guild and the ways in which benefits could be paid to beneficiaries, established a Common Investment Fund in respect of all of the separate funds that comprised the Guild, and granted unrestricted powers of investment. At the same time the Byelaws were updated to reflect these changes.

A Supplemental Royal Charter was granted in December 2006 which updated and replaced the original Charter and subsequent amendment after the Charity Commission had agreed a Scheme which updated the definitions of the objects of the Charity and the powers of investment. The Board of Management were also granted power to provide indemnity insurance for themselves and a simplified procedure for dealing with any future amendments to the Royal Charter was introduced.

In addition to the Royal Charter there are a set of Byelaws which deal with administrative and management matters. The Byelaws were extensively revised in conjunction with the granting of the Supplemental Charter in December 2006. In particular, the new Byelaws recognised a single class of membership of the Guild, being persons paying an annual subscription of £2.10. Ex-officio membership of the Guild and the Board of Management was, with the consent of the existing office holders, brought to an end.

The Board of Management of the Guild is elected from the members of the Guild.

The following persons, who are all trustees, have been members of the Board of Management during the year:-

Elected members:-

Mr R.J. Carter	(Chairman)
Mr S.T. Chapple-Gill	
Mrs G. Ferrigno	
Mr A.T. Morris	
Mr R.A. Morris	(Resigned 22nd March 2021)
Mr L. Downey	
Mr K. Head	
Mr D. Bailey	
Mrs J Hobson	(Resigned 4th January 2021)
Mr W M T Roberts	
Dr C Lewis-Jones	

One third of the elected members are appointed on an annual basis at the Annual General Meeting.

There are two Sub-Committees appointed by the Board of Management.

Finance Sub-Committee – which deals with the management of the Guild's investments

Mr R.J. Carter	(Chairman)
Mr R.A. Morris	(Resigned 22nd March 2021)
Mr A.T. Morris	
Mr L. Downey	
Mr D. Bailey	

Selection Sub-Committee – which deals with the award of pensions and grants.

Mrs G. Ferrigno	(Chair)
Mr R.J. Carter	
Mr S.T. Chapple Gill	
Mr K. Head	
Mr D. Bailey	
Mrs J Hobson	(Resigned 4th January 2021)
Mr W M T Roberts	
Dr C Lewis-Jones	

New members are recruited on the basis of the skills, relevant experience or expertise that they are able to contribute to the Board of Management. They undergo a short period of induction training explaining the constitution of the Guild, the responsibilities of a Member of the Board of Management and the workings of the sub-committee to which they will be allocated.

Day to Day Management

The day to day management of the Charity is conducted by Moore (NW) LLP in their capacity as Secretaries.

Risk Management

The Board of Management has assessed the major risks and uncertainties facing the charity and have identified these as:-

Security of Assets, Investment Policies, Fraud, Disaster Recovery and Safety during Visits to Beneficiaries

A summary of the plans and strategy for managing these risks are as follows:-

1. Security of Assets

Safe custody arrangements have been made with regard to the Guild's investments such that all share and stock certificates are held by either the New York Mellon Bank or in electronic format by Rathbone Nominees Limited.

2. Investment Policies

The Trustees have put in place a written investment policy and have delegated discretionary management of the Guild's investments to Rathbone Investment Management who regularly monitor the performance of the Guild's investments which performance is also regularly reviewed at meetings of the Finance Committee.

3. Fraud

The Trustees regularly monitor the financial performance of the Guild. There is a segregation of duties and, whilst cash balances of Liverpool Merchants' Guild are frequently managed by both the Secretaries and the Investment Managers, the Trustees insist on confirmation that both the Secretaries and the Investment Managers have adequate professional indemnity and insurance cover in place.

4. Disaster Recovery

The Secretaries ensure that data back-up procedures are in place together with adequate insurance cover.

5. Safety during Visits to Beneficiaries

The Trustees ensure that procedures with regard to the staff of the Secretaries visiting beneficiaries at home are strictly adhered to.

Objectives and Activities

The objects of the Charity as defined by the Supplemental Royal Charter of December 2006 are:-

To relieve individuals who have been a professional or self-employed person, a person who worked in a supervisory capacity, or a clerical or non-manual worker, and their dependants, who are residing in Merseyside, or who have so resided for a continuous period of not less than fifteen years, who are not less than fifty years of age and who are in conditions of need, hardship or distress, either by paying pensions or by making grants or loans of money or providing or paying for items, services or facilities calculated to reduce such need, hardship or distress as aforesaid.

To accept and administer any funds or property given or bequeathed to the Guild upon any trusts for charitable purposes which, in the opinion of the Board of Management of the Guild, can be conveniently carried out and administered by the Guild.

Benefit takes the form of pensions or grants of money for specific items of expense of such an amount as the Board of Management consider suitable to the circumstances of each individual case.

Achievements and Performance

Pensions were awarded to 30 new beneficiaries during the year. (2020 - 24). The circumstances of existing beneficiaries were also reviewed resulting in an increase to their pensions of £39,400. Total pensions paid during the year amounted to £1,052,346. The Sub-Committee also made payments of grants totalling £136,431. The number of beneficiaries in receipt of pensions at the end of the year was 268 (2020 - 279).

Plans for Future Periods

The Liverpool Merchants' Guild continues to provide funding towards the support of independent living by means of the provision of specialist equipment or residential adaptations for individuals with special needs.

The principal short term and long term aims and objectives of The Liverpool Merchants' Guild are to increase the number of beneficiaries and positive efforts are still being made to achieve this aim, including updating the Guild's website to facilitate electronic applications.

All current beneficiaries have recently been informed that, in addition to making regular payments, The Liverpool Merchants' Guild also make grants available for items of exceptional expenditure. Additionally, grants are available to new applicants and this is stated both on the Guild's website and published in application guidelines.

Marketing

A range of materials, including a website, posters and brochures, have been produced to promote the Guild and it is hoped that this will result in an increase in the number of applications for benefit not only for grants to support independent living but also for ordinary pensions.

Finances

The Supplemental Charter of December 2006 granted the Board of Management power to invest funds, employ a professional fund manager and to arrange for the investments of the Guild to be held in the name of a nominee in the same manner as trustees of a trust are permitted to do by the Trustee Act 2000.

The capital funds of the Guild may also be invested in a Common Investment Fund established by a Scheme of the Charity Commission on 4th May 1972.

In March 2007 the Charity Commission approved a Scheme whereby the previously separate named funds were formally amalgamated into a single fund entitled The Liverpool Merchants' Guild

The capital of the Guild is grouped into four funds:

The Permanent Endowed Fund is made up of all the original separate funds which were incorporated into the Guild at the time the original Royal Charter was granted together with subsequent bequests which had stipulated that the capital was not expendable. This fund is a restricted fund and only income may be expended in furtherance of the objects of the Guild.

The Legacies Fund is also a restricted fund but comprises bequests to the Guild where there has been no stipulation regarding capital. The whole of this fund is expendable on the objects of the Guild although at present only the income is being used.

The General Fund is an unrestricted fund and comprises unconditional bequests to the Guild. At present only income is being utilised with any unspent income at the end of each year being transferred to the Reserve Fund.

The Reserve Fund is an unrestricted fund and comprises unspent income accumulated over many years. Part of the Reserve Fund has been utilised in previous years to finance loans to beneficiaries to enable them to carry out essential property repairs. A further part of the Reserve Fund is invested temporarily.

Rathbone Investment Management continued to manage the Guild's investments on a discretionary basis, in accordance with the parameters set by the Finance Committee, under the terms of their appointment which commenced on 1st October 2013.

The funds have performed as follows during the year: -

Bespoke Composite Benchmark – year to 31.12.2021 = 16.6%

Common Investment Fund	31.12.2020	31.12.2021	%-age change	Benchmark
Market value	43,502,926	47,487,793		
Cash held by Rathbones	444,878	2,309,527		
	43,947,804	49,797,320		
Income generated	-	1,443,767		
	43,947,804	51,241,087	16.6%	16.6%

Reserve Fund	31.12.2020	31.12.2021	%-age change	Benchmark
Market value	3,962,630	4,264,744		
Cash held by Rathbones	nil	503,883		
	3,962,630	4,768,627		
Income generated	-	74,367		
	3,962,630	4,842,994	22.22%	16.6%
Management fees taken	156,912	187,439		

During the year the Common Investment Fund and the Reserve Fund had combined realised gains on investments totalling £637,088 and unrealised gains on investments amounting to £6,075,939.

Overall, taking cash balances into account, the combined value of the Common Investment Fund and the Reserve Fund at 31st December 2021 amounted to £55,276,308 which was an increase of £6,620,900 on the combined value of the Common Investment Fund and the Reserve Fund at 31st December 2020 in the sum of £48,655,408.

There were no legacies or donations received during the year (2020 – nil).

The principal funding sources of the Charity are the investments which the Charity holds. During the reporting period investment income amounted to £1,518,115 which sum substantially covered the Guild's expenditure on charitable activities of £1,322,822.

Going Concern

In accordance with the requirements of FRS102 SORP, the Trustees have reviewed the financial position of the Guild. This review has covered a period up to 31st December 2023 and the Trustees of the Guild are unanimously of the view that the Charity is a going concern.

The Trustees are also unanimously of the view that there are no material uncertainties about the Charity's ability to continue.

Reserves

Whilst all charitable payments are entirely discretionary and there is no irrevocable commitment for further expenditure, the Board of Management consider that a reasonable level of reserve would equate to approximately 12 months expenditure. Current free reserves, £4,888,927, are approximately 39 months expenditure.

