



# Old Merchant Taylors' Society

## Report and Accounts 2020

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*President: Duncan Edwards*

# OLD MERCHANT TAYLORS' SOCIETY

## NOTICE OF MEETING

Notice is hereby given that the AGM of the Old Merchant Taylors' Society will be held, probably using virtual meeting technology due Covid restrictions, on Tuesday 2nd March 2021 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, 2020.

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 re-elect the 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:-

G.P. BROWN, J.G. TAYLOR, M.D. WHALLEY, C.G. WHITE

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 final arrangements for the meeting, together with the Accounts for the year ended 31st August 2020, will be available for download from the OMT Society website (<https://development.mtsn.org.uk/omt-society/omt-agm-2021>) from 1st February 2021 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 2020

## OLD MERCHANT TAYLORS' SOCIETY

### CHAIRMAN'S REPORT

#### ACTIVITIES AND MEMBERSHIP

This was a year of two halves: the first, one of steady progress in membership and social and sporting activities; the second a shuddering halt with the arrival of Covid-19. Events were cancelled, rebooked and cancelled again.

#### FINANCIAL PERFORMANCE

Trading financial performance was sound, albeit that there was very limited activity in the second half of our financial year. There was a modest surplus at OMT Club (after subsidy) and Society investment income was materially greater than outgoings and grants, such that there was a full year surplus of £50,000. Of particular note were: new grants of £4,000 made to OMT Golf to support participation in elite competitions and to encourage further golfing endeavour at Sandy Lodge; and a £1,000 award to sixth formers at MTS for a Wilderness and Environment travel prize in memory of Richard Green. Their trip took them to explore the ice in the Norwegian Arctic Circle. Additionally, the Society supported a MTS project to digitise the team photograph archive with a grant of just under £3,500. The Covid -19 pandemic slowed the progress of this project somewhat.

In the extraordinary circumstances of 2020, the value of our investments fell quite sharply in March, but recovered most of its lost ground, such that by the financial year end, realised and unrealised losses were approximately £100,000; not a cause for celebration, but evidence of the ability of our broadly defensive investment portfolio to do its job in volatile times.

#### THE COMMITTEE

The Committee operated well during the year and nearly all members seek re-election to continue to serve. Committee meetings moved easily to being on line during the pandemic and a happy outcome was that attendance at Committee meetings improved.

#### THE PRESIDENT

General Sir Richard Barrons was an excellent and very present President. He and Christina made every effort to support the Society's and the School's events, driving his theme of "courage in thought, word and deed." All this, until late in March 2020, nearly eleven months in to his year, the scourge of Covid-19 shut everything down. The new President, Duncan Edwards, was installed in April 2020 in our first ever on-screen handover. Since then, there have been almost no Society social activities, involving physical presence. Given that Duncan resides in the USA and travel between the UK and USA has been exceptionally difficult, involving four weeks of quarantine for each return trip, the Presidential badge continues in the care of former President, Sir Richard.

Recognising that much of the 2020 /21 year has been lost, the General Committee has resolved to propose to the Annual General Meeting on 2nd March 2021 that Duncan Edwards serve a second year as the President of the OMT Society from April 2021.

#### VICE-PRESIDENTS

The General Committee has nominated the following for election as Vice-Presidents of the Society at the forthcoming AGM in March 2021:

Gavin Brown - Former prop forward and current OMT Club Membership Secretary;

Jonny Taylor - Registrar and in charge of outwardly facing activity at MTS;

Matthew Whalley - Chairman of the Friends of Merchant Taylors' School; and

Chris White - Development Director OMTCC

#### OUTLOOK

The future is rather uncertain and the Society's activities continue to be adversely affected by the Coronavirus pandemic and trading at the Clubhouse is significantly lower than in previous years. However, the Society has a very strong balance sheet, with which to counter any stormy waters. Over the summer and autumn of 2020, Cricket and Hockey have attracted record numbers of players. Covid-19 has given us much to think about, including our communications and ways of being. We look forward to emerging from the pandemic, still strong and bristling with energy for the next years.

