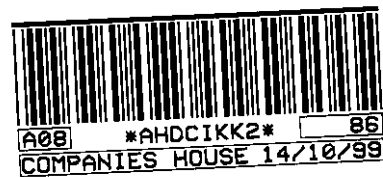


Registered Number 1160176

FREEMANS TRUST LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1999



Freemans Trust Limited

Report of the Council of Management For the year ended 31 January 1999

The Council of Management submit their report and the financial statements of the Company for the year ended 31 January 1999.

1	Council of Management	J J Pearmund (Chairman) R S Chapman E F T Cribb J Gillies Miss M P Johnston Mrs B V Kent I C Percival E G Pool J R A Rampton Miss D M A Ward
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In accordance with the Articles of Association the members of the Council retiring by rotation are Mr E.F.T. Cribb, Mr J.J. Pearmund and Mr I.C. Percival who, being eligible, offer themselves for re-election. Members of the council may be appointed by the company in 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.

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 who are encountering financial difficulties, and to support the charitable organisations which both current and retired members of staff and their families are involved with.

Organisation

The charity operates from its head office in Clapham, London.

Review of development, activity and achievements during the year.

Investment income generated during the year has enabled the charity to make charitable donations of £119,210 (1998: £132,279). The council of management are of the opinion that the trust possesses adequate funds to meet its present and future obligations.

Freemans Trust Limited

**Report of the Council of Management (continued)
For the year ended 31 January 1999**

4 Results

The statement of financial activities for the year is set out on page 5.

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 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
240 Lavender Hill
London SW11 1LH

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 1999**

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 profit or loss 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 5 to 14 which have been prepared under the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 3 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. 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 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 1999 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.

Deloitte Touche

DELOITTE & TOUCHE

5 October 1999

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

Freemans Trust Limited

**Statement of Financial Activities
For the year ended 31 January 1999**

		Total Funds Unrestricted	Total Funds Unrestricted
	Note	1999 £	1998 £
Income and expenditure			
Incoming Resources			
Investment income	6	164,901	160,302
Interest receivable	7	6,574	7,374
Donations		56	48
		<hr/>	<hr/>
		171,531	167,724
		<hr/>	<hr/>
Resources Expended			
Direct charitable expenditure:			
Grants payable	2	119,210	132,279
Wheelchair Grants	3	5,100	3,931
Provision against irrecoverable loans		6,048	2,120
Other Expenditure :			
Administration Fees	4	47,168	49,069
		<hr/>	<hr/>
Total Resources Expended		177,526	187,399
		<hr/>	<hr/>
Net (Outgoing) Resources for the year		(5,995)	(19,675)
		<hr/>	<hr/>

Freemans Trust Limited

Statement of Financial Activities (continued)
For the year ended 31 January 1999

Other Recognised Gains and Losses

Gains on investments held for charitable use:

	Note	Total Funds Unrestricted 1999 £	Total Funds Unrestricted 1998 £
Investment Gains			
Realised		265,948	168,648
Unrealised		177,739	534,640
		<hr/>	<hr/>
Total Investment Gains		443,687	703,288
		<hr/>	<hr/>
Net Movement In Funds	9	422,871	683,613
Total Funds brought forward 31 January 1998		5,253,446	4,569,833
		<hr/>	<hr/>
Total Funds carried forward 31 January 1999		5,676,317	5,253,446
		<hr/>	<hr/>

Freemans Trust Limited

**Balance Sheet
As at 31 January 1999**

	Note	1999 £	1998 £
Fixed assets			
Long term investment assets	5	5,193,684	4,851,387
Current assets			
Loans to Freemans PLC staff		14,223	19,968
Other debtors	8	23,797	11,417
Current Investment Assets	5	437,536	336,146
Cash at bank and in hand		71,715	119,433
		547,271	486,964
Creditors: Amounts falling due within one year			
Accruals and deferred income		(64,638)	(84,905)
Net current assets		482,633	402,059
Total assets less current liabilities		5,676,317	5,253,446
Funds			
Unrestricted Permanent Capital & General Funds	9	5,676,317	5,253,446
		5,676,317	5,253,446

