



THE WORSHIPFUL COMPANY OF MANAGEMENT CONSULTANTS CHARITABLE FUND

Introduction

Welcome to this, the latest edition of a brief history of the Company's Charitable Fund, written and curated by PM Alan Broomhead who has sought the help of several colleagues to make the history more complete. This edition was stimulated in response to a recent survey of the members of the Company who made it clear that, for many of them, the history and purpose of the fund was far from clear. We hope that this edition helps to address that concern and that we have provided a good basis for future updates as time moves forward.

The history has been grouped into several sections which aim to provide in as brief a treatment as possible a summary of the original purpose and development of the fund, key steps in its evolution and a summary of its current strategy and capabilities. Appendices capture the annual details of the trustees, the income and expense, the size of the fund and the grants made each year. We hope you find this is a useful document. If you have any suggestions on how it may be improved or corrected please get in touch.

David Peregrine-Jones
Chairman 2016-2021

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Development

The Charitable Fund was constituted under a Trust Deed dated 1st October 1996 and became registered charity number 1059212. It was established to fulfill a Corporation of London requirement that livery companies must have a charitable fund. Since then, it has evolved in four phases: -

1. building up the funds to the minimum required by the Corporation (£300,000)
2. making grants to discharge the charitable objectives which became possible in 2004 after livery was achieved.
3. deciding to double the fund to £600,000 following an initiative by PM Hugh Morris in 2006
4. reconstituting the governance and direction of the Fund in 2016.

Governance

When the Fund was established, the trustees were the Master and the Wardens for the time being, and as such responsible for the investment of the funds and the distribution of charitable donations. In 2016 the Company decided that the annual rotation of trustees was causing a lack of focus and the Fund's interests would be best served by appointing a chairman, who would have continuity in office, along with separate trustees. The trustees now meet quarterly, and the minutes of these meetings are shared with the Court. The Clerk and the Treasurer fulfilled the same roles for the Fund until Richard Swift stood down as Treasurer and was replaced by PM Denise Fellows. Trustees are listed in Appendix A.

Management of the Fund

All charities exist to raise funds and then distribute them in accordance with their objectives. This document describes the range of fund-raising activities and the principal beneficiaries. The former includes: -

- Annual individual voluntary contributions
- Solicitations to high-net-worth members (Appeals)
- Occasional corporate donations
- Applications to other charities
- Sponsored activity aimed at gaining income for the Fund
- Social events (galas, celebration dinners, wine tasting, trips)
- Legacies
- Gift Aid
- Investment income

Targets

The challenge for the first trustees was to raise the money to meet the Corporation target, which doubled from £150,000 when the Guild was established to £300,000 in revised guidelines set by the Corporation in 2002. Assets stood at £217,930 in October 2002 and an amazing £120,550 was added in the next year so the total in October 2003 was £337,940. £84,569 of this amount was fund raising to develop the Centre for Charity Effectiveness. In 2006 PM Hugh Morris proposed a target of £600,000 for invested funds and £50,000 for a working fund.

Individual Contributions

It is not common practice for Livery companies to solicit regular contributions from their members as the old established companies have substantial invested funds and use the return on them to finance their charitable activities. Even some modern companies had existing benevolent funds transferred to their care. The Guild was bereft of such assets, so all members were asked to make an annual donation of £100. The suggested amount was raised to £200 in 2007. These contributions are the mainstay of the Fund's income, particularly so since 2012. Because they are voluntary not every member subscribes. An analysis in 2013 showed that of 163 paying company members 17 did not subscribe, 17 paid less than £200, 128 paid £200 and one paid more. Nevertheless, the financial record shows that contributions amounted to £610,857 since 2003.

Appeals

Two sustained campaigns to raise money from high-net-worth members were initiated by Founder Master David Miller. They proved effective in supplementing the annual contributions to achieve the £300,000 target. Nothing similar has since been attempted.

Corporate Donations

It is not easy to establish how many corporate donations have been made but the Fund received £9,015 from ABC Consulting in 2016.