RICHARD J BROOMAN Chairman 3rd December 2020

OLD MERCHANT TAYLORS' SOCIETY  
TREASURER'S REPORT- YEAR ENDED 31ST AUGUST 2020.

#### INCOME

Investment income during the year was £90,149; a reduction from £92,606 in 2019. Some dividend reduction was experienced as a result of corporate decisions. In the year some high yielding investments matured and it is expected that investment income will be reduced in the current year to around the level experienced in 2018 (£85,553)

Income from dinners and social functions was £20,882 (2019 £40,153). There was a sharp reduction in activity after March, with most events being cancelled. The net loss on social events was £12,221 compared to £21,365 in 2019.

#### EXPENSES

Grants and donations amounted to £11,299. An amount of £4,000 was paid to the OMT Golf Club to assist in their costs, and an amount of £3,494 was paid to Merchant Taylors' School as a contribution towards the cost of digitising and archiving photographs. This project continues.

The cost of the News Sheet has remained approximately the same as the previous year.

#### INVESTMENT MANAGEMENT FEES AND VAT- UPDATE

In July 2019 the Court of Justice of the EU gave judgment 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 had made a provision of approximately £15,000 in the 2019 accounts to repay four years of VAT previously claimed. There have been no developments in this area, changes in legislation or any HMRC guidance to date. The provision has therefore been maintained and the matter kept under review.

#### RESULT FOR THE YEAR

The total surplus of income over expenditure for the year was £50,421 compared with £29,063 in 2019. 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. No part of the total surplus arising on the designated fund has been transferred this year to the general fund, as both funds have reduced due to investment movement. The total loss on investments (realised and unrealised) was £121,356 after investment management fees.

#### INVESTMENTS

The Society's Investments (excluding cash balances held at Investment Managers) have decreased in value, to £2,586,844 from £2,730,817. They are mainly held in a mix of direct equities, collectives and interest-bearing securities. The ten largest investments have a total value of £765,582 and the remaining 57 investments have an average value of £31,952. The largest holding is valued at £105,910. 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 £2,999 in the year compared with a surplus of £6,955 in 2019. The turnover reduced to £93,320 compared with £149,337 in 2019. The Society continues to credit £8,700 (2019 £8,700) to OMT Club in respect of occasional membership. By arrangement, and to assist the Club during a time of low activity, maintenance charges from Merchant Taylors' School reduced by some £11,800 to £9,000.

#### NIGEL BIRCH

Hon. Treasurer, 3 December 2020.

## OLD MERCHANT TAYLORS' SOCIETY

### REPORT OF THE INDEPENDENT AUDITORS YEAR ENDED 31 AUGUST 2020

#### OPINION

We have audited the financial statements of The Old Merchant Taylors' Society (the 'Society') for the year ended 31 August 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

#### USE OF OUR REPORT

This report is made solely to the 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 2020.

