

REGISTERED COMPANY NUMBER: 00153719 (England and Wales)
REGISTERED CHARITY NUMBER: 226072

**Report of the Trustees and
Audited Financial Statements for the Year Ended
31 December 2021**

for

**Liverpool Shipbrokers Benevolent
Society Incorporated**

Liverpool Shipbrokers Benevolent Society Incorporated

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For the Year Ended 31 December 2021**

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Liverpool Shipbrokers Benevolent Society Incorporated

Report of the Trustees For the Year Ended 31 December 2021

The Council of Management of Liverpool Shipbrokers Benevolent Society Incorporated, who are also trustees and directors of the charity for the purposes of the Companies Act 2006, have great pleasure in presenting their 127th Annual Report and Accounts for the year ended 31 December 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company Number

00153719 (England and Wales)

Registered Charity Number

226072

Registered Office

4th Floor,
Melbourne Building
21 North John Street
Liverpool
Merseyside
L2 5QU

Trustees

S Lofthouse
J Day
J McGuffie
P Moss
V Raducanescu President
R Cooke
I Robinson
A Seedhouse
M Ulfarsson Norddahl
David Gilmour resigned 23.03.2022
Barry James Stokes resigned 30.06.2022

Company Secretary

D Galbraith

Auditors

Cowgill Holloway LLP
Regency House
45-53 Chorley New Road
Bolton
BL1 4QR

Solicitors

Weightmans LLP
100 Old Hall Street
Liverpool
L3 9QJ

Investment Advisers

Tilney Investment Management Services Ltd
Royal Liver Building
Pier Head
Liverpool
L3 1NY

Bank

Barclays Bank PLC
28-30 Lord Street
Liverpool
L2 1TA

**Report of the Trustees
For the Year Ended 31 December 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Society is governed in its activities by the Memorandum and Articles of Association adopted on the 12 February 1919, as amended by the adoption of the Special Resolutions, passed on 3 June 1970, and is a company limited by guarantee, not having share capital.

Recruitment and appointment of new trustees

Trustees may appoint a Member at any time, during the course of the year, to the Council of Management, however that Member must then seek re-election at the next Annual General Meeting. At each AGM, approximately one third of the members of the Council of Management must resign and become eligible for re-election dependent upon the date of their last election or re-election.

Mr Viorel Raducanescu is currently the Society's President. In this unpaid and voluntary capacity, he chairs meetings of the Council of Management and the Finance sub-committee of the Society. He is also responsible for instructing the Secretary to call meetings of the Council of Management and assisting the Secretary in setting its agendas.

The Society's Secretary is David Galbraith who now has 37 years' experience as the society's salaried staff member. The Secretary is responsible for the day to day running and management of the Society and liaising with beneficiaries, outside agencies and institutions. The Society employs no other staff.

The Council of Management's responsibilities in the running of the Society are as stated in the Memorandum and Articles of Association. Your attention is drawn to Note 9 of the accounts, Staff Costs.

Induction and training of new trustees

Newly appointed trustees receive a pack containing:

- a) a brief history of the Society;
- b) a copy of the Memorandum and Articles of Association;
- c) a copy of the most recent Annual Report and accounts;
- d) an explanation of the manner in which the Society is structured;
- e) an explanation of the manner in which decisions are reached and the criteria used to make those decisions, and;
- f) the policies of the Society regarding Equal Opportunities and Conflicts of Interest, together with the Mission Statement of the Society.

Newly appointed trustees will then also be invited to attend the Society's offices for an induction meeting, with the Secretary and one or more long-serving Trustees, during which any additional training as may be required can be achieved and/or individual questions answered.

Organisational structure

Subscriptions, which remain unchanged since 1894 at £1.05 (a guinea) per annum, are the basis of the three-tier structure which manages the Society.

Subscribers, who pay an annual £1.05, are eligible to attend Annual and Extraordinary General Meetings and have a vote therein. From within the ranks of the Subscribers are drawn the Members. Members self-nominate to support the Society up to a maximum of £1.00 (one pound) in the event of the Society being wound up and having outstanding debts. It is this, and only this, which delineates them from subscribers and Members endure no further obligations or enjoy no further privileges. From within the ranks of the Members are drawn the "Members of the Council of Management" who are the legal Trustees of the charity and Directors of the Company.

