

Registered Number 1160176
Charity Commission Number 267109

FREEMANS TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2001



Freemans Trust Limited

Report of the Trustees and the Council of Management For the year ended 31 January 2001

The Trustees and the Council of Management submit their report and the financial statements of the Company for the year ended 31 January 2001.

| | | |
|----------|------------------------------|--|
| 1 | Council of Management | J J Pearmund R S Chapman E F T Cribb (Chairman) J Gillies Miss M P Johnston Mrs B V Kent (Resigned 22/05/01) I C Percival E G Pool J R A Rampton Miss D M A Ward Mrs C N Southam (Appointed 16/02/01) R S Colledge (Appointed 16/03/01) |
|----------|------------------------------|--|

In accordance with the Articles of Association Mr J J Pearmund, Mr J Gillies, Miss M P Johnston and Mr I C Percival having left the employment of Freemans Plc ceased to be members of the Council of management on 19 July 2001. Miss M P Johnston and Mr I C Percival offer themselves for re-election. The members of the council retiring by rotation are Mr R S Chapman and Mr E G Pool who, being eligible, offer themselves for re-election. Members of the council may be appointed by members of the Company in a general meeting or by the Council. One third of the Council will retire annually, these being the members who have held the longest term of office since last elected.

There are no employees of the trust; all the administration of the trust is undertaken by staff of Freemans PLC. Freemans PLC do not charge for undertaking this service. No member of the Council of Management possessed any interest in the Company during the year (2000: £0). The Council of Management receives no remuneration for their services (2000: £0). Under the guarantee within the Company's constitution the liability of each member of the company is limited to £1.

2 Name and registered office of the trust

The full name of the trust is Freemans Trust Limited and its registered office is 139 Clapham Road, London, SW99 0HR.

3 Principal activities

The Company is a registered charity which applies its funds for charitable purposes at the discretion of the trustees, in accordance with the objects of the charity.

Objects and Activities

The objects of the charity, as set out in the Memorandum and Articles of Association, are to assist both current and retired members of staff and certain members of their families who are encountering financial difficulties, and to support the charitable organisations which both current and retired members of staff are involved with or have recommended.

Freemans Trust Limited

Report of the Trustees and the Council of Management (continued) For the year ended 31 January 2001

3 Cont.

Organisation

The charity operates from its registered office in Clapham Road, London.

Review of development, activity and achievements during the year.

Total income of £175,091 (2000: £193,025) was generated during the year, £172,253 (2000: £190,656) of this being investment income in the form of dividends. This has enabled the charity to make charitable donations of £105,209 (2000: £97,849), of which £94,669 (2000: £75,745) were to registered charities. There were also Wheelchair Grants of £11,615 (2000: £34,423). There was one wheelchair and two stair-lifts purchased this year compared with, exceptionally, ten new wheelchairs last year. Loans to staff encountering financial difficulties, at 31 January 2001, totalled £48,616 (2000: £45,207). New loans during the year amounted to £19,449 (2000: £43,801). There was a credit of £4,771 (2000: £3,514 charge) this year arising from collections on loans previously provided against.

The Trustees and staff responsible for the administration of the Trust have worked on a voluntary basis during the year. The Council of Management are of the opinion that the Trust has sufficient funds to cover its present and future obligations.

4 Results

The statement of financial activities for the year is set out on pages 6 & 7.

In addition to the investment income received there have been net investment gains totalling £176,983 (2000: £662,615) of which realised gains were £398,658 (2000: £340,755) and unrealised losses were £221,675 (2000: £321,860 unrealised gains.) Administration fees of £48,134 (2000: £51,936) are mainly represented by fees of £46,420 (2000: £49,951) paid to Chiswell Associates for fund management.

5 Unrestricted Funds

The trust was established in 1974 by the donation of a number of shares in Freemans PLC to the Company. The unrestricted funds of the Company comprise this donation and subsequent movements are due to income and expenditure and investment gains/losses since that date.

6 Auditors

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

7 Bankers

HSBC Bank plc
240 Lavender Hill
London SW11 1LH

Freemans Trust Limited

**Report of the Trustees and the Council of Management (continued)
For the year ended 31 January 2001**

8 Investment managers

Chiswell Associates Limited
4 Chiswell Street
Finsbury Square
London EC1Y 4UP



**By order of the Council
I C Percival , Council Member**

Freemans Trust Limited

**Statement of Council of Management Responsibilities
For the year ended 31 January 2001**

Company law requires the Council of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the incoming resources and application of resources of the Company for that period. In preparing those statements, the Council of Management are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards and statements of recommended practice have been followed;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Council of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS OF
FREEMANS TRUST LIMITED**

We have audited the financial statements on pages 6 to 15, which have been prepared under the accounting policies set out on pages 11 and 12.

