



WHITGIFTIAN ASSOCIATION

Minutes of Annual General Meeting held in the Old Library, Whitgift School on 12th December 2016 at 7:30pm

In attendance: Graham Tope (President, in the Chair), Pip Burley (Chairman), Dr Richard Batemean (President Elect), Chris Jenkins, John Straw, Henry Parritt, Jonathan Bunn, David Stranack, Jack Furtado, Ian Munro, Ian Flanagan, Peter Warren, Andrew Gayler, Andrew Pickering, Mike Wilkinson, Nick Somers, Keith Hopkins, Grant Eustace, Doug Eland, Mark Endersby (Treasurer), Tim Flood, Martin Ashby, Richard Blundell, John Lindblom, Nigel Platts, Peter Dunn, Roger Oldfield, Sam Barke, Ian Wray, James Stremes, David Straw, Richard Bateman, Pete Ellis, Christopher Wrigglesworth, James Goatcher, Andreas Dracoulis, William Marston, Graham Tope, Peter Wallyn (Thornton Springer), Patrick Marsland-Roberts (arr. 19:50), Parathan Siva (arr.19:53),

Welcome

WA President, Lord Graham Tope, welcomed the audience and was pleased to see so many people in attendance on a Monday evening.

- 1. Apologies for Absence** were received from Peter Bowness, Alan Cowing, Andy Glyn, Paul Hooper, Keith Lindblom, Neil Lindblom, Michael Proudfoot, Mike Spanswick, Chris Speake, Paul Stone, Ian Watson, Stuart Woodrow.
- 2. To confirm the Minutes of the Annual General Meeting held on Dec 12th, 2015**
Proposed by Andrew Gayler. Seconded by Grant Eustace.
- 3. To consider matters arising**
- 4. To receive and adopt the Chairman's Report**
PB introduced his report and offered to paraphrase it. The major change is the launch of the bursary appeal. As most other independent schools, we are now being asked to raise money. It will be interesting to know the views of the new Headmaster with regards bursary funding. In order to do this, Naomi Newstead has been employed. We're up to about £50k already, although it is hard to quantify accurately with legacies, standing orders, etc.

Other than that, the year has proceeded well, a highlight being the Annual Dinner at the House of Lords, where a 1/3 of those in attendance were "young" OWs.

The way we've handled reunions has changed. The old, formalised dinners, on rotation, didn't seem to be to the taste of younger OWs so a lighter style of evening has been introduced, which have been successful.

We've also welcomed Chris Houlding as the Chairman of the Foundation. Our relationship with the Foundation is probably stronger now than it has been in the recent past.

Whitgift Sports Club has had a good year, with expanding memberships. All of which happened under the stewardship of Alan Cowing and Richard Veldeman. The one thing that we did do in the year was ask that board to stand down in favour of another board, comprising largely of the "customers"; the members of the sports sections. Dr Sam Barke is their representative on the WA Committee.

PB formally expressed his thanks to Graham who has been an excellent President. Graham has managed the role with great charm and has got to know as many OWs as he can, attending nearly all events and hosting a fantastic Annual Dinner

PB said that this is his 4th year as Chairman and he'll be handing over to somebody younger to continue on 1st January 2017. He thanked the Committee for their support moving the WA forward, whilst recognising that there is much more to be done, with new opportunities opening up with the new Headmaster starting in September. PB hopes to continue and gives every luck to his successor.

GT thanked PB and VB for their help, support and advice during the course of his Presidential year. GT asked if there were any questions on the report.

Mike Wilkinson asked PB to expand on the retirement of AC, RV and the sports board, stating that he believed they'd done a good job of reducing the deficit from £60k to £5k over the years.

