

**SOCIETY OF OLD FRAMLINGHAMIANS**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31st DECEMBER 2018**

*Incorporating*

The Life Membership Fund  
The Moreau Bequest Fund  
The Endowment Fund

# **SOCIETY OF OLD FRAMLINGHAMIANS**

## **Report and Financial Statements For the year ended 31st December 2018**

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# **SOCIETY OF OLD FRAMLINGHAMIANS**

## **Report and Financial Statements For the year ended 31st December 2018**

### **Legal and Administrative Information**

#### **TRUSTEES**

	<i>Retirement Date</i> <i>31st March</i>
C R Essex	2021 (Third Term)
J N Ellerby	2019 (Second Term)
M D Smy	2022 (Second Term)
P C Howard-Dobson	2021 (First Term)

#### **THE HONORARY TREASURER**

J Binder

#### **ADMINISTRATIVE OFFICES**

Trustees:	12 Woodditton Road Newmarket Suffolk CB8 9BQ	The Hon. Treasurer:	Feoffee Farm Stonham Aspal Stowmarket Suffolk IP14 6AX
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#### **BANKERS**

HSBC Bank plc  
12 Tavern Street  
Ipswich  
Suffolk  
IP1 3AZ

#### **INVESTMENT ADVISERS**

Investec Wealth Management Limited  
30 Gresham Street  
London  
EC2V 7QN

#### **INDEPENDENT EXAMINERS**

Ensors Accountants LLP  
Cardinal House  
46 St. Nicholas Street  
Ipswich  
Suffolk  
IP1 1TT

# **SOCIETY OF OLD FRAMLINGHAMIANS**

## **Report and Financial Statements For the year ended 31st December 2018**

### **Trustees' Report**

The Trustees have pleasure in presenting their report and financial statements for the year ended 31st December 2018.

#### **TRUSTEES**

The Trustees of the Society who served throughout the year are listed on page 2. The Trustees, who are appointed at the Annual General Meeting, become subject to retirement four years after their election, with provision for re-appointment by the remaining Trustees for a further four year term. After a Trustee has served two consecutive terms in office, (s)he shall be eligible for re-appointment only after a year has elapsed since (s)he retired as a Trustee, unless the other Trustees consider it would be in the best interests of the Society for a Trustee to be eligible for re-appointment on the retirement date for such number of further terms as the Trustees shall resolve. In 2018 Mr M D Smy who completed his first term in office was reappointed for a further four years.

#### **OBJECTS**

The objects of the Society are

- a) to promote the interests of Framlingham College and Framlingham College Prep School, formerly Brandeston Hall, in every possible way.
- b) to enable past members of Framlingham College to keep in touch with one another.
- c) to promote a bond of union between past and present members of Framlingham College to their mutual pleasure and advantage.

#### **PURPOSES OF FUNDS**

1) Life Membership Fund

*This was the primary fund for meeting the administration expenses of the Society, but following the introduction of the new financial arrangement with the College, its income will be used to support the Society's benevolent funds in particular and to augment the income of other funds.*

2) Endowment and Moreau Bequest Funds

*These funds are used to provide income for specific projects of the Society or augmenting the income of other funds.*

# **SOCIETY OF OLD FRAMLINGHAMIANS**

## **Report and Financial Statements**

**For the year ended 31st December 2018**

### **Trustees' Report - continued**

#### **REVIEW OF THE YEAR**

At the January meeting of the Trustees with the Society's Investment manager, we were informed that, as a result of the Markets in Financial Instruments Directive (MiFID) as revised by MiFID II, Investec would no longer be able to provide advisory management to the Society. The administrative burden of complying with the new regulations was too onerous. The alternative was to move to discretionary management whereby Investec would become responsible for the choice of the investments in the Society's portfolio, subject to a revised investment policy and benchmarks. It was this route that the Trustees chose.