Applications to Other Charities

PM Patrick McHugh blazed the trail when he secured a grant of £70,000 from the Barclays Bank Charity towards the costs of establishing the Centre for Charity Effectiveness. This was placed in the restricted funds.

Sponsorship

As part of his determination to achieve the £300,000 threshold PM Patrick McHugh entered his yacht, Marian Maid, in the 2004 Three Peaks Race, having previously obtained sponsorship from Regent Pacific for £10,000.

Social Events

When Hugh Morris became master in 2006, he announced an objective of doubling the value of the Charitable Fund to £600,000. This was deemed a two-year project and enthusiastically supported by his successor, William Barnard. PM Morris convened a meeting of interested members in December 2006 and a schedule of possible initiatives was devised, which was refined into a programme of activities for 2007/8 was formulated. PM Alan Broomhead was asked to coordinate them which he did until 2014.

Balls and Galas

The inspiration for the galas was a discussion with the MCA and IMC about a major industry fund raising ball along the lines of the airline industry, a six-figure fund raiser. However, the slice required by the professional organisers seemed excessive. Undaunted the Company embarked on what became known as the Meridian Ball scheduled for 19th June 2004 at the Old Royal Naval College in Greenwich. It attracted sponsorship of £50,000 and massive support from the Sea Cadets, but was cancelled due to insufficient attendance. The Company learned that it was possible to run live and silent auctions and add a charity premium to the ticket price; knowledge which was applied to the Spring Galas.

Spring Galas

Several activities coalesced into what became the Spring Gala, so called because it replaced the Master's Dinner, held annually in April/May, to avoid overloading the social programme and to re-energise an event which was flagging. The first gala was held at HMS PRESIDENT on 10th April 2008. There was a full capacity attendance of 120 people and the sum of £30,834 was raised from the auctions, raffle and ticket surplus. The second gala was held at the Honourable Artillery Company on 7th May 2009 when 156 tickets were sold; another full capacity event. Proceeds from the same mix as before amounted to £22,000. The third gala was again held at HMS PRESIDENT on 15th April 2010 with an attendance of 110 and proceeds of £18,000. Only 27 members attended in 2009 and 22 in 2010. A fourth gala was held at the City of London Guildhall on 17th May 2012 and raised £28,810. In total the four galas raised £100,000.

Celebration Dinners

The Company decided that the effort of mounting the galas, though rewarding, was too much to sustain. So, it was agreed that some element of fund raising should continue at the summer events and these were named Celebration Dinners. The first of these was held on 9th May 2013 at the Honourable Artillery Company. The second was held at Plaisterers Hall on 17th June 2014. The Sea Cadets provided an honour guard, bugler and Master of Ceremonies for both dinners, and the National Youth Orchestra (NYO) played during the interval. The dinner price included a sum of £25 per ticket to support charitable causes and was divided between the Sea Cadets and the NYO. The 2013 dinner enabled the Sea Cadets to be given £3,000, which was used to finance the costs of the Lord Mayor's Parade. The Company's

25th Anniversary Dinner was also held at the Honourable Artillery Company on 5th July 2018 and included a fund-raising element.

Wine Events

PM Patrick McHugh, chair of the Wines Committee, inspired three wine events. The first two conformed to a format imitating Call My Bluff and the idea was very well received by those attending. In 2010, at the suggestion of PM William Barnard, the format was based on a French wine auction, known as La Paulee, and this proved a great success too. All three events were held at the Inns of Court & City Yeomanry Officers Mess in Chancery Lane. The first, on 22nd May 2008, attracted 60 people and raised £2,000. The second, on 19th February 2009, was a sellout with 72 attending, but only raised £720 as there was no wine auction. La Paulee, on 25th February 2010, attracted 66 people and raised £5,200.

