

**The Brian Mercer Charitable Trust**  
**Annual Report and Financial Statements**  
**For the Year Ended 5 April 2015**

Beever and Struthers  
Chartered Accountants  
Central Buildings  
Richmond Terrace  
Blackburn  
Lancashire  
BB1 7AP

**The Brian Mercer Charitable Trust**

**Financial Statements**

**For the Year Ended 5 April 2015**

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# The Brian Mercer Charitable Trust

## Reference and Administrative Details

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<b>Trustees</b>	R P T Duckworth (Chairman) C J Clancy M A E T Clitheroe K J Merrill A T Rowntree (resigned 30 June 2014)
<b>Secretary to the trustees</b>	J M Adams
<b>Accountants</b>	Beever and Struthers Central Buildings Richmond Terrace Blackburn Lancashire BB1 7AP
<b>Investment Managers</b>	Sarasin and Partners LLP 100 St Paul's Churchyard London EC4M 8BU
<b>Bankers</b>	Lloyds Bank Church Street Blackburn Lancashire BB2 1JQ
<b>Auditors</b>	Moore & Smalley LLP 9 Winckley Square Preston Lancashire PR1 3HP
<b>Principal address of the charity</b>	Central Buildings Richmond Terrace Blackburn Lancashire BB1 7AP
<b>Charity Number</b>	1076925

## **The Brian Mercer Charitable Trust**

### **Trustees' Report** *(continued)*

#### **For the Year Ended 5 April 2015**

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The trustees present their annual report and audited financial statements for the year ended 5 April 2015. The financial statements have been prepared in accordance with the accounting policies on pages 9 and 10 and comply with the Charity's Declaration of Trust, the Charities Act 2011 and Statement of Recommended Practice 'Accounting and Reporting by Charities' effective 2005.

#### **Structure, governance and management**

The Trust is a registered charity, charity number 1076925, and was established under a Declaration of Trust dated 5 July 1999. The trust was established by a gift from Brian Mercer in 1988. The trust does not actively fundraise and continues the charitable work through the careful stewardship of its existing resources.

New trustees are appointed by the existing trustees by resolution. There are no fixed terms under which trustees must serve or seek re-appointment.

The trustees meet at least three times a year, and agree the broad strategy and areas of activity for the Trust, reviewing all areas including grant making and investment policy. The day to day administration of charity is dealt with directly by the secretary to the trustees, who reports back to the trustees.

On appointment new trustee will receive a formal induction which provides a brief history of the Trust, copies of meeting minutes (where relevant), copies of previous year's annual reports and accounts, a copy of the governing trust deed. Guidance is also provided on investments and the grant making process. All trustees are able to access further training to aid them in their duties and improve the management of the Trust.

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 5 to the accounts. Trustees are required to disclose all relevant interests and register them with the board of trustees and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises. Neither the Trust nor any of the trustees have interests with the medical industry in relation to eye care or liver cancer.

#### **Risk management**

The trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The trustees consider the principal risk that the trust faces is the variability in performance of the investment portfolio and recent macro-economic events creating volatility in world stock markets has demonstrated this risk. To mitigate the risk the trustees have appointed Investment Managers who manage the investment portfolio on their behalf. The trustees meet with the Investment Managers, and receive investment reports, on a regular basis to review financial performance and to discuss potential future investment returns.

The Trust's operational risks are related to the extent to which the research, bursary funding and capital grant awards successfully advance knowledge and practice for the benefit of those suffering

## The Brian Mercer Charitable Trust

### Trustees' Report *(continued)*

#### For the Year Ended 5 April 2015

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from Age-Related Macular Degeneration, Primary Liver Cancer and related conditions. The trustees manage this risk by taking advice from experts in the field of sufficient skill and expertise to review the grant making process and performance in these areas and through the institutions and people who we support. From time to time the trustees invite recognised experts in these fields to attend trustee meetings to comment on activities and developments in their sector.

Similar operational risks are prevalent in the Trust's support for the Arts and other worthy causes and the trustees are of the opinion that these risks are managed effectively.

