

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

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST
REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

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FOR THE YEAR ENDED 31ST DECEMBER 2022**

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THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2022

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 2022. 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

Objectives and aims

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, a charitable trust, continued to be the renovation and presentation of the town house and shop built by silk merchant Thomas Bayly following the Great Fire of Marlborough of 1653. The House is furnished as it might have been in 1675 and is open as a visitor attraction. Part of the House is home to the Marlborough Museum, displaying the Marlborough collection of local artefacts and documents. We have also established a library and archive collection.

The Trust occupies 132 High Street, Marlborough, under a lease from Marlborough Town Council at a nominal rent. During 2022 the Trust negotiated a new 25 year lease of the property, enabling the Trust to plan with confidence over a longer period. The new lease was completed on 10th January 2023 and runs until January 2048. As well as holding the lease of 132 High Street, the Trust owns the freeholds of 133 High Street and of The Old Print Works on the land behind 132.

Strategies

There are a number of projects connected with conservation, restoration and development of the House and its surroundings which the trustees would like to get under way. Implementing these depends on identifying appropriate sources of funding for each project and we will continue to approach a range of grant-giving institutions and individuals to achieve this. The trustees are very conscious that the environment in which the Trust operates is an evolving one and that the charity needs to keep under continuous review its immediate priorities, how it presents itself, and how best to secure the funding it needs to do its work.

Conservation

Much of the main Merchant's House building has been made safe, attractive, and visitable over the last 30 years. Nevertheless, the report commissioned in 2019 by the trustees revealed a backlog of maintenance and conservation work required to the various buildings. Work to address this started in 2021. During 2022 we finished the first phase of work to the roof, did preparatory work for the next phase, and secured part of the money we need for that. During the first half of 2023 we have completed the second phase of the roof work. We are now focused on raising the money needed to undertake the remaining phases of the roof repairs.

The Museum

The museum, housed in part of the building, houses a collection of objects linked to Marlborough. Opportunities to open the museum are, for the present, more limited than we would wish. We are trying to build up a team of volunteers so we can open regularly.

The Collections

During 2022 we secured for the museum two 19th Century paintings by George Maton, depicting the Town Green with local characters. We look forward to displaying them once we have been able to fund their restoration and framing.

Volunteers

Volunteers provide an immeasurable contribution throughout the Merchant's House Trust - as guides in the House, working in the garden and shop, creating embroidery, and helping with events, staying in touch with supporters and general administration.

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2022

OBJECTIVES AND ACTIVITIES

Visitors

In 2022 the House was closed until the end of June to allow us to strengthen the staircase. From July to the end of the year, we welcomed 1165 visitors including tours, school trip and group visits. 2022 was the first year that the House remained open until December (previously it closed in October).

Events

The Trust arranged a number of events during 2022 to support and promote the work of The Merchant's House and to raise funds. As the House remained open until December, the events programme included an evening of music and singing and children's Halloween events alongside the traditional Spring Studies Lecture and Open Gardens. Earlier in the year, while the House was closed, we held a two-day Platinum Jubilee exhibition about the Queen in Marlborough Town Hall.

Updated website

The new website went live in January 2023 and makes it easier for visitors and supporters to donate, book tours, join as a friend or book a ticket for an event. It is also designed to be easier for the Trust to keep it up-to-date and to make changes quickly when needed.

Education

Our education work continued, albeit a little constrained in the first half of the year when the House was closed, with our Visits and Tours Co-ordinator visiting schools to talk about the House. Once the House was open, we had visits from, amongst others, Marlborough St. Mary's, Marlborough College and Kennet Valley School. The children enjoyed learning about how people lived in the 17th and 18th century, the different building styles and construction in Marlborough and the impact of the Fire of Marlborough.

Trustees

Alison Galvin-Wright continued as Chair of the Trust. During the year Cllr James Sheppard, Lois Smith and Tim Butler joined as trustees, and Vanessa Hillier and Anthony Cohen retired as trustees. Caroline Goodfellow retired as a trustee in early 2023 (but is still involved as a consultant), and two further trustees, Joanne Patrick and Martha Fogg, have now joined.

