

**REGISTERED COMPANY NUMBER: 02704749 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1010902**

**THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2020**

**THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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## **THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects**

The objects of the Trust are to preserve architectural and constructional heritage buildings, and to educate by exhibiting buildings and objects.

##### **Aims**

The principal activity and aim of the company continued to be that of a charitable trust whose objective is the renovation of the town house and shop built by silk merchant Thomas Bayly following the Great Fire of Marlborough of 1653. The House is furnished to an interpretation date of 1675 and is open as a visitor attraction. In 2018, the Marlborough Museum was opened in part of the house and it displays the Marlborough collection, comprising local artefacts and documents. A library and archive collection have been established and a resource centre will be set up in due course.

The Trust occupies the Trust property at 132 High Street, Marlborough under a lease from Marlborough Town Council. The lease was renewed for a further seven years from 30 March 2019. The Trust also owns the freeholds of 133 High Street and The Old Print Works.

##### **Strategies**

There is a number of projects connected with conservation, restoration and development of the House and its environs which are considered to be desirable by the trustees. However, implementing these depends upon identifying relevant sources of funding for each project and active steps have been, and will continue to be, taken to achieve successful applications to various grant-giving institutions and individuals. A structured committee system has been established with a view to the more efficient functioning of strategy, policy and management.

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Conservation**

As far as 132 High Street is concerned, the vast majority of the main Merchant's House building has now been restored. In 2020 further work was curtailed due to the Coronavirus pandemic.

A report prepared during 2019 revealed that there is a significant backlog of maintenance and conservation work required to the various buildings and it is intended that, as funds permit, work will start on this in 2021. Phase 1 was agreed and costed at approximately £90,000 and the work will start in March 2021. A Fundraising Appeal will be launched in 2021 for the completion of further phases of the building repairs.

##### **The Museum**

2020 was to have been the Museum's third year of opening. Unfortunately, this was prevented by the Coronavirus pandemic. Plans to restructure the committee that manages the Museum took place so as to attract more funding and visitors when it is able to reopen.

##### **The Collections**

In 2020 there were no additions made to the Collections.

## THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **Volunteers**

We are fortunate to have some 116 volunteers who normally contribute around 365 hours of activity per week in all aspects of the Trust and its trading subsidiary's work. Covid-19 and lockdown prevented our volunteers from attending but we kept them updated via newsletters throughout the year and are working on plans for their return in 2021 when we are allowed to open. The events of 2020 meant that we had very few volunteers who did guided tours and worked in the shop. Tours opened in March but we were unable to conduct any until August when 9 volunteers took tours. In the shop, pre lockdown there were 30 shop volunteers a week but, when we were allowed to open between lockdowns, there were just 10. The garden team have carried on throughout lockdown and there have been 2 volunteers that have helped in the office or museum.

#### **Visitors**

We had 54 people on conventional tours between 24th August and 24th September. The house then closed for the winter season. This was severely curtailed by Covid-19 and Lockdown. The website was regularly updated with opening hours and virtual events.

#### **Events**

Our total net income from events was £2,829 - including a Study Day programme and a concert via Zoom. We are planning a more ambitious programme for 2021. We did have a further 7 events planned for 2020 but these were all postponed.

#### **Education**

Supported by a continuing generous donation from the William Rowan Hamilton Trust, a programme was planned for visits from various schools. Unfortunately, due to the Coronavirus pandemic these all had to be cancelled.

#### **Patrons and Trustees**

There were no changes to patrons but, sadly Sir John Sykes bt, President of the Trust, died in October 2020. He was Chairman for 25 years and oversaw all the changes from the formation of the Trust. Allison Galvin-Wright continued as Chair of the Trust. Sarah Porter died in June having resigned due to health reasons earlier in the year. We also lost Antony Ford, who resigned for health reasons, and Jane O'Regan retired as a trustee. Kim Wakeham, Andrew Wilson and Elizabeth Cooper were appointed as Trustees.

### **FINANCIAL REVIEW**

#### **Fundraising**

The Covid pandemic impacted on the Trust's finances and donations and grants totalled only £13,468 (2019 - £24,537). The Trust received Government Coronavirus related government grants of £30,878 of which £25,000 was passed directly to the Trading Company.

#### **Trading company**

The Shop was closed for more than four months of the year, but with the help of government grants of £17,811 plus the £25,000 referred to above, it achieved a profit of £69,143. As usual, all of this profit was given to the Trust.