#### **Objectives and activities for the public benefit**

The objects of the Trust are as follows:

- 1) the advancement of education and in particular, but not restricted to, the provision of grants for the promotion of medical and scientific research and the dissemination of the useful results thereof; and
- 2) the furtherance and promotion of any other exclusively charitable objects and purposes in any part of the world as the Trustees may in their absolute discretion think fit.

The trustees have decided that the causes which they will most seek to benefit and the allocation of grants to which they aspire will be:

#### **Eyesight**

- a) To support research into causes, treatment and prevention of Age-Related Macular Degeneration. 30%
- b) To provide assistance through support, treatment and preventative measures to those affected by or at risk of developing visual impairment.

#### **Liver**

- a) To support research into causes, treatment and prevention of Primary Liver Cancer.
- b) To provide assistance through support, treatment and preventative measures to those affected by or at risk of developing diseases of the liver. 30%

#### **Arts**

To encourage and support the development of promising artists (working broadly in the field of visual arts) especially within the North West of the UK. 20%

#### **Others**

Any other worthy cause deemed appropriate by the Trustees. 20%

The trustees have developed close relationships with a number of charities with a view to working in partnership with those charities on specific projects and thus being in a position to influence the manner in which funds are expended in order to ensure that maximum benefit is derived from them.

#### **Grant making policy**

The Trust continues to review its grant making policy to achieve its objectives and thereby advances public benefit.

## **The Brian Mercer Charitable Trust**

### **Trustees' Report *(continued)***

#### **For the Year Ended 5 April 2015**

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Grant applications are invited through the Trust's website, which contains further details. Grants are appraised by the trustees and experts in the field, as required. Grant applications must meet the criteria as set out on the Trust's website. The trustees monitor grants made by obtaining feedback and progress reports. Details of how to apply for grants are available on the Trust's website.

#### **How our grant programmes delivered public benefit:**

##### **A review of our achievements and performance**

The benefits of the Trust's medical work are the dissemination of research findings, the development of new therapies and the funding of on-going research and medical equipment with the goal being to assist sufferers. The benefits of the Trust's other support includes the development of promising artists across the North West and support for other projects. The trustees are pleased that the achievements and performance of the Trust, as set out below, demonstrate progress.

##### **Eyesight**

£50,000 was provided to Fight for Sight to fund research into the prevention and causes of Age-Related Macular Degeneration.

##### **Liver**

Funding was provided to 3 organisations to purchase 3 FibroScan machines which are used as an alternative to invasive liver biopsy procedures. These machines have proven to increase cancer detection rates and therefore contribute to enhanced survival rates.

##### **Arts**

A number of grants were made to groups including NADFAS and the Open Eye Gallery as well as £25,000 granted to 10 6<sup>th</sup> Form colleges to fund areas of their arts programmes.

##### **Other**

A number of grants were made to Age Concern, Medicine Sans Frontier, Micro Loan Foundation, Royal National Institute for the Blind and the Blackburn Youth Zone.

##### **Monitoring achievement**

Pure and applied research is assessed by the completion of approved research projects within the planned timescale for the project and the number of research projects for which the findings have been published in reputable peer reviewed journals. The outcome of the research is also assessed by the identification of the changes or improvements to clinical or care practices stemming from the research. The long term timescale of seeing initial research ideas progress to changes in practice or therapies can be very lengthy and so the trustees look for timely and appropriate reporting tailored to the nature of the research and its likely outcomes.

##### **Financial review**

The Trust's work is entirely reliant on income and investment returns from its endowments. The funds held by the Trust have derived from the estate of the late Brian Mercer who died on 22 November 1998.

## **The Brian Mercer Charitable Trust**

### **Trustees' Report** *(continued)*

#### **For the Year Ended 5 April 2015**

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The Trustees have placed funds for investment with Sarasin and Partners LLP. During the year the Trust has made unrealised investment gains of £2,168,543, reflecting the movement in stock markets. At 5 April 2015 the funds invested were valued at £27,834,997.

During the year, the trustees paid and agreed grants for charitable purposes amounting to £494,822 (2014: £710,833). Grants are made in accordance with decisions reached after discussions at meetings of the Trustees and after taking advice, where appropriate.

