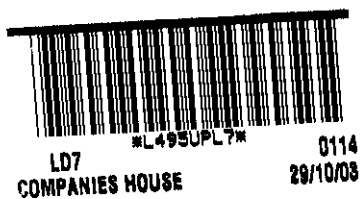


# REGISTRAR OF COMPANIES

**Hammerson  
Home  
Charitable  
Trust**

**Annual Report and Accounts**

31 December 2002



**Buzzacott**

Company Limited by Guarantee  
Registration Number  
1672002 (England and Wales)

Charity Registration Number  
286002

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## Contents

<b>Directors</b>	Mr T Angel OBE Mrs E Angel Mr E P Balcombe Mrs P Beecham Mrs S Hammerson OBE Mr N Lerner Mr J Markson Lord Millett Mr F E Winter FCA Mr A Yadgaroff
<b>Secretary</b>	Mrs E Angel
<b>Registered office</b>	The Bishop's Avenue London N2 0BE
<b>Company registration number</b>	1672002 (England and Wales)
<b>Charity registration number</b>	286002
<b>Auditors</b>	Buzzacott 12 New Fetter Lane London EC4A 1AG
<b>Investment managers</b>	Newton Investment Management Limited 71 Queen Victoria Street London EC1V 4DR
<b>Bankers</b>	Barclays Bank plc 28 Hampstead High Street London NW3 1QB
<b>Solicitors</b>	Withers 12 Gough Square London EC4A 3DW

## **Report of the directors** Year to 31 December 2002

The directors present their report together with the accounts of the Hammerson Home Charitable Trust for the year ended 31 December 2002.

The report has been prepared in accordance with Part VI of the Charities Act 1993.

The accounts have been prepared in accordance with the accounting policies set out on page 12 of the attached accounts and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in October 2000.

### **Constitution**

Hammerson Home Charitable Trust is a registered charity, Charity Registration Number 286002, and is also a company limited by guarantee, Company Registration Number 1672002.

### **Members' liability**

In the event of the charitable company being wound up, the liability of each member is limited to £10.

### **Principal aim and activity**

The principal aim of the charity is the relief of aged, sick or disabled persons. This objective is achieved principally by the provision of financial support to the Lewis W Hammerson Memorial Home.

### **Grant making policy**

The directors provide financial support to the Lewis W Hammerson Memorial Home each year through the payment of a grant. The amount of the grant is determined by the directors on the basis of the funds available to the charity and the financial needs of the Home. The directors place no specific restrictions on the use of the grant by the Home but, in order to fulfil their stewardship role, they do monitor its use and the effectiveness of its application. The directors are satisfied that the payment of this grant meets fully the charity's charitable objects and as such they do not actively seek applications for grants or financial support.

### **Organisation**

The charity is run through a board of directors who have ultimate responsibility for the charity. The board formally meets once per year and informally when required. The day to day administration of the charity is delegated to the Secretary who reports to the board of directors on a regular basis. The activities of the Secretary are in accordance with the policies of the charity, and any decisions with respect to any event not planned for is referred to the board of directors prior to a decision being made.

## **Report of the directors** Year to 31 December 2002

### **Connected charities and related parties**

The charity is directly connected with the Lewis W Hammerson Memorial Home. The board of directors of the charity also form part of the management committee of the Lewis W Hammerson Memorial Home. The administration team of the Home also administers the charity. Specific requests for funds for the Home from the charity are dealt with in accordance with the policy described above. During the year ended 31 December 2002 the charity provided £400,586 to the Home.

No transactions took place either by the charity or the Home with any companies or organisations for which the charity's directors or the Home's management committee members are directors or partners etc or from which they may be deemed to have benefited in any way.

### **Future plans**

The directors will continue to raise sufficient funds to continue to provide support to the Lewis W Hammerson Memorial Home each year through the payment of a grant as specified in the grant making policy. They also will maintain reserves in accordance with the reserves policy described below. The directors will also continue to monitor major risks in accordance with the risk management policy.

### **Financial report for the year**

Total income for the year amounted to £493,713 compared with £484,261 in 2001. Charitable donations in support of the Lewis Hammerson Memorial Home made during the year totalled £400,586 (2001 - £499,808).

After paying investment manager's fees and other administrative costs totalling £13,417 (2001 - £15,775) and taking account of a decrease in the value of the charitable company's investments, there was a net decrease in funds for the year of £350,096 (2001 - £318,539).

The resultant total funds at 31 December 2002 were £2,060,115 (2001 - £2,410,211), most of which were represented by long term investments held for the generation of future income.