#### **Reserves Policy**

The Trustees seek to ensure that the level of reserves is at least equivalent to the liabilities of the Trust at any point in time so that, combined with the current incoming resources of the current year, the Trust's activities may continue for a further period of twelve months. At 31 December 2020 the Trustees consider that the level of reserves is satisfactory.

The Trust's Designated Reserve Fund exists in order better to reflect the long-term financial plans and aspirations of the Trust. Further details of the fund are shown at note 13 to the financial statements, and various elements of the Designated Fund are added to each year as funds permit. No part of the Designated Fund was used in the year, but £44,010 was added to it. £20,010 of that was added in order to reflect the long-term nature of an increase in the Trust's investment in the share capital of its subsidiary company. That part of the Designated Reserve Fund, which is not represented by the Trust's freehold property assets, subsidiary company investment and Restricted Funds, is held in a separate bank deposit account.

## THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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#### **FUTURE PLANS**

The Trustees' plans for 2021 include a major building repair project, supporting the 30th Anniversary Fundraising Appeal, the Marlborough Museum in conjunction with Marlborough Town Council and Marlborough History Society, and continuing the fundraising campaign for the restoration and furnishing of the last remaining parts of the building. It is also intended to increase the membership and to promote educational and other events to give a greater appreciation of history and the built heritage. A full list of events is planned for 2021.

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

##### **Governance**

The company is a registered charity (no. 1010902) and is limited by guarantee of £1 from each of its members. It is governed by its Memorandum of Association and Articles of Association.

Trustees are appointed for a three-year term at the end of which they may be reappointed by resolution at the Annual General Meeting of the company. By agreement with the Marlborough Town Council, the council has the right to appoint two serving councillors as representatives of the council on the board of trustees. Potential new trustees are met prior to election to ensure they are sympathetic to the aims of the trust and can contribute towards achieving those aims.

##### **Management**

The board of trustees hold the primary responsibility for management of the Trust's affairs and for the achievement of the Trust's charitable objectives. Day to day operations are supervised by the Trust Manager who is assisted by a large group of volunteers.

##### **Structure**

A wholly owned subsidiary company, The Merchant's House Trading (Marlborough) Limited, operates a gift shop on the premises and donates its annual profits to the Trust. The trading company is managed by a separate Board of Directors.

##### **Risk**

The trustees remain aware of the need to manage the commitments that have been made to administer the charity and to pursue the Trust's charitable objectives from funds which, in keeping with the nature of charitable funding generally, are susceptible to fluctuation and capable of inconsistency. These characteristics are not compatible with certain categories of Trust expenditure. In order to balance the Trust's incoming resources with its annual expenditure, the trustees operate a system of budgetary control and strategic management meetings are held on a regular basis.

The board of trustees continuously review major risks associated with the Trust's activities. Any risks identified are monitored and controlled by establishing procedures.

**THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
02704749 (England and Wales)

**Registered Charity number**  
1010902

**Registered office**  
The Merchant's House  
132 High Street  
MARLBOROUGH  
Wiltshire  
SN8 1HN

**Trustees**

A J H Cohen  
S A Porter (resigned 29.1.20)  
A M Galvin-Wright  
C G Goodfellow  
B J Nicholson  
M J Hall  
J O'Regan (resigned 3.10.20)  
A R W Ross  
A M Ford (resigned 9.1.20)  
C J Wakeham (appointed 16.4.20)  
A Wilson (appointed 7.9.20)  
E J Cooper (appointed 22.9.20)

**Company Secretary**  
S K Fairfax-Ross

**Auditors**

Morris Owen  
Statutory Auditors  
43-45 Devizes Road  
SWINDON  
Wiltshire  
SN1 4BG

**THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of The Merchant's House (Marlborough) Trust 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 in 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 business.

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.

Approved by order of the board of trustees on 21 April 2021 and signed on its behalf by

A M Galvin-Wright - Trustee

*A M Galvin-Wright*

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

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### **Opinion**

We have audited the financial statements of The Merchant's House (Marlborough) Trust (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable 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 Report of the Independent Auditors 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 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

### **Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

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**Our responsibilities for the audit of the financial statements - continued**

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 through the audit planning process;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company's industry;
- 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 company, including the Charities Act, Companies Act, general data protection regulations (GDPR), 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 this susceptibility of the company'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.

