



Old Merchant Taylors' Society

Report and Accounts 2019

President: General Sir Richard Barrons, KCB, CBE

OLD MERCHANT TAYLORS' SOCIETY

NOTICE OF MEETING

Notice is hereby given that the AGM of the Old Merchant Taylors' Society will be held at the War Memorial Clubhouse, Merchant Taylors' School, Sandy Lodge, Northwood, HA6 2HT on Tuesday 3rd March 2020 at 8pm for the following purposes:-

ORDINARY BUSINESS AND RESOLUTIONS

- 1) To receive and, if approved, adopt the Annual Report and the audited Accounts for the year ended 31st August 2019.
- 2) To elect a Chairman. The following has been proposed and seconded:-
R.J. BROOMAN.
- 3) To elect the Other Officers and members of the General Committee. The following have been nominated:-
 - a: Other Officers
D.T.C. POLLOCK – Honorary Secretary and Membership Secretary
N.M. BIRCH – Honorary Treasurer
 - b: Members of the General Committee
D.C. CUST – Chairman of Investment Committee
D.C. ELLIS – Honorary Editor News Sheet & Head of Communications
J. G. SEABROOK – Chairman OMT Club and Bar Committee
C.R. WYATT – OMT Club Representative
M.R.J. WEITZMANN – Dining Representative
V. PAUL – Society Trustee
P. H. WATKINS – Society Trustee
J.B.E. CLOSE – Member of Committee
P. J. COLLMAN – Member of Committee
S.S. DATTA – Member of Committee
M.S. HARVEY – Member of Committee
J. D. KASLER – Member of Committee
P.H. LIGHTBODY – Member of Committee
N.J. LATHAM – School Representative
J. G. TAYLOR – School Representative
- 4) To elect a President of the OMT Society. The following has been proposed and seconded:-
J. DUNCAN EDWARDS.
- 5) To elect Vice-Presidents of the Society. The following have been proposed and seconded:-
DAVID G.L. ALLAN, NIGEL M. BIRCH, A.(“TONY”) J. BOOTH, ADAM J. BRAND, PAUL G. COLLINS, JULIAN G. SEABROOK.
- 6) To appoint Auditors of the Society. The following have been proposed and seconded:-
Haines Watts, Registered Auditor and Chartered Accountants
- 7) To authorise the General Committee to fix the auditors' remuneration.
- 8) To receive a report from the Trustees.
- 9) To receive and consider suggestions from the Members.

Both Ordinary and Associate members are entitled to attend the Annual General Meeting, but only Ordinary members may vote at the meeting.

The Accounts for the year ended 31st August 2019 will be available for download from the OMT Society website (<https://development.mtsn.org.uk/omt-society/omt-report-and-accounts-2019>) from 1st February 2020 onwards.

ON BEHALF OF THE GENERAL COMMITTEE

DAVID T.C. POLLOCK (Honorary Secretary)

War Memorial Clubhouse, Merchant Taylors' School, Sandy Lodge, Northwood Middx HA6 2HT

3rd December 2019

OLD MERCHANT TAYLORS' SOCIETY

CHAIRMAN'S REPORT

ACTIVITIES AND MEMBERSHIP

During 2018/19, OMT Society membership continued to grow gently, as another cohort left MTS in July. The number of members for whom database details exist, edges towards 5,000. The 2019 Pembrokeshire weekend, led by former President Chris Hirst, achieved new heights of participation with 50 present at the Saturday dinner. We thank Philip Willoughby for organising successful City lunches for many years. His role is being assumed by Alvan Seth-Smith who is driving to grow the attendance of the under forties.

The Annual Dinner in November 2018 at Middle Temple was well attended across the age ranges and the North American event in February 2019 took on a less formal style with drinks and canapés at Duncan Edwards' delightful apartment on the Upper West Side.

In sporting endeavour, our teams performed reasonably well. We won our opening Cricketer Cup round but did not progress further in the Halford Hewitt Golf competition. Our facilities at Sandy Lodge were yet again chosen to host the finals of the Arthur Dunn Cup Association Football competition. Notably, Owen Evans-Evans is now playing Hockey in the premier league. Two rugby players, formerly of OMT, have collected further international caps: Will Magie for USA; and Joe Cokanasiga for England.