Respective responsibilities of the Council of Management and auditors

As described on page 4 the Council of Management who are the directors of the charity for the purposes of company law, are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the Company as at 31 January 2001 and of the incoming resources and application of resources, including the income and expenditure, of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

De Witt & Touche

DELOITTE & TOUCHE

31 July 2001

Deloitte & Touche
Hill House
1 Little New Street
London
EC4A 3TR

Freemans Trust Limited

**Statement of Financial Activities
For the year ended 31 January 2001**

| | | Total Funds Unrestricted | Total Funds Unrestricted |
|--|-------------|---|---|
| | Note | 2001 £ | 2000 £ |
| Incoming Resources | | | |
| Investment income | 6 | 172,253 | 190,656 |
| Interest receivable | 7 | 2,787 | 2,321 |
| Donations | | 51 | 48 |
| | | <hr/> | <hr/> |
| Total Incoming Resources | | 175,091 | 193,025 |
| | | <hr/> | <hr/> |
| Resources Expended | | | |
| Direct charitable expenditure: | | | |
| Grants payable | 2 | 105,209 | 97,849 |
| Wheelchair Grants | 3 | 11,615 | 34,423 |
| (Recovery)/Provision against loans | | (4,771) | 3,514 |
| Other Expenditure : | | | |
| Administration Fees | 4 | 48,134 | 51,936 |
| | | <hr/> | <hr/> |
| Total Resources Expended | | 160,187 | 187,722 |
| | | <hr/> | <hr/> |
| Net Incoming Resources for the year | | 14,904 | 5,303 |
| | | <hr/> | <hr/> |

Freemans Trust Limited

Statement of Financial Activities (continued)

For the year ended 31 January 2001

| | | Total Funds Unrestricted | Total Funds Unrestricted |
|---|-------------|---|---|
| | Note | 2001 £ | 2000 £ |
| Other Recognised Gains and Losses | | | |
| Gains on investments held for charitable use: | | | |
| Investment Gains/(Losses) | | | |
| Realised | | 398,658 | 340,755 |
| Unrealised | | (221,675) | 321,860 |
| | | <hr/> | <hr/> |
| Total Net Investment Gains | | 176,983 | 662,615 |
| | | <hr/> | <hr/> |
| Net Movement In Funds | 9 | 191,887 | 667,918 |
| Total Funds brought forward | 9 | 6,344,235 | 5,676,317 |
| 31 January 2000 | | <hr/> | <hr/> |
| Total Funds carried forward | | 6,536,122 | 6,344,235 |
| 31 January 2001 | | <hr/> | <hr/> |

Freemans Trust Limited


Balance Sheet

As at 31 January 2001

| | Note | 2001 £ | 2000 £ |
|---|------|-----------|-----------|
| Fixed assets | | | |
| Long term investment assets | 5 | 6,046,552 | 5,674,735 |
| Current assets | | | |
| Loans to Freemans PLC current and retired staff | | 48,616 | 45,207 |
| Amount owed by Freemans PLC | | 10,868 | - |
| Other debtors | 8 | 16,335 | 5,542 |
| Current investment assets | 5 | 374,256 | 569,090 |
| Cash at bank and in hand | | 75,728 | 110,268 |
| | | 525,803 | 730,107 |
| Creditors: Amounts falling due within one year | | | |
| Amount owed to Freemans PLC | | - | (9,427) |
| Accruals and deferred income | | (36,233) | (51,180) |
| | | (36,233) | (60,607) |
| Net current assets | | 489,570 | 669,500 |
| Total assets less current liabilities | | 6,536,122 | 6,344,235 |
| Funds | | | |
| Unrestricted permanent capital and general funds | 9 | 6,536,122 | 6,344,235 |
| | | 6,536,122 | 6,344,235 |