In response to the specific risk of irregularities within the use of restricted funds within the charity sector we:

- performed substantive procedures on sources of income to identify any restrictions imposed and agreeing to underlying supporting documentation; and
- performed substantive procedures on expenditure attributable to restricted activities to ensure costs incurred were in accordance with the restrictions imposed by agreeing to underlying supporting documentation.

In response to addressing the risk of fraud due to management override of internal 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 set out in note two were indicative of potential bias; and
- investigated the rationale behind significant or unusual transaction;

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

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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; and
- reviewing minutes of Board meetings held for the existence of actual and potential litigation and claims

Due 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, 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 fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations. 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 for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

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

*I. Sumbler*

Ian Sumbler (Senior Statutory Auditor)  
for and on behalf of Morris Owen  
Statutory Auditors  
43-45 Devizes Road  
SWINDON  
Wiltshire  
SN1 4BG

Date: .....21.04.2021.....

**THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies		<b>13,037</b>	<b>5,000</b>	<b>18,037</b>	29,622
<b>Charitable activities</b>					
Grants		<b>5,878</b>	-	<b>5,878</b>	-
Other trading activities	3	<b>74,478</b>	-	<b>74,478</b>	76,879
Investment income	4	<b>45,444</b>	-	<b>45,444</b>	45,675
<b>Total</b>		<b>138,837</b>	<b>5,000</b>	<b>143,837</b>	152,176
<b>EXPENDITURE ON</b>					
Raising funds		<b>8,276</b>	-	<b>8,276</b>	8,312
<b>Charitable activities</b>					
House restoration, purchase of furnishings, and education		<b>103,673</b>	<b>4,117</b>	<b>107,790</b>	111,907
<b>Total</b>		<b>111,949</b>	<b>4,117</b>	<b>116,066</b>	120,219
<b>NET INCOME</b>		<b>26,888</b>	<b>883</b>	<b>27,771</b>	31,957
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<b>710,196</b>	<b>52,166</b>	<b>762,362</b>	730,405
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>737,084</b>	<b>53,049</b>	<b>790,133</b>	762,362

The notes form part of these financial statements

**THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

**STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	9	<b>546,266</b>	<b>46,901</b>	<b>593,167</b>	603,576
Investments	10	<b>20,010</b>	-	<b>20,010</b>	10
		<b>566,276</b>	<b>46,901</b>	<b>613,177</b>	603,586
<b>CURRENT ASSETS</b>					
Debtors	11	<b>20,387</b>	-	<b>20,387</b>	63,796
Cash at bank and in hand		<b>163,888</b>	<b>6,148</b>	<b>170,036</b>	104,287
		<b>184,275</b>	<b>6,148</b>	<b>190,423</b>	168,083
<b>CREDITORS</b>					
Amounts falling due within one year	12	<b>(13,467)</b>	-	<b>(13,467)</b>	(9,307)
<b>NET CURRENT ASSETS</b>		<b>170,808</b>	<b>6,148</b>	<b>176,956</b>	158,776
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>737,084</b>	<b>53,049</b>	<b>790,133</b>	762,362
<b>NET ASSETS</b>		<b>737,084</b>	<b>53,049</b>	<b>790,133</b>	762,362
<b>FUNDS</b>					
Unrestricted funds:	13				
General fund				<b>94,251</b>	111,373
Designated fund				<b>642,833</b>	598,823
Restricted funds				<b>737,084</b>	710,196
				<b>53,049</b>	52,166
<b>TOTAL FUNDS</b>				<b>790,133</b>	762,362

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 21 April 2021 and were signed on its behalf by:

  
A J Conen - Trustee

The notes form part of these financial statements

## THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. CHARITY INFORMATION

The company is a company limited by guarantee and incorporated in England and Wales, and a registered charity with the Charity Commission in England and Wales.

The registered office address is The Merchant's House, 132 High Street, Marlborough, Wiltshire SN8 1HN.

These financial statements are presented in British Pounds (GBP), which is the charity's functional and presentational currency.

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

There are no significant areas of judgements or key sources of estimation uncertainty.

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

##### **Legal status of the Charity**

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

##### **Financial reporting standard 102 - reduced disclosure exemptions**

The charity has taken exemption from preparing a cash flow statement under the charities SORP (FRS 102) Update Bulletin 1 issued on 2 February 2016, as the charity constitutes a small charity.