The Board of Management are comfortable with the level of reserves held, particularly in view of its intention to actively seek to increase the number of beneficiaries.

Responsibilities

Charity Law requires the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its financial activities for that period. In preparing those financial statements the Board of Management is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Statement of Recommended Practice "Charities SORP (FRS 102) issued by the Charity Commission and with applicable accounting standards subject to any material departures disclosed and explained in the financial statements.

- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Charity will continue in business.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Royal Charter of 2006. It is responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Trustees have complied with the duty in section 8 of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission (Public Benefit).

Post Balance Sheet Events

The Trustees have been closely monitoring events since the beginning of 2022 and, if one ignores the special one-off dividend of £117,139 received in March 2021, they are happy to report that there has been a slight increase of 3.3% in the level of dividend income generated by the Guild's investments comparing the first four months of 2022 with the first four months of 2021.

Secretaries

The Secretaries of the Guild are Moore (NW) LLP, Chartered Accountants, 110-114 Duke Street, Liverpool, L1 5AG.

Bankers

The Guild's principal bankers are Barclays Bank PLC, City Office, 48B and 50 Lord Street, Liverpool, L2 1TD.

Investment Managers

The Guild's Investment Managers are Rathbone Investment Management, Port of Liverpool Building, Pier Head, Liverpool, L3 1NW.

Auditors

The Guild's auditors are BWM, Chartered Accountants, Tempest, Suite 6.1, Tithebarn Street, Liverpool, L2 2DT.

Solicitors

The Guild's solicitors are Brabners LLP, Horton House, Exchange Flags, Liverpool, L2 3YL.

Website: www.liverpoolmerchantsguild.org.uk

E-Mail: info@liverpoolmerchantsguild.org.uk

Telephone and Fax
Tel: 0151 703 1080
Fax: 0151 703 1085

On behalf of the Board of Management

R J Carter

.....

Mr R.J. Carter
Chairman

Date 12th October 2022

Independent Auditors' Report to the Trustees of The Liverpool Merchants' Guild

Opinion

We have audited the financial statements of The Liverpool Merchants' Guild (the 'charity') for the year ended 31 December 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 charity's affairs as at 31 December 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 twelve 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 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 we do not express any form of assurance conclusion thereon. 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 and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or

- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to 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 auditors under section 144 of the Charities Act 2011 and report in accordance with the Act 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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 as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Independent Auditors' Report to the Trustees of The Liverpool Merchants' Guild

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters
Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice.

Use of our audit report
This report is made solely to the charity's trustees as a body, in accordance with section 391 of the Companies Act 2014. 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.

BWM

27/10/2022

BWM

Chartered Accountants
Statutory Auditor

Tempest, Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

BWM is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

The Liverpool Merchants' Guild
Statement of Financial Activities
Year ended 31st December 2021

	Note	Restricted Funds		Unrestricted Funds			2020
		Endowed Funds	Legacies Fund	General Fund	Reserve Fund	Total Funds	
		£	£	£	£	£	£
Income and endowments from							
Donations and legacies	3	-	-	-	-	-	-
Subscriptions		-	-	19	-	19	21
Income from Investments							
UK Investment Income		959,397	42,192	157,523	39,125	1,198,237	944,217
Non UK Investment Income		190,384	8,373	31,259	35,231	265,247	229,173
Deposit Interest		45,209	1,988	7,423	11	54,631	34,115
Total Income and endowments		1,194,990	52,553	196,224	74,367	1,518,134	1,207,526
Expenditure on							
Expenditure on raising funds	4	155,143	6,823	25,473	-	187,439	156,912
Expenditure on Charitable activities	5	1,094,899	48,151	179,772	-	1,322,822	1,331,052
Total Expenditure		1,250,042	54,974	205,245	-	1,510,261	1,487,964
		(55,052)	(2,421)	(9,021)	74,367	7,873	(280,438)
Net Gains/(losses) on investments	10 & 12	4,959,458	218,104	814,293	621,172	6,613,027	1,602,728
Net Income / (Expenditure)		4,904,406	215,683	805,272	695,539	6,620,900	1,322,290
Transfer of Special Dividends	8	-	-	-	-	-	-
Transfers between funds	9	55,052	2,421	9,021	(66,494)	-	-
Net Movement of Funds		4,959,458	218,104	814,293	629,045	6,620,900	1,322,290
Total Funds Brought Forward		36,677,658	1,611,514	6,021,445	4,344,791	48,655,408	47,333,118
Total Funds Carried Forward		41,637,116	1,829,618	6,835,738	4,973,836	55,276,308	48,655,408

For an analysis of the comparative figures for the year ended 31 December 2020 see page 11

The Liverpool Merchants' Guild
Comparative Statement of Financial Activities
For the Year ended 31st December 2020

	Restricted Funds		Unrestricted Funds		
	Endowed Funds	Legacies Fund	General Fund	Reserve Fund	Total 2020
	£	£	£	£	£
Income and endowments from					
Donations and legacies	-	-	-	-	-
Subscriptions	-	-	21	-	21
Income from Investments					
UK Investment Income	750,147	32,989	123,167	37,914	944,217
Non UK Investment Income	167,764	7,378	27,545	26,486	229,173
Deposit Interest	27,885	1,226	4,578	426	34,115
Total Income and endowments	**945,796**	**41,593**	**155,311**	**64,826**	**1,207,526**
Expenditure on					
Expenditure on raising funds	129,876	5,712	21,324	-	156,912
Expenditure on Charitable activities	1,101,712	48,450	180,890	-	1,331,052
Total Expenditure	**1,231,588**	**54,162**	**202,214**	**-**	**1,487,964**
	(285,792)	(12,569)	(46,903)	64,826	(280,438)
Net Gains/(losses) on Investments	1,050,600	46,203	172,498	333,427	1,602,728
Net Income / Expenditure	764,808	33,634	125,595	398,253	1,322,290
Transfers between funds	285,792	12,569	46,903	(345,264)	-
Net Movement of Funds	**1,050,600**	**46,203**	**172,498**	**52,989**	**1,322,290**
Total Funds Brought Forward	35,627,058	1,565,311	5,848,947	4,291,802	47,333,118
Total Funds Carried Forward	**36,677,658**	**1,611,514**	**6,021,445**	**4,344,791**	**48,655,408**

The notes on pages 14 to 23 form part of these financial statements.

The Liverpool Merchants' Guild

Statement of Financial Position

31st December 2021

	Note	2021		2020	
		£	£	£	£
Fixed Assets					
Investments and cash held by the Common Investment Fund	10		50,302,472		44,310,617
Current Assets					
Debtors & prepayments due within one year	11	307		258	
Debtors due after more than one year	11	84,909		93,800	
Investments	12	4,264,744		3,962,630	
Cash at Bank		685,652		336,215	
		5,035,612		4,392,903	
Current Liabilities					
Creditors & accruals due in less than one year	13	61,776		48,112	
Reserve Fund / Net Current Assets			4,973,836		4,344,791
Total Assets less Current liabilities			55,276,308		48,656,408
Funds of the Charity:					
Restricted Funds:					
Permanent Endowed Funds	16		41,637,116		36,677,668
Legacies Fund	16		1,829,618		1,611,514
Unrestricted Funds:					
General Fund	16		6,835,738		6,021,445
Reserve Fund	16		4,973,836		4,344,791
Total Charity Funds			55,276,308		48,655,408

Approved on behalf of the Board of Management on 12th October 2022

R J Carter .....
Chairman

Moore (NW) LLP .....
Secretaries

The notes on pages 14 to 23 form part of these financial statements.

Statement of Cash Flows

Year ended 31st December 2021

	2021	2020
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per the statement of financial activities)	6,620,900	1,322,290
Adjustments for:		
Net (gains) on investments	(6,613,027)	(1,602,728)
Dividends, interest from investments	(1,518,115)	(1,207,505)
Decrease in debtors	8,842	2,672
Increase in creditors	13,664	1,454
Net cash provided (used by) operating activities	(1,487,736)	(1,483,817)

Statement of Cash Flows

Cash Flows from Operating Activities:		
Net cash provided (used by) operating activities	(1,487,736)	(1,483,817)
Cash Flows from investing Activities:		
Dividends, interest from investments	1,518,115	1,207,505
Proceeds from sale of investments	6,624,629	7,546,133
Purchase of investments	(4,298,583)	(8,191,802)
Net cash provided by (used by) investing activities	3,844,161	561,836
Change in cash and cash equivalents in the the reporting period	2,356,425	(921,981)
Cash and cash equivalents at the beginning of the reporting period	1,143,906	2,065,887
Cash and cash equivalents at the end of the reporting period	3,500,331	1,143,906
Made up as to:		
Reserve Fund - Current Assets - Cash at bank	685,652	336,215
Common Investment Fund - Fixed Assets - Cash Deposits	2,814,679	807,691
	3,500,331	1,143,906

1 Accounting Policies

Legal status

Liverpool Merchants' Guild constitutes a public benefit entity as defined by FRS 102.

a Scope and basis of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and are 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) ('the SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2016.

The financial statements have been prepared on a going concern basis. This is discussed in the Trustees' report at page 5 under the heading 'going concern'.

b Incoming Resources

Income arising on the Common Investment Fund investments is allocated to each fund in proportion to the value of the funds at 31st December 2020.

c Investment Income

Dividends and bank interest are included as incoming resources when they are received.

d Legacies and Donations Received

Legacies and donations are recognised upon receipt or when it is probable that they will be received.