#### **Investment policy**

Investments are held in the name of a nominee company. The trustees' policy is to invest for a combination of capital growth and income.

The trustees make use of the advice and support of their investment managers, Sarasin and Partners. The performance of the fund is reviewed frequently with the investment managers and investment reports are discussed at trustee meetings. Future performance is considered after taking due advice from the investment manager.

The trustees have a written investment policy which is regularly reviewed and updated as necessary.

#### **Reserves**

The trustees aim to maintain cash reserves at a level which equates to approximately twelve months of charitable expenditure, including grant commitments. The trustees consider that this level will provide sufficient funds to meet the Trust's charitable commitments and ensure that there are sufficient funds available to cover governance costs. Unexpected expenditure or costs arising from an urgent need can be met from ongoing investment income. Future applications for grants will be considered in line with the grant making policy and will be funded from the investment return as resources allow.

The balance held in cash reserves at 5 April 2015 was £600,285, against grant commitments and anticipated governance costs of £500,000. Any residual balance in cash reserves will be reinvested for the future.

Although the trustees are empowered to use both the income and capital of the trust in furtherance of the objects of the trust, the trustees have resolved to make charitable distributions out of the income of the Trust thereby maintaining the capital of the trust. The trustees may invest the funds of the Trust in any lawful manner.

#### **Future plans**

The trustees are undertaking a wholesale review of the grant making process so that they can ensure that the maximum impact is gained as a result of the support being provided. Included within this review is consideration of changing the allocation of grants across the four causes supported by the Trust in order to maximise public benefit.

#### **Grant awards**

In the next 12 months, the trustees anticipate that they will make grants utilising as much as possible of the investment income realised in the previous year.

## The Brian Mercer Charitable Trust

### Trustees' Report *(continued)*

For the Year Ended 5 April 2015

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#### Trustees' responsibilities for the financial statements

The trustees 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).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees on 20/10/15 and signed on their behalf by:



**R P T Duckworth**  
Chairman of Trustees



**The Brian Mercer Charitable Trust**

**Statement of Financial Activities**

**For the Year Ended 5 April 2015**

		<b>Unrestricted Funds</b>	
		<b>2015</b>	<b>2014</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Incoming resources</b>			
<i>Incoming resources from generated funds</i>			
Investment income	2	858,440	850,438
<b>Total Incoming Resources</b>		<b>858,440</b>	<b>850,438</b>
<b>Resources expended</b>			
<i>Costs of generating funds</i>			
Investment management fees (rebate)	3	(75,982)	(73,191)
<i>Charitable activities</i>			
Grants payable	4	494,822	710,833
<i>Governance costs</i>	5	20,533	22,158
<b>Total resources expended</b>		<b>439,373</b>	<b>659,800</b>
<b>Net incoming/(outgoing) resources for the year</b>		<b>419,067</b>	<b>190,638</b>
<b>Other recognised gains and losses</b>			
Unrealised surplus on revaluation of investments	6	2,168,543	1,375,247
<b>Net movement in funds</b>		<b>2,587,610</b>	<b>1,565,885</b>
<b>Reconciliation of funds</b>			
Total funds brought forward at 6 April 2014		25,755,013	24,189,128
<b>Total funds carried forward at 5 April 2015</b>		<b>28,342,623</b>	<b>25,755,013</b>

The notes on pages 10 to 14 form an integral part of these accounts

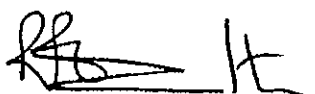
The Brian Mercer Charitable Trust

Balance Sheet

As at 5 April 2015

	Notes	2015		2014	
		£	£	£	£
<b>Fixed assets</b>					
Investments	6		27,834,997		25,592,355
<b>Current assets</b>					
Debtors	7	38,081		36,198	
Cash at bank and in hand		600,285		481,130	
		<u>638,366</u>		<u>517,328</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	8	<u>(75,740)</u>		<u>(265,670)</u>	
<b>Net current assets</b>			<u>562,626</u>		<u>251,658</u>
<b>Total assets less current liabilities</b>			<u>28,397,623</u>		<u>25,844,013</u>
Creditors: Amounts falling due after more than one year	9		<u>(55,000)</u>		<u>(89,000)</u>
<b>Net assets</b>			<u>28,342,623</u>		<u>25,755,013</u>
<b>Funds</b>					
<b>Unrestricted income funds</b>					
General fund			<u>28,342,623</u>		<u>25,755,013</u>