Under the revised investment policy, the Trustees seek a balanced return over a 10 year+ period between income and growth, based on Investec's Medium Risk approach. The change in emphasis away from income to one encompassing growth allowed Investec to select an alternative range of investments and this was implemented by the end of June 2018. The change permitted the Trustees to realize a substantial amount of the accrued capital gains, which in turn enabled them to increase their donations to the SOF charity and thereby reduce any tax liability. A more detailed review of investments is given below.

#### **Accounts**

With regard to the General Account, mention should be made about the cost of merchandise shown. This was incurred in respect of the scarves and lapel badges commissioned primarily to augment the range of gifts for presentation to Honorary OFs although they will also be available to all OFs to purchase. In view of this it was felt appropriate to write the cost off in the year incurred.

The Trustees Income account shows that our investment income declined slightly this year mainly as a result of the change in the underlying investments with the emphasis moving from pure income to income and growth. Interest received increased moderately following Investec decision to resume paying interest on cash held.

The money paid to the General account was primarily to cover the Society's gift to Paul Taylor and the presentational gifts for Honorary OFs. The increase in donations to the SOF charity has been mentioned above; the other award of £250 was made to support the dedication of a memorial stone to Gordon Flowerdew on the centenary of his death. The increase in management fees reflects the higher number of investment transactions in the year.

Finally, because of the significant donations made in the year, which depleted the income account, it was necessary to transfer money back from expendable capital. Furthermore, as the Endowment fund had received a £50,000 input in the form of a loan repayment, the Trustees decided to use £37,731 of it to replenish the Life Membership and Moreau Bequest funds which had borne the major burden of the additional donations made.

The Balance Sheet remains in a healthy state, albeit the value of investments reflects the slide in the market in the latter part of the year.

# **SOCIETY OF OLD FRAMLINGHAMIANS**

## **Report and Financial Statements**

**For the year ended 31st December 2018**

### **Trustees' Report - continued**

#### **REVIEW OF THE YEAR – continued**

##### **Investments**

The portfolios are managed with a 'balanced' return investment objective that aims to generate both income and capital growth. This does not mean that each individual investment within the portfolios should be expected to generate both forms of return but rather that, at a portfolio level, the aim is to generate a balance between these two sources of return.

Certain asset classes such as fixed interest securities would typically be expected to provide the majority of their return as income. Others would be aiming simply to grow in value over time. Moreover, the mixture of assets that are held within the portfolios is designed to diversify returns but, in a low interest rate environment, fixed interest investments are not expected to be as useful in protecting portfolios against economic and market shocks as they have been historically. Alternative assets have been identified as an asset class that could help to address this given their reduced correlation with equity markets. The main classes of alternative assets that the portfolios have exposure to are hedge funds, structured products funds and infrastructure and renewable energy assets. Hedge funds and structured product funds typically do not generate any income because of the nature of their underlying assets.

As mentioned earlier, a revised Investment Policy Statement was agreed and effective from 11 June 2018 and by the end of June 2018 the portfolio had been reconfigured to comply. Since that time the portfolio has delivered a total return above benchmark.

##### **Grants and Awards**

The Society continues to provide support to the charity for the following:

- 15 prizes paying £50 at Year 11
- 15 prizes paying £100 at Year 13, followed by £100 in the following 2 years and a final payment of £150 3 years after leaving
- 2 Albert awards paying £100 in Year 13 followed by £150 in the following 2 years and a final payment of £200 3 years after leaving

Where the award consists of more than one payment, the subsequent instalments are contingent upon the recipients demonstrating a continuing commitment to the Society after leaving the College. At the end of 2018, to mark third anniversary of the first awarding of these prizes in 2015, the trustees were undertaking a review of their effectiveness.

These awards are in addition to those given for 2 Moreau Leaving Scholarships of £1,000 payable for three years.

# **SOCIETY OF OLD FRAMLINGHAMIANS**

## **Report and Financial Statements For the year ended 31st December 2018**

### **Trustees' Report - continued**

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Society and the results for the period. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Society.

The Trustees acknowledge their responsibility to take due care of the funds under their stewardship. They have established in conjunction with their Investment Advisers a broad strategy for keeping the balance between capital growth and income.

