

# T Mark Hall Foundation

*Investing in the future of British Go*

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## A LONDON MIND SPORTS CENTRE?

### Introduction and History

T Mark Hall died in 2013. and left the majority of his estate, worth around £350,000 to the T Mark Hall Foundation, with the wish that it be used to establish a London Go Centre. Good investment performance means that the Foundation currently has assets of around £450,000.

The Foundation undertook research in 2015/2016. We established that a Go Centre was impracticable, but that a MindSports Centre might be. We contacted the Bridge and Chess organisations; Bridge was not interested and chess showed initial enthusiasm, but this seem to tail off. The feasibility study was completed in 2017, but the untimely death of Roger Huyshe and the waning of enthusiasm from the Chess community meant that work stopped.

Meanwhile, Gerry Gavigan negotiated an agreement with the Young Chelsea Bridge Club to sublet part of their premises for the establishment of the London Go Centre.

### Development of a Mind Sports Centre

In 2019 David Parry, on behalf of the Young Chelsea Bridge Club, put together a proposal to purchase the YCBC premises in Shepherd's Bush for an estimated £800,000. The TMHF was asked for its support, and we agreed in principal to put £250,000 towards the purchase.

Developments were slow – the building owners were unresponsive – and meanwhile an alternative option came onto the market. This was an old Salvation Army Building. It is now proposed that it is purchased, and turned into a Mind Sports Centre.

### The Salvation Army Building

The building is in Ravenscourt Park, adjacent to the tube station (this is the first station west of Hammersmith on the District Line). The area is considered by the bridge community to be preferable to Shepherd's Bush as being "more salubrious".

The proposal is to purchase the building as freehold (guide price £1.95M), and spend another £1M on refurbishment. This will produce a 3-story building, of which:-

- 2 storeys will be let to the "London Mind Sports Centre" at a subsidised rent, with a total playing area about 30% larger than at the existing YCBC premises
- 1 storey will be let (as offices) at a commercial rent

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The London Mind Sports Centre will support Bridge, Chess and Go (all three organisations have expressed an interest), and possibly other Mind Sports or similar (Backgammon, etc.). It would hope to host the Mind Sports Olympiad, for example.

## Finances

At the moment the YCBC pays £45,000/annum rent to its landlord. It is also responsible for building maintenance, etc. as well as business rates, heating, lighting etc.

Under the current proposal:-

- The TMHF will invest £400,000 towards the purchase and refurbishment of the building, and will receive approximately 13% of the equity (£400k/£3,000k) in a new company ("NewCo") which will be a Limited Company, with a single asset (the building), and receive rent from the tenants (the commercial tenant and the Mind Sports Centre). Current estimates are that MSC Ltd. will pay £40,000/annum and the Commercial Tenant £80,000/annum. This will result in a yield of 3% (after expenses but before tax), i.e. £12,000/annum to TMHF.
- Bridge, Chess and Go will each be invited to nominate a Director.
- MSC Ltd will be a charity (or similar) with tax benefits (e.g. reduction in business rates.) The TMHF will continue to provide revenue support to the LGC. This will probably swallow up most of the £12,000 annual yield.
- The LGC will be part of the Mind Sports Centre. It may be a shareholder in MSC or it may be a tenant (to be discussed).
- Maintenance will be the responsibility of the tenants.
- There will be a 5-year break clause after which TMHF can seek to sell its investment to others if it wishes (absent a general sale of the building, this may be difficult).

The TMHF currently has assets of around £450,000, so this would leave around £50,000. This would be use to continue to fund the LGC, and other miscellaneous works to support British Go.

## Current Position

The TMHF is contributing a 1/3rd. share of £10,000 to fund incidental costs, chiefly legal costs, towards making an offer for the Building and ancillary issues (e.g. setting up "NewCo").

The TMHF has agreed in principle, subject to Member agreement, to invest £400,000 towards purchase of the Building.

David Parry has currently received pledges of £1.9M (including the TMHF contribution) towards funding NewCo. This is sufficient for the purchase, but not for the refurbishment. He is seeking additional pledges.

Offers to purchase need to be made very quickly (the Agents state "end of July", but this is considered to be flexible).

## Risks

We are relying heavily on the expertise of David Parry, a member of the YCBC. David has professional experience in this area (and is clearly trusted by the Bridge community) but we

have done no due diligence on him. Nor have we obtained independent advice on the estimated costs, nor commercial rental yield.

The investment in the building, while secure (as it is an investment in bricks and mortar) will be illiquid and difficult to sell (and any sale may be at a discount to its actual value).

### Next Steps

If the Offer is accepted, then we will be calling an Extraordinary General Meeting of Members to seek approval of the proposed strategy. This is likely to be held on-line.

### How you can help

If any Member has any professional expertise that could be helpful, please contact us ([board@tmhallfoundation.org.uk](mailto:board@tmhallfoundation.org.uk)). If any Members are interested in investing personally in the project they can also contact us for more information, **but it must be stressed that this is not an invitation to invest.**

This Statement has been approved by the Directors on 28 July 2020.