**Approved by the Council of Management on
Signed on behalf of the Council of Management**



I C Percival Council Member

4 October 1999

Freemans Trust Limited

**Income and Expenditure Account
For the year ended 31 January 1999**

	1999	1998
	£	£
Income from continuing operations		
Dividends	164,901	160,302
Interest	6,574	7,374
Donations	56	48
	<hr/>	<hr/>
	171,531	167,724
	<hr/>	<hr/>
Expenditure		
Grants	124,310	136,210
Audit fees	1,300	2,027
Fund management fees	45,868	47,042
Provision against irrecoverable loans	6,048	2,120
	<hr/>	<hr/>
	177,526	187,399
	<hr/>	<hr/>
	<hr/>	<hr/>
Excess of expenditure over income from continuing operations	(5,995)	(19,675)
	<hr/>	<hr/>

Freemans Trust Limited

**Cash flow Statement
For the year ended 31 January 1999**

	Note	1999 £	1998 £
Net cash flow from operating activities	1	(204,372)	(218,892)
Returns on investments and servicing of finance	2	171,475	167,676
Decrease in cash		(32,897)	(51,216)

Notes to the Cash flow Statement

1. Reconciliation of the net outgoing resources to net cash outflow from operating activities

	1999 £	1998 £
Net incoming / (outgoing) resources	(5,995)	(19,676)
Investment income	(164,901)	(160,302)
Interest receivable	(6,574)	(7,374)
Decrease / (increase) in debtors	(6,635)	(8,164)
Increase / (decrease) in creditors	(20,267)	(23,376)
	(204,372)	(218,892)

2. Returns on investments and servicing of finance

	1999 £	1998 £
Investment income	164,901	160,302
Interest receivable	6,574	7,374
	171,475	167,676

Freemans Trust Limited

**Notes to the Financial Statements
For the year ended 31 January 1999**

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 trustees 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) Grants

Grants are accounted for when unconditionally approved by or on behalf of the Council of Management and when the amount has been ascertained.

(d) Interest

Interest is accounted for on an accruals basis.

(e) Dividend income

Dividend income is included, gross of income tax, 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 are fully written off in the year of purchase through the grants account – 1999: £2,000 (1998: £2,460).

Freemans Trust Limited

Notes to the Financial Statements (continued)
For the year ended 31 January 1999

(h) Fund Accounting

Unrestricted permanent & 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 All unrestricted 1999 £	Grants Payable	Total funds All unrestricted 1998 £
	Grants to staff:	<u>919</u> 919	Grants to staff:	<u>834</u> 834
	Grants to support staff charitable activities:		Grants to support staff charitable activities:	
	Childrens' Aid Direct	8,550	Peterborough District Hospital	9,000
	Western Park Hospital	8,100	NSPCC	6,000
	Western Park Hospital	7,000	Banstead Leisure Project	5,000
	Sheffield Childrens' Hospital	6,000	St Andrew's Hospice	3,000
	The Rudolph Fund	6,000	Leukaemia Research Fund	3,000
	East Anglia Children's Hospices	5,000	Royal Marsden Hospital	3,000
	Alzheimer's Disease Society	4,000	Underprivileged Children	3,550
	Sheffield Social Services	3,550	Bromley SANDS	2,500
	PACT	3,500	St Luke's Hospice	2,240
	Dr John Worrall School	3,500	Comic Relief	2,020
	Sheffield Family Service Unit	3,500	Magpie Dance	2,000
	St. Andrew's Hospice	3,000	Streatham Youth Centre	2,000
	PACT	2,506	Peckham Settlement	2,000
	Addenbrooke's Hospital	2,400	St John's House	2,000
	Marie Curie Cancer Care	2,100	Friends of Holybourne	2,000
	Childrens' Leukaemia Research Project	2,000	Pagham Village Hall Fund	2,000
	The Furnival Project	2,000	Beehive Community Cafe	2,000
	Streatham Youth Centre	2,000	Muscular Dystrophy Group	2,000
	Royal Hallamshire Neurological Appeal	2,000	Cancer Research Campaign	2,000
	Weston Park Hospital Cancer Care Fund	2,000	Crisis	2,000
	Save the Children - Strollerthon '98	2,000	PACT	1,800
	The Peckham Settlement	2,000	Save The Children	1,635
	World Wide Fund for Nature	1,750	Cystic Fibrosis Research Trust	1,604
	League of Friends of the British Home		Thomas Reidy	1,600
	And Hospital for Incurables	1,500	British Home/Hospital - Incurables	1,500
	Imperial Cancer Research Fund	1,500	Ellenor Hospice Foundation	1,500
	Cancer Research Campaign	1,500	Park Rd Baptist Church	1,295
	The King's Appeal	<u>1,274</u>	Birley School PSA	<u>1,152</u>
		90,230		71,396