##### **Preparation of consolidated financial statements**

The company has taken advantage of the exemptions provided not to prepare group accounts.

The trustees do not consider the cost of preparing consolidated accounts justifiable.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES - continued**

**Governance costs**

Governance costs include costs of the preparation and examination of the statutory accounts, the cost of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

**Tangible fixed assets**

Fixed assets are recorded at cost.

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Museum Equipment	6.67% straight line basis
Office & computer equipment	20% straight line basis
Antiques & paintings	20% straight line basis
Freehold property	See below
Improvements to leasehold property	100% straight line basis (see below)

The trustees consider that owing to the incomparable nature of the freehold property, it would be difficult to obtain a valuation under conventional valuation methods. Even if valuations could be obtained, the trustees consider that the costs would be onerous compared with the additional benefits derived by users of the accounts. As such the freehold property is being shown at cost and is not depreciated.

The company has a short term lease of the property at 132 High Street and as a matter of policy writes off the expense of any improvements carried out on the building as incurred.

**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 but some of those funds are designated by the trustees for specific purposes.

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.

**Debtors**

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

**Cash at bank and in hand**

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

**Creditors**

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

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

**Financial instruments**

Financial assets and liabilities are recognised and carried at transaction price, the Trust having no 'financing' transactions. For this purpose, financial assets are trade and other receivables, cash and bank balances and financial liabilities are trade and other payables and loans.

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Fundraising events	4,121	5,629
Admission fees	1,214	11,685
Gift of shop profits	69,143	59,565
	<u>74,478</u>	<u>76,879</u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Property rental income	45,268	45,456
Deposit account interest	176	219
	<u>45,444</u>	<u>45,675</u>

5. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	2,000	2,000
Depreciation - owned assets	12,517	16,987
	<u>14,517</u>	<u>18,987</u>

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Included in other creditors is an amount of £700 (2019 - £700) due to trustees. This is a loan to the Trust that is repayable on demand.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

7. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2020	2019
Administrators	1	1
Events Manager	1	1
Cleaner	1	1
	<u>3</u>	<u>3</u>

No employees received emoluments in excess of £60,000.

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	15,280	14,342	29,622
Other trading activities	76,879	-	76,879
Investment income	45,675	-	45,675
<b>Total</b>	<u>137,834</u>	<u>14,342</u>	<u>152,176</u>
<b>EXPENDITURE ON</b>			
Raising funds	8,312	-	8,312
<b>Charitable activities</b>			
House restoration, purchase of furnishings, and education	93,503	18,404	111,907
<b>Total</b>	<u>101,815</u>	<u>18,404</u>	<u>120,219</u>
<b>NET INCOME/(EXPENDITURE)</b>	<u>36,019</u>	<u>(4,062)</u>	<u>31,957</u>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	674,177	56,228	730,405
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>710,196</u>	<u>52,166</u>	<u>762,362</u>

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

9. TANGIBLE FIXED ASSETS

	Freehold property £	Museum equipment £	Leasehold improv'nts £
<b>COST</b>			
At 1 January 2020	517,157	55,115	739,131
Additions	-	-	-
At 31 December 2020	517,157	55,115	739,131
<b>DEPRECIATION</b>			
At 1 January 2020	-	7,350	739,131
Charge for year	-	3,675	-
At 31 December 2020	-	11,025	739,131
<b>NET BOOK VALUE</b>			
At 31 December 2020	517,157	44,090	-
At 31 December 2019	517,157	47,765	-
	Antiques & paintings £	Office & computer equipment £	Totals £
<b>COST</b>			
At 1 January 2020	255,051	26,909	1,593,363
Additions	-	2,108	2,108
At 31 December 2020	255,051	29,017	1,595,471
<b>DEPRECIATION</b>			
At 1 January 2020	217,928	25,378	989,787
Charge for year	6,850	1,992	12,517
At 31 December 2020	224,778	27,370	1,002,304
<b>NET BOOK VALUE</b>			
At 31 December 2020	30,273	1,647	593,167
At 31 December 2019	37,123	1,531	603,576

**THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2020	10
Additions	<u>20,000</u>
At 31 December 2020	<u>20,010</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>20,010</u>
At 31 December 2019	<u>10</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

**Merchant's House Trading (Marlborough) Limited**

Registered office: The Merchant's House, 132 High Street, Marlborough, Wiltshire SN8 1HN.

