

THE WORSHIPFUL COMPANY OF PATTENMAKERS
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 15 MARCH 2017

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

NR2 2NQ

Accountants

Wilkins Kennedy LLP

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

The Court present their report and financial statements for the year ended 15 March 2017.

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, and to date, the Court membership was as follows:

HRH The Duke of Gloucester GCVO (Royal Patron)	Sir J W A Timpson CBE
M Kemsley (Master)	R L Page
R A Kottler (Upper Warden)	S J Goodman
J A C C Watson-Gandy (Renter Warden)	C M Hayward
J Wilson (Warden to the Trade)	N C G Andrews
M P Fincham (resigned 16.03.16.)	J A Bryant-Pearson
N J Linstead (resigned 16.03.16.)	S Marsh (resigned 05.01.17.)
The Hon Dame Heather Steel DBE (resigned 16.03.16.)	D Best
D Newell (resigned 16.03.17.)	A C Truphet
C W Stone	C V Nakajima
B A K Rider OBE	S Leijten
T E Watts	S A C Huxham (admitted 07.07.16)
H R Auty	C P Dean (admitted 05.01.17.)
S H Lamb	

At the Court meeting on 16 March 2017 Mr A S Lyons was admitted to the Court.

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, and more recently the modern Facilities Management profession;
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 £71,153 compared to £68,479 in the previous year. Other income amounted to £7,160, which includes £5,406 profit on disposal of investments, compared to £16,727 in the previous year. Expenditure in the year amounted to £69,956 compared to £68,474 in the previous year, leaving a surplus before taxation of £8,357, compared to a surplus before taxation in the previous year of £16,732. The taxation charge in the current year is £694 compared to £806 last year. This leaves a total surplus for the year of £7,663 compared to a surplus of £15,926 in the previous year.

The increase in the company's income arises largely from increased freedom and livery quarterage this year, as we admitted more members. Expenditure, before the surplus on disposal of an investment, has increased slightly.

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

J A C C Watson-Gandy
Renter Warden 2016-17
19 October 2017

THE WORSHIPFUL COMPANY OF PATTENMAKERS

INCOME AND EXPENDITURE ACCOUNT

Year ended 15 March 2017

	Notes	2017 £	2016 £
MEMBERSHIP INCOME	1	71,153	68,479
Administrative expenses		69,956	68,474
OPERATING SURPLUS	2	<u>1,197</u>	<u>5</u>
Income from investments		1,715	3,236
Interest receivable		39	32
Profit on the disposal of investments		5,406	13,459
SURPLUS BEFORE TAXATION		<u>8,357</u>	<u>16,732</u>
Taxation	3	694	806
SURPLUS FOR THE FINANCIAL YEAR		<u>7,663</u>	<u>15,926</u>
Surplus brought forward		133,761	117,835
SURPLUS CARRIED FORWARD		<u><u>£141,424</u></u>	<u><u>£133,761</u></u>

THE WORSHIPFUL COMPANY OF PATTENMAKERS

BALANCE SHEET

15 March 2017

	Notes	2017	2016
		£	£
FIXED ASSETS			
Tangible assets	4	8,836	12,646
Investments	5	<u>213,708</u>	<u>134,009</u>
		222,544	146,655
CURRENT ASSETS			
Stocks	6	23,086	1,467
Debtors	7	5,360	25,427
Cash at bank		<u>31,899</u>	<u>48,746</u>
		60,345	75,640
CREDITORS - amounts falling due within one year	8	<u>3,512</u>	<u>3,811</u>
NET CURRENT ASSETS		56,833	71,829
NET ASSETS		<u><u>£279,377</u></u>	<u><u>£218,484</u></u>
RESERVES			
General funds		141,424	133,761
Unrealised investment gains		<u>137,481</u>	<u>84,251</u>
		278,905	218,012
Designated sub fund			
Pattens purchase fund		472	472
		<u><u>£279,377</u></u>	<u><u>£218,484</u></u>

Approved by the Court on 19 October 2017 and signed on its behalf by

J A C C Watson-Gandy
Renter Warden 2016-17

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 2017. 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 SURPLUS	2017	2016
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	<u>3,810</u>	<u>3,807</u>