Approved by the Trustees on 20/10/15 and signed on their behalf by:



RPT Duckworth  
Chairman of Trustees

The notes on pages 10 to 14 form an integral part of these accounts

## **The Brian Mercer Charitable Trust**

### **Notes to the Financial Statements**

**For the year ended 5 April 2015**

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#### **1. Accounting Policies**

##### **1.1 Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the Charities Act 2011, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" Published in March 2005 and UK applicable accounting standards. The financial statements have been prepared under the historic cost convention as modified by the revaluation of Fixed Asset Investments.

##### **1.2 Incoming resources**

Donations and legacies are accounted for in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Other income is accounted for on an accruals basis as far as it is prudent to do so.

##### **1.3 Resources expended and irrecoverable VAT**

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Trust to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

All expenditure is directly allocated to the relevant categories and no apportionments are considered necessary.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

##### **1.4 Costs of generating funds**

The costs of generating funds consist of investment management fees.

##### **1.5 Charitable activities – Grants payable**

Grants payable are payments and commitments made to third parties in the furtherance of the charitable objectives of the trust. Grant commitments are recognised when a constructive obligation arises that results in payment being unavoidable. In accordance with the Charities SORP, grants are therefore accounted for once the offer has been made in writing.

##### **1.6 Governance costs**

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with statutory regulation and constitutional good practice. These are analysed in detail in note 5 to the financial statements.

##### **1.7 Taxation**

As a registered charity, the Trust is generally exempt from Income Tax and Capital Gains Tax, but not from VAT.

## The Brian Mercer Charitable Trust

### Notes to the Financial Statements *(continued)*

For the year ended 5 April 2015

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#### 1.8 Investments

Investments are included at market value. Realised and unrealised gains and losses are taken to the Statement of Financial Activities. Investment Income has been taken into account on the basis of the due date of payment.

#### 2. Investment Income

	2015	2014
	£	£
Income from UK listed investments	858,143	850,092
Interest receivable on short term deposits and cash at bank	297	346
	<u>858,440</u>	<u>850,438</u>

#### 3. Management fees/(rebates)

	2015	2014
	£	£
Earned on Sarasin funds	195,707	187,368
Rebate	<u>(75,982)</u>	<u>(73,191)</u>
Net fees charged	<u>119,725</u>	<u>114,177</u>

Sarasin and Partners LLP charge fees to underlying investment funds in excess of the fee charges agreed with the trustees and a rebate of the excess fees is therefore made.