The Trustees have appointed David Galbraith to act as secretary. Achieving this post initially in 1993, he has been employed by the society since 1985. Although Mr Galbraith's job title is secretary he also acts as treasurer of the society and the trustees delegate the day-to-day management of the charity to him.

Decisions on the policies of the society as well as all other decisions which materially affect the society remain in the hands of the trustees and are made at one of the regular Council of Management meetings. Mr Galbraith's role within the society is to apply the agreed criteria in order to make an initial assessment of needs following contact with a potential beneficiary who have made an application for assistance, in order to recommend to the Council of Management the levels of assistance which may be offered. In addition, the secretary assesses the incoming annual returns from existing beneficiaries to ensure their circumstances have not altered so as to exclude them from qualifying for support and provides the Council of Management with a recommended list of potential beneficiaries together with the suggested level of individual assistance for the coming year. Once the Council of Management have agreed on those changes the secretary's role is to action these decisions and he has limited powers of discretion in these matters. He is also responsible for the day-to-day administrative work and for monitoring the financial markets, reporting to both a Finance subcommittee of trustees and subsequently to the Council of Management itself.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Trustees have continued throughout the year to assess the main risks to their finances.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Liverpool Shipbrokers Benevolent Society Incorporated, hereinafter referred to as “the society”, is a registered charity, the Objects of which are contained within the Society’s Memorandum, Clause 3(A) which reads:

“To grant relief during good behaviour either by pensions or donations, firstly to deserving and necessitous persons who have been members of the Society and their wives and families and necessitous widows of deceased members; secondly to persons who have at any time been engaged in the business of shipbrokers and / or shipowners or businesses directly connected therewith, either as principals, managers or clerical staff, in the City or Port of Liverpool, including members of the Liverpool Shipping Staffs’ Association not being at the time of the grant members of the Society who are, in the opinion of the Council, in need of assistance and the wives, partners, widows, children or dependents of such persons.”

There have been no material changes to the objects of the Society or its policy towards those objects since the last Annual Report and Accounts.

In exercising their powers and duties the Society’s trustees have shown due regard to the guidance on public benefit issued and published by the Charity Commission. The trustees believe that they have completed their duties diligently and to the best of their abilities for the benefit of the public and have also managed the funds entrusted to them for the benefit of the public.

There have been no material changes to the Society’s Mission Statement, Equal opportunities Policy nor Conflicts of Interest Policy. All three of these documents were re-appraised and re-adopted during the year under review. The Society’s Mission Statement, the Equal Opportunities Policy and the Conflict of Interest Policy documents are available from the Society upon request.

Significant activities

The Society seeks to improve the quality of life of its beneficiaries by the provision of financial assistance which may be general or, more rarely, with the particular aim of redressing a specific shortfall.

To this end the Society’s investments (a breakdown of which is contained within the accounts) were held in a balanced portfolio which was placed with Tilney Investment Management Services Ltd, who also provided the Society with financial advice.

The objectives of the Society during the year were dictated largely by the events of the ongoing financial difficulties; the relative instability of the markets following the Brexit vote and the subsequent squeeze on income generated by our investments. These factors, added to the global economic contraction caused by the coronavirus pandemic caused many challenges. Essentially the Society’s objectives became a) to maintain the levels of grant assistance to our beneficiaries where possible, and b) to maximise the level of income generated by the investments while at the same time minimising the risks to the overall capital valuation.

Overall income increased by £22,466 to £169,403. Overall expenditure decreased by £22,184. These two factors together meant that the net outgoing resources for the year decreased by £44,650.

The Balance Sheet indicates an increase in the Society’s value during the year. The Society’s total value at the 31 December 2021 snapshot showed an increase of £399,859 to £7,585,925 (2020: 7,186,066). It has again been an extremely challenging year with falling dividend values adversely affecting income. In addition, the value of the Society’s investment portfolio fell substantially as a direct consequence of the pandemic’s effect upon global markets.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During the course of 2021, a total of £256,305 (2020: £276,906) was disbursed in the form of grant assistance to the Society's beneficiaries, thus allowing our beneficiaries a much higher standard of living than they might otherwise have enjoyed. Applications for assistance from deserving and necessitous people are considered by the Council of Management, in accordance with the Memorandum and Articles of Association.