Approved by the Council of Management on 19th July 2001

Signed on behalf of the Council of Management



I C Percival

Council Member

Freemans Trust Limited

**Income and Expenditure Account
For the year ended 31 January 2001**

| | 2001 £ | 2000 £ |
|---|--------------------|-------------------|
| Income from continuing operations | | |
| Dividends | 172,253 | 190,656 |
| Interest | 2,787 | 2,321 |
| Donations | 51 | 48 |
| | <hr/> | <hr/> |
| | 175,091 | 193,025 |
| | <hr/> | <hr/> |
| Expenditure | | |
| Grants | 116,824 | 132,272 |
| Audit fees | 1,714 | 1,985 |
| Fund management fees | 46,420 | 49,951 |
| (Recovery)/provision against loans | (4,771) | 3,514 |
| | <hr/> | <hr/> |
| | 160,187 | 187,722 |
| | <hr/> | <hr/> |
| Excess of income over expenditure from continuing operations | <hr/> 14,904 <hr/> | <hr/> 5,303 <hr/> |

Freemans Trust Limited

Cash flow Statement

For the year ended 31 January 2001

| | Note | 2001 £ | 2000 £ |
|---|------|-----------|-----------|
| Net cash outflow from operating activities | 1 | (209,580) | (204,434) |
| Returns on investments and servicing of finance | 2 | 175,040 | 192,977 |
| Cash transfer from investment fund | | - | 50,010 |
| | | <hr/> | <hr/> |
| (Decrease)/increase in cash | | (34,540) | 38,553 |
| | | <hr/> | <hr/> |

Notes to the Cash flow Statement

1. Reconciliation of the net incoming/(outgoing) resources to net cash outflow from operating activities

| | 2001 £ | 2000 £ |
|------------------------|-----------|-----------|
| Net incoming resources | 14,904 | 5,303 |
| Investment income | (172,253) | (190,656) |
| Interest receivable | (2,787) | (2,321) |
| Increase in debtors | (25,070) | (12,729) |
| Decrease in creditors | (24,374) | (4,031) |
| | <hr/> | <hr/> |
| | (209,580) | (204,434) |
| | <hr/> | <hr/> |

2. Returns on investments and servicing of finance

| | 2001 £ | 2000 £ |
|---------------------|-----------|-----------|
| Investment income | 172,253 | 190,656 |
| Interest receivable | 2,787 | 2,321 |
| | <hr/> | <hr/> |
| | 175,040 | 192,977 |
| | <hr/> | <hr/> |

Freemans Trust Limited

Notes to the Financial Statements For the year ended 31 January 2001

1 Accounting Policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Charities" and applicable accounting standards. The particular accounting policies adopted by the Council of Management are described below.

(a) Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments at market value.

(b) Investments

Investments are stated at market value. Realised and unrealised gains or losses on investments are reflected as a change in the permanent capital of the Company.

(c) Direct charitable expenditure

Direct charitable expenditure includes all expenditure directly related to the objects of the charity and comprise the following:

Grants Payable

Grants payable are accounted for when the Council of Management have accepted a legal or moral obligation to make a grant and when the amount has been ascertained.

(d) Interest income/expense

Interest is accounted for on an accruals basis.

(e) Dividend income

Dividend income is included, gross of income tax recoverable, in the period in which it is received.

(f) Provision against irrecoverable loans

Provision is made against loans which the Council of Management consider are unlikely to be repaid.

(g) Depreciation

Assets for the use of grant beneficiaries are fully written off in the year of purchase through the grants account – 2001: £7,008 (2000: £31,928).

(h) Allocation of costs

The company does not pay staff costs or fundraising and publicity costs. All other operating expenses are classified as management and administration costs.

Freemans Trust Limited

Notes to the Financial Statements (continued)
For the year ended 31 January 2001

(i) Taxation

As a registered charitable company Freemans Trust Ltd is exempt from corporation tax.

(j) Fund Accounting

Unrestricted permanent and general capital funds represent funds which are expendable at the discretion of the trustees in the furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