Nature of business: Gift shop

	%		
Class of share:	holding		
Ordinary	100		
		<b>2020</b>	2019
		£	£
Aggregate capital and reserves		<b>24,520</b>	4,520

During the year, a share issue took place for 200 shares at £100 per share.

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Amounts owed by group undertakings	<b>14,773</b>	58,977
Other debtors	<b>1,234</b>	1,434
Prepayments and accrued income	<b>4,380</b>	3,385
	<u><b>20,387</b></u>	<u>63,796</u>

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Other creditors	700	1,010
Accruals and deferred income	12,767	8,297
	<u>13,467</u>	<u>9,307</u>

13. MOVEMENT IN FUNDS

	At 1.1.20	Net movement	Transfers	At
	£	in funds	between	31.12.20
		£	funds	£
			£	
<b>Unrestricted funds</b>				
General fund	111,373	26,888	(44,010)	94,251
Designated fund	598,823	-	44,010	642,833
	<u>710,196</u>	<u>26,888</u>	<u>-</u>	<u>737,084</u>
<b>Restricted funds</b>				
Antique collections	500	-	-	500
Museum	47,934	(1,033)	-	46,901
Recording History	459	(459)	-	-
Marlborough drawings	1,554	-	-	1,554
Education	-	1,375	-	1,375
Town signs	1,719	-	-	1,719
Museum MTC	-	1,000	-	1,000
	<u>52,166</u>	<u>883</u>	<u>-</u>	<u>53,049</u>
<b>TOTAL FUNDS</b>	<u>762,362</u>	<u>27,771</u>	<u>-</u>	<u>790,133</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
<b>Unrestricted funds</b>			
General fund	138,837	(111,949)	26,888
<b>Restricted funds</b>			
Audit fee	2,000	(2,000)	-
Museum	-	(1,033)	(1,033)
Recording History	625	(1,084)	(459)
Education	1,375	-	1,375
Museum MTC	1,000	-	1,000
	<u>5,000</u>	<u>(4,117)</u>	<u>883</u>
<b>TOTAL FUNDS</b>	<u>143,837</u>	<u>(116,066)</u>	<u>27,771</u>

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.19 £
<b>Unrestricted funds</b>				
General fund	105,881	36,019	(30,527)	111,373
Designated fund	568,296	-	30,527	598,823
	<u>674,177</u>	<u>36,019</u>	<u>-</u>	<u>710,196</u>
<b>Restricted funds</b>				
Antique collections	500	-	-	500
Museum	48,967	(1,033)	-	47,934
Recording History	459	-	-	459
Marlborough drawings	1,554	-	-	1,554
Town signs	1,719	-	-	1,719
Wessex Yeomanry Uniform	1,000	(1,000)	-	-
1st Floor Room	2,029	(2,029)	-	-
	<u>56,228</u>	<u>(4,062)</u>	<u>-</u>	<u>52,166</u>
<b>TOTAL FUNDS</b>	<u>730,405</u>	<u>31,957</u>	<u>-</u>	<u>762,362</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	137,834	(101,815)	36,019
<b>Restricted funds</b>			
Audit fee	2,000	(2,000)	-
Museum	-	(1,033)	(1,033)
Education	2,000	(2,000)	-
Wessex Yeomanry Uniform	-	(1,000)	(1,000)
1st Floor Room	-	(2,029)	(2,029)
Museum MTC	928	(928)	-
M Gray Appeal	9,414	(9,414)	-
	<u>14,342</u>	<u>(18,404)</u>	<u>(4,062)</u>
<b>TOTAL FUNDS</b>	<u>152,176</u>	<u>(120,219)</u>	<u>31,957</u>