#### **THE HONORARY TREASURER TO THE SOCIETY**

The Honorary Treasurer is responsible for the administration of the Society's General Account only.

Approved by the Trustees and signed on their behalf

C.R. Essex  
Trustee  
6 April 2019

# SOCIETY OF OLD FRAMLINGHAMIANS

## Report and Financial Statements

### Income and Expenditure Account

For the year ended 31st December 2018

### Society's General Account

	Notes	2018	2017
		£	£
<b>INCOME</b>			
Grant from College	2	10,589	11,740
Grant from Trustees	2	2,282	1,355
Sundry sales		120	49
		<u>12,991</u>	<u>13,144</u>
<b>EXPENDITURE</b>			
Honorariums	300		300
Hon. Secretary's expenses	-		-
Hon. Treasurer's expenses	250		203
Website	362		105
Digitalisation of OF records	62		148
Design consultancy	250		522
Legal fees	-		780
Presentation to College Headmaster	895		-
Presentation to OF Centenarian	-		300
OF Merchandise	1,257		-
Sundry expenses	137	3,513	127
Disbursements on OF Activities			
Young OFs	1,719		1,991
Team expenses	4,483		5,736
County Suppers and Annual Dinner	3,276	9,478	2,932
		<u>12,991</u>	<u>13,144</u>
<b>SURPLUS/(DEFICIT) for the year</b>		<u>-</u>	<u>-</u>
<b>REPRESENTED BY:</b>			
Cash at Bank		4	600
Due from the College		31	-
Due from Trustees		250	-
Creditors		(285)	(600)
		<u>-</u>	<u>-</u>



# SOCIETY OF OLD FRAMLINGHAMIANS

## Report and Financial Statements

### Income and Expenditure Account

For the year ended 31st December 2018

#### Trustees' Income Account

	Life Membership	Moreau Bequest	Endowment	2018 TOTAL	2017 TOTAL
	£	£	£	£	£
<b>INCOME</b>					
AIF Distributions	11,374	10,112	5,386	26,872	28,037
Interest	20	17	11	48	9
Rent	-	320	-	320	320
Legacies & Other Gifts	-	-	100	100	573
Merchandise	-	-	-	-	130
Tax refund	24	21	11	56	407
Transfer from General Account	-	-	-	-	-
	<u>11,418</u>	<u>10,470</u>	<u>5,508</u>	<u>27,396</u>	<u>29,476</u>
<b>EXPENDITURE</b>					
Transfers to General Account	-	1,025	1,257	2,282	1,355
Donations to SOF Charitable Funds	29,186	21,577	10,534	61,297	12,875
Accumulation unit income reinvested	85	76	40	201	-
Grants & Awards	-	-	250	250	-
Investment Manager's Fees	4,322	3,843	2,049	10,214	8,426
	<u>33,593</u>	<u>26,521</u>	<u>14,130</u>	<u>74,244</u>	<u>22,656</u>
<b>SURPLUS/(DEFICIT)</b>	(22,175)	(16,051)	(8,622)	(46,848)	6,820
Transfers from/(to) Capital	-	-	39,600	39,600	(185,010)
Inter-fund Transfers	22,699	15,032	(37,731)	-	-
Balances as at 1 <sup>st</sup> January 2018	<u>11,518</u>	<u>30,829</u>	<u>6,788</u>	<u>49,135</u>	<u>227,325</u>
Balances as at 31 <sup>st</sup> December 2018	<u>12,042</u>	<u>29,810</u>	<u>35</u>	<u>41,887</u>	<u>49,135</u>