Other Fund-Raising Events

None of the other initiatives have been sustained but they are worth noting for their inspiration. Liveryman Phil Swallow arranged visits to the ballet at the Royal Opera House in 2007 and 2008. The first was a great success generating £1200, but the second was not well supported, particularly due to last minute cancellations, and though profitable the attendance was too low to sustain the sponsor's goodwill. Perhaps the greatest disappointment was the train day on the Severn Valley Railway, also sponsored by Phil Swallow, when only two members and their wives took up his offer and he had to fill 12 places at short notice from other contacts. Master John Pulford was kind enough to donate tickets for Ex Cathedra concerts on two occasions and these resulted in contributions of £400 to the fund. A City Evening was a visit to the College of Arms and again resulted in a small surplus for the fund.

Legacies

The Company resolved to develop a legacy giving scheme in its early days. Because PM Alan Broomhead was a major fund raiser for his old college (Exeter College) he was asked to devise a scheme based on his experience, which he did in 2006. PM Edward Sankey was keen to support the Lord Mayor's Legacy initiative. As this coincided with new Inheritance Tax proposals, it prompted a campaign aimed at Past Masters and Court Members in 2013. The IHT rules were amended to enable up to 10% of a deceased's estate to be tax exempt if bequeathed to charities. Despite this, of 27 approached only 9 gave a positive reply but none took action. Six members have made bequests or expressed intent in a letter of wishes.

Unfortunately, the Company was not systematic in recording members intentions in what is always a difficult subject. So, a Legacies Officer role was proposed to give sustained direction to this activity, but this was not done and the initiative lost momentum.

Gift Aid

As a registered charity, the Company's Charitable Fund has been able to recover Gift Aid from HMRC on eligible donations. The amount recoverable is 25% of the donation made, provided that the donor has paid income tax or capital gains tax in the corresponding year and has provided a declaration to that effect. Procedures for the Charitable Fund to claim Gift Aid were put in place at an early stage and have resulted in aggregate Gift Aid received or receivable of c£45,000 in the last decade (July 2009 – June 2019). Claims for £5,402 (2017/18) and £5,500 (2018/19) are in progress.

Investment Income

As the fund grew the proceeds were invested to provide a return that could be distributed to beneficiaries. Several investment advisers have been appointed. Initially the trustees were advised by Sarasin Investment Management, then Hoare & Co and since 2012 by Cazenove. Invested funds now amount to £450,000. When PM Hugh Morris made his proposals in 2006, he suggested that that the invested sum should be built up to £600,000 in what would be an Endowment Fund and that £50,000 be kept in cash as a working fund to pay grants and expenses. Though not implemented as such these principles have been adopted.

Grants Policy

Prior to 2004 the fund made few grants as the objective was to build up the fund (total grants in 2002 were only £4,120). After livery status was granted the trustees adopted the following policy to govern the distribution of grants on 30th June 2004: -

- (i) for occasional donations the Master and Clerk, in their discretion, could agree to spend up to £250 per request without further reference, subject to an annual limit of £1000 and a requirement that the donations should have a link to the City or to the management consultancy profession; requests for larger sums which the Master and Clerk judged to be worthy of consideration would be referred to the Trustees for their approval.
- (ii) in the case of regular donations, which include the Lord Mayor's Appeal, the United Guilds Service, British Red Cross, St Botolph's Church, and the Poppy Appeal, the Master and Clerk be authorised to approve these payments without further reference to the Trustees.
- (iii) as a general policy the Trustees should make a large donation annually to support activities in which the grant would have a significant impact; in pursuit of this policy the main recipient should be the Centre for Charity Effectiveness for the next two years, and the Trustees had agreed to entertain an application for £25,000 to co-fund the post of Head of Consultancy. Subsequently they would be disposed to create an educational fund to support the work of the Education Committee.
- (iv) the Trustees should consider making available up to £5000 per annum to give awards for charity effectiveness to supplement the Company's goal to raise charity management standards and to maximise its own effectiveness.