Freemans Trust Limited

Notes to the Financial Statements (continued)
For the year ended 31 January 1999

Other Organisations:

Orpington Ladies Luncheon Club	1,200
Friends of Storm House School	4,000
Bernard Sunley House	3,588
Retired Staff Association - Clapham	2,500
Retired Staff Association - Peterborough	2,500
Retired Staff Association - Sheffield	<u>1,000</u>
	14,788

Other Grants (less than £1,000)	<u>13,273</u>
TOTAL GRANTS PAYABLE	<u>119,210</u>

Other Organisations:

Muscular Dystrophy Group- SE London Branch	2,000
Nelson Day Hospital	3,000
Cancer Support - Wandsworth	3,000
Sue Ryder - Thorpe Hall	4,600
Sue Ryder - Thorpe Hall	2,169
St Luke's Hospice	2,000
Friends of Storm House	2,000
Social Services - Sheffield	2,000
Social Services - Barnsley	1,000
Social Services - Chesterfield	1,000
Peterborough Retired Staff Association	2,500
Clapham Retired Staff Association	<u>2,500</u>
	27,769

Other Grants (less than £1,000)	<u>32,280</u>
TOTAL GRANTS PAYABLE	<u>132,279</u>

3 Wheelchair Grants

	Total Unrestricted funds 1999 £	Total Unrestricted funds 1998 £
Material grants payable by the trust:		
Wheelchairs for members & ex members of staff	2,000	2,460
Insurance & Other	3,100	1,471
	<hr/>	<hr/>
Total Wheelchair Grants	5,100	3,931
	<hr/>	<hr/>

4 Administration Fees

	Total Unrestricted funds 1999 £	Total Unrestricted funds 1998 £
Fund management fees	45,868	47,042
Audit Fees	1,300	2,027
	<hr/>	<hr/>
	47,168	49,069
	<hr/>	<hr/>

Freemans Trust Limited

Notes to the Financial Statements (continued)
For the year ended 31 January 1999

5 Investments

Investments stated at market value comprised:

Type of Security	31 January 1999			31 January 1998		
	£	%	Yield	£	%	Yield
Government securities	744,554	13.22	2.37	813,938	15.69	2.70
Fixed interest	527,690	9.37	6.01	259,015	4.99	6.51
U K equities	2,937,466	52.16	2.94	2,932,141	56.53	2.98
Overseas equities	820,892	14.58	0.31	673,007	12.97	0.29
Unit trusts and funds	102,782	1.83	1.87	109,286	2.11	1.25
Investment trusts	60,300	1.07	1.55	64,000	1.23	0.95
Long term investments	5,193,684	92.23	2.72	4,851,387	93.52	2.68
Current investment asset	437,536	7.77	5.02	336,146	6.48	6.62
Total investments	5,631,220	100.00	2.90	5,187,533	100.00	2.94

	1999 £	1998 £
Investments at 1 February	5,187,533	4,484,244
Purchases	912,285	560,684
Sales	(998,853)	(801,589)
Cash account transfer	(14,821)	-
Increase in short-term deposits	101,389	240,906
	5,187,533	4,484,245
Net investment gains	443,687	703,288
Investments at 31 January	5,631,220	5,187,533

Note: Net investment gains in 1999 of £443,687 includes £14,821 of cash transferred into the fund

6 Investment income	1999 £	1998 £
Dividends	164,901	160,302
7 Interest Receivable	1999 £	1998 £
Bank Deposit Interest	6,574	7,374

Freemans Trust Limited

Notes to the Financial Statements (continued) **For the year ended 31 January 1999**

8	Other Debtors	1999	1998
		£	£
	Current account with Freemans PLC	3,441	7,457
	Tax Recoverable	20,336	3,960
	Accrued Interest	20	-
	Total	23,797	11,417

9 Unrestricted Permanent Capital & General Funds - Movement & Reconciliation

	1999	1998
	£	£
Unrestricted funds at 1 February	5,253,446	4,569,834
Net investment gains	443,687	703,288
Cash Account Transfer	(14,821)	-
Excess of income over expenditure from Continuing operations	(5,995)	(19,676)
Unrestricted funds at 31 January	5,676,317	5,253,446

10 Information Regarding Employees and Trustees

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.

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.