| 2 | Grants Payable | Total funds | Grants Payable | Total funds |
|---|---|------------------|--|------------------|
| | | All unrestricted | | All unrestricted |
| | | 2001 | | 2000 |
| | | £ | | £ |
| | Grants to staff: | <u>2,163</u> | Grants to staff: | <u>1,177</u> |
| | | 2,163 | | 1,177 |
| | Grants to support staff | | Grants to support staff | |
| | charitable activities: | | charitable activities: | |
| | Imperial Cancer Research Fund (Reg) | 22,705 | Imperial Cancer Research Fund (Reg) | 15,759 |
| | Weston Park Hospital (Reg) | 7,096 | PACT | 5,000 |
| | MacMillan Cancer Relief (Reg) | 6,000 | NSPCC (Reg) | 5,000 |
| | Leukaemia Research Fund (Reg) | 4,300 | Weston Park Hospital | 4,600 |
| | MacMillan Cancer Relief (Reg) | 3,000 | Rocking Horse Appeal (Reg) | 3,500 |
| | Thorpe Hall – Sue Ryder (Reg) | 2,750 | Save the Children Fund | 3,500 |
| | PACT (Reg) | 2,666 | Peterborough Cancer Appeal (Reg) | 3,500 |
| | Sheff Children's Hospital Scanner (Reg) | 2,666 | Papworth Hospital NHS Trust | 2,100 |
| | Save the Children's Fund (Reg) | 2,380 | Guildford Action for Community care | 2,100 |
| | BBC Children in Need Appeal (Reg) | 2,202 | World Wide Fund for Nature (Reg) | 2,065 |
| | Weston Park Hospital (Reg) | 2,150 | Peckham Settlement (Reg) | 2,000 |
| | Dr John Worrall School | 2,150 | Tilbrook Amenities Committee (Reg) | 2,000 |
| | Woodcraft Folk – Lockerbrook (Reg) | 1,980 | BBC Children in need (Reg) | 1,995 |
| | St Luke's Hospice (Reg) | 1,800 | PHAB (Reg) | 1,662 |
| | Cancer Research (Reg) | 1,500 | Children with Leukaemia (Reg) | 1,600 |
| | Spencer Dayman Meningitis Labs (Reg) | 1,500 | St Lukes Hospice (Reg) | 1,600 |
| | Sheffield Breast Care Support (Reg) | 1,470 | Martin House Hospice for Children | 1,212 |
| | The Ellenor Foundation (Reg) | 1,360 | Royal National Institute for the Blind | 1,200 |
| | Great Ormond Street Hospital (Reg) | 1,200 | Dr John Worrall School | 1,100 |
| | Chatsworth Parents Association (Reg) | 1,050 | Sheffield Family Services Unit | 1,100 |
| | The Peckham Settlement (Reg) | 1,000 | Friends of Gunthorpe Family Centre | 1,000 |
| | St Christopher Hospice (Reg) | 1,000 | Hospital for Incurables | 1,000 |
| | Sheffield Children's Hospital (Reg) | 1,000 | Pagham Village Hall Trust | 1,000 |
| | Weston Park Hospital (Reg) | 1,000 | Cancer Research Campaign | <u>1,000</u> |
| | H.C.P.T The Pilgrimage Trust (Reg) | <u>1,000</u> | | |
| | | 76,925 | | 66,593 |

Freemans Trust Limited

Notes to the Financial Statements (continued)
For the year ended 31 January 2001

2 Grants Payable (Continued)

| Other Organisations: | | Other Organisations: | |
|--|-----------------------|--|----------------------|
| Notre Dame and Residents Associates | 1,000 | Sue Ryder - Thorpe Hall | 1,530 |
| Retired Staff Association - Clapham | 2,500 | Sheffield Children's Hospital | 1,500 |
| Retired Staff Association - Peterborough | 2,500 | Virgin HEMS London Limited | 1,500 |
| Retired Staff Association - Sheffield | <u>1,000</u> | The Arrow Riding Centre | 1,000 |
| | | Retired Staff Association - Clapham | 2,500 |
| | | Retired Staff Association - Peterborough | 2,500 |
| | | Retired Staff Association - Sheffield | <u>1,000</u> |
| | 7,000 | | 11,530 |
| Other Grants (less than £1,000) | <u>19,121</u> | Other Grants (less than £1,000) | <u>18,549</u> |
| TOTAL GRANTS PAYABLE | <u>105,209</u> | TOTAL GRANTS PAYABLE | <u>97,849</u> |

| 3 Wheelchair Grants | Total | Total |
|---|--------------------------------|--------------------------------|
| | Unrestricted funds 2001 | Unrestricted funds 2000 |
| | £ | £ |
| Material grants payable by the trust: | | |
| Wheelchairs for members and ex members of staff and their spouses | 7,008 | 31,928 |
| Insurance and Other | 4,607 | 2,495 |
| | <hr/> | <hr/> |
| Total Wheelchair Grants | 11,615 | 34,423 |
| | <hr/> | <hr/> |
| 4 Administration Fees | Total | Total |
| | Unrestricted funds 2001 | Unrestricted funds 2000 |
| | £ | £ |
| Fund management fees | 46,420 | 49,951 |
| Audit Fees | 1,714 | 1,985 |
| | <hr/> | <hr/> |
| | 48,134 | 51,936 |
| | <hr/> | <hr/> |

