

T Mark Hall Foundation

Investing in the future of British Go

2019/20 ANNUAL REPORT AND ACCOUNTS

Registered address: 26 Groby Lane, Newtown Linford LE6 0HH

This Report formally covers the year up to 31 March 2020.

However, since then there have been significant developments, and the Directors believe it appropriate to include these in this document.

Accordingly this report contains Updates shown in a blue box. These updates do NOT make up part of the 2019/20 Annual Report and Accounts, but are added to provide up-to-date information.

T Mark Hall was born in 1947.

He learned to play go in the late 1960's and rapidly gained the strength of 2 dan. He was a fine player, especially at Lightning Go, and won many tournaments, although he never reached the final of the British Championship. His last tournament appearance was in the British Open in April 2013 when he came 4th. He attended tournaments throughout the world, representing Britain several times.

He will be remembered by many for sitting at tournaments and other events after his game was over with his pipe and chatting to all and sundry.



The T Mark Hall Library at the London Go Centre

T Mark was a long and faithful servant of the British Go Association, serving on Council for some 22 years, 20 of these as Treasurer; this is a record of service that will surely be unsurpassed. He also greatly assisted the development of World Go through his partnership with John Fairbairn in GoGoD (Games of Go on Disk).

Mark wished to continue his work for the British Go Association even after he was gone, and made a substantial bequest to the T Mark Hall Foundation. The British Museum has also accepted the offer of his antique board.

He died on 9th December 2013, aged 66, following a long illness.

Company Limited by Guarantee, Registered in England and Wales No. 9274117

Introduction

T Mark Hall died in December 2013. His will stated that the majority of his estate was to be used “principally to promote the playing of Go in the UK”, with subsidiary aims of:

- Maintenance and storage of the T Mark Hall library until such time as a permanent place can be found to keep the books, magazines and pictures;
- Research to find a permanent London Go Centre which would be open most afternoons and /or evenings;
- The provision of financial grants to young members of the BGA to assist with Go tuition or living costs to enable them to study Go in the Far East for periods of up to two years.

The majority of his estate was given to the T Mark Hall Foundation.

London Go Centre

T Mark Hall’s Will stated that one of the prime objectives is to “Undertake research to find a permanent London Go Centre which would be open most afternoons and/or evenings”, and this is reflected in the Foundation’s Articles.

The Directors do not believe that a full-time, independent London Go Centre as envisaged by T Mark Hall is yet feasible in the current climate. However, they believe that a Mind Sports Centre, to incorporate Go, might be feasible and they examined the possibilities, in collaboration with the English Chess Federation, of setting up such a centre.

This work ceased when Gerry Gavigan of the West London Go Club had discussions with the Young Chelsea Bridge Club (YCBC) about the use of their premises in West London (adjacent to Goldhawk Road tube station), and as a consequence the “London Go Centre” was established in 2017.

The Foundation initially agreed to pay the rent for 2 years, and provided significant capital grants towards the start-up costs. Subsequently a longer term (5 year) agreement has been signed.

In summary, the agreement with the YCBC is that the London Go Centre can use the premises whenever it is not being used for a bridge event. The West London Go Club meets regularly at the YCBC, and several tournaments are being run by the LGC. In 2019/20 the following were held:

- The “Bar-Low” in May
- “Not the London Open”, also in May
- The “T Mark Hall Rapid Play” and “International Teams Event” in September
- The Guy Fawkes Tournament in November

- The London Open Go Congress (at New Year)

In addition the BGA held the Challenger's League at the LGC in 2019.

The Foundation is continuing to cover the annual rent to YCBC. The Foundation has agreed the following payments:-

- £10,000 in 2019. Half of this was made in March 2019, the remainder was paid in May 2019 (and is included in these accounts)
- £5,000 in October 2020
- £5,000 in October 2021
- £5,000 in October 2022
- £5,000 in October 2023

Some of this money represents the annual rent; the remainder is earmarked for improved internet access and other miscellaneous items of capital expenditure.

T Mark Hall Library

The T Mark Hall Library consists of a number of books, magazines and prints which were owned by T Mark Hall. Initially it was kindly stored by Barry Chandler in mid-Wales.

In May 2019 the Library was moved to the London Go Centre (see photograph on Page 1).