Receipt is normally probable when:

- there has been grant of probate:
- the exectors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy:
- any conditions attached to the legacy are either within the control of the charity or have been met.

e Taxation

The Guild is a registered Charity and is not liable to UK taxation on its charitable activities and is not registered for VAT purposes. Expenditure is stated inclusive of any applicable VAT.

f Pensions and Grants

All charitable payments are made for the benefit of individuals who meet the criteria for elegibility as set out in the Guild's Byelaws and Regulations and are made for the relief of hardship or need. All awards are made at the discretion of the Board of Management which does not enter into any commitment to renew or repeat any payment.
Charitable payments are accounted for as and when paid.

g Loans to Beneficiaries

Loans are granted to beneficiaries for the purpose of funding essential property maintenance or repairs. They are interest free and are repayable when the beneficiary ceases to occupy the property involved. Loans are only made from the Reserve Fund.

h Investments

Investments held as fixed assets and current assets are all listed on a recognised stock exchange and are included in the financial statements at market value.

Those investments which are held as current assets are part of the Reserve Fund and are highly liquid investments which are readily realisable.

1 Accounting Policies (cont)

i Investment Gains and Losses

Realised and unrealised gains and losses on the Common Investment Fund investments are allocated to each capital fund in aliquot portions. Gains or losses arising on investments of the Reserve Fund are treated as additions or reductions to that fund and are available to set off against future expenditure.

j Fund Accounting

Following advice from the Charity Commission in June 1972, the Guild's capital funds were reclassified from a single permanent endowed capital account into restricted and unrestricted funds. Restricted funds have been further subdivided into permanent and expendable funds.

Funds in existence in June 1972, the date of implementation of the scheme by the Charity Commission, have been classified as permanent endowed funds and any additions to those funds since that date have been treated as additions to the permanent endowment. New funds received since June 1972 have been classifed as restricted or unrestricted funds according to the terms or conditions attaching to the bequest to the Guild. Details of the various funds are set out in Notes 16 and 17.

All funds classified as restricted are held for the specific purpose of paying pensions or other benefits to eligible beneficiaries.

k Debtors due after more then one year

Debtors due after more than one year comprise loans to beneficiaries, both secured and unsecured. As there is no certainly when these amounts will be recovered the net present value, therefore, cannot be measured.

l Current Assets - Investments

Current asset investments represent stocks and shares quoted on recognised stock exchanges. Such stocks and shares can be immediately sold in exchange for cash which is receivable on the ordinary settlement terms of the stock exchange in question

m Current Assets - Cash at Bank

Cash at bank represents monies held either at Barclays Bank or with Rathbone Investment Management. Such monies are immediately available and no notice period is required for access to same.

n Current Liabilities - Creditors & Accruals

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting Policies (cont)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 *Judgements and key sources of estimation uncertainty*

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and Legacies	2021	2020
	£	£
Legacies - see page 5 for details	-	-
Donations - see page 5 for details	-	-
	-	-

4 Expenditure on Raising funds	2021	2020
	£	£
Investment Management fees	187,439	156,912
	187,439	156,912

5 Expenditure on Charitable activities	2021	2020
	£	£
Pensions	1,052,346	1,107,163
Grants	136,431	107,313
Auditors' remuneration	4,884	4,656
Secretaries fees	108,000	108,000
Legal Costs	10,339	-
Postage, stationery and web design etc.	10,822	3,920
	1,322,822	1,331,052

Expenditure on Charitible activities is allocated in proportion to the endowed, legacy and general fund values at 31st December 2020.

All charitable payments are for the benefit of individuals. At 31st December 2021 there were 268 beneficiaries. (2020 : 279).

6 Trustees Remuneration

No member of the Board of Management or any connected persons received any remuneration in respect of their services as trustees. Additionally no member of the Board of Management or any connected persons received or waived any reimbursement of expenses. (2020 - none)

S T Chapple Gill, a member of the Board of Management is a consultant to the firm Brabners LLP. Mr D. Bailey, also a member of the board of management, is a partner in the firm Brabners LLP. Brabners LLP provide legal services to the Guild. An Order has been obtained from the Charity Commission allowing the Guild to continue to utilise the services of this firm. £1,080 was charged by Brabners during the year (2020 - £nil). The amount outstanding to Brabners LLP at 31 December 2021 was £nil (2020 - £nil).

Mr A.T. Morris, who is a Trustee of Liverpool Merchants Guild, is an employee of Rathbone Investment Management. This latter company were appointed by the management Board of Liverpool Merchants' Guild to manage the Guild's investments on a discretionary basis with effect from 1st October 2013. Agreement to the appointment of Rathbone Investment Management was obtained from the Charity Commission. Rathbone Investment Management received remuneration included in these accounts amounting to £187,439. (2020 - £156,912). The amount outstanding to Rathbone Investment Management at 31 December 2021 was £49,109. (2020 - £43,119).

7 Employees

The Liverpool Merchants' Guild does not have any employees and does not provide any retirement or post employment benefits to anyone. (2020 - none)

8 **Transfer of Special Dividends**

No special dividends or similar income have been received during the year which require a transfer between income and capital.

The Guild still considers it appropriate to make a transfer when such income arises. The capital funds would then have been credited in proportion to the fund values at the end of the previous year.

9 **Transfer between funds**

At the end of each year transfers are made to or from the Reserve Fund in respect of the surplus or deficit of income on each of the other funds and is made up as follows:

	Note	Restricted Funds		Unrestricted Funds		
		Endowed Funds	Legacies Fund	General Fund	Reserve Fund	Total Funds
		£	£	£	£	£
Subscriptions		-	-	19	-	19
UK Investment Income		959,397	42,192	157,523	-	1,159,112
Non UK Investment Income		190,384	8,373	31,259	-	230,016
Deposit Interest		45,209	1,988	7,423	-	54,620
		1,194,990	52,553	196,224	-	1,443,767
Expenditure on raising funds	4	155,143	6,823	25,473	-	187,439
Expenditure on charitable acitvities	5	1,094,899	48,151	179,772	-	1,322,822
		1,250,042	54,974	205,245	-	1,510,261
Net deficit before gains and losses, to be transferred		55,052	2,421	9,021	(66,494)	-

10 **Fixed Assets**

Investments

Common Investment Fund	In UK	Outside UK	Total 2021	2020
	£	£	£	£
Market Value 1st January 2021	28,063,426	15,439,500	43,502,926	42,062,223
Acquisitions	1,885,641	1,743,213	3,628,854	6,991,486
Disposals	(3,743,172)	(1,892,670)	(5,635,842)	(6,820,084)
Realised Gains / (losses)	269,836	173,585	443,421	519,531
Unrealised gains/(losses) on revaluation of Investments	3,479,515	2,068,919	5,548,434	749,770
Market Value 31st December 2021	**29,955,246**	**17,532,547**	**47,487,793**	**43,502,926**
Cost at 31st December 2021	**20,921,241**	**11,353,714**	**32,274,955**	**27,069,832**
Investment Cash Deposits				
Cash at Bank	**2,814,679**	**-**	**2,814,679**	**807,691**
Total Common Investment Fund Investments	**32,769,925**	**17,532,547**	**50,302,472**	**44,310,617**

10 Fixed Assets (cont)	Value 31.12.2021	%	Value 31.12.2020	%
UK Investments	£		£	
Fixed Income	404,429	1.35	417,339	1.49
Banks	1,706,920	5.70	1,326,608	4.73
Beverages	1,630,544	5.44	1,162,712	4.14
Food and Drug Retailers	1,924,642	6.43	2,039,702	7.27
General Financial	670,320	2.24	665,112	2.37
General Industries	577,000	1.93	488,600	1.74
Global Investments	4,610,282	15.39	4,518,964	16.10
Health	-	-	679,500	2.42
Infrastructure Funds	2,523,280	8.42	1,931,256	6.88
Investment Trusts	1,033,725	3.45	1,396,663	4.98
Life Assurance	1,327,890	4.43	1,285,280	4.58
Media and Photography	2,361,220	7.88	1,811,250	6.45
Mining	1,357,628	4.53	2,220,659	7.91
Oil and Gas	2,861,574	9.55	2,215,181	7.89
Pharmaceuticals	1,804,084	6.02	1,397,857	4.98
Precious Metals	603,200	2.01	-	-
Private Equity Stock	626,241	2.09	532,443	1.90
Real Estate Holding and Development	-	-	409,122	1.46
Software & Computer Services	168,055	0.56	414,520	1.48
Support Services	1,712,701	5.72	1,203,558	4.29
Telecommunication Services	289,824	0.97	312,233	1.11
Tobacco	587,703	1.96	582,220	2.07
UK Investment Grade Bonds	384,433	1.28	408,222	1.45
Water & Gas	789,551	2.65	644,425	2.31
	29,955,246	**100.00**	**28,083,426**	**100.00**
Investments outside the UK				
Asia	1,686,131	9.62	1,663,147	10.77
Europe Investment Trusts	2,315,119	13.20	1,967,350	12.74
Japanese	1,966,991	11.22	1,886,685	12.22
US Shares	11,564,306	65.96	9,663,300	62.59
Emerging markets	-	-	259,018	1.68
	17,532,547	**100.00**	**15,439,500**	**100.00**
Total Quoted Investments	**47,487,793**		**43,502,926**	

There were no individual direct holdings that represented more than 6% of the total value of fixed and current asset investments at 31st December 2021.