FINANCIAL REVIEW

Financial Review

Fundraising

The Trust received a total of "£28,745 in donations, legacies and subscriptions (including Gift Aid) (2021 - £47,328). This included grants from the Wiltshire Community Foundation and The Sylvia Waddilove Foundation towards the cost of the roof repairs. We also received coronavirus-related government grants of £4,000.

Trading Company

Despite difficult trading conditions the Shop achieved a profit in 2022 of £46,255. The trading company has, after the financial year end, donated that profit to the Trust. In previous years the trading company generally donated its profits at the end of the financial year, but on this occasion it was done - in common with the practice of many other charity trading companies - in the following year.

During 2022 we installed new LED lighting in the shop 2022, to use less energy and to complement the refurbishment work we have done in 2023 to make the shop more attractive and appealing.

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 for the current year, the Trust's activities may continue for a further period of twelve months. At 31 December 2022 the trustees consider that the level of reserves is satisfactory.

The Trust's Designated Reserve Fund exists to support the long-term financial plans and aspirations of the Trust. Further details of the fund are shown at note 13 to the financial statements. Various elements of the Designated Fund are added to each year as funds permit, or spent if needed. The Designated Reserve Fund (except for the Trust's freehold property assets and subsidiary company investment) is held in the Trust's bank accounts.

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST DECEMBER 2022

FUTURE PLANS

Since the end of the 2022 financial year the trustees have completed the next tranche of repairs to the roof of 132 and 133 High Street to help ensure the building is better protected for the future. We have also refurbished the flat above the Trust's office, which has enabled us to relet it at a higher rent, and our wholly-owned trading company has redecorated and refreshed the shop to make it a more inviting place and attract more customers.

Our priority now is to raise sufficient money to carry out the remaining phase of repairs to the roof of the House, which we hope to be in a position to start in 2024. Once the backlog of repairs has been addressed we will be able, funds permitting, to turn again to more detailed restoration, and looking at how we present the House and the collection. With that in mind, the trustees have begun a structured process for identifying how best to build on the achievements of the past in relation to the Merchant's House and how to give effect to that in a way which makes the House and its collections even more widely valued.

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. Marlborough Town Council has the right to appoint two serving councillors to the board of trustees. We meet potential new trustees before appointing them 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 team of staff and volunteers.

Trading subsidiary

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

Risk

The trustees know they must be prudent in managing the charity and pursuing its charitable objectives. They appreciate also that, as with many charities, the sources of funding on which they rely are susceptible to considerable fluctuation. To balance the Trust's incoming resources with its annual expenditure, we operate a system of budgetary control and the trustees review financial performance at their regular meetings.

The board of trustees keep under review the major risks associated with the Trust's activities. Any risks identified are monitored and mitigation measures put in place where needed.

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

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees

A J H Cohen (resigned 21.12.22)
A M Galvin-Wright Chair
C G Goodfellow (resigned 20.2.23)
M J Hall
A R W Ross
V J Hillier (resigned 19.1.22)
E J S Hiscocks
J Sheppard (appointed 19.1.22)
G L Smith (appointed 20.7.22)
T J Butler (appointed 20.7.22)
M Z H M Fogg (appointed 16.8.23)
J V Patrick (appointed 16.8.23)

Company Secretary

C J Wakeham (resigned 7.8.23)
K R Dickens (appointed 7.8.23)

Auditors

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

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2022**

AUDITORS

The auditors, Morris Owen, were appointed during the year and will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 1st September 2023 and signed on its behalf by:

A M Galvin-Wright -

A M Galvin-Wright - Trustee

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

Opinion

We have audited the financial statements of The Merchant's House (Marlborough) Trust (the 'charitable company') for the year ended 31st December 2022 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 31st December 2022 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.

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.

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

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.

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

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.

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

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;

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

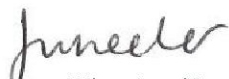
- agreeing financial statement disclosures to underlying supporting documentation; and
- reviewing minutes of Board meetings held for the existence of actual and potential litigation and claims

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. 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.