Possible Purchase of LGC Premises

The London Go Centre (LGC) sublets premises from the Young Chelsea Bridge Club (YCBC) at Goldhawk Road in Shepherd's Bush, West London. The Foundation supports the LGC by paying its rent, as well as providing additional support to provide capital equipment.

In October 2019 we were approached by David Parry of the YCBC to enquire if we were interested in helping to purchase the building, which is currently owned by a property company. Initial estimates are that a contribution by the TM Hall Foundation to the purchase of a 999-year lease (including transaction costs) resulting in approximately a 1/3rd ownership would consume about 2/3rds of the financial resources of the Foundation - David hoped that he could raise the remainder of the necessary funds from YCBC members and other sources.

It is envisaged that a new Company would be set up to purchase the lease. The Foundation's investment would entitle it to around 1/3rd of the shares. The Company would then lease the premises to YCBC resulting in a return to the shareholders in the Company of around 3% on their investment, plus any capital gain (or loss) from a change in the building's value. As now, YCBC would sublet

the premises to the LGC; YCBC would also remain responsible for building maintenance.

This would effectively mean that the Foundation would lock up about 2/3rds of its resources in the property. The proposed return of 3% return would be below the market rate but the beneficiaries would be Mind Sports. This return should be adequate to fund the LGC for the foreseeable future, but the investment will be illiquid and it may be difficult to sell should this be necessary in the future. It would leave around 1/3rd of the Fund for other purposes.

The Board believed that the proposal aligns with T Mark Hall's wishes, and agreed in principle that it should be investigated further.

Update on Purchase

Since the end of the year (31 March 2020) the position has changed. We are no longer trying to purchase the premises in Goldhawk Road, but to instead attempting to purchase an ex-Salvation Army Citadel in Ravenscourt Park, Hammersmith (West London) for £1.76M.

A company, MindSports Property Limited, (MSPL) has been set up to try to purchase this property. The Foundation has liquidated all its assets, giving a total of about £467k, and has allocated £300k towards the purchase of shares in MSPL. As the asset liquidation resulted in a significant, and taxable, capital gain the Foundation has donated a further £100,000 to the London Go Centre to offset this gain and hopefully eliminate the tax liability which would otherwise amount to around £19k. The London Go centre will allocate this £100k towards the purchase of shares in MSPL.

The Foundation has nominated Toby Manning to be one of the 3 Directors of MSPL.

Investors from the Bridge Community are investing around £1.5M into MSPL.

At time of writing (15 October 2020) we are waiting to see if our offer has been accepted.

The Board would be interested to hear from any member with professional expertise in this area.

Sponsorship and Support

The Foundation provided £1,000 of support to the 2019 British Congress, held in Manchester; although the Congress took place during this financial year the payment was included in last year's accounts. It also supported Bristol Go Club's celebrations of the 50th Wessex Go Tournament in October 2019, with

£1,100. T Mark Hall came originally from Weston-super-Mare and always considered Bristol Go Club to be his “home” club, despite living in London.

Between 2017 and 2019 DeepMind provided £5,000 a year to the BGA to support its Youth programme. This enabled the BGA to run a “Youth Camp” at Caythorpe, and to send a large team of youngsters to the European Youth Go Congress. DeepMind has indicated that it is to terminate this arrangement, and the Foundation has decided to step in with a grant of £3,000; the Foundation believes that any shortfall between this sum and the previously provided £5,000 should be made up from the BGA’s own resources.

Finance Director’s Report

Financial Results for the Year

A full set of accounts are given later. In summary, during the year 2019/20 the Foundation made an operating loss (Expenditure less Income) of £6,020. However, this loss was overwhelmed by the investment performance; the Company’s investments reduced in value by £41,970 giving an overall loss of £47,990, almost entirely due to the Coronavirus outbreak. It should be noted, however, that this is only a “paper” loss.

Coronavirus Update

This Report covers the year up to 31 March 2020, in the middle of the Coronavirus outbreak. During this time the stock market had a big fall (see diagram on Page 6).

After 31 March the stock market (and hence the value of the Foundation’s assets showed a significant bounceback.

Currently (as at October 15) the Foundation’s assets amount to £366,915 after making a donation of £100,000 to the London Go Centre (see above).