10 Fixed Assets (cont)

All investments are investments in quoted securities or unit trusts. These have been revalued at 31st December 2021 on the basis of prices quoted on the relevant Stock Exchange or by the fund manager.

All of the fixed asset investments are held in direct furtherance of the charity's objects.

11 Debtors

		2021	2020
		£	£
Due within one year	Other debtors	307	258
		307	258
Due after more than one year	Secured loans to beneficiaries	66,228	72,947
	Unsecured loans to beneficiaries	18,681	20,853
		84,909	93,800

Loans to beneficiaries are interest-free and have no fixed date for repayment.

As there is no certainty as to when loans to beneficiaries will be recovered, the net present value of those loans cannot be measured

12 Current Asset Investments

Quoted Investments in UK	2021	2020
	£	£
Market Value 1st January 2021	3,962,630	3,154,936
Acquisitions	669,729	1,200,316
Disposals	(988,787)	(726,049)
Realised gains / (losses)	93,667	(20,558)
Unrealised gainson revaluation of investments	527,505	353,985
Market Value 31st December 2021	**4,264,744**	**3,962,630**
Cost at 31st December 2021	**3,078,185**	**3,239,806**

Current asset investments represent the temporary investment of previous accumulations of income.

All investments are investments in quoted securities. These have been revalued at 31st December 2021 on the basis of prices quoted on the relevant Stock Exchange.

12 Current Asset Investments (cont)

	Value 31.12.2021 £	%	Value 31.12.2020 £	%
Banks	162,437	3.81	125,822	3.18
Household Goods	19,660	0.46	20,280	0.51
Fixed Income	185,060	4.34	190,968	4.82
General Industries	95,205	2.23	80,619	2.03
Infrastructure Funds	51,928	1.22	-	-
Investment Trusts	44,303	1.04	85,217	2.15
Media and Photography	183,860	4.31	145,000	3.66
Water and Gas	40,272	0.94	32,670	0.83
Oil & Gas	58,499	1.37	45,100	1.14
Pharmaceuticals	296,506	6.95	242,832	6.13
Private Equity Stock	62,977	1.48	53,644	1.35
Software & Computer Services	63,021	1.48	47,300	1.19
Support Services	44,260	1.04	-	-
Telecommunications Services	107,157	2.51	115,442	2.91
Europe Investment Trusts	304,093	7.13	453,883	11.45
US Shares	2,084,796	48.88	1,627,355	41.07
Japanese	460,720	10.80	437,380	11.04
Emerging Markets	-	-	259,018	6.54
	4,264,744	**100.00**	**3,962,630**	**100.00**

13 Creditors - amounts due within one year

	2021 £	2020 £
Accruals	61,776	48,112
	61,776	48,112

14 Capital Funds

	£	£
Balance 1st January 2021	43,786,167	43,041,316
Net (outgoing) / incoming resources for the year	(66,494)	(345,264)
Transfer from Reserve Fund	66,494	345,264
Realised investment gains / (losses)	443,421	(4,919)
Unrealised gains on revaluation of investments	5,548,434	749,770
Balance 31st December 2021	**49,778,022**	**43,786,167**

15 Reserve Fund

	£	£
Balance 1st January 2021	4,344,791	4,291,802
Net incoming resources for the year	74,367	64,826
Transfer (to) from Capital Funds	(66,494)	(345,264)
Realised gains / (losses) on disposal of investments	93,667	(20,558)
Unrealised gains on revaluation of investments	527,505	353,985
Balance 31st December 2021	**4,973,836**	**4,344,791**

16 Capital Funds

	2021 £	2020 £
Restricted Funds		
Permanent Endowed Fund	41,637,116	36,677,658
Legacies Fund	1,829,618	1,611,514
Unrestricted Funds		
General Fund	6,835,738	6,021,445
Total Capital Funds	50,302,472	44,310,617

In March 2007 the Charity Commission approved a scheme whereby the individual named funds that had comprised the Permanent Endowed Fund were formally amalgamated into one single fund entitled The Liverpool Merchants' Guild.

The following is a list of funds that now comprise the Liverpool Merchants' Guild Permanent Endowed Fund:-

Mrs W M Allen Fund
American Chamber of Commerce Fund
Miss Olivia Atherton fund
Mrs James Barrow Fund
Thomas Bartlett Fund
Mrs E E Bartley Fund
Frederic Bowden Fund
James Lord Bowes Fund
Mrs Anna Brancker Fund
Frank Brocklehurst Fund
John Bury Annuity Fund
William Cliff Fund
C H Collie Fund
Aileen Congrieve Fund
John Cropper Fund
John G & Mary Dobson Fund
Emma Elliston Fund
Isolina Gee Fund
General & Roger Lyon Jones Fund
Andrew Gibson Fund
Isabel Grace Hall Fund
Harrison Fund
John Hill Fund
William Imrie Liverpool Clerks Benevolent Fund
E Alan Johnston Fund
Helen Johnston Fund
Johnston Family Fund
Kathleen Steward Kendall Fund
Anita G Lawrence Fund
Miss Henrietta McKay Fund
Thomas Moss Fund
Essie Newberry Fund
Thomas William & Alice Eleanor Oakshott Memorial Fund
The Misses Paton Fund
Mercey Richardson Fund
Lucie Amelia Ridley Fund
Frank Rigby Fund
John Winser Sheriff Fund
W H Shirley Fund
W M Simpson Fund
Henry Tate Fund
Charles & Kate Thorne Fund
The William Henry & Harriet Watt Fund
Frank & Gwen White Fund
Mr & Mrs George Wilson Fund
J Marke Wood Fund

17 Summary of Net Assets by Funds - 31 December 2021

	Fixed Assets	Current Assets	Total
Restricted Funds	£	£	£
Permanent Endowed Funds	41,637,116	-	41,637,116
Legacies Fund	1,829,618	-	1,829,618
Unrestricted Funds			
General Fund	6,835,738	-	6,835,738
Reserve Fund	-	4,973,836	4,973,836
	50,302,472	4,973,836	55,276,308

Summary of Net Assets by Funds - 31 December 2020

	Fixed Assets	Current Assets	Total
Restricted Funds	£	£	£
Permanent Endowed Funds	36,677,658	-	36,677,658
Legacies Fund	1,611,514	-	1,611,514
Unrestricted Funds			
General Fund	6,021,445	-	6,021,445
Reserve Fund	-	4,344,791	4,344,791
	44,310,617	4,344,791	48,655,408

Restricted funds are held for the specific purpose of paying pensions or other benefits to eligible beneficiaries.

The capital of the permanent endowed funds may not be expended, only the income arising on these funds may be utilised in the payment of pensions or other benefits to beneficiaries.

Unrestricted funds may be utilised for any purpose of the Guild.

18 **Commitments**

Payment of pensions and grants is entirely discretionary. The Board of Management is of the opinion that there were no commitments for either revenue or capital expenditure at 31st December 2021 (2020 - £nil).

19 **Related Parties**

S T Chapple Gill, a member of the Board of Management is a consultant to the firm Brabners LLP. Mr D. Bailey, also a member of the board of management, is a partner in the firm Brabners LLP. Brabners LLP provide legal services to the Guild. An Order has been obtained from the Charity Commission allowing the Guild to continue to utilise the services of this firm. £1,080 was charged by Brabners during the year (2020 - £nil). The amount outstanding to Brabners LLP at 31 December 2021 was £nil (2020 - £nil).

Mr A.T. Morris, who is a Trustee of Liverpool Merchants Guild, is an employee of Rathbone Investment Management. This latter company were appointed by the management Board of Liverpool Merchants' Guild to manage the Guild's investments on a discretionary basis with effect from 1st October 2013. Agreement to the appointment of Rathbone Investment Management was obtained from the Charity Commission. Rathbone Investment Management received remuneration included in these accounts amounting to £187,439. (2020 - £156,912). The amount outstanding to Rathbone Investment Management at 31 December 2021 was £49,109. (2020 - £43,119).

There are no other related party transactions.

20 Financial instruments	2021	2020
Carrying amount of financial assets	£	£
Debt instruments measured at amortised cost		
Debtors	84,909	93,800
Cash held	3,600,331	1,143,906
	3,685,240	1,237,706
Instruments measured at fair value through SOFA		
Investments held by Reserve Fund	4,264,744	3,962,630
Investments held by Common Investment Fund	47,487,793	43,502,926
	51,752,537	47,465,556
Carrying amount of financial liabilities		
Measured at amortised cost		
Accruals	61,776	48,112

THE LIVERPOOL MERCHANTS' GUILD

England & Wales - Charity number 206454

Accounts

The Liverpool Merchants' Guild
Financial Statements
Year ended 31st December 2020
Registered Charity
No.206454

The Liverpool Merchants' Guild

Financial Statements

Year ended 31st December 2020

Index

Page	
1 – 6	Trustees' Annual Report
7 - 8	Auditors' Report
9	Statement of Financial Activities
10	Comparative Statement of Financial Activities for the year ended 31st December 2019
11	Statement of Financial Position
12	Statement of Cash Flows
13 – 22	Notes to the Financial Statements

Trustees' Annual Report

Year ended 31st December 2020

The Trustees present their Annual Report and the Financial Statements for the year ended 31st December 2020, which have been prepared in accordance with part 8 of the Charities Act 2011.