The grants policy was modified to specify the following categories of beneficiaries:

- Charities associated with the City of London and/or the interests of the Members
- The Centre for Charity Effectiveness via the City Centre for Charity Effectiveness Trust
- Other academic and /or research organisations with which the Company may be deeply involved
- The Sea Cadets and specified units of HM Armed Forces with which the Company may be closely associated
- The provision of scholarships and bursaries designed to further the profession of management consulting
- The provision of scholarships and bursaries for the benefit of those working for charities with which the Company has a deep and lasting relationship.

Following a review in 2015/16, the trustees decided it was important that the Fund's very limited finances were deployed to maximise the possible long-term benefit. The objective is to increase the 'leverage' of the grants thus prioritising situations where something really worthwhile could be got off the ground and those where the immediate impact would grow over time. The trustees are keen to support charitable activities where members of the company were engaged. At the same time, there are a small number of valued, long-term relationships (e.g. the Sea Cadets) which the trustees will continue to foster.

Beneficiaries

The principal beneficiary is the City Centre for Charity Effectiveness Trust Ltd which received the £84,569 raised to cross the City threshold in 2004. Grants of £25,000 annually were given between 2005 and 2010 and grants have been made in most subsequent years. The Trust also received its share of the proceeds (£22,500) from the galas in 2008 and 2009. Total grants amount to £310,000 plus the gala proceeds i.e., £332,500.

The Fund has made grants to the Centre for Management Consulting Effectiveness (CMCE) since 2018 to help establish it. CMCE operates in conjunction with CCE.

The second biggest beneficiary is the Sea Cadets, whose London Area has received £42,500 in grants and £41,000 in gala proceeds. Annual grants of £1,500 started in 2003 and have continued ever since, being upscaled to £10,000 per year in 2018 to cover the costs of the Annual Summer Camp, computer replacements at the Crowborough Training Centre. and new sports kit. The fund contributed £10,000 to the Royalist Regatta to subsidise the company entry between 2008 and 2010 and £22,075 to support the construction of the new TS ROYALIST Total grants to Sea Cadets amount to £118,900. The distinctive feature of the relationship is the support the Cadets provide to WOMC events, the invitations received to their events, and the saving of the Company's entry fee to the Lord Mayor's Show, currently £7,000. In the early days WCOMC undertook consultancy projects for HQ and latterly for London Area

Another significant beneficiary is Youth Business International (YBI) for whom the Company has provided assessors for many years. In 2018 the Fund donated to the expenses of the assessors formerly defrayed by YBI.

Issues

Much of the data in this history derives from a report which I prepared in 2010 as it was clear that the galas were running out of steam. It raised the following issues:-

- (i) Charitable Fund revenues have been very dependent on the fundraising events in recent years
- (ii) Member contributions, though the suggested amount was raised to £200 in 2007, are problematic, with 17 members paying nothing
- (iii) The support for fundraising activities among the membership has been very poor
- (iv) The enthusiasm of those involved in organising the events is much diminished due to the strain of making events successful when they are so badly supported by the membership
- (v) The objective of doubling the fund to £600,000 has not been successful, though specific fundraising efforts have generated nearly £100,000

- (vi) The only way of building up the fund is by a renewed emphasis on legacy giving as using the fundraising events to add to the fund's capital does not stimulate any interest whereas giving to the Sea Cadets and the CCE does.

These issues were never properly addressed so they remain valid today. There was an attempt to stimulate legacies in 2013 but despite some warm responses nothing happened. It is unlikely that any new campaign would lead to any significant promises. This is unfortunate as the invested fund will not grow without them. The result is that grants are basically funded by the annual subscriptions as the figures show.

It is striking that 55% of total grants made have gone to CCE and 20% to Sea Cadets, i.e., 75%. It is equally striking that administration costs are equivalent to 22% of donations.

Finally, it is disappointing that there is no consistency in the presentation of the accounts as this has precluded a continuous analysis of investment income and grants distribution. The former is important in deciding how to balance donations with fund returns as a means of financing grants. Also, it is not certain that the fund size figures are just the amount of the invested fund or include the amount of cash available; they appear to be mixture of both. It would help if both sums were identified as the performance of the invested fund could be readily seen.