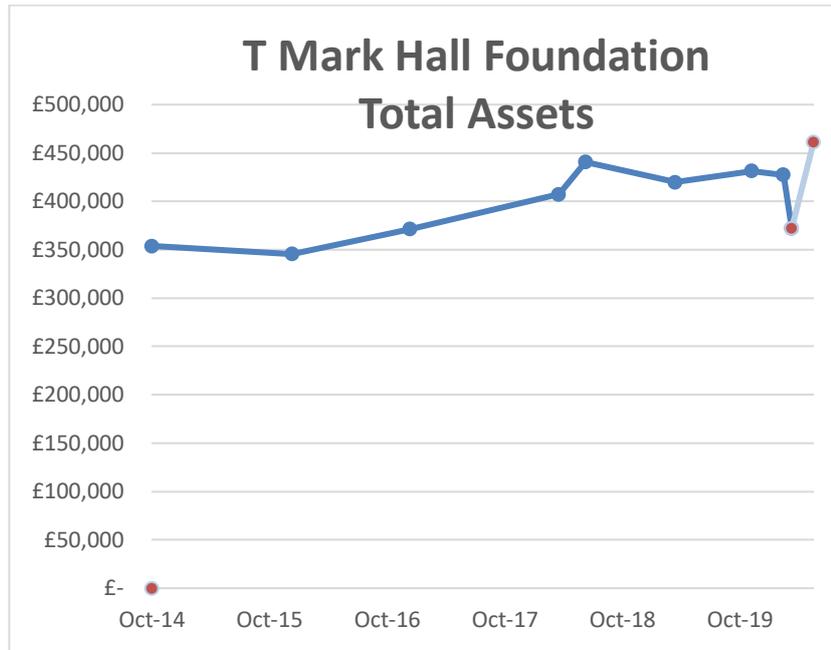
Foundation’s Capital

The graph overleaf shows how the Foundation’s total capital has changed since its foundation. The pale blue line shows how the Company’s assets have changed since the end of the financial year.

Its initial capital was £353,840; at April 2020 it was £372,046.

Of the Foundation’s assets, approximately £100,000 is invested in a “safe” fund aiming to give an annual return of around 3%.

The remainder is invested in Stocks and Shares, in what is considered to be the relatively “safe” part of the stock market with low charges (exchange traded funds and investment trusts).



The Company’s overall financial performance is therefore governed by the overall performance of the (worldwide) Stock Market.

The significant reduction in the Company’s assets at year-end is due to the world-wide economic downturn created by the Coronavirus outbreak.

Note 7 to the Financial Statement (Page 15) indicates how the Company’s financial assets were invested during the year.

We expect a small repayment in the second half of 2020 of tax paid during 2019. No account has been taken of this refund in these accounts.

Safeguards and Controls on Investments

At the 2018 AGM the Members asked for additional controls on the Company’s Assets. Accordingly the Directors instituted the following controls:

- Any withdrawal of money from the Prospect account shall only be made to the Foundation’s HSBC Bank Account, and shall require the authorisation of the Finance Director and one other Director, or of 3 Directors excluding the Finance Director.
- With respect to the Alliance Trust (ATS) Account:-
 - The Finance Director can buy and sell investments of his own volition provided all monies reside within the ATS envelope, but must immediately inform the remaining Directors if the transaction has not been agreed by the Investment Advisory Committee
 - Any withdrawal of funds from the ATS Account requires manual operation by ATS staff, it cannot be done automatically

- All withdrawals from the ATS Account are to be made by electronic transfer only to the Company's HSBC Bank Account
- Withdrawals of up to £5,000 within any 6 month period may be made on the authority of the Finance Director alone
- Withdrawals up to £25,000 within any 6 month period requires the signature of 2 Directors
- Withdrawals which do not meet the above requirements require the signature of 3 Directors

The Directors believe that this gives a reasonable balance between safeguarding the Company's assets and not instituting unreasonable bureaucracy.

In October 2019 Alliance Trust sold Alliance Trust Savings, the platform that we use, to Interactive Investor (ii). The controls outlined above were in place with ATS, and the Directors sought to ensure that equivalent safeguards were in place with ii. However, ii would never confirm that the safeguards were in place, and when (in October 2020) the ii account was liquidated it transpired that there were no controls in place.