PB said he's reluctant to go into detail at this meeting but summed it up to say that the figures outlined bely the true facts. The deficit is not down to anything like the figure quoted. The WA pays £15k as a "block membership" to WSC. There have been other savings that are showing up as genuine savings, such as the fact that the manager has been on maternity leave, which has saved on her salary, but which is not sustainable. There are other aspects relating to the management of the club that were causing dissatisfaction to the playing sections there, all of whom said things had to change. This is alongside the WA's own concerns about the deficit, which is a matter of governance. The use of the AMS monies to shore up the Sports Club has been a difficult position for the WA to be in. Over the last month or so of the old board, we had situations where virtually all the staff had been fired, including the licensee, with no warning at all; the kitchen had to be replaced (a cost of about £24k) and so it was spiralling out of control. There will be other views expressed but that was the view of the WA Committee and the sports sections.

Mike said that the position ought to be on record because calling it a "retirement" appeared to be a cover-up. PB clarified that they'd been asked to resign.

Nigel Platts thanked PB for all his very hard work and also for starting up the bursary appeal. He stated that we need to look carefully at who will be the beneficiaries of a bursary. What if, half way through his education, a boy no longer meets the criteria? It seems that we ought to concentrate on looking at Sixth Form bursaries. Every year, a number of very able boys leave after GCSE because they can get a very good academic education for no cost at local grammar schools. They won't get what Whitgift offers but they'll get a good set of A Levels. If we could encourage them to stay on, they'd be an adornment to the School.

PB thanked NP and responded to say that, at present, we're just earning the money on a broad sense. If the donor tells us their intention for the money, there are restricted funds set up that must be used as the donor wishes.

Proposed by Nick Somers. Seconded by Andrew Gayler. Adopted.

5. To receive and adopt the Statement of Accounts for the Year ended 31st August 2016

Mark Endersby introduced himself, OW 1975-83, qualified as an accountant in 1993. ME welcomed Peter Wallyn, Partner at Thornton Springer specialising in charities and unincorporated entities, who has been assisting us over the last year and giving us an independent view on matters.

ME drew attention to the front page detailing the WA as an unincorporated association. These have not yet been adopted or filed and can, of course, be changed should members wish.

What we tried to do this year was have them more as an information memorandum to bring all the different parts of the Whitgiftian family under one umbrella, in terms of a reference point. A view was

expressed at last year's AGM that there was nowhere where members could pick up a single document and understand how the WA and all its different parts are manifested in the wider world. This is our first stage at doing that.

This is the first time we've had a non Old Whitgiftian as the reporting accountant so completely independent.

The bottom line figure is the surplus of approximately £31k, which is a healthy position. This allows for £25k that went over to the WSC; £10k as a "loan" and £15k as the "corporate membership". That brought the total that had gone to WSC to £110k over the last four years.

ME explained that the other major change introduced this year relates to how Advanced Membership Scheme income is recorded. Now the actual amount of income that comes in from the Foundation is recorded. In previous years, the actual figure has gone into a reserve account and an arbitrary figure was brought into the main accounts. It had become a balancing item. So, for pure transparency, the Committee believed that the right thing to do was to bring the actual figure in to give a clear picture that of the £85k (ish) of membership income that is received, £62k is from the AMS. As the school grows, the AMS figure has been going up.

We are generating a surplus and hope to do so from now onwards and to reinvest that into the retention of AMS members once their AMS membership expires. Once they reach the age of 25, we want to ensure they stay as members, via mentoring, events, and so on.

We've brought in the value of the leasehold property into the balance sheet.

There are, effectively, net assets of about £500k.

On the last page, point 17, the numbers of members in each category is the one to focus on and see where all of us can try to increase the actual membership base.

GT thanked ME for his input and hard work.

Ian Munro introduced himself as a banker, but has reviewed accounts from a whole number of different organisations, of all types. The Treasurer has put forward an explanation as to why, as an unincorporated members association, we can more or less decide our format, structure and the level of transparency. In fact, the constitution adopted in 2012 provides for an audit and IM has to say, with respect to Peter Wallyn and the Treasurer, this is neither "fish foul" nor "good red herring". The statement made is subject to the terms of the engagement letter. It doesn't provide the reassurance that it should. This is not an audit but just uses the word "fair" but not "true". Whilst he appreciates the Committee's decision to increase the level of information provided, that increase does not reassure him. We have disclosed that the freehold of the Croham Road premises can only be sold back to the Foundation at the 1950s purchase price of £4,500. How can we carry £200k worth of improvements into the balance sheet? Similarly, as stated by the Treasurer, the value of the leasehold does not reassure him either. IM is disquieted by other features too.