Freemans Trust Limited

Notes to the Financial Statements (continued)

For the year ended 31 January 2001

5 Investments

Investments stated at market value comprised:

| Type of Security | 31 January 2001 | | | 31 January 2000 | | |
|--------------------------|-----------------|--------|-------|-----------------|--------|-------|
| | £ | % | Yield | £ | % | Yield |
| Government securities | 102,854 | 1.60 | 2.44 | 403,652 | 6.46 | 2.81 |
| Fixed interest | 851,097 | 13.26 | 5.66 | 651,899 | 10.44 | 6.24 |
| UK equities | 3,650,347 | 56.85 | 2.50 | 3,109,015 | 49.79 | 2.69 |
| Overseas equities | 1,122,284 | 17.48 | 0.33 | 1,183,387 | 18.95 | 0.16 |
| Unit trusts and funds | 135,913 | 2.12 | 1.13 | 196,519 | 3.15 | 1.36 |
| Investment trusts | 184,057 | 2.87 | 0.53 | 130,263 | 2.09 | 0.98 |
| Long term investments | 6,046,552 | 94.17 | 2.45 | 5,674,735 | 90.88 | 2.49 |
| Current investment asset | 374,256 | 5.83 | 5.37 | 569,090 | 9.12 | 5.75 |
| Total investments | 6,420,808 | 100.00 | 2.62 | 6,243,825 | 100.00 | 2.79 |

| | 2001 £ | 2000 £ |
|--|-------------|-------------|
| Investments at 1 February | 6,243,825 | 5,631,220 |
| Purchases | 1,906,071 | 1,603,094 |
| Sales | (1,711,237) | (1,784,658) |
| (Decrease)/increase in short-term deposits | (194,834) | 181,564 |
| Cash account transfer | - | (50,010) |
| | 6,243,825 | 5,581,210 |
| Net investment gains | 176,983 | 662,615 |
| Investments at 31 January | 6,420,808 | 6,243,825 |

| 6 | Investment income | 2001 £ | 2000 £ |
|---|-----------------------|-----------|-----------|
| | Dividends | 172,253 | 190,656 |
| 7 | Interest Receivable | 2001 £ | 2000 £ |
| | Bank Deposit Interest | 2,787 | 2,321 |

Freemans Trust Limited

Notes to the Financial Statements (continued)

For the year ended 31 January 2001

| 8 | Other Debtors | 2001 | 2000 |
|----------|------------------------------------|---------------|--------------|
| | | £ | £ |
| | Amount owed by Chiswell Associates | 6,312 | 5,152 |
| | Tax Recoverable | 9,748 | 354 |
| | Accrued Interest | 275 | 36 |
| | Total | 16,335 | 5,542 |

9 Unrestricted Permanent Capital and General Funds - Movement and Reconciliation

| | 2001 | 2000 |
|---|------------------|------------------|
| | £ | £ |
| Unrestricted funds at 1 February | 6,344,235 | 5,676,317 |
| Net investment gains | 176,983 | 662,615 |
| Net incoming resources from continuing operations | 14,904 | 5,303 |
| Unrestricted funds at 31 January | 6,536,122 | 6,344,235 |

10 Information Regarding Employees and the Council of Management

There are no employees of the trust; all the administration of the trust is undertaken by staff of Freemans PLC. Freemans PLC do not charge for undertaking this service. No member of the Council of Management possessed any interest in the Company during the year (2000: £0). The Council of Management receives no remuneration for their services (2000: £0). Under the guarantee within the Company's constitution the liability of each member of the Company is limited to £1.

11 Format of Financial Statements

Compliance with the provisions of Schedule 4 of the Companies Act 1985 with respect to the form and content of these accounts would not present a true and fair view. Accordingly the Council of Management have departed from these provisions only in so far as is necessary to give a true and fair view.

In particular, the detail included in the income and expenditure account gives a more meaningful view of the Trust than a profit and loss account prepared in Companies Act format and the classification of reserves as shown is more appropriate than the standard Companies Act headings. Neither of these departures has any effect on the reported result for the year or the net asset position of the Trust at the year-end.