The Directors have also instituted additional surveillance over the operation of the Company's current (bank) account. These consist of :-

- a) All Directors have read access to the current account at all times
- b) A second Director (other than the Finance Director) receives a text message whenever
 - i) A transfer of £200 or more is made out of the Bank account
 - ii) The balance within the bank account exceeds £2,500.

Our Bank, HSBC, does not provide "dual key" safeguards.

Directors

The Articles of Association state that the Directors shall be John Fairbairn, together with the President, Secretary and Treasurer of the British Go Association.

However, John Fairbairn tendered his resignation as a Director on 21 October 2019. John wrote:-

I have decided to resign as a Board member of the T Mark Hall Fund. There was no specific reason for the timing, although the imminent sixth anniversary of Mark's death did focus my thoughts. I was appointed by Mark as a friend, and executor of his estate. I spent his last days with him, during which time he told me much about the thinking behind his will. I also spent much time afterwards with his solicitor, likewise trying to unravel some of the will's provisions, which, because of the tragic circumstances, had been drawn up in haste. Truth to tell, it was, and is, an unsatisfactory document, but for a long

time I felt able to interpret Mark's thinking to the other Board members, who were all (as per Mark's wishes) BGA officials.

Six years on, I no longer feel able to act as an interpreter. The go world has changed in fundamental ways that were unknown to Mark. It is impossible for anyone to be able to say reliably what he would have felt about the new developments. Furthermore, those developments act in many ways counter to what he had hoped to achieve by his bequest. Achieving what he wanted - above all, a fully-fledged London Centre - is, I believe, all but impossible, though I do wish to record my admiration and gratitude for what has been done in setting up (with generous Fund support) the new "part-time" and independent London Go Centre, which incorporates the TMH Library. So long as British go is run by volunteers, I can't see how anyone could have gone any further.

I no longer play go or stay in touch with British go, and certainly have no sense of how the new developments in internet go or AI will impact on British go. In combination with my inability now to convey Mark's thinking, that means I have no relevant or useful knowledge to bring to the Board's discussions.

One other role I had, at Mark's behest, was to keep an eye on the BGA. I have to say that I have found absolutely nothing that I think would have caused him concern. Indeed, my own most satisfying time was when my fellow directors from the BGA fully supported my request to make provision for Mark's mother in her care home. This had been omitted from the will through a misunderstanding on Mark's part. In fact, all the dealings I have had with the rest of the board have been exemplary and I thank them warmly for their work and support.

My departure happens to coincide with a level of interest by Fund members which could be interpreted as taking over my "surveillance" of BGA officials on the Board. I'm quite sure that scrutiny is in very good hands now, though I would like to remind all Fund members that both the Fund and the BGA are run by volunteers with limited time, and the Fund requires extra work of BGA officials. Mark had some gripes about certain aspects of his own time on Council, but at heart he was a BGA man through and through. If the synergy between the Fund and the BGA develops so that they become even closer, or even merge, I am reasonably confident he would have ultimately approved.

Despite that, I think it behoves me to remind everyone that the Will and its objectives are actually unchanged. A London Go Centre remains the prime objective. Whether that turns out to be a multi-location London-wide centre or a digital centre, or whatever, no longer matters, in my view, so long as it can be identified as a centre. And the Fund's focus does not need to be entirely on the location. Events that directly enhance the status or scope of the centre should fall within the Fund's remit. I wish the Fund the best of fortune in its uncertain, but probably exciting, future.

The articles require the BGA to replace John with another Council Member, and the BGA Council nominated Pat Ridley to join the Board.

On 23 November 2019 Alex Rix was co-opted onto the Board

Accordingly, during the period under consideration, the Directors of the Company have been:

- John Fairbairn (resigned 21 October 2019)
- Richard Wheeldon (Chairman)
- Toby Manning (Finance Director)
- Jonathan Chin (Company Secretary)
- Pat Ridley (appointed 22 November 2019)
- Alex Rix (appointed 23 November 2019).

Update

The Company's Articles specify that the Directors should be John Fairbairn, and the Officers of the BGA. As this is no longer possible, the Directors resolved to propose a change to the way Directors are appointed, and put forward the "2+2+2" model: 2 Directors will be nominated by the BGA, 2 elected by the Members and up to 2 co-opted by the Board. The 2020 AGM will formally consider this proposed change to the Articles.