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

Date: 5th September 2023

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		10,745	18,000	28,745	47,238
Charitable activities					
Grants		4,000	-	4,000	14,143
Miscellaneous income		6,490	-	6,490	2,500
Other trading activities	3	12,701	-	12,701	62,947
Investment income	4	42,617	-	42,617	43,271
Total		76,553	18,000	94,553	170,099
EXPENDITURE ON					
Fundraising and event costs		2,637	-	2,637	2,268
Charitable activities					
House restoration, purchase of furnishings, and education		124,172	3,806	127,978	170,218
Total		126,809	3,806	130,615	172,486
NET INCOME/(EXPENDITURE)		(50,256)	14,194	(36,062)	(2,387)
RECONCILIATION OF FUNDS					
Total funds brought forward		732,356	55,390	787,746	790,133
TOTAL FUNDS CARRIED FORWARD		682,100	69,584	751,684	787,746

The notes form part of these financial statements

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

**STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	9	521,761	46,551	568,312	578,392
Investments	10	20,010	-	20,010	20,010
		541,771	46,551	588,322	598,402
CURRENT ASSETS					
Debtors	11	8,499	-	8,499	28,311
Cash at bank and in hand		164,810	23,031	187,841	172,144
		173,309	23,031	196,340	200,455
CREDITORS					
Amounts falling due within one year	12	(32,978)	-	(32,978)	(11,111)
NET CURRENT ASSETS		140,331	23,031	163,362	189,344
TOTAL ASSETS LESS CURRENT LIABILITIES		682,102	69,582	751,684	787,746
NET ASSETS		682,102	69,582	751,684	787,746
FUNDS					
Unrestricted funds:	13				
General fund				44,615	94,869
Designated fund				637,487	637,487
				682,102	732,356
Restricted funds				69,582	55,390
TOTAL FUNDS				751,684	787,746

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 1st September 2023 and were signed on its behalf by:



T J Butler - Trustee

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

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 31ST DECEMBER 2022

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 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.

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.

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Fundraising events	8,182	6,211
Admission fees	4,519	1,469
Gift of shop profits	-	55,267
	<u>12,701</u>	<u>62,947</u>

The trading shop, Merchant's House Trading (Marlborough) Limited, profits for the year ended 31 December 2022 were £46,255. These were gifted in full to The Merchant's House (Marlborough) Trust after the balance sheet date and therefore will appear in the 2023 statutory accounts.

4. INVESTMENT INCOME

	2022	2021
	£	£
Property rental income	42,585	43,252
Deposit account interest	32	19
	<u>42,617</u>	<u>43,271</u>

5. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Auditors' remuneration	2,000	2,000
Depreciation - owned assets	12,177	25,177

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2022 nor for the year ended 31st December 2021.

Trustees' expenses

Trustees' expenses totalling £21 (2021 - £nil) for charitable expenditure were reimbursed by the charity.

7. STAFF COSTS

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

	2022	2021
Trust Manager & Administrators	<u>4</u>	<u>3</u>

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

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	34,957	12,281	47,238
Charitable activities			
Grants	14,143	-	14,143
Miscellaneous income	2,500	-	2,500
Other trading activities	62,947	-	62,947
Investment income	43,271	-	43,271
Total	<u>157,818</u>	<u>12,281</u>	<u>170,099</u>
EXPENDITURE ON			
Fundraising and event costs	2,268	-	2,268
Charitable activities			
House restoration, purchase of furnishings, and education	160,278	9,940	170,218
Total	<u>162,546</u>	<u>9,940</u>	<u>172,486</u>
NET INCOME/(EXPENDITURE)	(4,728)	2,341	(2,387)
RECONCILIATION OF FUNDS			
Total funds brought forward	737,084	53,049	790,133
TOTAL FUNDS CARRIED FORWARD	<u>732,356</u>	<u>55,390</u>	<u>787,746</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Museum equipment £	Leasehold improv'n'ts £
COST			
At 1st January 2022	517,157	55,115	748,577
Additions	-	-	-
At 31st December 2022	<u>517,157</u>	<u>55,115</u>	<u>748,577</u>
DEPRECIATION			
At 1st January 2022	-	14,700	748,577
Charge for year	-	3,675	-
At 31st December 2022	-	<u>18,375</u>	<u>748,577</u>
NET BOOK VALUE			
At 31st December 2022	<u>517,157</u>	<u>36,740</u>	-
At 31st December 2021	<u>517,157</u>	<u>40,415</u>	-