## The Brian Mercer Charitable Trust

### Notes to the Financial Statements *(continued)*

For the year ended 5 April 2015

#### 4. Grants payable

	2015	2014
	£	£
Fight for Sight	50,000	50,000
Bronze Casting Residency in Pietrasanta	13,147	20,945
Sculpture Residency in Pietrasanta	14,183	21,520
Micro Loan Foundation	11,529	10,000
Arkwright Scholarship Trust	-	14,500
NADFAS North West Area	9,468	7,550
British Art Medal Society	-	8,000
Blackburn Youth Zone	-	85,000
University of Liverpool	-	49,898
Drugs for Neglected Diseases	-	50,000
Lytham St Annes Art College	-	2,500
Lancaster Girls Grammar School	-	2,500
Heysham High School	-	2,500
Blackburn College	-	2,500
Ripley St Thomas Lancaster	-	2,500
Hutton C of E Grammar School	-	2,500
Lancaster Royal Grammar School	-	2,500
Blackpool Sixth Form College	-	2,500
Age Concern Blackburn with Darwen	10,000	10,000
University of Southampton	-	30,000
Manchester Royal Eye Hospital	-	30,000
Lancashire Teaching Hospital NHS	-	89,950
Warrington & Halton Hospital NHS	-	89,950
Tameside Hospital NHS	-	89,950
Art Fund	-	2,670
Medecin Sans Frontiere	20,000	20,000
Tallships Youth Trust	-	900
QEST	-	10,000
Open Eye Gallery	30,000	-
Ormskirk School	2,500	-
QEGS	2,500	-
Stonyhurst College	2,500	-
Morecambe Community High College	2,500	-
Rossall School, Fleetwood	2,500	-
Our Lady's Catholic College	2,500	-
Westholme Senior School	2,500	-
Kirkham Grammar School	2,500	-
Balnes School, Poulton Le Fylde	2,500	-
Arnold Keqms School	2,500	-
St Helens & Knowsley Hospital Charitable Fund	89,950	-
THOMAS	10,000	-
Royal National College for the Blind	14,085	-
Wirral University Teaching Hospital	89,950	-
Harrls Museum	2,000	-
Royal British Society of Sculptors	13,100	-
Royal Liverpool & Broadgreen Hospital	89,950	-
British Wireless for the Blind Fund	2,460	-
	<b>494,822</b>	<b>710,833</b>

# The Brian Mercer Charitable Trust

## Notes to the Financial Statements *(continued)*

For the year ended 5 April 2015

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### 5. Governance costs

	2015	2014
	£	£
Accountancy and Trust administration	18,000	18,000
Audit fees	1,740	1,680
Trustees' travelling expenses	257	1,897
Miscellaneous	536	581
	<u>20,533</u>	<u>22,158</u>

None of the Trustees received any remuneration from the Trust. Mr A T Rowntree, who resigned as a Trustee during the year, is a consultant at Beever and Struthers Chartered Accountants to whom fees for accountancy and trust administration of £18,000 (2014: £18,000) were payable in the year.

### 6. Fixed asset investments

	2015	2014
	£	£
Market value at 6 April	25,592,355	24,164,125
Additions	74,099	52,983
Unrealised surplus on revaluation of investments	2,168,543	1,375,247
Market value at 5 April	<u>27,834,997</u>	<u>25,592,355</u>
Historic cost at 5 April	21,306,662	21,237,728

The market value of investments is made up as follows:

UK investments listed on a recognised stock exchange	<u>27,834,997</u>	<u>25,592,355</u>
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The investments consist of equities, unit trusts, open-ended investment companies and fixed interest investments. Investments held at 5 April 2015 representing more than 5% of the portfolio are as follows:

Sarasin Alpha CIF for Endowments	100%	100%
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### 7. Debtors

	2015	2014
	£	£
Investment Management Fee Rebate	<u>38,081</u>	<u>36,198</u>

### 8. Creditors: Amounts falling due within one year

	2015	2014
	£	£
Accruals	1,740	1,680
Grants agreed and payable	74,000	263,990
	<u>75,740</u>	<u>265,670</u>

The Brian Mercer Charitable Trust

Notes to the Financial Statements *(continued)*

For the year ended 5 April 2015

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9. Creditors: Amounts falling due after more than one year

	2015	2014
	£	£
Grants agreed and payable	<u>55,000</u>	<u>89,000</u>

# **Independent Auditor's Report on the Financial Statements to the Trustees of The Brian Mercer Charitable Trust**

**For the Year Ended 5 April 2015**

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We have audited the financial statements of The Brian Mercer Charitable Trust for the year ended 5 April 2015 on pages 7 to 13. 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).

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 2, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view, of the state of the charity's affairs as at 5 April 2015, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the Charities Act 2011.



**Independent Auditor's Report on the Financial Statements to the Trustees of The Brian Mercer Charitable Trust**

**For the Year Ended 5 April 2015**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Moore & Smalley LLP

**Moore and Smalley LLP**  
**Chartered Accountants and Statutory Auditor**  
9 Winckley Square  
Preston  
Lancashire  
PR1 3HP

Date: 4 January 2016

Moore and Smalley LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006