Statutory Accounts

The Foundation requires professional assistance in preparing a set of Accounts ("Statutory Accounts") which is acceptable to HMRC (these accounts are also submitted to Companies House). Although the Statutory Accounts provide the information that we are legally required to produce, in the Directors' opinion these do not give sufficient information to the Members to fully understand the Company's financial position.

In particular, the Balance Sheet in the Statutory Accounts values all investments at cost price and does not, in the Directors' view, adequately express the current value of the Foundation's investments.

The Statutory Accounts are prepared by a member firm of the Association of Chartered Certified Accountants, which is subject to the ethical and other professional requirements detailed at <http://rulebook.accaglobal.com>, and in accordance with the requirement of the Association of Chartered Certified Accountants as detailed in Factsheet 163 at <http://www.accaglobal.com>.

Unfortunately the Accountants engaged to prepare the Statutory Accounts, Austen Myers, have been unable to complete this task due to Coronavirus pressures, and a letter apologising for this is shown overleaf.



AUSTEN MYERS

CHARTERED CERTIFIED ACCOUNTANTS
& REGISTERED AUDITORS

37 The Nook
Anstey
Leicester
LE7 7AZ
Telephone: 0116 235 7321
Mobile: 07940 587 888
nilesh@austenmyers.co.uk

15 October 2020

Toby Manning
T Mark Hall Foundation
26 Groby Lane
Newtown Linford
LE6 0HH

Dear Toby

T MARK FOUNDATION – ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2020

Thank you for your letter of 1 October 2020.

I apologise for not responding any earlier.

I can advise you that due to COVID 19 pandemic, my staff were on furlough from April to end of July 2020, which has resulted in a considerable back log of work which we are trying to catch up with, giving priority to penalty geared deadlines.

You will recall when you let me have the books and records for the foundation on the 16 July 2020, I did advise you that we very busy, trying to catch up with a back log of work and could not predict when we would get around to preparing the accounts for the year ended 5.4.2020

In light of the foregoing we are looking at preparing and completing these accounts between 15 to 23 November 2020 and would appreciate your patience in this matter

The deadline to file the accounts with Companies House has been extended to 5.4.2021. This is an automatic extension due to Covid 19

With regard to tax free gift, I will need to research and in view of amounts involved, will need to get a second opinion from a tax specialist and will advise you further when we meet next month to discuss and finalise the accounts

Yours sincerely

N Ghelani BA, FCCA
Director

Registered as auditors in the United Kingdom by the Association of Chartered Certified Accountants.
Austen Myers is a trading name of Austen Myers Limited which is registered in England & Wales (No. 04093803)
Registered office address is as above
Director: Nilesh Ghelani BA, FCCA
VAT NO. GB 784 6103 18

AUDIT STATEMENT

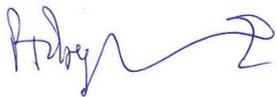
The Company has a turnover of less than £1M and a Balance Sheet of less than £1.4M. The Directors have therefore resolved to provide unaudited accounts, because:-

(a) For the period of time from the Company's registration on 21 October, 2014 until 6 April 2020 the company was entitled to exemption from audit under section 477 (2) of the Companies Act 2006.

(b) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

(signed)		Alex Rix (Chairman)
		Toby Manning (Finance Director)

Income and Expenditure Account

covering the 12 months from April 2019 until March 2020.

Income	Note	12 months 2019/20	12 months 2018/9
Dividends (from Alliance Trust/Interactive investor)		£ 4,074	£ 3,557
Interest (from Prospect)		£ 2,490	£ 2,902
Tax Refund		£ 61	
Total Operating Income		£ 6,625	£ 6,459
Expenditure			
Professional Services		£ 1,453	£ 733
T M Hall Library		£ 144	£ 2,000
Admin		£ 872	£ 1,104
Award	6	-	£ 4,332
Youth Support		£ 3,000	-
Event sponsorship		£ 2,100	-
London Go Centre		£ 5,000	£ 9,730
Bank Fees		£ 76	£ 66
Total Operating Expenses		£12,645	£17,965
Net Operating (Deficit)/Surplus		(£ 6,020)	(£11,506)
(Loss) Gain on Investment value- realised	4	£12,685	£ 4,514
Loss) Gain on Investment value- unrealised		(£54,655)	£19,208
Net (outgoing)/incoming resources for year		(£47,990)	£12,216