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

9. TANGIBLE FIXED ASSETS - continued

	Antiques & paintings £	Office & computer equipment £	Totals £
COST			
At 1st January 2022	255,824	29,200	1,605,873
Additions	1,003	1,094	2,097
At 31st December 2022	256,827	30,294	1,607,970
DEPRECIATION			
At 1st January 2022	235,997	28,207	1,027,481
Charge for year	7,876	626	12,177
At 31st December 2022	243,873	28,833	1,039,658
NET BOOK VALUE			
At 31st December 2022	12,954	1,461	568,312
At 31st December 2021	19,827	993	578,392

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st January 2022 and 31st December 2022	20,010
NET BOOK VALUE	
At 31st December 2022	20,010
At 31st December 2021	20,010

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	2022 £	2021 £
Ordinary	100	70,775	24,520
Aggregate capital and reserves			

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022**

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Amounts owed by group undertakings	-	26,821
Prepayments and accrued income	8,499	1,490
	8,499	28,311

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Amounts owed to group undertakings	21,005	-
Other creditors	-	700
Accruals and deferred income	11,973	10,411
	32,978	11,111

In expectation of the Merchant's House Trading (Marlborough) Limited donation of profits, which happened after the balance sheet date, £50,000 was transferred in December 2022 and therefore is the reason at 31 December 2022 the intercompany is a creditor balance. At the date of signing, this has now been cleared by the donation being formalised.

13. MOVEMENT IN FUNDS

	At 1.1.22	Net movement in funds	At
	£	£	31.12.22
			£
Unrestricted funds			
General fund	94,869	(50,254)	44,615
Designated fund	637,487	-	637,487
	732,356	(50,254)	682,102
Restricted funds			
Antique collections	353	-	353
Museum	45,868	(1,033)	44,835
Marlborough drawings	1,554	-	1,554
Education	1,375	-	1,375
Town signs	875	-	875
Museum MTC	3,881	(286)	3,595
Modes Database	640	781	1,421
Marketing & Promotion	844	-	844
Roof	-	14,000	14,000
Conservation	-	730	730
	55,390	14,192	69,582
TOTAL FUNDS	787,746	(36,062)	751,684

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

13. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	76,553	(126,807)	(50,254)
Restricted funds			
Audit fee	2,000	(2,000)	-
Museum	-	(1,033)	(1,033)
Museum MTC	-	(286)	(286)
Modes Database	1,000	(219)	781
Roof	14,000	-	14,000
Conservation	1,000	(270)	730
	18,000	(3,808)	14,192
TOTAL FUNDS	94,553	(130,615)	(36,062)

Comparatives for movement in funds

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	94,251	(4,728)	5,346	94,869
Designated fund	642,833	-	(5,346)	637,487
	737,084	(4,728)	-	732,356
Restricted funds				
Antique collections	500	(147)	-	353
Museum	46,901	(1,033)	-	45,868
Marlborough drawings	1,554	-	-	1,554
Education	1,375	-	-	1,375
Town signs	1,719	-	(844)	875
Museum MTC	1,000	2,881	-	3,881
Modes Database	-	640	-	640
Marketing & Promotion	-	-	844	844
	53,049	2,341	-	55,390
TOTAL FUNDS	790,133	(2,387)	-	787,746

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

13. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	157,818	(162,546)	(4,728)
Restricted funds			
Antique collections	-	(147)	(147)
Audit fee	2,000	(2,000)	-
Museum	-	(1,033)	(1,033)
Museum MTC	2,881	-	2,881
Window	3,875	(3,875)	-
Sundial	2,225	(2,225)	-
Modes Database	1,300	(660)	640
	<u>12,281</u>	<u>(9,940)</u>	<u>2,341</u>
TOTAL FUNDS	<u>170,099</u>	<u>(172,486)</u>	<u>(2,387)</u>

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

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	94,251	(54,982)	5,346	44,615
Designated fund	642,833	-	(5,346)	637,487
	<u>737,084</u>	<u>(54,982)</u>	<u>-</u>	<u>682,102</u>
Restricted funds				
Antique collections	500	(147)	-	353
Museum	46,901	(2,066)	-	44,835
Marlborough drawings	1,554	-	-	1,554
Education	1,375	-	-	1,375
Town signs	1,719	-	(844)	875
Museum MTC	1,000	2,595	-	3,595
Modes Database	-	1,421	-	1,421
Marketing & Promotion	-	-	844	844
Roof	-	14,000	-	14,000
Conservation	-	730	-	730
	<u>53,049</u>	<u>16,533</u>	<u>-</u>	<u>69,582</u>
TOTAL FUNDS	<u>790,133</u>	<u>(38,449)</u>	<u>-</u>	<u>751,684</u>

