

THE WORSHIPFUL COMPANY OF PATTENMAKERS

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED 15 MARCH 2015

THE WORSHIPFUL COMPANY OF PATTENMAKERS

COMPANY INFORMATION

Administrator:

R W Murfin TD DL

The Clerk to the Worshipful Company of Pattenmakers

Correspondence address:

3 The High Street

Sutton Valence

Kent

ME17 3AG

Honorary Treasurer:

S J Goodman FCA

16 Lime Tree Road

Norwich

Norfolk

NR3 4RR

Accountants

Day, Smith & Hunter

Globe House

Eclipse Park

Sittingbourne Road

Maidstone

Kent

ME14 3EN

Bankers:

Barclays Bank Plc

HSBC Bank Plc

Investment advisers and stockbrokers:

Killik & Co LLP

46 Grosvenor Street

London

W1K 3HN

THE WORSHIPFUL COMPANY OF PATTENMAKERS

REPORT OF THE COURT OF ASSISTANTS

CONSTITUTION AND HISTORY

The Worshipful Company of Pattenmakers is a City of London Livery Company which was incorporated by Royal Charter in 1670. However, its historical origins lie far back in the Middle Ages and it is officially linked with the 'Ancient Mystery of Galochemakers' having trade rights by charter in relation to Pattens, Galoches and Clogs.

The company is governed by a Court of Assistants, comprising the Royal Patron, its Master and Wardens of the year, several past masters and other assistants who have been chosen from the general body of the company.

GOVERNANCE

During the year under review, the Court membership was as follows:

HRH The Duke of Gloucester GCVO (Royal Patron)	S H Lamb
C M Hayward (Master)	J W A Timpson CBE
N C G Andrews (Upper Warden)	R L Page
M Kemsley (Renter Warden)	S J Goodman
N Robertson (Warden to the Trade)	J A Watson-Gandy
M P Fincham	C P Sewell-Rutter
N J Linstead	J A Bryant-Pearson
The Hon Dame Heather Steel DBE	S Marsh
D Newell	D Best
C W Stone	A C Truphet
B A K Rider OBE	C V Nakajima
T E Watts	I M Lawson (resigned 18.03.15.)
H R Auty	

AIMS AND OBJECTS

The aims of the company are to:

1. promote the society, friendship and well-being of its members;
2. maintain strong links with the boot and shoe trade, which closely relates to its ancient crafts;
3. uphold the standing and traditions of the City of London and to promote hospitality; and
4. promote charitable works and initiatives.

CHARITABLE AFFAIRS

The charitable work of the company is conducted through The Pattenmakers Company Charitable Foundation (Registered charity number: 286312), whose financial affairs are reported in separate accounts, which are prepared, examined and publicly reported in accordance with charity law and practice.

These accounts deal only with the financial affairs of the livery company. The Court of Assistants accepts responsibility for these accounts on whose behalf they have been prepared.

THE WORSHIPFUL COMPANY OF PATTENMAKERS

REPORT OF THE COURT OF ASSISTANTS (cont/d)

REVIEW OF THE YEAR'S ACTIVITIES

The Court is pleased to report another successful year. The traditional dinners and annual banquet were well supported and hospitality was offered to High Officers of the City of London and its livery companies, to representatives of the Armed Services and to many others.

Links with the Armed Forces continued and support for the City of London Schools and the ancient Guild Church of St Margaret Pattens (with which the company's history has been entwined for centuries) was maintained. Charitable activities and fundraising continued successfully. The investment results continue to be encouraging but the Court believe there is still a need for careful monitoring and control in this area.

REVIEW OF THE COMPANY'S FINANCIAL RESULTS FOR THE YEAR

Social events are conducted by the company's wholly owned subsidiary company, Pattenmakers Events Limited. This subsidiary's accounts have not been consolidated. The subsidiary charges the livery company for the entertaining of guests and for special functions conducted on behalf of the livery company. The livery company, in recognition of its tradition of hospitality, makes an annual discretionary donation to the subsidiary to help defray the cost of hall hire etc.

The company's membership income for the year was £60,186 compared to £56,579 in the previous year. Other income amounted to £8,935, which includes £5,470 profit on disposal of investments, compared to £3,535 in the previous year. Expenditure in the year amounted to £69,050 compared to £64,932 in the previous year, leaving a surplus before taxation of £71, compared to a deficit before taxation in the previous year of £4,818. The taxation charge in the current year is £788 compared to £Nil last year. This leaves a total deficit for the year of £717 compared to £4,818 in the previous year.

The increase in the company's income arises largely from increased freedom fines this year, as we admitted more new members. Expenditure, before the surplus on disposal of an investment, has risen mainly due to an increase in the discretionary donation to Pattenmakers Events Limited, to help cover the additional cost of events.