Balance Sheet as at 4 April 2020

	Apr 2020	Apr 2019		Apr 2020	Apr 2019
Opening Capital	£420,036	£407,820			
Surplus (Deficit) in year	(£47,990)	£ 12,216	Represented by	Nil	Nil
			Tangible Fixed Assets		
			Current Assets:		
			Prospect	£95,145	£101,104
			Alliance Trust/Interactive Investor	£275,335	£316,933
			Current A/c	£1,361	£2,127
			Deposit A/c	£ 205	£204
			Less liabilities		(£ 332)
Closing Capital	£372,046	£420,036		£372,046	£420,036

Notes to the Financial Statement

1. Basis of Preparation

These accounts are prepared on a “cash” basis. Financial investments are revalued (on a “mark to market” basis) as near as practicable to the end of the relevant accounting period. In this case the Investment in Prospect was revalued on 31 March 2020, the remaining investments on 4 April 2020.

2. Tax

Tax payments are accounted for when they are paid/received: no account is taken of future tax liabilities/refunds.

3. Going Concern

The Directors consider that the Foundation has adequate resources for the foreseeable future.

4. Realised (Capital) Gains

The Table below shows the realised gains (and losses) during the period under consideration.

Sale Date	Stock Sold	Buy date	Capital Gain
Stock held within the Prospect Portfolio			
21-Nov-19	TRIG	13-Nov-15	£1,854
26-Nov-19	Assura	24-Jan-19	£940
22-May-19	Jupiter Abs Return	25-Oct-16	-£676
12-Mar-20	Alpha Real Capital	12-Aug-15	£1,399
Shares held within Alliance Trust, then Interactive Investor			
10-Jun-19	Scottish Mortgage	27-Jan-15	£ 3,215
10-Jun-19	Witan	30-Oct-15	£ 6,630
Total			£ 12,685

The Foundation is eligible for indexation relief on these capital gains.

5. Director's Fees

None of the Directors received any remuneration during the period of time to which these accounts apply, although bona fide expenses were covered.