General funds at 31 December 2002 amounted to £398,094 (2001 - £369,095). These represent funds available to meet any chronic shortfall in the ability of the Lewis Hammerson Memorial Home to meet its obligations and represent approximately 2 months (2001 - 2 months) of the Home's expenditure.

## **Reserves policy and financial position**

### ***Reserves policy***

As described above the charity's main objective is to provide financial support to the Lewis W Hammerson Memorial Home and the directors regard this as a long term commitment. The directors have examined the requirement for free reserves i.e. those unrestricted funds that have not been designated for the purpose of generating future income. The directors consider that the level of free reserves should be approximately equivalent to two months' expenditure of the Lewis Hammerson Memorial Home. The directors are of the opinion that this provides sufficient flexibility and short term working capital, whilst allowing the charity to make additional unplanned grants to the Home to enable it to cope with unforeseen emergencies whilst specific action plans are implemented.

### ***Financial position***

The balance sheet shows total funds of £2,060,115 (2001 - £2,410,211)

These funds include designated funds of £1,662,021 (2001 - £2,410,211) representing the market value of the charity's investment portfolio as at 31 December 2002. The directors have decided to set these funds aside so as to assure the continued ability of the charity to generate monies for the future support of the Lewis W Hammerson Memorial Home.

General funds, representing the free reserves of the charity at 31 December 2002, total £398,094 (2001 - £369,095). The directors consider that this level of "free reserves" matches the parameters set out in the above reserves policy and they, therefore, consider free reserves to be adequate but not excessive.

### **Risk management**

The directors have assessed the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The directors believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks.

### **Investment policy**

The charitable company has a portfolio of listed investments which, together with cash awaiting investment, had a market value as at 31 December 2002 of £1,662,021 (2001 - £2,041,116).

There are no restrictions on the charity's power to invest. The investments are managed by Newton Investment Management Limited, a company which operates within specific guidelines that are set and regularly reviewed by the directors. The investment objectives are to maximise total return whilst providing a level of income advised by the directors from time to time.

## Report of the directors Year to 31 December 2002

### Investment policy (continued)

The unrealised loss on investments, whilst disappointing, was expected given the volatile stock market during 2002. This volatility, caused by difficult global economic conditions and the uncertainties in the Middle East and Gulf regions of the world, gave rise to unrealised losses of £414,848. However, the directors are satisfied that their investment policy is appropriate for the medium to long term.

### Directors

The directors constitute trustees of the charity for the purposes of charity legislation and directors of the charity for the purposes of the Companies Act 1985.

The following directors were in office at 31 December 2002 and served throughout the year except where shown:

Directors	Appointed/resigned
Mrs E Angel	
Mr T Angel OBE	
Mr E P Balcombe	
Mrs P Beecham	
Mr F F Fox OBE	Resigned 12 June 2002
Mrs S Hammerson OBE	
Mr N Lerner	Appointed 12 June 2002
Mr J Markson	Appointed 12 June 2002
Lord Millett	
Mr F E Winter FCA	
Mr A Yadgaroff	

Each year one third of the directors retire by rotation and may, if eligible, stand for re-election.

### Directors' responsibilities statement

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of its surplus or deficit for the financial year. In preparing accounts, the directors are required to:

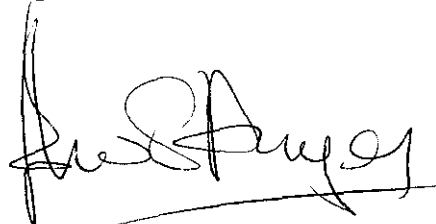
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- ◆ prepare the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

**Report of the directors** Year to 31 December 2002

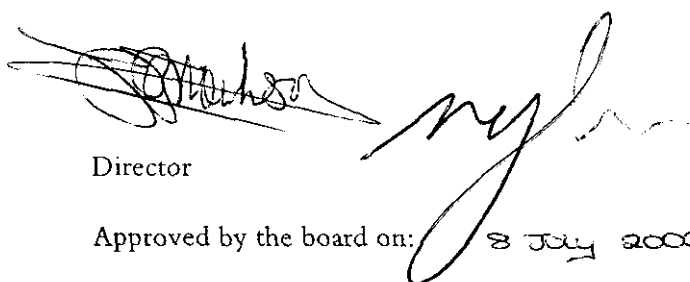
**Auditors**

The auditors, Buzzacott, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors:

A handwritten signature in black ink, appearing to read 'P. Stanger', written over a horizontal line.