Given the lockdowns which were ordered by the UK Government it was inappropriate to provide extra grants, such as the holiday grant, at a time when our beneficiaries were unable to take holidays. This did not affect our fuel grants which were paid to qualifying beneficiaries at the beginning of February before the pandemic's impact.

All grants were reviewed at the Society's budget meeting and adjustments were made in line with cost-of-living expenses against income. Other changes to the beneficiaries' financial circumstances were also considered and allowances were made for inflation. The Society shall continue to pursue the objects as stated through the disbursement of grant assistance to necessitous persons who qualify for the Society's assistance.

FINANCIAL REVIEW

Reserves policy

The Society's Reserves Policy is dictated by the Memorandum at Clause 3(G), which reads:

"To invest the monies of the Society not immediately required for its purposes in or upon such investments, securities or property as may be thought fit subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided".

It was the Society's continued policy throughout 2021, given the contraction in global markets caused by covid, to attempt to consolidate our financial position. However, during the year it became necessary to draw upon some of our cash reserves in order to meet the Society's expenditure with particular regard to our core charitable activities.

The Society's policy of constantly monitoring the markets and using our reserves as and when required, will, we hope, also bear fruit in the years to come, as it has in this extremely difficult year. Although dividend income was much lower as a result of the pandemic we remain confident that the Society has a sufficiently firm financial base that will allow us to continue our charitable activities for many years into the future.

The Society's Policy towards investments is necessarily fluid to meet the demands of an ever changing market place. Professional investment advice is crucial and our brokers have been asked to provide a prudent and sensible balance between income and capital stability which will allow the Society to meet its current and future needs as identified by the Trustees. Following such advice, the Society, in 2019, raised the limits of overseas investments from 15% to a maximum of 25% and in doing so have assisted in valuable income generation during 2020 and 2021.

The accounts contained within the 127th Annual Report and Accounts of the Society were audited by Cowgill Holloway LLP, of Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR who were re-appointed as auditors during the year.

Your attention is drawn to Note 1 of the Notes to the Financial Statements relating to Accounting policies which sets out the basis of the accounting procedure and both the legislation and the recommended practices under which these accounts have been produced.

It can be seen from the Statement of Financial Activities that income increased from £146,937 in 2020 to £169,403 in 2021. Total expenditure decreased from £398,878 in 2020 to £376,694 in 2021. This resulted in an operating loss of £159,072.

The Society is registered with the Charity Commission in accordance with the relevant Acts relating to charitable status and as such is not liable to taxation on its charitable activities. The Society is also unable to register for Value Added Tax and, as such, the element of our expenditure which is paid in VAT is unrecoverable by the Society.

**Report of the Trustees
For the Year Ended 31 December 2021**

STATEMENTS OF CONFIRMATION

- a) the Society confirms that all investments held by the Society are held in accordance with the Council of Management's powers;
- b) the Society confirms that the Society assets can meet its obligations with specific reference to:
 - i) delays or shortfalls in cash realisations;
 - ii) commitments as disclosed in the Notes to the Financial Statements;
 - iii) the effect of revaluation of fixed assets.
- c) the society confirms that no degree of financial dependence is placed upon any individual, corporation or donor that has a role in the affairs of the Society;
- d) the Society confirms that the accounts have been audited by Cowgill Holloway LLP, and that a statement has been included setting out the Council of Management's responsibilities in respect of the Annual Report and Accounts;
- e) the Society confirms that, being a company limited by guarantee, not having share capital, the matters required to be included in the Trustee's report have been included in the Annual Report;
- f) the society confirms that the accounts comply both with the current statutory requirements and with the requirements of the Society's Memorandum and Articles of Association.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also the directors of Liverpool Shipbrokers Benevolent Society Incorporated for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

ON BEHALF OF THE BOARD:

DocuSigned by:

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Viorel Raducanescu – President of Trustees

DATE:

Report of the Independent Auditors to the Members of Liverpool Shipbrokers Benevolent Society Incorporated

Opinion

We have audited the financial statements of Liverpool Shipbrokers Benevolent Society Incorporated for the year ended 31 December 2021 which comprise the Statement of Financial Activities including the Income and Expenditure Accounts, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its income and expenditure account for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 the events or conditions that, individually or collectively, may cast significant doubt on the company'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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit. We have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Report of the Independent Auditors to the Members of Liverpool Shipbrokers Benevolent Society Incorporated

- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the trustee's report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, 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 they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and 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.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the trustees (as required by auditing standards) and discussed with the trustees the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Companies Act 2006, Health and Safety at Work Act and Employment Law.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

- Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

Report of the Independent Auditors to the Members of Liverpool Shipbrokers Benevolent Society Incorporated

- Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud
- Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud.