THE FUTURE

Whilst recognising that the company is a not for profit organisation, the Court's objective is to ensure membership and financial sustainability while protecting the value of the company's reserves.

THE CLERK

The administration of the company's affairs is the responsibility of the company's Clerk, Mr R W Murfin. The Court records its thanks to him for his unfailing endeavours in every sphere of its activities.

By order of the Court

M Kemsley
Renter Warden 2014-15
15 September 2015

THE WORSHIPFUL COMPANY OF PATTENMAKERS

INCOME AND EXPENDITURE ACCOUNT

Year ended 15 March 2015

	Notes	2015 £	2014 £
MEMBERSHIP INCOME	1	60,186	56,579
Administrative expenses		69,050	64,932
OPERATING DEFICIT	2	<u>(8,864)</u>	<u>(8,353)</u>
Income from investments		3,435	3,505
Interest receivable		30	30
Profit on the disposal of investments		5,470	-
SURPLUS/(DEFICIT) BEFORE TAXATION		<u>71</u>	<u>(4,818)</u>
Taxation	3	788	-
DEFICIT FOR THE FINANCIAL YEAR		<u>(717)</u>	<u>(4,818)</u>
Surplus brought forward		118,552	123,370
SURPLUS CARRIED FORWARD		<u><u>£117,835</u></u>	<u><u>£118,552</u></u>

THE WORSHIPFUL COMPANY OF PATTENMAKERS

BALANCE SHEET

15 March 2015

	Notes	2015	2014
		£	£
FIXED ASSETS			
Tangible assets	4	13,603	18,227
Investments	5	<u>184,950</u>	<u>158,606</u>
		198,553	176,833
CURRENT ASSETS			
Stocks	6	2,794	3,777
Debtors	7	5,507	-
Cash at bank		<u>44,077</u>	<u>45,239</u>
		52,378	49,016
CREDITORS - amounts falling due within one year	8	<u>3,385</u>	<u>4,246</u>
NET CURRENT ASSETS		48,993	44,770
NET ASSETS		<u><u>£247,546</u></u>	<u><u>£221,603</u></u>
RESERVES			
General funds		117,835	118,552
Unrealised investment gains		<u>129,021</u>	<u>102,361</u>
		246,856	220,913
Designated sub fund			
Pattens purchase fund		690	690
		<u><u>£247,546</u></u>	<u><u>£221,603</u></u>

Approved by the Court on 15 September 2015 and signed on its behalf by

M Kemsley
Renter Warden 2014-15

THE WORSHIPFUL COMPANY OF PATTENMAKERS

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Basis of preparation:

The accounts have been prepared under the historical cost convention as modified by the revaluation of investments.

Membership income:

This represents the value of admission fines and annual quarterage. Admission fines are in respect of admission to office, to the Court or to the Freedom or Livery and are included in the accounts on an accruals basis. Annual quarterage is also included in the accounts on an accruals basis.

Investment income:

Equity dividends, income on fixed interest stocks and interest on bank deposits are accounted for on an accruals basis. If recoverable, income tax deducted from investment income at source is accounted for on the same basis as the income to which it relates.

Taxation:

Income from investments and chargeable gains on disposals of investments are liable to tax.

Apart from the items listed above, the income of the company is not taxable and for this reason no relief can be claimed for the expenses of the company or for capital expenditure.

Depreciation of tangible fixed assets:

Fixed assets are being depreciated so as to write them off over their anticipated useful lives, by equal instalments, at the following annual rates:

Furniture and equipment	- 20% and 33 $\frac{1}{3}$ %
Robes	- 20%

The silverware and Patron's badge are not being depreciated.

Investments:

Marketable investments are shown at middle market value as valued by the stockbrokers at 31 March 2015. The effect of this is to increase the carrying value of investments by the amount of the unrealised gain shown in note 5.

Stocks:

Stocks are valued at the lower of cost and net realisable value.