ME suggests that there was a misunderstanding of the word "audit". The audit threshold of a limited company is about £10m. That's company law. Companies turning over less than that don't require an audit. For an accountancy firm to sign up to do an audit, the entry level cost is about £6k. So that probably justifies why we haven't had an audit.

Peter Wallyn (Thornton Springer) stated that one of the influencing factors of the last 4 or 5 years is paralleled with many charities that have the word "audit" in their constitutions. The Charity Commission has said that the word "audit" refers to a level of assurance appropriate to its size. For an organisation of this size to impose the obligation to have a full audit under international standards is, as the Treasurer has

explained, an obligation too far. What we tried to do, and he has this with a number of organisations (including a City Guild) is to design a framework around which we operate.

As Mark explained before, if there is anything like an accounting policy or a fundamental part of the constitution that isn't explained in these accounts, it can be added. This has been a balancing act to try to give a level of assurance that is appropriate to the size of the entity, whilst fully accepting that whether it is encapsulated articulately within our Terms of Reference, he's not entirely sure. But we've put something together that explains itself without the need to incur huge costs.

Ian Wray (1942-49) introduced himself as a Chartered Accountant who has been Treasurer of several organisations. He's concerned with the change of the treatment of the AMS (note 13). It seems incorrect in principle. The aim was to provide membership for the first few years so that they remained in touch with OW affairs. It seems that virtually all the income received can't relate to the year it's supposed to. It should be brought in, as income, over the seven years, as we go forwards.

IW added that the £62k represents xx% of the £xxk of the year so it's not an insignificant, minor point and it should be dealt with correctly. The way it is in at the moment, IW does not feel inclined to vote in support of adopting the accounts.

ME believes that bringing the actual amount received in the year is far more transparent than trying to do an actuarial calculation. IW disagrees stating the issue is not about transparency. ME argued that the intention was to identify how reliant the WA is on the AMS income. IW agreed but said we should not be accounting for it or spending it.

Roger Oldfield introduced himself stating that after joining KPMG, he specialised in corporate recovery. The people who pay the money are the parents. Do they know, have they been made aware of the new terms that are being proposed to implement regarding the accounting policy? What would happen if they got wind of this? ME countered it and said are they aware that £110k of that money has gone across to the WSC? This was raised by Keith Lindblom in September last year and ME raised it as well. It's about the corporate governance of the WA Committee. Something had to be done about it. First and foremost, we've identified how much money has come from the AMS funds.

David Straw explained he finds it difficult to hear all the speakers. However, he gathers that the last two speakers have spoken on the AMS, which is something he'd like to speak on. The subscription income is over-stated by altering the basis of the AMS. Taking income forwards is not in accordance with accounting principles. We have £62,300 of income incorrectly allocated. This means that the surplus for Corporation Tax is incorrect. We should be querying the auditor's opinion. On Note 13, he finds it surprising that the current Committee believes that the 2016 figures are more transparent than the 2015 figures. It is not right to take subscription payments into income 7 or 8 years before they are due. DS said nothing has changed since 1971 and the accounts did not need changing. One must assume that the AMS figures have been reconciled.