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 the auditor's report.

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Alex Hesketh, Senior Statutory Auditor
For and on behalf of Cowgill Holloway LLP, Statutory Auditor
Regency House, 45-53 Chorley New Road, Bolton, BL1 4QR

Date:

Liverpool Shipbrokers Benevolent Society Incorporated

**Statement of Financial Activities including income and expenditure account
For the year ended 31 December 2021**

		31.12.21 Unrestricted Funds £	31.12.20 Unrestricted Funds £
	Notes		
INCOME AND ENDOWMENTS			
Income and endowments from generated funds			
Donations and legacies	2	417	728
Investment income	3	<u>168,986</u>	<u>146,209</u>
Total income and endowments		169,403	146,937
EXPENDITURE ON			
Raising funds	4	24,042	22,685
Charitable activities			
Direct costs	6	96,347	99,287
Grants payable	7	<u>256,305</u>	<u>276,906</u>
Total expenditure on		<u>376,694</u>	<u>398,878</u>
NET OUTGOING RESOURCES		(207,291)	(251,941)
Realised gains on disposal of investments		<u>48,219</u>	<u>104,603</u>
Net income (expenditure)		(159,072)	(147,338)
Unrealised gains (losses) on revaluation of investments		<u>558,931</u>	<u>(530,109)</u>
Net movement in funds		399,859	(677,447)
RECONCILIATION OF FUNDS			
As previously reported		<u>7,186,066</u>	<u>7,863,513</u>
TOTAL FUNDS CARRIED FORWARD		<u>7,585,925</u>	<u>7,186,066</u>

The notes form part of these financial statements.


Liverpool Shipbrokers Benevolent Society Incorporated


Balance sheet At 31 December 2021

			31.12.21 Unrestricted Funds £	31.12.20 Unrestricted Funds £
FIXED ASSETS	Notes			
Tangible assets	10		17,026	22,678
Investments	11		<u>7,486,516</u>	<u>7,027,122</u>
			7,503,542	7,049,800
CURRENT ASSETS				
Debtors: Amounts due within one year	12		2,345	2,441
Cash at bank and in hand			<u>89,077</u>	<u>142,876</u>
			91,422	145,317
CREDITORS:				
Amounts falling due within one year	13		<u>(9,039)</u>	<u>(9,051)</u>
NET CURRENT ASSETS			82,383	136,266
TOTAL ASSETS LESS CURRENT LIABILITIES			7,585,925	7,186,066
NET ASSETS			7,585,925	7,186,066
FUNDS				
Unrestricted funds	16		<u>7,585,925</u>	<u>7,186,066</u>
TOTAL FUNDS			7,585,925	7,186,066

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board of Trustees on.....and were signed on its behalf by:

DocuSigned by:

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 V Raducanescu – President of Trustees

DocuSigned by:

 4E145839B22343D...
 P Moss – Trustee

Company number 00153719

The notes form part of these financial statements.

Liverpool Shipbrokers Benevolent Society Incorporated

Cash flow statement
For the year ended 31 December 2021

	Note	2021 £	2020 £
Cash used in operating activities	19	405,595	(666,705)
Cash flows from investing activities			
Movement in fixed asset investments		459,394	463,299
Purchase of tangible fixed assets		(-)	(29,919)
Cash provided by (used in) investing activities		459,394	433,380
Increase (decrease) in cash and cash equivalents in the year		(53,799)	(233,325)
Cash and cash equivalents at the beginning of the year		142,876	376,201
Total cash and cash equivalents at the end of the year		89,077	142,876

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

1. ACCOUNTING POLICIES

Basis of preparation of the financial statements

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

Liverpool Shipbrokers Benevolent Society Incorporated meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The investment income includes all dividends and interest on an accruals basis together with the related tax credits. All income generated on investments is transferred to the General Fund.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading, they have been allocated to activities on a basis consistent with the use of resources.