# SOCIETY OF OLD FRAMLINGHAMIANS

## Report and Financial Statements For the year ended 31st December 2018

### Balance Sheet

	Notes	2018	2017
		£	£
<b><u>ASSETS</u></b>			
<b>INVESTMENTS</b>			
Trust Investments at valuation	<b>3</b>	1,059,794	1,128,701
<b>LONG TERM DEBTOR</b>			
Loan to SOF Charitable Trust	<b>4</b>	313,740	363,740
<b>CURRENT ASSETS</b>			
Due from College		31	-
Cash at Bank	<b>5</b>	29,493	26,687
		<u>29,524</u>	<u>26,687</u>
<b>CURRENT LIABILITIES</b>			
Taxation		-	-
Other Creditors		285	600
Due to General Account		-	-
	<b>6</b>	<u>285</u>	<u>600</u>
NET CURRENT ASSETS		29,239	26,087
		<u>1,402,773</u>	<u>1,518,528</u>
<b>REPRESENTED BY:</b>			
<b><u>CAPITAL</u></b>			
TRUST CAPITAL ACCOUNTS	<b>7</b>	1,360,886	1,469,393
TRUST INCOME ACCOUNTS	<b>Page 8</b>	41,887	49,135
SOCIETY'S GENERAL ACCOUNT	<b>Page 7</b>	-	-
		<u>1,402,773</u>	<u>1,518,528</u>

The Financial Statements were approved on the 6 April 2019 and signed on behalf of the Trustees by:-

C.R. Essex

# SOCIETY OF OLD FRAMLINGHAMIANS

## Report and Financial Statements

For the year ended 31st December 2018

### Trustees' Cash Flow Statement

	Notes	£	2018 £	£	2017 £
<b><u>SOURCES</u></b>					
Surplus/(Deficit) for the year			(46,848)		6,820
<i>Less adjustment for items not involving the movement of funds</i>					
Interest added to capital			-		-
Provisions written back			-		-
<i>Less items accountable under other headings</i>					
Transfer from General Account			-		-
<b>TOTAL GENERATED/(ABSORBED) BY OPERATING ACTIVITIES</b>			<b>(46,848)</b>		<b>6,820</b>
<b>FUNDS FROM OTHER SOURCES</b>					
Repayment of SOF Charitable Trust Loan		50,000		-	
Repayment from Investec		-		-	
Repayment from Capital		-		-	
Repayment from General Account		-		-	
			<b>50,000</b>		<b>-</b>
<b><u>APPLICATION</u></b>					
<b>INVESTING ACTIVITIES</b>					
Purchase of AIF units		-		(185,010)	
Purchase of other investments		-		-	
Loan to SOF Charitable Trust		-		-	
					<b>(185,010)</b>
<b>TAXATION</b>					
Corporation Tax paid			-		-
<b>CHANGES IN NET CURRENT ASSETS</b>					
Decrease/(Increase) in debtors		(31)		-	
(Decrease)/Increase in creditors		(315)		600	
			<b>(346)</b>		<b>600</b>
<b>NET SURPLUS/(DEFICIT) for the year</b>			<b>2,806</b>		<b>(177,590)</b>

Represented by:-

<b><u>NET MOVEMENT IN CASH FUNDS</u></b>	2018 £	2017 £	Change £
Deposit account	29,489	26,087	3,402
Current account	4	600	(596)
	<b>29,493</b>	<b>26,687</b>	<b>2,806</b>

# **SOCIETY OF OLD FRAMLINGHAMIANS**

## **Notes to the Financial Statements**

**For the year ended 31st December 2018**

### **1 ACCOUNTING POLICIES**

#### **Basis of accounting**

The accounts of the Society comprises the Society's General Account and the Society's Trust Accounts. The accounts have been prepared under the historical cost basis of accounting, as modified by the inclusion of quoted investments at market value.

#### **Recognition of Income**

Under the agreement signed with the College in 2013 a grant is received from the College to cover specific types of anticipated expenditure. Any unspent grant is returned to the College prior to the year end and an amount included in the budget for the following year if appropriate.

Investment income is recognised on a receivable basis.

Legacies and donations are recognised on the earlier of the receipts of proceeds or upon notification of imminent despatch.

Capital gains realised are treated as capital movements.