Nigel Platts, profession Chartered Accountant, previously a President, Chairman, Treasurer and member of the main Committee. As a School Governor, he's considered it appropriate to stand back from any active involvement in the WA to avoid a conflict of interest. He takes great exception to the change in the treatment of the AMS. It is unwarranted. In previous years, income from this source was recognised only when AMS members qualified to become full members. The new approach is not more transparent but has simply inflated the income of the Association. Two subsidiary points arise from this: a proportion of AMS subscriptions is subject to VAT. Secondly, if it is dealt with on a cash basis, why are we deferring a property value? NP resents the suggestion that the figures that have been used for recognising income in the past have been effectively made up because clear and detailed records were kept of all AMS members and the details were looked at annually and reviewed very carefully. Additionally, a lot has been said of the WA support to the WSC but one of the key and most expensive parts of the membership is to pay

towards the WSC, other than by way of the so-called "Corporate Membership". The WSC should be receiving an appropriate amount in respect of new AMS members. The leasehold property was originally purchased to provide accommodation for the groundsman at WSC. After that, it was let and the letting income was set off against part of the expensive cost of running the ground. NP can't see any benefit coming to the WSC for that.

James Goatcher referred to the Terms of Engagement. We're talking about a constitution written in 2012 that used the word "audit". This is not an old charity. JG does not feel we should vote for these accounts.

David Straw is very interested in the property revaluation. How has it been revalued at £250k? Who did the valuation? And what were the costs? If not professionally valued, then it's wrong to create revaluation reserve based on an unknown figure. The correct way to deal with this would be a note to the effect that the committee is of the opinion that the present value of the leasehold property exceeds the original cost. The excess has not been estimated because it has no real significance, nor would the cost be justified.

Minute 5.5. needs correcting as it ignores the reason for the purchase of the property, which was to provide accommodation for a Groundsman at Croham Road and was nothing to do with the AMS.

Chris Wrigglesworth (1953-59), we have £213k; does that actually exist? And if we're going to do that this way, it's going to stay the same so where is it? Chris Wrigglesworth asked for an answer to David's question. GT asked ME to answer at the end.

Roger Oldfield asked why ME had said we "had" to revalue. ME said that's what should be done as an investment property.

ME referred back to what he said at the beginning: this is an unincorporated members organisation. The intention was to create transparency. We've gone down that path, but it's not at an end. It was really important, in September last year, to learn how much money was coming in from the AMS scheme. The Foundation didn't have records. The previous Treasurer didn't have records. There was no real basis to the figures. The school is so much bigger than when the scheme was setup. If you tried to go back to the sources and work out a figure, (1) you'd be working from source documents that weren't there and (2) come back to the conclusion that we've got £62k this year. It was done that way for transparency, not to hide anything or dismiss previous approaches. That's the only number we can accurately put in front of you.

PB added that the Foundation seems to be struggling in the area of providing accurate information about AMS. We know of many examples of parents who have been paying in and the son's name doesn't come up. It may have been easier previously but at present, it's at the bottom of their priority list and it's hard getting the information we need.

James Stremes (76-84) asked, given the surplus made this year, why we still haven't paid off the mortgage on Croham Road? ME said he'd now agreed to pay back the loan. The reason it hadn't been done previously was because we didn't know quite how much money we'd have to put across to WSC.

GT said we have the choice of adopting or not adopting. But we can amend if anyone wants to propose an amendment(s).

Henry Parritt (left 2015) introduced himself as a member of Chartwell Caterers and Technical Dept at Whitgift and bar staff at WSC. HP would like to thank the Treasurer for his report. The 400 membership is probably majority represented as the older generation. Henry said that not being a mathematical person, or an accountant, he found the Treasurer's report very useful and suspects that for the several thousand young OWs benefitting from the AMS, who don't know accountancy detail, it's easy and clear to see exactly what's going on with the increased transparency.

Chris Wrigglesworth asked why the WSC members are zero. VB explained that they had not yet been received but that said she'd make an amendment and put them in minutes.

Andrew Gayler suggested that it seems impractical to revise accounts in a meeting like this. He suggests that the accounts not be adopted but that a procedure be put in place to amend them and the accounts then be put to an EGM for approval.

GT asked if there are any amendments?

Proposed by Sam Barke. Seconded by Henry Parritt.

In favour: 11

Against: 20

The accounts are not adopted.

CW said that would normally result in a vote of no confidence of the Treasurer.

HP suggests that this be taken as a warning that we adopt some kind of procedure so that should, in future, we have similar problems and they not be adopted, we have a procedure in place whereby the accounts can be reviewed quickly and easily by an independent group of people.