Secretary

A handwritten signature in black ink, appearing to read 'M. J. ...', written over a horizontal line.

Director

Approved by the board on: 8 July 2003



**Independent auditors' report to the members of Hammerson Home Charitable Trust**

We have audited the accounts on pages 9 to 15 which have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and the accounting policies set out on page 12.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described on pages 5 and 6 the directors (who also act as trustees for the charitable activities of Hammerson Home Charitable Trust) are responsible for the preparation of the directors' report and accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the directors' report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

**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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts 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 accounts.

**Independent auditors' report** 31 December 2002

**Opinion**

In our opinion the accounts give a true and fair view of the charitable company's state of affairs as at 31 December 2002 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Buzzacott

Buzzacott

Chartered Accountants and Registered Auditors

12 New Fetter Lane

London

EC4A 1AG

6 October 2003

# Statement of financial activities Year to 31 December 2002

		Unrestricted funds	
		Total 2002 £	Total 2001 £
Notes			
<b>Income and expenditure</b>			
<b>Incoming resources</b>			
Donations		<b>426,204</b>	419,009
Investment income and interest receivable	1	<b>67,509</b>	65,252
<b>Total incoming resources</b>		<b>493,713</b>	484,261
<b>Resources expended</b>			
Cost of generating funds	2	<b>8,862</b>	10,883
Charitable expenditure			
· Grants payable	3	<b>400,586</b>	499,808
· Management and administration of the charity	4	<b>4,555</b>	4,892
<b>Total resources expended</b>		<b>414,003</b>	515,583
<b>Net incoming (outgoing) resources for the year</b>		<b>79,710</b>	(31,322)
Realised losses on investments		<b>(14,958)</b>	(128,013)
<b>Statement of total recognised gains and losses</b>			
<b>Net income (expenditure)</b>		<b>64,752</b>	(159,335)
Unrealised losses on investments		<b>(414,848)</b>	(159,204)
<b>Net movement in funds</b>		<b>(350,096)</b>	(318,539)
<b>Balances brought forward at 1 January 2002</b>		<b>2,410,211</b>	2,728,750
<b>Balances carried forward at 31 December 2002</b>		<b>2,060,115</b>	2,410,211

**Statement of financial activities** Year to 31 December 2002

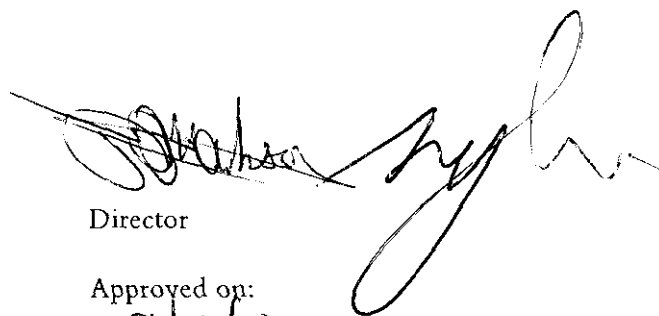
	2002 £	2001 £
<b>Historical cost net movement in funds</b>		
Net movement in funds (page 9)	<b>(350,096)</b>	(318,539)
Unrealised losses on investments	<b>414,848</b>	159,204
Difference between the losses calculated by reference to historic cost and those calculated on the revalued amounts	<b>(12,044)</b>	73,695
	<b>52,708</b>	(85,640)

All of the charitable company's activities derived from continuing operations during the above two financial periods.

**Balance sheet** 31 December 2002

	Notes	2002 £	2002 £	2001 £	2001 £
<b>Fixed assets</b>					
Investments	7		1,662,021		2,041,116
<b>Current assets</b>					
Debtors	8	15,886		11,979	
Short term deposits		340,000		350,000	
Cash at bank and in hand		47,133		13,085	
		<u>403,019</u>		<u>375,064</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(4,925)</u>		<u>(5,969)</u>	
<b>Net current assets</b>			<u>398,094</u>		<u>369,095</u>
<b>Total net assets</b>			<u>2,060,115</u>		<u>2,410,211</u>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Unrestricted income funds					
. General funds			398,094		369,095
. Designated funds	10		<u>1,662,021</u>		<u>2,041,116</u>
			<u>2,060,115</u>		<u>2,410,211</u>

Approved by the board of directors  
and signed on its behalf by:



Director

Approved on:

8/7/03

**Basis of accounting**

The accounts have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the Companies Act 1985. Applicable United Kingdom Accounting Standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) have been followed in the preparation of these accounts.