FINANCIAL PERFORMANCE

Financial performance was sound; trading losses at OMT Club are no more, although there is a long-standing modest subsidy in respect of occasional use of the Club by OMTs. Dinner and other subsidies were steady at approximately £21,000 and our investments performed satisfactorily in what were volatile markets. Net gains before management expenses were positive, but immaterial. Investment income grew by a little over 8% to £93,000, facilitating our supporting activities. The Society has invested £18,000 (£12,000 cash in 2018/19 and a further £6,000 in 2019/20) in the development of youth hockey within the OMT hockey family.

THE COMMITTEE

The Committee has operated well during the year and nearly all members seek re-election to continue to serve. Given the strong administrative and systems support provided to the Society by the MTS Development Office, I was able to combine the Hon. Secretary and Membership Secretary roles under David Pollock.

THE PRESIDENT

Chris Hirst served us extremely well in his year and particularly strengthened relationships with MTS, as well as driving attendance at the Welsh Weekend.

In April 2018, Chris was succeeded by a dark blue, General Sir Richard Barrons, our first President appointed under the age of 60 for very many years, if ever. He and Christina are making every effort to support all events and to drive his theme of "courage in thought, word and deed."

The General Committee proposes Duncan Edwards as the new President of the OMT Society from April 2020. Duncan was President of Hearst Magazines International and is currently Chief Executive of British American Business. Duncan played rugby for several of the OMT sides and is the son of Vernon Edwards, a former President of the OMT Society.

VICE-PRESIDENTS

The General Committee has nominated the following for election as Vice-Presidents of the Society at the forthcoming AGM in March 2020:

David Allan – veteran prop forward and current OMTFC Vice-Chairman;

Nigel Birch – Associate Member of the OMT Society, current Hon. Treasurer of OMT Society and past Chairman of OMTHC;

Tony Booth – History teacher and Registrar at MTS for over 30 years, parent of OMTs, major supporter of cricket and leader of tours to WW1 battlefields;

Adam Brand – prolific run scorer, both for OMTCC and in the Cricketer Cup, of which organisation he has recently been made a vice-president; Adam is currently in charge of the OMT Cricketer Cup effort;

Paul Collins – In recent years, Paul has carried out immense research into many of the OMTs who fell in the Great War; the product of his work has been seen in many of the recent editions of the News Sheet; and

Julian Seabrook – Current Chairman of OMT Club.

OUTLOOK

As a growing and thriving fraternity, there is much to look forward to, both new and old. In November 2019 a small group of four will be commencing a strategic review of the shape of the OMT Society for the period to 2025.

RICHARD J BROOMAN Chairman 3rd December 2019

OLD MERCHANT TAYLORS' SOCIETY
TREASURER'S REPORT - YEAR ENDED 31ST AUGUST 2019

INCOME

Investment income during the year was £92,606, an increase from £85,553 in 2018 due to an investment policy of securing improved yields.

Income from dinners and social functions was £40,153 (2018 £30,171). There was an increase in the number of events and attendees. The net loss on social events was £21,365 compared to £19,169, in part due to the policy of subsidising younger members.

EXPENSES

Grants and donations amounted to £26,087 mainly to various sporting sections. The principal support was an amount of £18,000 to the OMT Hockey Club to assist in the development of a Junior section.

The cost of the News Sheet has increased due to the increase in both postage costs and printing.

INVESTMENT MANAGEMENT FEES AND VAT

In July 2019 the Court of Justice of the EU gave a long-awaited decision in a complex leading VAT case. (The University of Cambridge Case). In common with many other similar institutions, and having received professional advice, the Society had been reclaiming VAT on investment management fees as the UK VAT Tribunals had hitherto found in favour of the taxpayer. The EU Court reversed these decisions, and as a result, the Society has made provision in these accounts to repay four years of VAT previously claimed. The provision is approximately £15,000 and is included in investment management fees. The approximate extra annual cost of these services will be about £3,500 per annum. Developments in this area, including any changes in legislation or HMRC guidance will be monitored.

RESULT FOR THE YEAR

The total surplus of income over expenditure for the year was £29,603 compared to £44,035 in 2018. The surplus is allocated as a deficit on the general fund and a surplus to the designated fund as shown in the income and expenditure account. A part of the total surplus arising on the designated fund has been transferred to the general fund in accordance with the principles described in Note 7 to the accounts.