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022**

13. MOVEMENT IN FUNDS - continued

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 £
Unrestricted funds			
General fund	234,371	(289,353)	(54,982)
Restricted funds			
Antique collections	-	(147)	(147)
Audit fee	4,000	(4,000)	-
Museum	-	(2,066)	(2,066)
Museum MTC	2,881	(286)	2,595
Window	3,875	(3,875)	-
Sundial	2,225	(2,225)	-
Modes Database	2,300	(879)	1,421
Roof	14,000	-	14,000
Conservation	1,000	(270)	730
	<u>30,281</u>	<u>(13,748)</u>	<u>16,533</u>
TOTAL FUNDS	<u>264,652</u>	<u>(303,101)</u>	<u>(38,449)</u>

The following designations have been made:

Purpose of designation	Balance at 31.12.2021	Transfer from/(to) unrestricted funds £	Balance at 31.12.2022
Salaries and other running costs	16,500	-	16,500
Replacements for loaned furniture	4,250	-	4,250
Capital projects	25,730	-	25,730
Essential repairs	53,842	-	53,842
Buildings used for charitable purposes	517,155	-	517,155
Investment in Trading Company	20,010	-	20,010
	<u>637,487</u>	<u>-</u>	<u>637,487</u>

14. RELATED PARTY DISCLOSURES

During the year the charity received a donation from its trading subsidiary The Merchant's House Trading (Marlborough) Limited of £nil (2021 - £55,267). The trading subsidiary has agreed after the balance sheet date to donate its net profit of £46,255 to the charity. At the year end the charity owed the subsidiary £21,005 (2021 - £26,821 due from the subsidiary).

THE MERCHANT'S HOUSE (MARLBOROUGH) TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022**

15. POST BALANCE SHEET EVENTS

The Merchant's House (Marlborough) Trust has agreed after the balance sheet date to extend the lease on 132 High Street Marlborough for a further 25 years at £1 per annum.

16. 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 31ST DECEMBER 2022**

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations and legacies	23,319	43,129
Gift aid	3,041	-
Subscriptions	2,385	4,109
	<hr/>	<hr/>
	28,745	47,238
Other trading activities		
Fundraising events	8,182	6,211
Admission fees	4,519	1,469
Gift of shop profits	-	55,267
	<hr/>	<hr/>
	12,701	62,947
Investment income		
Property rental income	42,585	43,252
Deposit account interest	32	19
	<hr/>	<hr/>
	42,617	43,271
Charitable activities		
Miscellaneous income	6,490	2,500
Grants	4,000	14,143
	<hr/>	<hr/>
	10,490	16,643
Total incoming resources	<hr/>	<hr/>
	94,553	170,099
EXPENDITURE		
Other trading activities		
Fundraising event costs	2,637	2,268
Charitable activities		
Employment costs	50,912	48,432
Establishment costs	9,491	10,720
Repairs and maintenance	29,309	65,704
Office expenses	2,020	1,921
Printing, postage and stationery	5,095	4,861
Subscriptions and donations	229	225
Sundry and other costs	1,331	1,290
Depn leasehold property improvements	3,675	9,446
Depn of antiques & paintings	7,876	11,824
Depn of office & museum equipment	626	3,907
	<hr/>	<hr/>
	110,564	158,330
Support costs		
Management		
Establishment costs	504	188
Carried forward	504	188

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 31ST DECEMBER 2022**

	2022	2021
	£	£
Management		
Brought forward	504	188
Office expenses	703	2,154
Sundry and other costs	15	57
	1,222	2,399
Finance		
Bank charges	671	1,157
Governance costs		
Auditors' remuneration	2,000	2,000
Legal and professional fees	13,271	6,032
Accountancy fees	250	300
	15,521	8,332
Total resources expended	130,615	172,486
Net expenditure	(36,062)	(2,387)

This page does not form part of the statutory financial statements