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

13. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
<b>Unrestricted funds</b>				
General fund	105,881	62,907	(74,537)	94,251
Designated fund	568,296	-	74,537	642,833
	<u>674,177</u>	<u>62,907</u>	<u>-</u>	<u>737,084</u>
<b>Restricted funds</b>				
Antique collections	500	-	-	500
Museum	48,967	(2,066)	-	46,901
Recording History	459	(459)	-	-
Marlborough drawings	1,554	-	-	1,554
Education	-	1,375	-	1,375
Town signs	1,719	-	-	1,719
Wessex Yeomanry Uniform	1,000	(1,000)	-	-
1st Floor Room	2,029	(2,029)	-	-
Museum MTC	-	1,000	-	1,000
	<u>56,228</u>	<u>(3,179)</u>	<u>-</u>	<u>53,049</u>
<b>TOTAL FUNDS</b>	<u>730,405</u>	<u>59,728</u>	<u>-</u>	<u>790,133</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	276,671	(213,764)	62,907
<b>Restricted funds</b>			
Audit fee	4,000	(4,000)	-
Museum	-	(2,066)	(2,066)
Recording History	625	(1,084)	(459)
Education	3,375	(2,000)	1,375
Wessex Yeomanry Uniform	-	(1,000)	(1,000)
1st Floor Room	-	(2,029)	(2,029)
Museum MTC	1,928	(928)	1,000
M Gray Appeal	9,414	(9,414)	-
	<u>19,342</u>	<u>(22,521)</u>	<u>(3,179)</u>
<b>TOTAL FUNDS</b>	<u>296,013</u>	<u>(236,285)</u>	<u>59,728</u>

The following designations have been made:

**THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. MOVEMENT IN FUNDS - continued**

Purpose of designation	Balance at 31.12.2019	Transfer from/(to) unrestricted funds £	Balance at 31.12.2020 £
Salaries and other running costs	15,000	1,500	16,500
Replacements for loaned furniture	4,250	-	4,250
Capital projects	23,230	2,500	25,730
Essential repairs	39,188	20,000	59,188
Buildings used for charitable purposes	517,155	-	517,155
Investment in Trading Company	-	20,010	20,010
	<u>598,823</u>	<u>44,010</u>	<u>642,833</u>

**14. RELATED PARTY DISCLOSURES**

A payment under the Retail, Hospitality and Leisure Grant Fund of £25,000 was received in the year and was paid on, in full, to The Merchant's House Trading (Marlborough) Ltd which trades from the same premises.

During the year the charity received a donation from its trading subsidiary The Merchant's House Trading (Marlborough) Limited of £69,143 (2019 - £59,565). At the year end the subsidiary owed the charity £14,773 (2019 - £58,977).

**15. MEMBERS' LIABILITY**

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

**THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**  
**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations and grants	13,467	24,537
Subscriptions	4,570	5,085
	<u>18,037</u>	<u>29,622</u>
<b>Other trading activities</b>		
Fundraising events	4,121	5,629
Admission fees	1,214	11,685
Gift of shop profits	69,143	59,565
	<u>74,478</u>	<u>76,879</u>
<b>Investment income</b>		
Property rental income	45,268	45,456
Deposit account interest	176	219
	<u>45,444</u>	<u>45,675</u>
<b>Charitable activities</b>		
Grants	5,878	-
	<u>5,878</u>	<u>-</u>
<b>Total incoming resources</b>	<b>143,837</b>	<b>152,176</b>
<b>EXPENDITURE</b>		
<b>Other trading activities</b>		
Wages	6,984	6,984
Fundraising event costs	1,292	1,328
	<u>8,276</u>	<u>8,312</u>
<b>Charitable activities</b>		
Employment costs	49,856	48,326
Establishment costs	8,965	7,586
Repairs and maintenance	7,924	8,186
Office expenses	1,869	1,888
Printing, postage and stationery	4,935	8,180
Subscriptions and donations	62	149
Sundry and other costs	309	1,827
Bank charges	411	502
Depn leasehold property improvements	-	2,855
Depn of antiques & paintings	6,851	10,009
Depn of office & museum equipment	5,667	4,121
	<u>86,849</u>	<u>93,629</u>

This page does not form part of the statutory financial statements

**THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST**  
**DETAILED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
<b>Support costs</b>		
<b>Management</b>		
Employment costs	5,540	5,369
Establishment costs	654	843
Repairs and maintenance	880	909
Office expenses	3,037	5,879
Printing, postage and stationery	548	909
Subscriptions and donations	7	16
Sundry and other costs	170	327
	<u>10,836</u>	<u>14,252</u>
<b>Finance</b>		
Bank charges	46	56
<b>Governance costs</b>		
Auditors' remuneration	2,000	2,000
Legal and professional fees	7,689	1,250
Accountancy fees	370	720
	<u>10,059</u>	<u>3,970</u>
Total resources expended	<u>116,066</u>	<u>120,219</u>
<b>Net income</b>	<u>27,771</u>	<u>31,957</u>

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