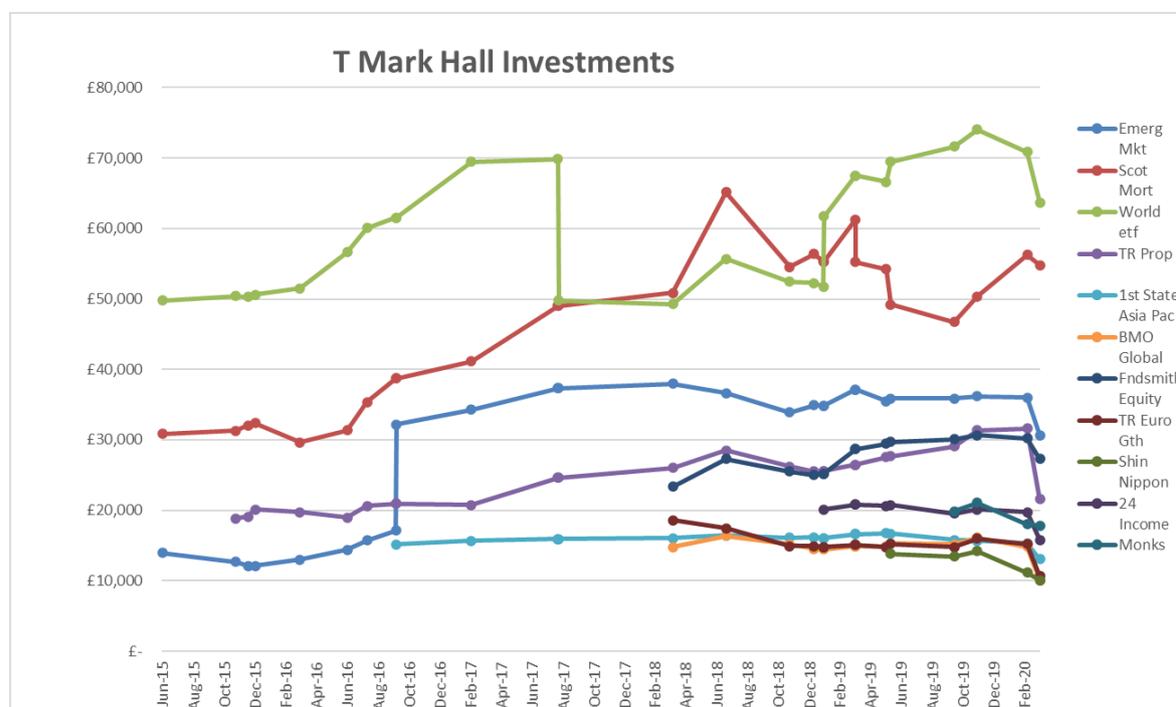
6. Restatement of 2018 Accounts

The item on “Award” for 2018 has been restated to reflect additional costs in preparing the Award.

7 Financial Assets.

The Foundation has an Investment Advisory Committee consisting of Toby Manning (Finance Director), Andrew Jones and Alex Rix to advise the Finance Director how the capital should be invested. Both Andrew and Alex have worked in the Finance Industry; both have served on the BGA Council. However, the decision and responsibility concerning how the funds should be invested lies solely with the Finance Director, although he is to inform the other Directors immediately if he takes any significant investment action without the agreement of the Investment Advisory Committee.

The Investment Advisory Committee met twice during the period covered by these accounts, and did not recommend any change to the investment principles established in 2015, namely that we should generally aim for investments with low charges, with the intention of holding them for an expected period of 2 – 5 years and that we were happy to have a reasonable level of risk. Details of the investment performance are given in the Table on Page 15, and are shown in the graph below. The vertical lines indicate where securities were bought or sold.



Equity Investments as at 4 April 2020.

Company or Fund	Ishares MSCI Emerging Markets	Scottish Mortgage Inv. Trust	iShares World UCITS ETF	TR Property Inv. Trust	Witan Inv. Trust	Monks Inv. Trust	First State Asia Pacific	F'dsmith Equity	TR Euro G'th	BMO Global Small Co	Twenty Four Income	Shin Nippon	Total
Date Purchased or Sold	May-15 Sep-16	Jan-15 Mar-19 Jun-19	Jan-15 Aug-17 Jan-19	Oct-15	Oct-15 Jun-19	Jun-19	Sep-16	Dec-16	Aug - 17	Aug - 17	Jan-19	Jun-19	
Initial Investment	£30,000	£ 24,000	£39,964	£20,000	£ 20,000		£15,000	£ 20,000	£20,000	£15,000	£20,000		
Valuation at April 2019	£ 37,319	£ 55,212	£ 67,086	£ 26,603	£ 26,905		£ 16,599	£ 28,095	£15,073	£ 14,956	£20,804		£316,933*
Additions or Sales in 2019/20		£ 5,002			£ 26,511	£ 19,900						£13,820	£ 2,207
Dividends paid during 2019/20	£ 689	£ 313	#	£ 929	£ 149	£ 41	#	£ 215	£387	£193	£ 1157		£ 4,074
Valuation at 4 April 2020	£ 30,636	£54,771	£ 63,668	£ 21,552	Nil	£ 17,798	£ 13,025	£ 27,273	£10,653	£10,083	£15,783	£ 10,093	£275,335**
%age Return during the year (annualised)	-16.5%	9.7%	-5.1%	-15.52%	%	-8.5%	-21.5%	-2.2%	-26.8%	-31.3%	-18.6%	-21.3%	

Dividends from these investments were reinvested.

* The Total of £316,933 includes some investments which were sold during the year

** The Total of £275,335 includes £480 held as cash within the Interactive Investor Account

8. Professional Services

These cover the Accountant's Fees (because of a change in year-end, this covered 2 sets of accounts) plus the filing fee to Companies House.

Further details of the amount spent on "Administration" (£872) are as follows:-

Travel:	£ 518
Subsistence (meals):	£ 259
Accommodation:	£ 95

Instead of hiring a meeting room, it is normal practice for meetings to take place over a meal. Subsistence covered 3 meetings attended by 9 people in total (£29/head).