3 TAXATION		
UK corporation tax 20%	<u>£694</u>	<u>£806</u>

4 TANGIBLE FIXED ASSETS				
	Silverware and Patron's badge £	Furniture and equipment £	Robes £	Total £
Cost:				
At 16 March 2016	5,024	14,519	6,970	26,513
Disposals	-	(1,359)	-	(1,359)
At 15 March 2017	<u>£5,024</u>	<u>£13,160</u>	<u>£6,970</u>	<u>£25,154</u>
Depreciation:				
At 16 March 2016	-	9,685	4,182	13,867
Charge for year	-	2,416	1,394	3,810
On disposals	-	(1,359)	-	(1,359)
At 15 March 2017	<u>-</u>	<u>£10,742</u>	<u>£5,576</u>	<u>£16,318</u>
Net book value:				
At 15 March 2017	<u>£5,024</u>	<u>£2,418</u>	<u>£1,394</u>	<u>£8,836</u>
At 15 March 2016	<u>£5,024</u>	<u>£4,834</u>	<u>£2,788</u>	<u>£12,646</u>

5 INVESTMENTS			
	Investments in subsidiary undertakings £	Other investments £	Total £
Valuation:			
At 16 March 2016	1	134,008	134,009
Additions	-	29,734	29,734
Disposals	-	(3,265)	(3,265)
Revaluation		<u>53,230</u>	<u>53,230</u>
At 15 March 2017	<u>£1</u>	<u>£213,707</u>	<u>£213,708</u>
Investment income therefrom	<u>-</u>	<u>£1,715</u>	<u>£1,715</u>

All fixed asset investments are listed investments and are valued by Killik & Co LLP, the stockbrokers. The historical cost of fixed asset investments is £76,227 (2016 - £49,758).

THE WORSHIPFUL COMPANY OF PATTENMAKERS

NOTES TO THE ACCOUNTS

5 INVESTMENTS (cont/d)

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

Allianz Technology Trust Plc	ordinary 25p shares	£39,144
Findlay Park American Sterling Unhedged		£37,185
Rio Tinto	ordinary 10p shares	£15,727
Worldwide Healthcare Trust	ordinary 25p shares	<u>£121,651</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 for the year ended 15 March 2017 have not been consolidated within the accounts of the livery company, but include:

	2017 £	2016 £
Net assets of subsidiary	3,820	3,712
Retained profit for the year	<u>108</u>	<u>1,426</u>

In the year the livery company made an ex gratia donation of £34,000 (2016 - £34,000) to Pattenmakers Events Limited to assist with the cost of hall hire and other expenses.

6 STOCKS

	2017 £	2016 £
Livery medals	21,084	564
Plaques	342	357
Ties	1,360	236
Umbrellas	300	310
	<u>£23,086</u>	<u>£1,467</u>

7 DEBTORS

Accrued income	-	750
Killik & Co LLP	3,118	24,677
Other debtors	2,242	-
	<u>£5,360</u>	<u>£25,427</u>

THE WORSHIPFUL COMPANY OF PATTENMAKERS

NOTES TO THE ACCOUNTS

8 CREDITORS - amounts falling due within one year	2017 £	2016 £
Corporation tax	694	806
Accruals	<u>2,818</u>	<u>3,005</u>
	<u><u>£3,512</u></u>	<u><u>£3,811</u></u>

THE WORSHIPFUL COMPANY OF PATTENMAKERS

INCOME AND EXPENDITURE ACCOUNT

Year ended 15 March 2017

	£	2017 £	£	2016 £
INCOME				
Admission fines - Master, Wardens and Court		1,125		875
Admission fines - freedom		3,250		2,650
Admission fines - livery		<u>2,400</u>		<u>2,350</u>
		6,775		5,875
Annual quarterage - freedom	15,490		13,628	
Annual quarterage - livery	<u>48,548</u>		<u>45,756</u>	
		64,038		59,384
Donations in lieu of quarterage		340		440
Other donations		<u>-</u>		<u>2,780</u>
		71,153		68,479
Income from investments		1,715		3,236
Interest receivable		<u>39</u>		<u>32</u>
		72,907		71,747
EXPENDITURE				
Clerk's fee and expenses	7,616		7,337	
Beadle's fee and expenses	2,827		2,787	
Financial controller's fees	2,380		2,590	
Accountancy fees	810		780	
Printing 'Pattenmaker'	1,000		1,477	
'Pattenmaker' sponsorship receivable	-		(750)	
Master's and Clerk's luncheon (net)	4,104		4,017	
Travel and subsistence	-		164	
Postage	514		609	
Printing and stationery	-		440	
Net loss on sales plus free issues	1,304		337	
Insurance	1,115		911	
Bank and stockbroker's charges	986		908	
General expenses	2,344		1,900	
Entertaining	7,004		7,160	
Donation to subsidiary	34,000		34,000	
Website	142		-	
Disposal of investments	(5,406)		(13,459)	
Depreciation - furniture and equipment	2,416		2,413	
- robes	<u>1,394</u>		<u>1,394</u>	
		64,550		55,015
NET SURPLUS FOR THE YEAR		<u><u>£8,357</u></u>		<u><u>£16,732</u></u>