Structure, Governance and Management

The Charity was established by the will of the late Catherine Wright in 1868 as "Wright's Institution" and was incorporated along with all its subsidiary funds by Royal Charter in 1914 as The Liverpool Merchants' Guild. It is registered with the Charity Commission no. 206454. The Charity's address is 110-114, Duke Street, Liverpool, L1 5AG.

The Royal Charter was amended by a Scheme of the Charity Commission in May 1972 which extended the objects of the Guild and the ways in which benefits could be paid to beneficiaries, established a Common Investment Fund in respect of all of the separate funds that comprised the Guild, and granted unrestricted powers of investment. At the same time the Byelaws were updated to reflect these changes.

A Supplemental Royal Charter was granted in December 2006 which updated and replaced the original Charter and subsequent amendment after the Charity Commission had agreed a Scheme which updated the definitions of the objects of the Charity and the powers of investment. The Board of Management were also granted power to provide indemnity insurance for themselves and a simplified procedure for dealing with any future amendments to the Royal Charter was introduced.

In addition to the Royal Charter there are a set of Byelaws which deal with administrative and management matters. The Byelaws were extensively revised in conjunction with the granting of the Supplemental Charter in December 2006. In particular, the new Byelaws recognised a single class of membership of the Guild, being persons paying an annual subscription of £2.10. Ex-officio membership of the Guild and the Board of Management was, with the consent of the existing office holders, brought to an end.

The Board of Management of the Guild is elected from the members of the Guild.

The following persons, who are all trustees, have been members of the Board of Management during the year:-

Elected members:-

Mr R.J. Carter	(Chairman)
Mr S.T. Chapple-Gill	
Mrs G. Ferrigno	
Mr A.T. Morris	
Mr R.A. Morris	(Resigned 22nd March 2021)
Mrs S. Newton	(Resigned 3rd September 2020)
Mr L. Downey	
Mr K. Head	
Mr D. Bailey	
Mrs J Hobson	(Resigned 4th January 2021)
Mr W M Tudor Roberts	(Appointed 3rd September 2020)
Dr C Lewis-Jones	(Appointed 3rd September 2020)

One third of the elected members are appointed on an annual basis at the Annual General Meeting.

There are two Sub-Committees appointed by the Board of Management.

Finance Sub-Committee – which deals with the management of the Guild's investments

Mr R.J. Carter	(Chairman)
Mr R.A. Morris	(Resigned 22nd March 2021)
Mr A.T. Morris	
Mr L. Downey	
Mr D. Bailey	

Selection Sub-Committee – which deals with the award of pensions and grants.

Mrs G. Ferrigno	(Chair)
Mr R.J. Carter	
Mrs S. Newton	(Resigned 3rd September 2020)
Mr S.T. Chapple-Gill	
Mr K. Head	
Mr D. Bailey	
Mrs J Hobson	(Resigned 4th January 2021)
Mr W M Tudor Roberts	(Appointed 3rd September 2020)
Dr C Lewis-Jones	(Appointed 3rd September 2020)

New members are recruited on the basis of the skills, relevant experience or expertise that they are able to contribute to the Board of Management. They undergo a short period of induction training explaining the constitution of the Guild, the responsibilities of a Member of the Board of Management and the workings of the sub-committee to which they will be allocated.

Day to Day Management

The day to day management of the Charity is conducted by Moore (NW) LLP in their capacity as Secretaries.

Risk Management

The Board of Management has assessed the major risks and uncertainties facing the charity and have identified these as:-

Security of Assets, Investment Policies, Fraud, Disaster Recovery and Safety during Visits to Beneficiaries

A summary of the plans and strategy for managing these risks are as follows:-

1. Security of Assets

Safe custody arrangements have been made with regard to the Guild's investments such that all share and stock certificates are held by either the New York Mellon Bank or in electronic format by Rathbone Nominees Limited.

2. Investment Policies

The Trustees have put in place a written investment policy and have delegated discretionary management of the Guild's investments to Rathbone Investment Management who regularly monitor the performance of the Guild's investments which performance is also regularly reviewed at meetings of the Finance Committee.

3. Fraud

The Trustees regularly monitor the financial performance of the Guild. There is a segregation of duties and, whilst cash balances of Liverpool Merchants' Guild are frequently managed by both the Secretaries and the Investment Managers, the Trustees insist on confirmation that both the Secretaries and the Investment Managers have adequate professional indemnity and insurance cover in place.

4. Disaster Recovery

The Secretaries ensure that data back-up procedures are in place together with adequate insurance cover.

5. Safety during Visits to Beneficiaries

The Trustees ensure that procedures with regard to the staff of the Secretaries visiting beneficiaries at home are strictly adhered to.

Objectives and Activities

The objects of the Charity as defined by the Supplemental Royal Charter of December 2006 are:-

To relieve individuals who have been a professional or self-employed person, a person who worked in a supervisory capacity, or a clerical or non-manual worker, and their dependants, who are residing in Merseyside, or who have so resided for a continuous period of not less than fifteen years, who are not less than fifty years of age and who are in conditions of need, hardship or distress, either by paying pensions or by making grants or loans of money or providing or paying for items, services or facilities calculated to reduce such need, hardship or distress as aforesaid.

To accept and administer any funds or property given or bequeathed to the Guild upon any trusts for charitable purposes which, in the opinion of the Board of Management of the Guild, can be conveniently carried out and administered by the Guild.

Benefit takes the form of pensions or grants of money for specific items of expense of such an amount as the Board of Management consider suitable to the circumstances of each individual case.

Achievements and Performance

On 20th March 2020, as a result of the reduction in dividend income caused by the Coronavirus Pandemic, the Trustees took the decision to suspend new applications for pensions and grants until such time as they could more accurately estimate the level of income for distribution. The Trustees were confident that current pensions and grants already awarded would be met without any revision for the time being.

Applications for pensions and grants were reinstated by the Finance Committee at their meeting on 3rd September 2020.

Pensions were awarded to 24 new beneficiaries during the year. (2019 - 56). The circumstances of existing beneficiaries were also reviewed resulting in an increase to their pensions of £40,850. Total pensions paid during the year amounted to £1,107,163. The Sub-Committee also made payments of grants totalling £107,313 resulting in an overall increase in expenditure on charitable activities of £56,168 when comparing 2020 to 2019. The number of beneficiaries in receipt of pensions at the end of the year was 279 (2019 - 301).

Plans for Future Periods

The Liverpool Merchants' Guild continues to provide funding towards the support of independent living by means of the provision of specialist equipment or residential adaptations for individuals with special needs.

The principal short term and long term aims and objectives of The Liverpool Merchants' Guild are to increase the number of beneficiaries and positive efforts are still being made to achieve this aim, including updating the Guild's website to facilitate electronic applications.

All current beneficiaries have recently been informed that, in addition to making regular payments, The Liverpool Merchants' Guild also make grants available for items of exceptional expenditure. Additionally, grants are available to new applicants and this is stated both on the Guild's website and published in application guidelines.

Marketing

A range of materials, including a website, posters and brochures, have been produced to promote the Guild and it is hoped that this will result in an increase in the number of applications for benefit not only for grants to support independent living but also for ordinary pensions.

Finances

The Supplemental Charter of December 2006 granted the Board of Management power to invest funds, employ a professional fund manager and to arrange for the investments of the Guild to be held in the name of a nominee in the same manner as trustees of a trust are permitted to do by the Trustee Act 2000.

The capital funds of the Guild may also be invested in a Common Investment Fund established by a Scheme of the Charity Commission on 4th May 1972.

In March 2007 the Charity Commission approved a Scheme whereby the previously separate named funds were formally amalgamated into a single fund entitled The Liverpool Merchants' Guild.

The capital of the Guild is grouped into four funds:

The Permanent Endowed Fund is made up of all the original separate funds which were incorporated into the Guild at the time the original Royal Charter was granted together with subsequent bequests which had stipulated that the capital was not expendable. This fund is a restricted fund and only income may be expended in furtherance of the objects of the Guild.

The Legacies Fund is also a restricted fund but comprises bequests to the Guild where there has been no stipulation regarding capital. The whole of this fund is expendable on the objects of the Guild although at present only the income is being used.

The General Fund is an unrestricted fund and comprises unconditional bequests to the Guild. At present only income is being utilised with any unspent income at the end of each year being transferred to the Reserve Fund.

The Reserve Fund is an unrestricted fund and comprises unspent income accumulated over many years. Part of the Reserve Fund has been utilised in previous years to finance loans to beneficiaries to enable them to carry out essential property repairs. A further part of the Reserve Fund is invested temporarily.

Rathbone Investment Management continued to manage the Guild's investments on a discretionary basis, in accordance with the parameters set by the Finance Committee, under the terms of their appointment which commenced on 1st October 2013.

The funds have performed as follows during the year:-

Bespoke Composite Benchmark – year to 31.12.2020 = (2.9)%

Common Investment Fund	31.12.2019	31.12.2020	%-age change	Benchmark
Market value	42,062,223	43,502,926		
Cash held by Rathbones	745,142	444,878		
	42,807,365	43,947,804		
Income generated	-	1,142,700		
	42,807,365	45,090,504	5.33%	(2.9)%

Trustees' Annual Report

Year ended 31st December 2020

Reserve Fund	31.12.2019	31.12.2020	%-age change	Benchmark
Market value	3,154,936	3,962,630		
Cash held by Rathbones	486,675	nil		
	3,641,611	3,962,630		
Income generated	-	64,826		
	3,641,611	4,027,456	10.60%	(2.9)%
Management fees taken	161,643	156,912		

During the year the Common Investment Fund and the Reserve Fund had combined realised losses on investments totalling £25,477 and unrealised gains on investments amounting to £1,628,205.