In preparing the Statement of Financial Activities the Council of Management have calculated direct costs which represents a fair allocation as follows:

Motor expenses, office running costs and salaries	100%
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Governance costs include 100% of audit and accountancy fees, bank charges and trustees' meeting expenses.

Expenditure includes VAT where applicable as this is not recoverable by the Charity. Grants to beneficiaries are recognised when paid. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	15% reducing balance
Motor vehicles	25% on reducing balance
Computer equipment	25% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Leasing commitments

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme for the benefit of its employees. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Notes to the Financial Statements
For the Year Ended 31 December 2021

1. ACCOUNTING POLICIES – continued

Realised and unrealised gains/losses on fixed asset investments

Fixed asset investments are valued annually at market value, in accordance with the requirements of the Statement of Recommended Practice, Accounting and Reported by Charities. Gains/losses are added to and deducted from the revaluation reserve each year.

A transfer is made from the revaluation reserve to the general fund to reflect the recognised gains and losses crystallising upon disposal of revalued fixed asset investments.

The realised and unrealised gains and losses are included on the Statement of Financial Activities.

2. DONATIONS AND LEGACIES	31.12.21	31.12.20
	£	£
Subscriptions	<u>417</u>	<u>728</u>
	<u>417</u>	<u>728</u>
3. INVESTMENT INCOME	31.12.21	31.12.20
	£	£
UK Companies & Unit Trusts	136,927	127,541
Overseas companies	24,716	12,379
Interest	<u>7,343</u>	<u>6,289</u>
	<u>168,986</u>	<u>146,209</u>
4. INVESTMENT MANAGEMENT COSTS	31.12.21	31.12.20
	£	£
Portfolio management	<u>24,042</u>	<u>22,685</u>
5. CHARITABLE ACTIVITIES COST	Direct costs (note 6)	Grant funding of activities (note 7)
	£	£
Direct costs	96,347	-
Grants payable	-	<u>256,305</u>
	<u>96,347</u>	<u>256,305</u>
6. DIRECT COSTS OF CHARITABLE ACTIVITIES	31.12.21	31.12.20
	£	£
Staff costs	57,258	57,348
Entertaining	19	44
Bank Charges	-	145
Auditors' remuneration	8,400	3,600
Rent	13,800	13,800
Other costs	11,219	16,819
Depreciation	<u>5,651</u>	<u>7,531</u>
	<u>96,347</u>	<u>99,287</u>

Liverpool Shipbrokers Benevolent Society Incorporated

Notes to the Financial Statements For the Year Ended 31 December 2021

7. GRANTS PAYABLE	31.12.21	31.12.20
	£	£
Grants payable	<u>256,305</u>	<u>276,906</u>

During the year 48 (2020: 48) separate beneficiaries received grants from the Charity.

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

9. STAFF COSTS	31.12.21	31.12.20
	£	£
Wages & salaries	47,885	48,416
Social security costs	1,414	1,401
Other pension costs	<u>7,959</u>	<u>7,531</u>
	<u>57,258</u>	<u>57,348</u>

The average monthly number of employees during the year was as follows:	31.12.21	31.12.20
	£	£
Administration	<u>1</u>	<u>1</u>

No staff member in the year was paid in excess of £60,000 per annum (2020: None).

10. TANGIBLE FIXED ASSETS	Motor Vehicles	Fixtures Fittings	Computer Equipment	Totals
	£	£	£	£
COST				
At 1 January 2021	29,919	9,405	7,416	46,740
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2021	<u>29,919</u>	<u>9,405</u>	<u>7,416</u>	<u>46,740</u>
DEPRECIATION				
At 1 January 2021	7,479	9,223	7,359	24,061
Charge for the year	5,610	27	15	5,652
Eliminated on Disposals	-	-	-	-
At 31 December 2021	<u>13,089</u>	<u>9,250</u>	<u>7,374</u>	<u>29,713</u>
NET BOOK VALUE				
At 31 December 2021	<u>16,830</u>	<u>155</u>	<u>42</u>	<u>17,026</u>
At 31 December 2020	<u>22,439</u>	<u>182</u>	<u>76</u>	<u>22,678</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

11. FIXED ASSET INVESTMENTS

	Listed investments
MARKET VALUE	£
At 1 January 2021	7,027,122
Additions	706,712
Disposals	(806,249)
Revaluation	<u>558,931</u>
At 31 December 2021	<u>7,486,516</u>
NET BOOK VALUE	
At 31 December 2021	<u>7,486,516</u>
At 31 December 2020	<u>7,486,516</u>

At the balance sheet date, investment assets held outside the UK totaled £1,916,531 (2020: £1,728,100).

