

T Mark Hall Foundation

Investing in the future of British Go

STATUTORY ACCOUNTS

18 October 2019

1. INTRODUCTION

To date the Foundation has had two separate sets of accounts. One set is those presented to the Members at its various Annual Reports, and are designed to be clear and comprehensible.

The other are the accounts we are required to provide by law, to HMRC and to Companies' House. These accounts have been professionally prepared by a Chartered Accountant, but are much shorter and merely contain the information the Foundation is legally obliged to provide. They also provide a different perspective on the Company's finances; for example the statutory accounts do not revalue any of the Foundation's investments until they are sold, whereas the accounts provided in the Annual Report show the current value of our investments. The two sets of accounts have also, historically, covered different timescales (for example the last Annual Report covered a period of 18 months, but this is not acceptable to HMRC who require accounts to be submitted at least annually).

Following the discussion at the last AGM, the Board decided to continue with the two separate sets of accounts, but that both would be published in the Annual Report (they both cover the same period). An explanation of the differences between the two sets would also be provided. However, as there was a significant delay with the preparation of the statutory accounts (Section 2 below), this means that it was not possible to publish the Statutory Accounts with the Annual Report. We are therefore publishing them separately.

2. TIMETABLE

It is worth explaining the reasons for the delay in publication in more detail:

- a) Start of April: Financial Year End
- b) 3 June: Last Tax certificate received. The statutory accounts cannot be prepared without this document. TMHF Finance Director (FD) prepares information for accountant.
- c) 20 June: FD meets with Accountant, providing the necessary documentation (Bank Statements, tax certificates, his own spreadsheet). He requests a target date of "the end of July" for completion. At the time we were targeting Sep 7 for the AGM, to coincide with the TMH Rapid.
- d) July 29: FD chases accountant. Accountant apologies (citing additional work from the "making Tax Digital" initiative from HMRC), and a new target of 20 August is set.

- e) 13 August: Accountant requests further documentation to support Capital Gains Tax Calculation. Most of requested documentation provided 20 August, remainder 11 Sep.
- f) 23 Sep: further chase. 26 Sep: accountant explains his father has had a heart attack which has delayed things.
- g) 1 Oct: Accountant promised to do the Statutory Accounts as soon as possible after the VAT deadline on 7 October.
- h) 4 Oct: Board decides to publish Annual Report without Statutory Accounts
- i) 15 Oct: Accountant explains Accounts are now ready. FD visits accountant on 18 Oct to sign relevant documents and collect paperwork.

3. RECONCILIATION OF STATUTORY ACCOUNTS WITH ACCOUNTS IN ANNUAL REPORT.

Although both sets of accounts were prepared from the same information (Bank Statements and information from Investment Companies) there are a number of differences between the two sets of accounts. The Table below summarises the most significant differences.

Toby Manning
Finance Director,
T Mark Hall Foundation
18 October 2019.

	TREATMENT IN STATUTORY ACCOUNTS	TREATMENT IN ANNUAL REPORT	COMMENTS
1.	Profit on disposal of Investments quoted as £4,769 (Page 4)	Profit on disposal of Investments quoted as £4,514 (Note 4)	The value of £4,514 in the Annual Report is incorrect; it should be £4,849. The values in the Statutory Accounts (SA) represent the profit on disposals after dealing costs; those in the Annual Report are the profits before dealing costs
2.	Total income from dividends and interest £7,385 (Page 11)	Total income from dividends and interest £6,459 (Page 10)	Statutory Accounts (SA) include some dividends which were reinvested; Annual Report only includes amounts actually paid out as cash. Taxed interest received has been grossed up in the SA
3.	Employee Costs (travel and subsistence) + advertising £1,104 (Page 11).	Admin costs given as £1,104 (Page 10)	The Company holds a number of meetings, of both the Board and the investment Advisory Committee, in London. Rather than hire a room for the meeting, these are generally held over a meal in a restaurant (at little or no additional cost). The Board believes that these expenses are best described as administrative expenses. The SA describes these as "travel and subsistence" as such costs are not eligible for tax relief.
4.	LGC payment quoted as £4,730 (Page 11)	LGC payment quoted as £9,730 (Page 10)	£5,000 payment was made in 2018/9 but was an advance payment for the LGC rent in 2019/20. The Annual Report includes this payment in the Income and Expenditure Account. The SA includes this £5,000 in the Balance Sheet ((Page 9, Note 4, "Prepayments").
5.	Depreciation of £161 (Page 11 and Page 8, Note 2). Tangible Assets of £253 (Page 5).	No Depreciation. No tangible assets.	In 2017 the TMHF provided £643 to the LGC to cover furniture (cabinet and cupboards). The Annual Report treated this as a one-off payment in the relevant year. The SA show this as a capital expense, depreciated over 4 years, despite the TMHF having no recourse to this asset.
6.	Accountancy fees + Sundry expenses given as £973 (Page 11).	Legal/Financial Costs shown as £733 (Page 10)	The £733 represents actual payments made during the year. However, £720 payment was actually for services provided during the preceding financial year, and there is a further £960 for work undertaken during this financial year but not yet invoiced (or paid).
7.	Shareholder's Funds shown as £347,349 (Page 5)	Closing Capital shown as £420,368.	The SA shows the Company's investments valued at cost. The Annual Report shows these at their current value. The Accountant has agreed that, in future, investments should be valued at current value ("mark to market"), and not at cost price.