Overall, taking cash balances into account, the combined value of the Common Investment Fund and the Reserve Fund at 31st December 2020 amounted to £48,655,408 which was an increase of £1,322,290 on the combined value of the Common Investment Fund and the Reserve Fund at 31st December 2019 in the sum of £47,333,118.

There were no legacies or donations received during the year (2019 – nil).

The principal funding sources of the Charity are the investments which the Charity holds. During the reporting period investment income amounted to £1,207,505 which sum substantially covered the Guild's expenditure on charitable activities of £1,277,753.

Going Concern

In accordance with the requirements of FRS102 SORP, the Trustees have reviewed the financial position of the Guild. This review has covered a period up to 31st December 2022 and the Trustees of the Guild are unanimously of the view that the Charity is a going concern.

The Trustees are also unanimously of the view that there are no material uncertainties about the Charity's ability to continue.

Reserves

Whilst all charitable payments are entirely discretionary and there is no irrevocable commitment for further expenditure, the Board of Management consider that a reasonable level of reserve would equate to approximately 12 months expenditure. Current free reserves, £4,250,991, are approximately 34 months expenditure.

The Board of Management are comfortable with the level of reserves held, particularly in view of its intention to actively seek to increase the number of beneficiaries.

Responsibilities

Charity Law requires the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its financial activities for that period. In preparing those financial statements the Board of Management is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Statement of Recommended Practice "Charities SORP (FRS 102) issued by the Charity Commission and with applicable accounting standards subject to any material departures disclosed and explained in the financial statements.

- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Charity will continue in business.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Royal Charter of 2006. It is responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Trustees have complied with the duty in section 8 of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission (Public Benefit).

Post Balance Sheet Events

The Trustees have been closely monitoring events since the beginning of 2021 and are happy to report that there has been a substantial increase in the level of dividend income generated by the Guild's investment portfolio.

Income from 1st January 2021 to 31st May 2021 has risen by 39.8% as compared to the same period last year.

Secretaries

The Secretaries of the Guild are Moore (NW) LLP, Chartered Accountants, 110-114 Duke Street, Liverpool, L1 5AG.

Bankers

The Guild's principal bankers are Barclays Bank PLC, City Office, 48B and 50 Lord Street, Liverpool, L2 1TD.

Investment Managers

The Guild's Investment Managers are Rathbone Investment Management, Port of Liverpool Building, Pier Head, Liverpool, L3 1NW.

Auditors

The Guild's auditors are BWM, Chartered Accountants, Castle Chambers, 43 Castle Street, Liverpool, L2 9SH.

Solicitors

The Guild's solicitors are Brabners LLP, Horton House, Exchange Flags, Liverpool, L2 3YL.

Website: www.liverpoolmerchantsguild.org.uk

E-Mail: info@liverpoolmerchantsguild.org.uk

Telephone and Fax
Tel: 0151 703 1080
Fax: 0151 703 1085

On behalf of the Board of Management

.....
Mr R.J. Carter
Chairman

Date ..27.....Sep.....2021

Independent Auditors' Report to the Members of The Liverpool Merchants' Guild

Opinion

We have audited the financial statements of The Liverpool Merchants' Guild (the 'charity') for the year ended 31 December 2020 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 charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:
- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or - the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Independent Auditors' Report to the Members of The Liverpool Merchants' Guild

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 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 auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

Use of our audit report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BWM

7.10.21

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9SH

BWM is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

The Liverpool Merchants' Guild
Statement of Financial Activities
Year ended 31st December 2020

	Note	Restricted Funds		Unrestricted Funds			2019
		Endowed Funds	Legacies Fund	General Fund	Reserve Fund	Total Funds	
		£	£	£	£	£	£
Income and endowments from							
Donations and legacies	3	-	-	-	-	-	-
Subscriptions		-	-	21	-	21	21
Income from Investments							
UK Investment Income		750,147	32,989	123,167	37,914	944,217	1,226,448
Non UK Investment Income		167,764	7,378	27,545	26,486	229,173	229,085
Deposit Interest		27,885	1,226	4,578	426	34,115	15,446
Total Income and endowments		**945,796**	**41,593**	**155,311**	**64,826**	**1,207,526**	**1,471,000**
Expenditure on							
Expenditure on raising funds	4	129,876	5,712	21,324	-	156,912	161,643
Expenditure on Charitable activities	5	1,101,712	48,450	180,890	-	1,331,052	1,277,753
Total Expenditure		**1,231,588**	**54,162**	**202,214**	**-**	**1,487,964**	**1,439,396**
		(285,792)	(12,569)	(46,903)	64,826	(280,438)	31,604
Net Gains/(losses) on investments	10 & 12	1,050,600	46,203	172,498	333,427	1,602,728	6,477,462
Net Income / (Expenditure)		764,808	33,634	125,595	398,253	1,322,290	6,509,066
Transfer of Special Dividends	8	-	-	-	-	-	-
Transfers between funds	9	285,792	12,569	46,903	(345,264)	-	-
Net Movement of Funds		**1,050,600**	**46,203**	**172,498**	**52,989**	**1,322,290**	**6,509,066**
Total Funds Brought Forward		35,627,058	1,565,311	5,848,947	4,291,802	47,333,118	40,824,052
Total Funds Carried Forward		**36,677,658**	**1,611,514**	**6,021,445**	**4,344,791**	**48,655,408**	**47,333,118**

For an analysis of the comparative figures for the year ended 31 December 2019 see page 10

The Liverpool Merchants' Guild

Comparative Statement of Financial Activities

For the Year ended 31st December 2019

	Restricted Funds		Unrestricted Funds		
	Endowed Funds	Legacies Fund	General Fund	Reserve Fund	Total 2019
	£	£	£	£	£
Income and endowments from					
Donations and legacies	-	-	-	-	-
Subscriptions	-	-	21	-	21
Income from Investments					
UK Investment Income	971,257	42,713	159,471	53,007	1,226,448
Non UK Investment Income	168,266	7,400	27,628	25,791	229,085
Deposit Interest	12,184	536	2,000	726	15,446
Total Income and endowments	**1,151,707**	**50,649**	**189,120**	**79,524**	**1,471,000**
Expenditure on					
Expenditure on raising funds	133,792	5,884	21,967	-	161,643
Expenditure on Charitable activities	1,057,596	46,510	173,647	-	1,277,753
Total Expenditure	**1,191,388**	**52,394**	**195,614**	**-**	**1,439,396**
	(39,681)	(1,745)	(6,494)	79,524	31,604
Net Gains/(losses) on investments	4,936,397	217,089	810,506	513,470	6,477,462
Net Income / Expenditure	4,896,716	215,344	804,012	592,994	6,509,066
Transfers between funds	39,681	1,745	6,494	(47,920)	-
Net Movement of Funds	**4,936,397**	**217,089**	**810,506**	**545,074**	**6,509,066**
Total Funds Brought Forward	30,690,661	1,348,222	5,038,441	3,746,728	40,824,052
Total Funds Carried Forward	**35,627,058**	**1,565,311**	**5,848,947**	**4,291,802**	**47,333,118**

The Liverpool Merchants' Guild

Statement of Financial Position

31st December 2020

	Note	2020		2019	
		£	£	£	£
Fixed Assets					
Investments and cash held by the Common Investment Fund	10		44,310,617		43,041,316
Current Assets					
Debtors & prepayments due within one year	11	258		130	
Debtors due after more than one year	11	93,800		96,600	
Investments	12	3,962,630		3,154,936	
Cash at Bank		336,215		1,086,794	
		4,392,903		4,338,460	
Current Liabilities					
Creditors & accruals due in less than one year	13	48,112		46,658	
Reserve Fund / Net Current Assets			4,344,791		4,291,802
Total Assets less Current liabilities			**48,655,408**		**47,333,118**
Funds of the Charity:					
Restricted Funds:					
Permanent Endowed Funds	16		36,677,658		35,627,058
Legacies Fund	16		1,611,514		1,565,311
Unrestricted Funds:					
General Fund	16		6,021,445		5,848,947
Reserve Fund	15		4,344,791		4,291,802
Total Charity Funds			**48,655,408**		**47,333,118**

Approved on behalf of the Board of Management on ..... 25 Sep 2021

R J Carter .....
Chairman

Moore (NW) LLP .....
Secretaries

The Liverpool Merchants' Guild

Statement of Cash Flows

Year ended 31st December 2020

	2020	2019
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,322,290	6,509,066
Adjustments for:		
Net (gains) / losses on investments	(1,602,728)	(6,477,462)
Dividends, interest from investments	(1,207,505)	(1,470,979)
Decrease in debtors	2,672	16,902
Increase / (Decrease) in creditors	1,454	(16,419)
Net cash provided by (used by) operating activities	(1,483,817)	(1,438,892)

Statement of Cash Flows

Cash Flows from Operating Activities:		
Net cash provided by (used by) operating activities	(1,483,817)	(1,438,892)
Cash Flows from investing Activities:		
Dividends, interest from investments	1,207,505	1,470,979
Proceeds from sale of investments	7,546,133	4,318,434
Purchase of investments	(8,191,802)	(3,834,274)
Net cash provided by (used by) investing activities	561,836	1,955,139
Change in cash and cash equivalents in the the reporting period	(921,981)	516,247
Cash and cash equivalents at the beginning of the reporting period	2,065,887	1,549,640
Cash and cash equivalents at the end of the reporting period	1,143,906	2,065,887
Made up as to:		
Reserve Fund - Current Assets - Cash at bank	336,215	1,086,794
Common Investment Fund - Fixed Assets - Cash Deposits	807,691	979,093
	1,143,906	2,065,887

1 Accounting Policies

Legal status

Liverpool Merchants' Guild constitutes a public benefit entity as defined by FRS 102.

a Scope and basis of the financial statements

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, and are 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) ('the SORP'), FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2016.