	General fund
LISTED INVESTMENTS	£
Market value of B/fwd	7,027,122
Additions	706,712
Net unrealised investment gain	558,931
Proceeds of disposal	(854,468)
Realised gain on disposal	<u>48,219</u>
Market value of C/fwd	<u>7,486,516</u>

The cost of the quoted investments at 31 December 2021 amounted to £5,283,286, (2020: £5,382,826).

Investments were valued at the mid-point of the quotation in the Stock Exchange official list at 31 December 2021.

	31.12.21 £	31.12.20 £
UK Government stock 1.25% 22/07/2027	292,809	307,572
UK Government stock 1.25% 22/03/2026	308,965	257,576
12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.12.21 £	31.12.20 £
Other debtors	1,657	1,652
Prepayments	<u>689</u>	<u>789</u>
	<u>2,345</u>	<u>2,441</u>
13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.12.21 £	31.12.20 £
Social security & other taxes	1,089	1,101
Accrued expenses	<u>7,950</u>	<u>7,950</u>
	<u>9,039</u>	<u>9,051</u>

Notes to the Financial Statements
For the Year Ended 31 December 2021

14. OPERATING LEASE COMMITMENTS

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases:

	31.12.21	31.12.20
	£	£
Expiring in one year	<u>13,800</u>	<u>13,800</u>
Expiring in two to five years	<u>55,200</u>	<u>55,200</u>
Expiring in more than five years	<u>2,300</u>	<u>16,100</u>

15. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme which is non-contributory for its employees. During the year, the cost of the pension scheme was £7,959 (2020: £7,531). There were no contribution amounts outstanding at the year end.

16. MOVEMENT IN FUNDS

	At 01.01.21	Net movement in funds	Transfer between funds	At 31.12.21
	£	£	£	£
Unrestricted funds				
General fund	5,541,769	(159,072)	-	5,382,697
Revaluation reserve	<u>1,644,297</u>	<u>558,931</u>	<u>-</u>	<u>2,203,228</u>
TOTAL FUNDS	<u>7,186,066</u>	<u>399,859</u>	<u>-</u>	<u>7,585,925</u>

Net movements in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains & losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	169,403	(376,694)	48,219	(159,072)
Revaluation reserve	<u>-</u>	<u>-</u>	<u>558,931</u>	<u>558,931</u>
TOTAL FUNDS	<u>146,937</u>	<u>(398,878)</u>	<u>(425,506)</u>	<u>399,859</u>

The revaluation reserve represents the cumulative unrealised gains and losses in respect of the revaluation of the fixed asset investments to market value.

17. RELATED PARTY DISCLOSURES

There were no related party transactions during the year ended 31 December 2021.

18. ULTIMATE CONTROLLING PARTY

Control lies with the council of management.

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net movement in funds	399,859	(677,447)
Add back depreciation charge	5,652	7,531
(Increase) Decrease in debtors	96	3,583
Increase (decrease) in creditors	(12)	(372)
	<hr/>	<hr/>
Net cash used in operating activities	<u>405,595</u>	<u>(666,705)</u>