OLD MERCHANT TAYLORS' SOCIETY

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020			2019		
		General Fund	Designated Fund	Total	General Fund	Designated Fund	Total
<b>INCOME</b>							
Subscription Income	3	9,052	-	9,052	9,672	-	9,672
Dinner and other social events		20,882	-	20,882	40,153	-	40,153
Investment income		22,483	67,666	90,149	23,205	69,401	92,606
Donations		466	-	466	672	-	672
Surplus on sale of merchandise		-	-	-	-	-	-
		<u>52,883</u>	<u>67,666</u>	<u>120,549</u>	<u>73,702</u>	<u>69,401</u>	<u>143,103</u>
<b>EXPENDITURE</b>							
<b>Activities</b>							
Dinners and other social events		33,103	-	33,103	61,518	-	61,518
Grants and donations		11,299	-	11,299	26,087	-	26,087
		<u>44,402</u>	<u>-</u>	<u>44,402</u>	<u>87,605</u>	<u>-</u>	<u>87,605</u>
<b>Publications</b>							
News Sheet		18,802	-	18,802	19,746	-	19,746
Postage		9,078	-	9,078	9,019	-	9,019
		<u>27,880</u>	<u>-</u>	<u>27,880</u>	<u>28,765</u>	<u>-</u>	<u>28,765</u>
<b>Administration</b>							
Office and management expenses		36	-	36	1,160	-	1,160
Audit and professional fees		1,599	-	1,599	1,677	-	1,677
Other expenses		50	-	50	100	-	100
		<u>1,685</u>	<u>-</u>	<u>1,685</u>	<u>2,937</u>	<u>-</u>	<u>2,937</u>
<b>OMT Club</b>							
Trading profit for the year		(2,999)	-	(2,999)	(6,955)	-	(6,955)
		<u>(2,999)</u>	<u>-</u>	<u>(2,999)</u>	<u>(6,955)</u>	<u>-</u>	<u>(6,955)</u>
		<u>(18,085)</u>	<u>67,666</u>	<u>49,581</u>	<u>(38,650)</u>	<u>69,401</u>	<u>30,751</u>
Corporation tax	4	(840)	-	(840)	1,688	-	1,688
(Deficit)/ Surplus for the year		<u>(17,245)</u>	<u>67,666</u>	<u>50,421</u>	<u>(40,338)</u>	<u>69,401</u>	<u>29,063</u>
<b>Investments</b>							
Realised (losses)/ gains for the year		(8,502)	(25,586)	(34,088)	3,946	11,820	15,766
Less: investment management fees charged		(4,834)	(14,546)	(19,380)	(8,812)	(26,395)	(35,207)
		<u>(13,336)</u>	<u>(40,132)</u>	<u>(53,468)</u>	<u>(4,866)</u>	<u>(14,575)</u>	<u>(19,441)</u>
Unrealised (losses)/ gains for the year		(16,932)	(50,956)	(67,888)	(3,613)	(10,820)	(14,433)
		<u>(30,268)</u>	<u>(91,088)</u>	<u>(121,356)</u>	<u>(8,479)</u>	<u>(25,395)</u>	<u>(33,874)</u>
Movement in funds for the year		<u>(47,513)</u>	<u>(23,422)</u>	<u>(70,935)</u>	<u>(48,817)</u>	<u>44,006</u>	<u>(4,811)</u>
Transfer between funds		-	-	-	45,000	(45,000)	-
Funds brought forward		701,148	2,110,392	2,811,540	704,965	2,111,386	2,816,351
Funds carried forward		<u>£653,635</u>	<u>£2,086,970</u>	<u>£2,740,605</u>	<u>£701,148</u>	<u>£2,110,392</u>	<u>£2,811,540</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 2020

	Note	2020	2019
		£	£
<b>FIXED ASSETS</b>			
Investments	5	2,586,844	2,730,817
<b>CURRENT ASSETS</b>			
Stock	6	14,092	13,559
Debtors and prepayments		13,861	10,541
Deposits and bank balances		169,419	109,241
		197,372	133,341
<b>Less: CURRENT LIABILITIES</b>			
Corporation tax	4	340	1,180
Creditors		43,271	51,438
		(43,611)	(52,618)
<b>NET ASSETS</b>		<b>£2,740,605</b>	<b>£2,811,540</b>
<b>FUNDS</b>			
General Funds		653,635	701,148
Designated Fund			
Merchant Taylors' War Memorial Fund		2,086,970	2,110,392
		<b>£2,740,605</b>	<b>£2,811,540</b>

These financial statements were approved by the Committee on 3rd December 2020 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 2020

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 recognised when the event has taken place.

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 (2019 £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 a credit of £840 representing an overprovision of £1180 less a provision for the current year of £340.

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, compound income from direct equities collectives, and interest bearing securities are stated gross of tax payable, where applicable.

6 STOCK

Stock includes 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.