The financial statements have been prepared on a going concern basis. This is discussed in the Trustees' report at page 5 under the heading 'going concern'.

b Incoming Resources

Income arising on the Common Investment Fund investments is allocated to each fund in proportion to the value of the funds at 31st December 2019.

c Investment Income

Dividends and bank interest are included as incoming resources when they are received.

d Legacies and Donations Received

Legacies and donations are recognised upon receipt or when it is probable that they will be received.

Receipt is normally probable when:

- there has been grant of probate:
- the exectors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy:
- any conditions attached to the legacy are either within the control of the charity or have been met.

e Taxation

The Guild is a registered Charity and is not liable to UK taxation on its charitable activities and is not registered for VAT purposes. Expenditure is stated inclusive of any applicable VAT.

f Pensions and Grants

All charitable payments are made for the benefit of individuals who meet the criteria for elegibility as set out in the Guild's Byelaws and Regulations and are made for the relief of hardship or need. All awards are made at the discretion of the Board of Management which does not enter into any commitment to renew or repeat any payment.
Charitable payments are accounted for as and when paid.

g Loans to Beneficiaries

Loans are granted to beneficiaries for the purpose of funding essential property maintenance or repairs. They are interest free and are repayable when the beneficiary ceases to occupy the property involved. Loans are only made from the Reserve Fund.

h Investments

Investments held as fixed assets and current assets are all listed on a recognised stock exchange and are included in the financial statements at market value.

Those investments which are held as current assets are part of the Reserve Fund and are highly liquid investments which are readily realisable.

1 Accounting Policies (cont)

i Investment Gains and Losses

Realised and unrealised gains and losses on the Common Investment Fund investments are allocated to each capital fund in aliquot portions. Gains or losses arising on investments of the Reserve Fund are treated as additions or reductions to that fund and are available to set off against future expenditure.

j Fund Accounting

Following advice from the Charity Commission in June 1972, the Guild's capital funds were reclassified from a single permanent endowed capital account into restricted and unrestricted funds. Restricted funds have been further subdivided into permanent and expendable funds.

Funds in existence in June 1972, the date of implementation of the scheme by the Charity Commission, have been classified as permanent endowed funds and any additions to those funds since that date have been treated as additions to the permanent endowment. New funds received since June 1972 have been classifed as restricted or unrestricted funds according to the terms or conditions attaching to the bequest to the Guild. Details of the various funds are set out in Notes 16 and 17.

All funds classified as restricted are held for the specific purpose of paying pensions or other benefis to eligible beneficiaries.

k Debtors due after more then one year

Debtors due after more than one year comprise loans to beneficiaries, both secured and unsecured. As there is no certainly when these amounts will be recovered the net present value, therefore, cannot be measured.

l Current Assets - Investments

Current asset investments represent stocks and shares quoted on recognised stock exchanges. Such stocks and shares can be immediately sold in exchange for cash which is receivable on the ordinary settlement terms of the stock exchange in question

m Current Assets - Cash at Bank

Cash at bank represents monies held either at Barclays Bank or with Rathbone Investment Management. Such monies are immediately available and no notice period is required for access to same.

n Current Liabilities - Creditors & Accruals

Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting Policies (cont)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 *Judgements and key sources of estimation uncertainty*

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and Legacies

	2020	2019
	£	£
Legacies - see page 5 for details	-	-
Donations - see page 5 for details	-	-
	-	-

4 Expenditure on Raising funds

	2020	2019
	£	£
Investment Management fees	156,912	161,643
	156,912	**161,643**

5 Expenditure on Charitable activities

	2020	2019
	£	£
Pensions	1,107,163	1,014,475
Grants	107,313	143,833
Auditors' remuneration	4,656	4,482
Secretaries fees	108,000	108,000
Legal Costs	-	2,550
Postage and stationery and web design	3,920	4,413
	1,331,052	**1,277,753**

Expenditure on Charitible activities is allocated in proportion to the endowed, legacy and general fund values at 31st December 2019.

All charitable payments are for the benefit of individuals. At 31st December 2020 there were 279 beneficiaries. (2019 : 301).

6 Trustees Remuneration

No member of the Board of Management or any connected persons received any remuneration in respect of their services as trustees. Additionally no member of the Board of Management or any connected persons received or waived any reimbursement of expenses. (2019 - none)

S T Chapple Gill, a member of the Board of Management is a consultant to the firm Brabners LLP. Mr D. Bailey, also a member of the board of management, is a partner in the firm Brabners LLP. Brabners LLP provide legal services to the Guild. An Order has been obtained from the Charity Commission allowing the Guild to continue to utilise the services of this firm. £nil was charged by Brabners during the year (2019 - £nil). The amount outstanding to Brabners LLP at 31 December 2020 was £nil (2019 - £nil).

Mr A.T. Morris, who is a Trustee of Liverpool Merchants Guild, is an employee of Rathbone Investment Management. This latter company were appointed by the management Board of Liverpool Merchants' Guild to manage the Guild's investments on a discretionary basis with effect from 1st October 2013. Agreement to the appointment of Rathbone Investment Management was obtained from the Charity Commission. Rathbone Investment Management received remuneration included in these accounts amounting to £156,912. (2019 - £161,643). The amount outstanding to Rathbone Investment Management at 31 December 2020 was £43,119. (2019 - £41,804).

7 Employees

The Liverpool Merchants' Guild does not have any employees and does not provide any retirement or post employment benefits to anyone. (2019 - none)

8 Transfer of Special Dividends

No special dividends or similar income have been received during the year which require a transfer between income and capital.

The Guild still considers it appropriate to make a transfer when such income arises. The capital funds would then have been credited in proportion to the fund values at the end of the previous year.

9 Transfer between funds

At the end of each year transfers are made to or from the Reserve Fund in respect of the surplus or deficit of income on each of the other funds and is made up as follows:

	Note	Restricted Funds		Unrestricted Funds		
		Endowed Funds	Legacies Fund	General Fund	Reserve Fund	Total Funds
		£	£	£	£	£
Subscriptions		-	-	21	-	21
UK Investment Income		750,147	32,989	123,167	-	906,303
Non UK Investment Income		167,764	7,378	27,545	-	202,687
Deposit Interest		27,885	1,226	4,578	-	33,689
		945,796	41,593	155,311	-	1,142,700
Expenditure on raising funds	4	129,876	5,712	21,324	-	156,912
Expenditure on charitable acitvities	5	1,101,712	48,450	180,890	-	1,331,052
		1,231,588	54,162	202,214	-	1,487,964
Net deficit before gains and losses, to be transferred		285,792	12,569	46,903	(345,264)	-

10 Fixed Assets

Investments

Common Investment Fund	In UK	Outside UK	Total 2020	2019
	£	£	£	£
Market Value 1st January 2020	29,615,798	12,446,425	42,062,223	36,245,852
Acquisitions	3,009,361	3,982,125	6,991,486	3,550,024
Disposals	(3,720,726)	(3,099,358)	(6,820,084)	(3,697,645)
Realised Gains / (losses)	291,118	228,413	519,531	519,531
Unrealised gains/(losses) on revaluation of Investments	(1,132,125)	1,881,895	749,770	5,444,461
Market Value 31st December 2020	**28,063,426**	**15,439,500**	**43,502,926**	**42,062,223**
Cost at 31st December 2020	**16,378,678**	**10,691,154**	**27,069,832**	**26,501,360**
Investment Cash Deposits				
Cash at Bank	**807,691**	**-**	**807,691**	**979,093**
Total Common Investment Fund Investments	**28,871,117**	**15,439,500**	**44,310,617**	**43,041,316**

10 Fixed Assets (cont)	Value 31.12.2020	%	Value 31.12.2019	%
UK Investments	£		£	
Fixed Income	417,339	1.49	1,553,099	5.24
Banks	1,326,608	4.73	1,557,532	5.26
Beverages	1,162,712	4.14	1,293,002	4.37
Food and Drug Retailers	532,220	1.90	1,005,112	3.39
Food Producers and Processors	888,282	3.17	879,889	2.97
General Finacial	665,112	2.37	450,680	1.52
Global Investments	4,518,964	16.10	3,705,549	12.51
Health	679,500	2.42	824,625	2.78
Household Goods	619,200	2.21	580,110	1.96
Infrastructure Funds	1,931,256	6.88	1,909,153	6.45
Investment Trusts	1,396,663	4.98	1,536,200	5.19
Life Assurance	1,285,280	4.58	1,423,380	4.81
Media and Photography	1,811,250	6.45	1,305,025	4.41
Mining	2,220,659	7.91	2,089,582	7.06
Oil and Gas	2,215,181	7.89	2,618,693	8.84
Pharmaceuticals	1,397,857	4.98	1,651,260	5.58
Private Equity Stock	532,443	1.90	475,888	1.61
Real Estate Holding and Development	409,122	1.46	565,686	1.91
Software & Computer Services	414,520	1.48	831,773	-
Support Services	1,692,158	6.03	1,268,717	4.28
Telecommunication Services	312,233	1.11	378,893	1.28
Tobacco	582,220	2.07	613,985	2.07
UK Investment Grade Bonds	408,222	1.45	394,461	1.33
Water & Gas	644,425	2.30	703,504	5.18
	28,063,426	**100.00**	**29,615,798**	**100.00**
Investments outside the UK				
Asia	1,663,147	10.77	1,883,527	15.13
Europe Investment Trusts	1,967,350	12.74	2,242,410	18.02
Japanese	1,886,685	12.22	1,726,121	13.87
Overseas High Yield Bonds		-	-	-
US Shares	9,663,300	62.59	6,279,157	50.45
Emerging markets	259,018	1.68	315,210	2.53
	15,439,500	**100.00**	**12,446,425**	**100.00**
Total Quoted Investments	**43,502,926**		**42,062,223**	

There were no individual direct holdings that represented more than 6% of the total value of fixed and current asset investments at 31st December 2020.