#### **Valuation of Investments.**

Investments, excluding land, are stated in the Balance Sheet at market value. The land disclosed in Note 3 to these financial statements and which is located at Dennington Road, Framlingham, is let to the College. It has an original cost of £4,025, and has not been formally valued at 31st December 2018 as the Trustees believe the professional costs involved are unnecessary as it is not their intention to either sell or change the usage thereof.

#### **Pooling of Investments.**

The Trustees have pooled the investments of the individual funds into a single investment fund in order to obtain efficiencies in the management of the investments and to allow equal access to a wider range of investments.

#### **Merchandise**

The Society purchased a number of scarves and lapel badges with the primary intention of presenting them to Honorary OFs. The cost of these items has therefore been written off in the year of purchase.

#### **Taxation**

The Society is subject to Corporation Tax on certain income received and on chargeable gains on sales of investments during the year. The Society is not registered for VAT.

### **2 GENERAL ACCOUNT**

Under the new financial arrangement with the College almost all the operational costs are met by the grant received from the College. However, where expenditure is incurred, which is not within the terms of the grant, the Trustees have transferred funds to the General account to cover it.

The Society continued to bear the costs of its guests' meals at the Annual Dinner and at various County Suppers.

# SOCIETY OF OLD FRAMLINGHAMIANS

## Notes to the Financial Statements For the year ended 31st December 2018

### 3 TRUST INVESTMENTS – at market valuation unless otherwise stated

	Opening	Additions	Disposals	Transfers	Change in Valuation	Closing 2018	Closing 2017
	£	£	£	£	£	£	£
<b>AMALGAMATED INVESTMENT FUND</b>							
Quoted investments at market value	1,096,179	772,962	(787,939)	-	(75,891)	1,005,311	1,096,179
Cash awaiting investment						50,459	28,498
						1,055,770	1,124,677
<b>LAND</b>							
Pennyfarthings - at cost						4,024	4,024
<b>CASH ON TERM DEPOSIT</b>							
						-	-
<b>TOTAL INVESTMENTS</b>						<u>1,059,794</u>	<u>1,128,701</u>

Allocation:-

	AIF	Loan	Land	Total 2018	2017
	£	£	£	£	£
Life Membership	415,286	-	-	415,286	444,454
Moreau Bequest	414,679	-	4,024	418,703	444,631
Endowment	225,805	313,740	-	539,545	603,356
	<u>1,055,770</u>	<u>313,740</u>	<u>4,024</u>	<u>1,373,534</u>	<u>1,492,441</u>

### AMALGAMATED INVESTMENT FUND – UNIT SUMMARY

	Opening No.	Additions No.	Cost £	Disposals No.	Transfers No.	Closing No.
Life Membership	41,341	-	-	-	-	41,341
Moreau Bequest	36,750	-	-	-	-	36,750
Endowment	19,576	-	-	-	-	19,576
	<u>97,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,667</u>

# SOCIETY OF OLD FRAMLINGHAMIANS

## Notes to the Financial Statements

For the year ended 31st December 2018

### 3 TRUST INVESTMENTS - continued

The asset allocation at value within the Amalgamated Investment Fund was:

	<b>2018</b>	<b>2017</b>
	%	%
UK Fixed Interest	19.0	16.9
UK Equities	27.7	37.2
Foreign Fixed Interest	2.1	4.2
Foreign Equities	29.3	28.1
Property	4.7	2.6
Alternative Assets	12.4	8.5
Cash	4.8	2.5
	<u>100.0</u>	<u>100.0</u>

The ten largest holdings by value are:

	2018		2017	
	£	%	£	%
Vanguard FTSE 100 Ucits	63,032	6.3	71,377	6.5
Liontrust Special Situations	60,442	6.0	-	-
Allianz UK Gilt Yield I Income	57,084	5.7	75,861	6.9
Man GLG Undervalued Assets Fund	55,431	5.5	-	-
Jupiter UK Special Situations	51,387	5.1	-	-
Invesco Perpetual Corporate Bond Fund	44,106	4.4	-	-
Polar Capital Fund North American	39,911	4.0	-	-
Royal London Sterling Credit Fund	38,541	3.8	-	-
Vanguard S&P 500 Ucits	36,835	3.7	-	-
HICL Infrastructure	36,056	3.6	-	-
Artemis Fund Income	-	-	71,620	6.5
BNY Mellon Newton Global Higher Income	-	-	62,828	5.7
Lazard Fund Managers Global Equity Income	-	-	62,111	5.7
Bankers Investment Trust	-	-	60,094	5.5
Threadneedle Investment UK Equity Funds	-	-	56,098	5.1
Murray Income Trust	-	-	46,226	4.2
M&G Securities Global Dividend	-	-	39,306	3.6
The Scottish Mortgage & Trust Plc	-	-	39,063	3.6

Amongst the holdings purchased following the move to discretionary management are three (2017 nil) which produce no income. Their total value is £71,758 which represents 7.1% of the portfolio.

# SOCIETY OF OLD FRAMLINGHAMIANS

## Notes to the Financial Statements

For the year ended 31st December 2018

### 4 LONG TERM DEBTOR

	2018	2017
25 Year, Interest Free, Unsecured Loan to SOFCT	<u>313,740</u>	<u>363,740</u>

#### Loan to SOF Charitable Trust

In order to promote the profile of the SOF Charitable Trust, it was agreed that the money received under the Fowler bequest be given to the College by the charity. To enable it to do this an initial loan facility of £500,000 was negotiated, but in the event only £363,740 was required. The loan is for 25 years, unsecured and interest free. The loan period may be extended by mutual agreement and although a schedule of repayments was attached to the agreement this was an expression of intent and not a condition.

A repayment of £50,000 was received during the year.

### 5 CASH BALANCES

	Current	Deposit	2018 Total	2017 Total
<b>Trust Funds</b>				
Life Membership	-	11,996	11,996	11,472
Moreau Bequest	-	10,060	10,060	10,829
Endowment	-	7,433	7,433	3,786
	<u>-</u>	<u>29,489</u>	<u>29,489</u>	<u>26,087</u>
<b>General Account</b>	<u>4</u>	<u>-</u>	<u>4</u>	<u>600</u>
<b>TOTAL of all funds</b>	<u>4</u>	<u>29,489</u>	<u>29,493</u>	<u>26,687</u>

### 6 CURRENT LIABILITIES

	2018	2017
Taxation	-	-
Other Creditors	285	600
Due to General Account	<u>-</u>	<u>-</u>
	<u>285</u>	<u>600</u>

# SOCIETY OF OLD FRAMLINGHAMIANS

## Notes to the Financial Statements For the year ended 31st December 2018

### 7 CAPITAL ACCOUNT MOVEMENTS

	Life Membership	Moreau Bequest	Endowment	2018 TOTAL	2017 TOTAL
<b>INCREASES</b>					
Net Gain on sale of Investments	36,524	32,468	17,295	86,287	6,930
Accumulation unit income reinvested	85	76	40	201	-
Transfer from income	-	-	-	-	185,010
Movement in asset valuation	-	-	-	-	52,676
	<u>36,609</u>	<u>32,544</u>	<u>17,335</u>	<u>86,488</u>	<u>244,616</u>
<b>REDUCTIONS</b>					
Net Loss on sale of Investments	-	-	-	-	-
Movement in asset valuation	(65,776)	(58,472)	(31,147)	(155,395)	-
Transfer to income	-	-	(39,600)	(39,600)	-
	<u>(65,776)</u>	<u>(58,472)</u>	<u>(31,147)</u>	<u>(194,995)</u>	<u>-</u>
<b>NET MOVEMENT</b>	(29,167)	(25,928)	(53,412)	(108,507)	244,616
Balances as at 1 <sup>st</sup> January 2018	<u>444,407</u>	<u>424,632</u>	<u>600,354</u>	<u>1,469,393</u>	<u>1,224,777</u>
Balances as at 31 <sup>st</sup> December 2018	<u>415,240</u>	<u>398,704</u>	<u>546,942</u>	<u>1,360,886</u>	<u>1,469,393</u>
<i>Represented by:</i>					
Capital	432,975	414,469	555,340	1,402,784	1,355,895
Revaluation Reserve	(17,735)	(15,765)	(8,398)	(41,898)	113,498
	<u>415,240</u>	<u>398,704</u>	<u>546,942</u>	<u>1,360,886</u>	<u>1,469,393</u>