Alan Broomhead

20th January 2021

Financial Record

FUNDS	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total	337,940	323,442	283,411	277,326	299,958	261,666	281,741	301,202	313,780

FUNDS	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total	330,000	400,461	409,536	426,902	433,689	438,742	459,218	471,434	482,281

Year	INCOME						EXPENDITURE				
	Don's	Other	Gift Aid	Inv Inc	Events	Total	Grants	Prizes	Admin	Gov	Total
2003	28,272	3,569				31,841	6,375		3,763		10,138
2004	23,925	5,508				29,433	7,345		4,926		12,271
2005	29,869	6,426				36,295	36,790		8,579		45,369
2006	28,823	5,026				33,849	43,295		11,295		54,590
2007	49,685	5,449				55,134	38,955		9,758		48,713
2008	55,533			4,495	34,000	94,028	70,500	1,250	12,532	1,200	85,482
2009	32,952			5,489	23,500	61,941	41,595	1,250	12,538	1,300	56,683
2010	30,755			4,374	22,600	57,729	40,275	1,250	8,625	-157	49,993
2011	34,479			7,604	5,060	47,143	29,840		5,132		34,972
2012	26,080				28,810	54,890	34,780				34,780
2013	35,857		12,697			48,554	22,925		5,000		27,925
2014	31,313			320		31,633	35,678		7,200		42,878
2015	28,976					28,976	31,350		7,200		38,550
2016	38,545					38,545	32,550		7,200		39,750
2017	35,177		16,740			51,917	20,650		7,200		27,850
2018	32,904		4,818			37,722	47,330		7,200		54,530
2019	32,406					32,406	26,025		7,200		33,225
2020	35,306					35,306	39,575		7,200		46,775
Total	610,857	25,978	34255	22282	113970	807,342	605,833	3750	132,548	2343	744,474

FUND RAISERS	2008	2009	2010	2012	2013	2014	Total
Galas/Celebration Dinner	30,834	22,000	18,000	28,810	4,650	3,200	107,494
Wine Events	2,000	720	5,200				7,920
Other							922
Total	32,834	22,720	23,200	28,810	4,650	3,200	116,336

Appendix A

	Chair	Trustees	Treasurer	Secretary
	P. McHugh			
	B. Collins			
	A. Broomhead			
	M. Jeans			
	A Duguid			
	H. Morris			
	W. Barnard			
2008-09	I. Daniell	R. Garratt V. Pryce M. Collis G. Llewellyn	S. Singh	L. Johnson
2009-10	R. Garratt	V. Pryce M. Collis K Burgess G. Llewellyn E. Sankey	S. Singh	L. Johnson
2010-11	V. Pryce	M. Collis G. Llewellyn E. Sankey P. Chapman	S. Singh	L. Johnson
2011-12	M. Collis	G. Llewellyn E. Sankey P. Chapman D. W. Peregrine-Jones	S. Singh	L. Johnson
2012-13	G. Llewellyn	E. Sankey P. Chapman D. W. Peregrine-Jones N. Rashid	S. Singh	L. Johnson
2013-14	E Sankey	P. Chapman D. W. Peregrine-Jones N. Rashid	S. Singh	A. Thorpe
2014-15	P. Chapman	D. W. Peregrine-Jones N. Rashid D. Johnson	R. Swift	J. Fox
2015-16	D. W. Peregrine-Jones	N. Rashid S. Garratt D. Johnson J. Corneille P. Chapman	R. Swift	J. Fox

2016-17	D. W. Peregrine-Jones	N. Rashid S. Garratt D. Johnson J. Corneille P Chapman J Pulford	D. Fellows	J. Fox
2017-18	D. W. Peregrine-Jones	D. Johnson J. Corneille D. Fellows R. Harris P. Chapman J. Pulford G. Berridge	D. Fellows	J. Fox
2018-20	D. W. Peregrine-Jones	S Cant R. Harris P. Chapman J. Pulford G. Berridge	D. Fellows	J. Fox