INVESTMENTS

The Society's Investments (excluding cash balances held at Investment Managers) have increased in value to £2,730,817 from £2,686,490. They are mainly held in a mix of direct equities, collectives and interest-bearing securities. The ten largest investments have a total value of £689,244 and the remaining 60 investments have an average value of £34,026. The largest holding is valued at £112,400. Investment policy is set by the Society Committee. Performance is monitored by an Investment Committee which meets from time to time with the Society Trustees and the Investment Managers, Brewin Dolphin, to review the continuing relevance of the investment policy and to satisfy both the Society Committee and the Society Trustees, in whose names the investments are held, that the funds are being satisfactorily managed.

OMT CLUB

The club achieved a trading surplus of £6,955 in the year compared to a deficit of £360 in 2018. The turnover was £149,337 compared with £135,624 in 2018. The Society continues to credit £8,700 (2018 £8,700) to OMT Club in respect of occasional membership. In turn, the Club credited the Society £8,700, and this reduced its indebtedness to the Society to £57,014.

Nigel Birch

Hon. Treasurer, 3 December 2019.

OLD MERCHANT TAYLORS' SOCIETY

REPORT OF THE INDEPENDENT AUDITORS YEAR ENDED 31 AUGUST 2019

OPINION

We have audited the financial statements of The Old Merchant Taylors Society (the 'Society') for the year ended 31 August 2019 which comprise the Income and expenditure account and the Balance Sheet, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 August 2019 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; and

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 society 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the society's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The members 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 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, 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.

OPINION 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 Chairman's Report and the Treasurer's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chairman's Report and the Treasurer's Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the society and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairman's Report and the Treasurer's Report.

We have nothing to report in respect of the following matters where we are required 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE MEMBERS OF THE GENERAL COMMITTEE

The members of the general committee 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 members 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 members are responsible for assessing the society'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 members either intend to liquidate the society 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.

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 society's members, as a body. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Shaun Brownsmith FCA (Senior Statutory Auditor)

for and on behalf of Haines Watts

4 Claridge Court

Lower Kings Road

Berkhamsted

Hertfordshire

HP4 2AF

Date: 3rd December 2019.

OLD MERCHANT TAYLORS' SOCIETY

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019			2018		
		General Fund	Designated Fund	Total	General Fund	Designated Fund	Total
INCOME							
Subscription Income	3	9,672	-	9,672	12,524	-	12,524
Dinner and other social events		40,153	-	40,153	30,171	-	30,171
Investment income		23,205	69,401	92,606	20,362	65,191	85,553
Donations		672	-	672	1,411	-	1,411
Surplus on sale of merchandise		-	-	-	-	-	-
		<u>73,702</u>	<u>69,401</u>	<u>143,103</u>	<u>64,468</u>	<u>65,191</u>	<u>129,659</u>
EXPENDITURE							
Activities							
Dinners and other social events		61,518	-	61,518	49,340	-	49,340
Grants and donations		26,087	-	26,087	6,991	-	6,991
		<u>87,605</u>	<u>-</u>	<u>87,605</u>	<u>56,331</u>	<u>-</u>	<u>56,331</u>
Publications							
News Sheet		19,746	-	19,746	17,429	-	17,429
Postage		9,019	-	9,019	7,844	-	7,844
		<u>28,765</u>	<u>-</u>	<u>28,765</u>	<u>25,273</u>	<u>-</u>	<u>25,273</u>
Administration							
Office and management expenses		1,160	-	1,160	-	-	-
Audit and professional fees		1,677	-	1,677	1,650	-	1,650
Other expenses		100	-	100	-	-	-
		<u>2,937</u>	<u>-</u>	<u>2,937</u>	<u>1,650</u>	<u>-</u>	<u>1,650</u>
OMT Club							
Trading (profit)/ deficit for the year		(6,955)	-	(6,955)	360	-	360
		<u>(6,955)</u>	<u>-</u>	<u>(6,955)</u>	<u>360</u>	<u>-</u>	<u>360</u>
		<u>(38,650)</u>	<u>69,401</u>	<u>30,751</u>	<u>(19,146)</u>	<u>65,191</u>	<u>46,045</u>
Corporation tax	4	1,688	-	1,688	2,010	-	2,010
(Deficit)/ Surplus for the year		<u>(40,338)</u>	<u>69,401</u>	<u>29,063</u>	<u>(21,156)</u>	<u>65,191</u>	<u>44,035</u>
Investments							
Realised gains for the year		3,946	11,820	15,766	1,939	6,210	8,149
Less: investment management fees charged		(8,812)	(26,395)	(35,207)	(3,844)	(12,308)	(16,152)
		<u>(4,866)</u>	<u>(14,575)</u>	<u>(19,441)</u>	<u>(1,905)</u>	<u>(6,098)</u>	<u>(8,003)</u>
Unrealised (losses)/ gains for the year		(3,613)	(10,820)	(14,433)	10,478	33,550	44,028
		<u>(8,479)</u>	<u>(25,395)</u>	<u>(33,874)</u>	<u>8,573</u>	<u>27,452</u>	<u>36,025</u>
Movement in funds for the year		<u>(48,817)</u>	<u>44,006</u>	<u>(4,811)</u>	<u>(12,583)</u>	<u>92,643</u>	<u>80,060</u>
Transfer between funds		45,000	(45,000)	-	66,000	(66,000)	-
Funds brought forward		704,965	2,111,386	2,816,351	651,548	2,084,743	2,736,291
Funds carried forward		<u>£701,148</u>	<u>£2,110,392</u>	<u>£2,811,540</u>	<u>£704,965</u>	<u>£2,111,386</u>	<u>£2,816,351</u>