# **SOCIETY OF OLD FRAMLINGHAMIANS**

## **Notes to the Financial Statements**

**For the year ended 31st December 2018**

### **8 FUTURE COMMITMENTS**

#### **INDEMNITY**

Following receipt of the Fowler bequest extensive inquiries were carried out by the Trustees as part of the due diligence process. They were assisted in this by OF Mr. N. Jacob through his company, Gowling WLG (UK) LLP, who contacted the Anstalt lawyer, and Mr P. Howard-Dobson, who contacted members of Derek Fowler's family. The principal concern was whether there was any exposure to a claim from the US tax authorities arising from a retained US citizenship by the bequeather. All evidence obtained indicated there was no liability. However, in view of the Trustees' personal liability, the Society was asked for an indemnity and on the 22<sup>nd</sup> October 2016 this was granted by Council to the extent of the Endowment and Life Membership funds.

#### **MOREAU SCHOLARSHIPS AND OF PRIZES**

Following the creation of the SOF Charitable Trust, it was agreed the charity should take over responsibility for the award of the Moreau Scholarships to which, in 2015, was added responsibility for the OF Prizes. Both the scholarships and prizes involve an ongoing commitment; the former for two years and the latter three years. The combined commitments are £10,650 in 2018, £6,450 in 2019 and £2,650 in 2020. As the charity is relatively new, it has yet to build up its reserves and as at the 31st December 2018 would not be able to meet the total cost without the support of the Society amounting to £12,200 (2017 £10,178).

### **9 RELATED PARTY TRANSACTIONS**

The Society in 2016 made a loan to the Society of Old Framlinghamians Charitable Trust, which has trustees in common. Please see Note 4 which details this.

During the year the Society received a grant of £10,589 (2017: £11,740) from Framlingham College, which has Mr J Ellerby and Mr P Howard-Dobson as governors who are also trustees of the Society.

### **10 POST BALANCE SHEET EVENTS**

None

**REPORT OF THE ACCOUNTANT  
TO THE TRUSTEES OF  
THE SOCIETY OF OLD FRAMLINGHAMIAN  
ON THE PREPARATION OF THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st DECEMBER 2018**

In order to assist you to fulfil your duties under the Rules of the Society of Old Framlinghamians, we have examined for your approval the financial statements of the Society of Old Framlinghamians for the year ended 31 December 2018 set out on pages 7 to 16 from the society's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at [icaew.com/membershandbook](http://icaew.com/membershandbook)

This report is made solely to the Board of Trustees of the Society of Old Framlinghamians, as a body, in accordance with the terms of our engagement letter dated 8th April 2015. Our work has been undertaken solely to examine for your approval the financial statements of the Society of Old Framlinghamians and state those matters that we have agreed to state to the Board of Trustees of the Society of Old Framlinghamians, as a body, in this report in accordance with AAF 3/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society of Old Framlinghamians and its Board of Trustees as a body, for our work or for this report.

It is your duty to ensure that The Society of Old Framlinghamians has kept adequate accounting records and to prepare financial statements that give a true and fair view of the assets, liabilities, financial position and surplus of the Society of Old Framlinghamians. You consider that The Society of Old Framlinghamians is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Society of Old Framlinghamians. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

In the course of our work, no matter has come to our attention:

- (1) which gives us reasonable cause to believe that, in any material respect, the Trustees have not met the requirements to ensure that :
  - proper accounting records are kept;
  - accounts are prepared which agree with the accounting records; or
- (2) which should be included in order to enable a proper understanding of the accounts to be reached.

ENSORS Accountants LLP

46 St. Nicholas Street,  
Ipswich,  
Suffolk,  
IP1 1TT.