Liverpool Shipbrokers Benevolent Society Incorporated

**Detailed Statement of Financial Activities
For the Year Ended 31 December 2021**

	31.12.21	31.12.20
	£	£
INCOME AND ENDOWMENTS		
Income and endowments from generated funds		
Subscriptions	417	728
Investment income		
UK Companies & Unit Trusts	136,927	127,541
Overseas Companies	24,716	12,379
Interest	<u>7,343</u>	<u>6,289</u>
	<u>168,986</u>	<u>146,209</u>
Total Income and endowments	169,403	146,937
EXPENDITURE ON		
Investment managed costs		
Portfolio management	24,042	22,685
Charitable activities		
Wages	47,885	48,416
Social security	1,414	1,401
Pensions	7,959	7,531
Rent	13,800	13,800
Other costs	11,219	16,819
Profit on disposal of fixed assets	-	-
Depreciation:		
Fixtures & fittings	27	32
Motor vehicles	5,610	7,479
Computer equipment	14	20
Grants to individuals	<u>256,305</u>	<u>276,906</u>
	368,275	372,404
Governance costs		
Entertaining	19	44
Bank charges	-	145
Auditors' remuneration	<u>8,400</u>	<u>3,600</u>
	<u>8,419</u>	<u>3,789</u>
Total expenditure on	<u>376,694</u>	<u>398,878</u>
Net expenditure before gains and losses	(207,291)	(251,941)
Realised recognised gains and losses		
Realised gains on disposal of investments	48,219	104,603
Net income (expenditure)	<u>(159,072)</u>	<u>(147,338)</u>

This page does not form part of the statutory financial statements.

Liverpool Shipbrokers Benevolent Society Incorporated

**Schedule of Investments
For the Year Ended 31 December 2021**

Nominal		Cost £	31.12.2021 Market Value £
285,000	1.25% Gilt 22/07/27	289,565	292,809
220,000	1.25% Stk 22/03/26	275,828	308,965
1,479,591	FIL Inv SVCS UK Moneybuilder Inc Gross	251,228	560,989
8,000	Royal Dutch Shell	10,242	129,792
1,230	Croda International	79,258	124,476
3,300	CRH (CDI)	82,036	128,700
25,000	Smiths DS	88,450	95,950
36,000	Glencore PLC	83,806	134,982
20,000	BAE Systems	56,593	109,960
2,200	Intertak Group	60,919	123,860
4,750	Persimmon	88,778	135,660
5,000	Compass Group	24,450	82,550
2,700	Intercontinental Hotels	53,993	129,087
6,650	W H Smith	80,779	98,420
3,000	Diageo	96,254	121,080
2,700	British American Tobacco	31,778	73,805
1,350	Reckit Benckiser Group	78,977	85,617
3,000	Unilever plc	48,718	118,365
36,000	Convatec Group PLC	81,721	69,534
7,450	Smith & Nephew	84,360	96,366
2,250	Astrazeneca	42,644	195,255
6,500	Glaxosmithkline	22,916	104,429
70,000	Barclays	78,292	130,900
4,500	Hargreaves Lansdown	86,375	60,975
26,250	Direct Line Insurance Group	89,592	73,238

Liverpool Shipbrokers Benevolent Society Incorporated

Schedule of Investments

For the Year Ended 31 December 2021

61,000	Legal & General Group	86,267	181,475
10,000	Prudential	17,745	127,450
12,000	GB Group	79,402	88,620
87,000	Vodafone Group	98,647	97,666
19,000	Ishares Core	130,421	136,781
87,569	TB Evenlode	212,377	225,417
110,000	Threadneedle UK	197,356	217,756
1,500	Findlay Park	98,679	150,330
5,270	Invesco	121,997	169,689
4,500	Vanguard S&P	194,917	301,916
95,000	Blackrock Continental	149,406	182,685
43,500	Thesis UT Management Ltd	98,884	112,452
50,000	Schroder Oriental Income fund	137,480	134,250
15,000	Stewart Leaders	119,912	161,588
94,000	Fidelity Emerging Markets	96,598	134,044
92,000	BMO Responsible Global Equity	110,990	171,948
72,500	Fidelity	135,782	162,835
95,000	Fundsmith	117,932	176,691
6,868	Iberdrola	9,378	58,104
100,000	Civitas Social Housing	87,601	96,900
100,000	Greencoat UK	141,100	140,600
60,000	HICL	97,144	105,960
80,000	Int Public Partner	99,621	136,000
115,000	Supermarket Income REIT plc	119,603	140,300

Liverpool Shipbrokers Benevolent Society Incorporated

Schedule of Investments

For the Year Ended 31 December 2021

725	Invesco	98,109	94,613
280,500	AHFM	158,386	194,684
		<u>5,283,286</u>	<u>7,486,516</u>