AG said this is not something that can be solved quickly or easily. This has to be remitted to a sub-committee of people who are interested and professionally qualified to look at it.

GT suggests this should be considered by the Main Committee at their next meeting.

6. To elect the President for the year commencing January 1st, 2016.

NOTE: Date change on notice should be 2017.

The WA Main Committee proposes Dr Richard Bateman.

Proposed by Richard Blundell. Seconded by Mike Wilkinson.

In favour.

GT wished Richard good luck.

7. To elect Vice Presidents for the period until the next AGM. The Committee proposes that the existing Vice Presidents be re-elected and that Andy Hooper, Andreas Dracoulis, Mark Endersby and Ian Cotton be elected. Tony Percy has also been nominated.

Proposed by Grant Eustace. Seconded by Henry Parritt.

Majority in favour. No-one against.

8. To elect the Chairman for the period until the next AGM. The Committee nominates Jonathan Bunn be elected.

Proposed by Chris Wrigglesworth. Seconded by Grant Eustace.

All in favour.

9. To elect the Deputy Chairman for the period until the next AGM. The committee has nominated Pip Burley.

Proposed by Andrew Gayler. Seconded Andrew Pickering.

Majority in favour.

10. To elect the remaining officers of the Main Committee for the period until the next AGM.

Representative of WSC. Proposed by Chris Wrigglesworth. Seconded by Henry Parritt. All in favour.

The Committee has nominated Mark Endersby as Treasurer.

Peter Dunn (56-64) nominates Andrew Gayler as Treasurer. As a matter of good governance, the Committee should have a separate Secretary and Treasurer.

GT noted that they are separate posts and we should take them separately.

AG believes we have not had the quality of accounts that we deserve. It's been a period of difficult years but he has the time to spend on the job that it requires. Mark is also a School Governor, a WSC active member, an AMS parent and WA committee member so there may be a conflict.

ME responded that he had met with AG in the Summer and a majority of what was added in was on Andrew's suggestion. He agreed that he inherited a very difficult situation where the records weren't up to standard and the AMS situation was very hard to fathom so we went with the transparent route. ME said he's doing his utmost also on the WSC side to raise income. The fact that he's doing 3 or even 4 jobs makes him well-placed to take on comments and understand how it's all linked together so that in a few years' time, it's easy for everybody to understand.

Jon Bunn thanked everyone for their vote of confidence in him. JB explained he's been on the committee for a couple of years. He hopes he can share the same dedication and commitment that Pip has done. He's disappointed to hear suggestions for votes of no confidence. We are all here to contribute to this organisation that has been around far longer than any of us. Mark has become a focus of tonight's conversation. Everything he's done has been done with a view to improve transparency. Those here have clearly highlighted the issues that we need to take forwards. We've got a lot of experience in this room to draw on. But Mark has been working through this and JB would like to see Mark continuing to work through this so we can further to understand our finances. JB thinks it's a great idea to have a sub-committee set up to support ME.

PB stated it is unusual for a single individual to work in 3 or 4 capacities. There is an argument to say it's not in the WA's best interest. But, we have to have a joined-up thought process; we have to have joined-up thinking with regards the WSC. And it's important that we don't, by default, set up an unintended battle between two Treasurers. The survival and the successful operation of the WSC is absolutely at the top of the list of priorities of both PB and ME. So there's a great benefit of having the same person doing both of those jobs.

PB stated that we need new, young blood on the Committee. For us sitting in this room, in our 60s, 70s or 80s to dictate the pattern of this organisation is dangerous territory. So PB would advocate that we don't make these changes.

GT said we have two nominations. ME by the Committee and AG by Peter Dunn.

Votes for Mark:- 11

Votes for Andrew:- 21

GT said the Committee has nominated Mark as Secretary and we have a nomination from Martin Ashby for Chris Jenkins.

Martin Ashby is nominating Chris for the position of Secretary. With the changes that are going on, it's important to have a legal brain on the committee, which Chris will bring.