THE WORSHIPFUL COMPANY OF PATTENMAKERS

NOTES TO THE ACCOUNTS

2	OPERATING DEFICIT		2015	2014	
			£	£	
	This is stated after charging:				
	Depreciation of owned fixed assets		<u>4,624</u>	<u>4,621</u>	
3	TAXATION				
	UK corporation tax 20%		<u>£788</u>	<u>-</u>	
4	TANGIBLE FIXED ASSETS				
		Silverware and Patron's badge £	Furniture and equipment £	Robes £	Total £
	Cost:				
	At 16 March 2014 and at 15 March 2015	<u>£2,174</u>	<u>£14,519</u>	<u>£6,970</u>	<u>£23,663</u>
	Depreciation:				
	At 16 March 2014	-	4,042	1,394	5,436
	Charge for year	-	3,230	1,394	4,624
	At 15 March 2015	<u>-</u>	<u>£7,272</u>	<u>£2,788</u>	<u>£10,060</u>
	Net book value:				
	At 15 March 2015	<u>£2,174</u>	<u>£7,247</u>	<u>£4,182</u>	<u>£13,603</u>
	At 15 March 2014	<u>£2,174</u>	<u>£10,477</u>	<u>£5,576</u>	<u>£18,227</u>
5	INVESTMENTS				
			Investments in subsidiary undertakings £	Other investments £	Total £
	Cost:				
	At 16 March 2014		1	56,244	56,245
	Disposals		-	(316)	(316)
	At 15 March 2015		1	55,928	55,929
	Listed investments at market value:				
	Unrealised revaluation adjustment		-	129,021	129,021
	At 15 March 2015		<u>£1</u>	<u>£184,949</u>	<u>£184,950</u>
	Investment income therefrom		-	£3,435	£3,435

THE WORSHIPFUL COMPANY OF PATTENMAKERS

NOTES TO THE ACCOUNTS

5 INVESTMENTS (cont/d)

Investments representing more than 5% of the portfolio's value were:

Aberdeen New Dawn Investment Trust	ordinary 25p shares	£34,498
HSBC Holdings Plc	ordinary \$0.50 shares	£12,198
Rio Tinto	ordinary 10p shares	£13,583
Royal Dutch Shell	B ordinary €0.07 shares	£14,756
Worldwide Healthcare Trust	ordinary 25p shares	<u>£101,904</u>

The company holds 20% or more of the share capital of the following company:

Company	Shares held Class	%
Pattenmakers Events Limited	Ordinary	100

As indicated in the report of the Court of Assistants, the company's wholly owned subsidiary, now conducts virtually all the social events of the company.

The subsidiary's accounts have not been consolidated within the accounts of the livery company.

	2015 £	2014 £
Net assets of subsidiary	2,286	1,926
Retained profit for the year	<u>360</u>	<u>1,320</u>

In the year the livery company made an ex gratia donation of £35,200 (2014 - £31,100) to Pattenmakers Events Limited to assist with the cost of hall hire and other expenses.

6 STOCKS	2015 £	2014 £
Livery medals	1,692	2,538
Plaques	357	388
Ties	425	531
Umbrellas	320	320
	<u>£2,794</u>	<u>£3,777</u>

7 DEBTORS

Other debtors	<u>£5,507</u>	<u>-</u>
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8 CREDITORS - amounts falling due within one year

Corporation tax	788	-
Accruals	2,597	4,131
Other creditors	-	115
	<u>£3,385</u>	<u>£4,246</u>

THE WORSHIPFUL COMPANY OF PATTENMAKERS

INCOME AND EXPENDITURE ACCOUNT

Year ended 15 March 2015

	2015	2014
	£	£
INCOME		
Admission fines - Master, Wardens and Court	875	1,000
Admission fines - freedom	2,500	1,950
Admission fines - livery	<u>1,500</u>	<u>1,800</u>
	4,875	4,750
Annual quarterage - freedom	12,744	10,939
Annual quarterage - livery	<u>42,052</u>	<u>40,375</u>
	54,796	51,314
Donations in lieu of quarterage	<u>515</u>	<u>515</u>
	60,186	56,579
Income from investments	3,435	3,505
Interest receivable	30	30
Sundry income	<u>-</u>	<u>25</u>
	63,651	60,139
EXPENDITURE		
Clerk's fee and expenses	7,577	6,707
Beadle's fee and expenses	2,896	2,487
Financial controller's fees	2,363	2,800
Accountancy fees	660	900
Printing 'Pattenmaker'	898	2,788
'Pattenmaker' sponsorship receivable	-	(2,000)
Master's and Clerk's luncheon (net)	3,381	3,684
Travel and subsistence	43	43
Postage	682	731
Printing and stationery	205	18
Net loss on sales plus free issues	33	231
Insurance	912	848
Bank and stockbroker's charges	990	628
General expenses	1,473	2,729
Lord Mayor's Show	1,199	-
Entertaining	5,914	6,642
Donation to subsidiary	35,200	31,100
Disposal of investment	(5,470)	-
Depreciation - furniture and equipment	3,230	3,227
- robes	<u>1,394</u>	<u>1,394</u>
	63,580	64,957
NET SURPLUS/(DEFICIT) FOR THE YEAR	<u><u>£71</u></u>	<u><u>£(4,818)</u></u>