**Incoming resources**

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

**Resources expended**

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise:

- ◆ **Cost of generating funds**  
Cost of generating funds comprises fees paid to investment managers in connection with the management of the charity's listed investments.
- ◆ **Grants payable**  
Grants payable comprise monies approved for payment to the Lewis W Hammerson Memorial Home Limited.
- ◆ **Management and administration**  
Management and administration expenditure comprises costs incurred in administration of the charity, management of its assets and the necessary legal and organisational procedures for complying with constitutional and statutory requirements.

**Investments**

Investments are included on the balance sheet at their market value. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise.

**Fund accounting**

The general funds comprise those monies which may be used towards meeting the charitable objectives of the charity and may be applied at the discretion of the directors.

The designated funds represent monies set aside out of general funds and designated for specific purposes by the directors.

**Cash flow**

The accounts do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

**1 Investment income and interest receivable**

	Total 2002 £	Total 2001 £
Interest on fixed interest securities	3,365	8,675
Dividends from equities	55,060	42,381
Bank and other interest	9,084	14,196
	<b>67,509</b>	<b>65,252</b>

**2 Cost of generating funds**

	2002 £	2001 £
Investment manager's fees	<b>8,862</b>	10,883

**3 Grants payable**

	2002 £	2001 £
Lewis W Hammerson Memorial Home Limited (note 12)	<b>400,586</b>	499,808

**4 Management and administration of the charity**

	2002 £	2001 £
Included within this category of expenditure is:		
Auditors' remuneration	<b>2,702</b>	2,703

**5 Staff costs and expenses reimbursed**

There were no employees during the year (2001 – none). No director received any remuneration in respect of their services as a director during the year (2001 – £nil) and no director was reimbursed any expenses (2001 – £nil).

**6 Taxation**

The company is a registered charity and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## Notes to the accounts 31 December 2002

### 7 Investments

	2002 £	2001 £
<b>Listed investments</b>		
Market value at 1 January 2002	1,864,238	2,164,241
Additions at cost	599,315	659,717
Disposals at opening book value (proceeds: £440,823; losses: £14,958)	(455,781)	(800,516)
Net unrealised investment losses	(414,848)	(159,204)
Market value at 31 December 2002	1,592,924	1,864,238
<b>Cash held by investment managers</b>	69,097	176,878
	<b>1,662,021</b>	<b>2,041,116</b>
 Cost of listed investments at 31 December 2002	 <b>1,969,478</b>	 <b>2,023,442</b>

Listed investments held at 31 December 2002 comprised the following:

	2002 £	2001 £
UK investments	1,261,396	1,428,762
Overseas investments	331,528	435,476
	<b>1,592,924</b>	<b>1,864,238</b>

At 31 December 2002, none of the individual holdings in listed investments had a market value in excess of 5% of the market value of the entire portfolio of listed investments as at that date.

### 8 Debtors

	2002 £	2001 £
Income tax recoverable	12,386	9,985
Interest receivable	—	1,994
Other debtors	3,500	—
	<b>15,886</b>	<b>11,979</b>



## Notes to the accounts 31 December 2002

### 9 Creditors: amounts falling due within one year

	2002 £	2001 £
Accruals	4,925	5,969

### 10 Designated funds

	At 1 January 2002 £	New designations/ (utilisation) £	At 31 December 2002 £
Investment fund	2,041,116	(379,095)	1,662,021

The designated fund at 31 December 2002 represents the market value of the charitable company's investment portfolio. The directors have decided to create the fund equal to this balance in recognition of the fact that the investments are fundamental to the continued ability of the charitable company to generate monies for the future support of the Lewis W Hammerson Memorial Home Limited (note 12).

### 11 Liability of members

The Hammerson Home Charitable Trust is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £10.

### 12 Related party transactions

The Lewis W Hammerson Memorial Home Limited

The Hammerson Home Charitable Trust was incorporated to generate funds to enable the operation of the Lewis W Hammerson Memorial Home Limited.

The charity's directors also comprise the committee members of the Home. Both entities, therefore, are under common control. During the year the charity donated £400,586 to the Home (2001 - £499,808). At 31 December 2002 there was no indebtedness between the two entities (2001 - £nil).

The Directors

During the year donations totalling £312,100 (2001 - £308,700) were received from individual directors, their families, or other charitable organisations with which they are associated. At 31 December 2002 individual directors owed the charity £3,500 (2001 - £nil) in respect of expenditure that they had agreed to meet personally.