10 Fixed Assets (cont)

All investments are investments in quoted securities or unit trusts. These have been revalued at 31st December 2020 on the basis of prices quoted on the relevant Stock Exchange or by the fund manager.

All of the fixed asset investments are held in direct furtherance of the charity's objects.

11 Debtors

		2020	2019
		£	£
Due within one year	Income tax recoverable	-	-
	Other debtors	258	130
		258	**130**
Due after more than one year	Secured loans to beneficiaries	72,947	72,947
	Unsecured loans to beneficiaries	20,853	23,653
		93,800	**96,600**

Loans to beneficiaries are interest-free and have no fixed date for repayment.

As there is no certainty as to when loans to beneficiaries will be recovered, the net present value of those loans cannot be measured

12 Current Asset Investments

Quoted Investments in UK	2020	2019
	£	£
Market Value 1st January 2020	3,154,936	2,978,006
Acquisitions	1,200,316	284,250
Disposals	(726,049)	(620,789)
Realised gains/(losses)	(20,558)	90,349
Unrealised gains/(losses) on revaluation of investments	353,985	423,120
Market Value 31st December 2020	**3,962,630**	**3,154,936**
Cost at 31st December 2020	**3,239,806**	**2,627,127**

Current asset investments represent the temporary investment of previous accumulations of income.

All investments are investments in quoted securities. These have been revalued at 31st December 2020 on the basis of prices quoted on the relevant Stock Exchange.

12 Current Asset Investments (cont)

	Value 31.12.2020 £	%	Value 31.12.2019 £	%
Banks	125,822	3.18	111,376	3.53
Household Goods	20,280	0.51	19,000	0.60
Fixed Income	190,968	4.82	354,360	11.23
Investment Trusts	85,217	2.15	95,980	3.04
Media and Photography	145,000	3.66	55,825	1.77
Water and Gas	32,870	0.83	35,883	1.14
Oil & Gas	45,100	1.14	49,518	1.57
Pharmaceuticals	242,832	6.13	294,581	9.34
Private Equity Stock	53,544	1.35	47,857	1.52
Software & Computer Services	47,300	1.19	100,998	3.20
Support Services	80,619	2.03	68,145	2.16
Telecommunications Services	115,442	2.91	140,088	4.44
Europe Investment Trusts	453,883	11.45	357,648	11.34
US Shares	1,627,355	41.07	763,047	24.19
Japanese	437,380	11.04	345,420	10.95
Emerging Markets	259,018	6.54	315,210	9.99
	3,962,630	**100.00**	**3,154,936**	**100.00**

13 Creditors - amounts due within one year

	2020 £	2019 £
Accruals	48,112	46,658
	48,112	46,658

14 Capital Funds

	£	£
Balance 1st January 2020	43,041,316	37,077,324
Net (outgoing) / incoming resources for the year	(345,264)	(47,920)
Transfer from / (to) Reserve Fund	345,264	47,920
Realised investment gains / (losses)	(4,919)	519,531
Unrealised gains / (losses) on revaluation of investments	749,770	5,444,461
Balance 31st December 2020	**43,786,167**	**43,041,316**

15 Reserve Fund

	£	£
Balance 1st January 2020	4,291,802	3,746,728
Net incoming resources for the year	64,826	79,525
Transfer (to) / from Capital Funds	(345,264)	(47,920)
Realised gains / (losses) on disposal of investments	(20,558)	90,349
Unrealised gains / (losses) on revaluation of investments	353,985	423,120
Balance 31st December 2020	**4,344,791**	**4,291,802**

16 Capital Funds

	2020	2019
	£	£
Restricted Funds		
Permanent Endowed Fund	**36,677,658**	**35,627,058**
Legacies Fund	**1,611,514**	**1,565,311**
Unrestricted Funds		
General Fund	**6,021,445**	**5,848,947**
Total Capital Funds	**44,310,617**	**43,041,316**

In March 2007 the Charity Commission approved a scheme whereby the individual named funds that had comprised the Permanent Endowed Fund were formally amalgamated into one single fund entitled The Liverpool Merchants' Guild.

The following is a list of funds that now comprise the Liverpool Merchants' Guild Permanent Endowed Fund:-

Mrs W M Allen Fund
American Chamber of Commerce Fund
Miss Olivia Atherton fund
Mrs James Barrow Fund
Thomas Bartlett Fund
Mrs E E Bartley Fund
Frederic Bowden Fund
James Lord Bowes Fund
Mrs Anna Brancker Fund
Frank Brocklehurst Fund
John Bury Annuity Fund
William Cliff Fund
C H Collie Fund
Aileen Congrieve Fund
John Cropper Fund
John G & Mary Dobson Fund
Emma Elliston Fund
Isolina Gee Fund
General & Roger Lyon Jones Fund
Andrew Gibson Fund
Isabel Grace Hall Fund
Harrison Fund
John Hill Fund
William Imrie Liverpool Clerks Benevolent Fund
E Alan Johnston Fund
Helen Johnston Fund
Johnston Family Fund
Kathleen Steward Kendall Fund
Anita G Lawrence Fund
Miss Henrietta McKay Fund
Thomas Moss Fund
Essie Newberry Fund
Thomas William & Alice Eleanor Oakshott Memorial Fund
The Misses Paton Fund
Mercey Richardson Fund
Lucie Amelia Ridley Fund
Frank Rigby Fund
John Winser Sheriff Fund
W H Shirley Fund
W M Simpson Fund
Henry Tate Fund
Charles & Kate Thorne Fund
The William Henry & Harriet Watt Fund
Frank & Gwen White Fund
Mr & Mrs George Wilson Fund
J Marke Wood Fund

17 Summary of Net Assets by Funds - 31 December 2020

	Fixed Assets	Current Assets	Total
Restricted Funds	£	£	£
Permanent Endowed Funds	36,677,658	-	36,677,658
Legacies Fund	1,611,514	-	1,611,514
Unrestricted Funds			
General Fund	6,021,445	-	6,021,445
Reserve Fund	-	4,344,791	4,344,791
	44,310,617	**4,344,791**	**48,655,408**

Summary of Net Assets by Funds - 31 December 2019

	Fixed Assets	Current Assets	Total
Restricted Funds	£	£	£
Permanent Endowed Funds	35,627,058	-	35,627,058
Legacies Fund	1,565,311	-	1,565,311
Unrestricted Funds			
General Fund	5,848,947	-	5,848,947
Reserve Fund	-	4,291,802	4,291,802
	43,041,316	**4,291,802**	**47,333,118**

Restricted funds are held for the specific purpose of paying pensions or other benefits to eligible beneficiaries.

The capital of the permanent endowed funds may not be expended, only the income arising on these funds may be utilised in the payment of pensions or other benefits to beneficiaries.

Unrestricted funds may be utilised for any purpose of the Guild.

18 Commitments

Payment of pensions and grants is entirely discretionary. The Board of Management is of the opinion that there were no commitments for either revenue or capital expenditure at 31st December 2020 (2019 - £nil).

19 Related Parties

S T Chapple Gill, a member of the Board of Management is a consultant to the firm Brabners LLP. Mr D. Bailey, also a member of the board of management, is a partner in the firm Brabners LLP. Brabners LLP provide legal services to the Guild. An Order has been obtained from the Charity Commission allowing the Guild to continue to utilise the services of this firm. £nil was charged by Brabners during the year (2019 - £nil). The amount outstanding to Brabners LLP at 31 December 2020 was £nil (2019 - £nil).

Mr A.T. Morris, who is a Trustee of Liverpool Merchants Guild, is an employee of Rathbone Investment Management. This latter company were appointed by the management Board of Liverpool Merchants' Guild to manage the Guild's investments on a discretionary basis with effect from 1st October 2013. Agreement to the appointment of Rathbone Investment Management was obtained from the Charity Commission. Rathbone Investment Management received remuneration included in these accounts amounting to £156,912. (2019 - £161,643). The amount outstanding to Rathbone Investment Management at 31 December 2020 was £43,119. (2019 - £41,804).

There are no other related party transactions.

20 Financial instruments

	2020	2019
Carrying amount of financial assets	£	£
Debt instruments measured at amortised cost		
Debtors	93,800	96,600
Cash held	1,143,906	2,065,887
	1,237,706	2,162,487
Instruments measured at fair value through SOFA		
Investments held by Reserve Fund	3,962,630	3,154,936
Investments held by Common Investment Fund	43,502,926	42,062,223
	47,465,556	45,217,159
Carrying amount of financial liabilities		
Measured at amortised cost		
Accruals	48,112	46,658