GT invited CJ to say something.

CJ said the last year has been difficult for the Association. It's now time to move on. We have a new Chairman and hopefully he will bring with him a new way of running the Association. There are undoubtedly things to be done, not least of which to put a new Constitution in place. It's not sufficient to tinker with the present one.

CJ has been in touch with Keith Lowry (sp?), Senior Barrister, who assisted us in setting up the WAT. He has agreed to look at the governance and current set up and draw up new documents at no charge. Together, we could put together a proposal for approval at the next AGM. CJ said he's sure he could do this alongside duties of Secretary of the WA.

Henry Parritt said that he believed when he came into the WA that the Association runs for the benefit of the current boys and old boys to keep in touch with each other and the School. Having just left the school and knowing lots of boys who have benefitted from bursaries, AMS and sports club and lots of other things, it's his view that the running and structure of the family seems to be in a fashion that *is* beneficial to a majority of boys and old boys. Such drastic changes are not necessary to the fundamental core of the running of the Association.

Keith Hopkins seconded Chris Jenkins.

Votes for Mark:- 12

Votes for Chris:- 19

To elect the elected members of the Committee. GT said we need to add ME to that list now. Martin Ashby said this is not possible.

Proposed by Andrea Dracoulis. Seconded by Martin Ashby.

In favour.

Co-opted members are not elected.

Chris Wrigglesworth recommends that we co-opt Mark Endersby onto the Committee.

11. To approve Membership Categories & Subscriptions

Proposed by Henry Parritt. Seconded by Richard Blundell.

None against.

12. Resolution to change the Constitution as described in the Agenda

PB informed members that the constitution currently says that if the Chairman has done 3 years, then his re-election requires a unanimous vote of the Committee. It would seem more reasonable to have a two-thirds majority vote by the committee if the Chairman is prepared to carry on.

GT stated we need 75% of members present to vote.

James Stremes begs to differ. The Constitution states 75% of members of those eligible to vote rather than those present.

AG stated that this point has been raised before. The Constitution states, "The constitution shall not be altered... entitled to vote at a General Meeting". This makes it impossible to pass a change in the Constitution at the present time. Counsel's opinion is that it means what it means.

GT stated that the resolution falls but suggests that this part of the Constitution at least be changed.

13. Any other business

AG stated that we have a small omission from the agenda. Paragraph 7 of the Constitution says we shall appoint auditors at an AGM.

GT asked if there was a proposal?

No proposal.

Jack Furtado delivered his OWVRC report. 120 years ago, in 1896, the rifles club was born and has ever since been active. Jack delivered his OWVRC report. It was Henry Parritt's brainchild to encourage boarders at the School to enjoy shooting. It has certainly worked!

Ian Munro mis-heard and would like to propose that auditors *are* appointed. IM proposes the present accountants to be instructed under a revised terms of engagement.

Peter Wallyn was invited to comment. PW thanked IM for the proposal. PW has been very close to Whitgift, despite not being an OW. But he would like the opportunity to think about the offer. GT suggested that we could propose and agree it and then leave it to Thornton Springer to consider it.

NP makes a suggestion with regards a practical problem of doing a full-scale audit. The Constitution says "requires audit" but if the Constitution is being reviewed, it may be more appropriate to suggest an accountant's report. You can set out a reasonable scope and set up an addendum to the Constitution should there be any amendment.

GT suggests that since the meeting has voted not to adopt the accounts, the committee is asked to consider this in the new year in conjunction with all the other matters here.

IM entirely accepts that. NP has put forward a practical proposal. The present role of an independent examiner could be considered by the Committee.

IM would also like to thank everybody who has spoken for the courtesy that has been expressed, particularly to those sitting at High Table.

Andreas Dracoulis (1991-96) introduced himself as having just been voted in as a VP. He feels privileged and honoured to have been voted in and thanks those present.

GT also expressed thanks for everybody's courtesy, as befits the School.

The meeting is closed.

- End of meeting -