The notes on the pages to these accounts form part of these financial statements.

OLD MERCHANT TAYLORS' SOCIETY
BALANCE SHEET AS AT 31 AUGUST 2019

	Note	2019	2018
		£	£
FIXED ASSETS			
Investments	5	2,730,817	2,686,490
CURRENT ASSETS			
Stock	6	13,559	13,879
Debtors and prepayments		10,541	12,573
Deposits and bank balances		109,241	143,317
		133,341	169,769
Less: CURRENT LIABILITIES			
Corporation tax	4	1,180	2,189
Creditors		51,438	37,719
		(52,618)	(39,908)
NET ASSETS		£2,811,540	£2,816,351
FUNDS			
General Funds		701,148	704,965
Designated Fund			
Merchant Taylors' War Memorial Fund	7	2,110,392	2,111,386
		£2,811,540	£2,816,351

These financial statements were approved by the Committee on 3rd December 2019 and signed on their behalf by:

RICHARD BROOMAN
Chairman

NIGEL BIRCH
Hon Treasurer

The notes on the pages to these accounts form part of these financial statements.

OLD MERCHANT TAYLORS' SOCIETY
NOTES TO THE ACCOUNTS 31 AUGUST 2019

1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments.

The Balance Sheet incorporates the assets and liabilities of the OMT Club.

The Committee is of the opinion that the Society has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

2 INCOME

Revenue for the Society includes monies received net of Value Added Tax.

Income for the Society includes:

Subscription income from members-subscriptions in respect of membership.

Events - income included in accordance with the date of the event.

Donations - included when received.

Sale of merchandise - income included at date of sale.

Investment income - included as arising and allocated between the funds.

OMT Club - these activities are operated by a specific committee and the net results are disclosed separately within the financial statements.

3 SUBSCRIPTIONS

Subscriptions include basic subscriptions paid by certain members, plus a subscription from the School for all new members.

An allocation from subscriptions received in the year is made to the OMT Club in respect of occasional membership and an amount of £8,700 (2018 £8,700) is charged against subscription income.

4 CORPORATION TAX

The Society is treated for corporation tax purposes as being mutually trading and is not liable to UK corporation tax on its trading activities.

Income received from investments together with any capital profits are liable to corporation tax. The charge for the year is £1180.

5 INVESTMENTS

Investments are stated at market value at the balance sheet date. The values of the respective funds are adjusted in proportion to their opening balances by the amounts of both realised and unrealised profits and losses in the year.

Investment income comprises income from direct equities, collectives, and interest bearing securities, and is stated gross of tax payable, where applicable.

6 STOCK

Stock include merchandise for resale and bar stocks and are valued at the lower of cost and net realisable value on a first in first out basis.

7 DESIGNATED FUND - MERCHANT TAYLORS' WAR MEMORIAL FUND

The proceeds of sale of the Society's former headquarters, Durrants, ultimately financed the construction of the new relocated War Memorial Clubhouse at Sandy Lodge. A total of £1.73 million, being the Society's after-tax share of the net surplus after completion of the entire relocation project was received in three tranches between the financial years 2012 and 2015. Of this, £1.6 million was received in the year ended 31 August 2013. The Merchant Taylors' War Memorial Fund has been separately designated because of its heritage and its size. It is invested with a view to capital maintenance in real terms, with income being available to support the Society's objectives.