

Reg

**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE**

**ANNUAL REPORT**

**YEAR ENDED 31 MARCH 2002**

REG No. 2774232



**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
ANNUAL REPORT  
YEAR ENDED 31 MARCH 2002**

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**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
DIRECTORS, OFFICERS AND REGISTERED OFFICE**

The company is a charity registered with the Charity Commission. The registered charity number is 1017579.

**DIRECTORS**

Mr J Spicer  
Mr R Peet  
Mr R Vigars  
Mr R Barden  
Mr P Wise  
Mr M Brooke  
Mrs D Beattie

**SECRETARY**

Mr M D Crowder

**REGISTERED OFFICE AND PRINCIPAL ADDRESS**

58-60 King Street  
Norwich  
Norfolk  
NR1 1PG

**SOLICITORS**

Mills and Reeve  
3-7 Redwell Street  
Norwich  
NR2 4TJ

**BANKERS**

Co-Operative Bank PLC  
69 London Street  
Norwich  
Norfolk  
NR2 1HT

**AUDITORS**

PKF  
Cedar House  
105 Carrow Road  
Norwich  
NR1 1HP

**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
TRUSTEES' REPORT**

The trustees present their report together with the financial statements for the year ended 31 March 2002.

**CONSTITUTION AND ORGANISATION**

The company is governed by its Memorandum and Articles of Association which do not permit the payment of remuneration to the directors. The company does not have a share capital and consequently no dividends are payable. The company is a registered charity (registration number 1017579).

The activities of the company are managed by the board of directors who meet regularly to consider and adopt suitable policies for the charity. Their time is given to the charity on a purely voluntary basis.

**DIRECTORS AND TRUSTEES**

The trustees (who are also directors) named below all held office during the year:

Mr J Spicer  
Mr R Peet  
Mr R Vigars  
Mr R Barden  
Mr P Wise  
Mr M Brooke  
Mrs D Beattie (appointed 26 March 2002)

The directors are all members of the company and are therefore liable to contribute a sum not exceeding £5 each if required to do so in the event of the company being wound up.

Mr M Brooke and Mr R Vigars retire by rotation and, being eligible, offer themselves for re-election.

**AIMS AND OBJECTIVES**

The company's primary object is to preserve buildings of special beauty or of historic or architectural interest within Greater London for the benefit of the townspeople of Greater London and of the nation at large.

The company achieves its objects by working with the local authorities, statutory bodies, grant and loan giving agencies to take on, restore, repair and refurbish buildings at risk to bring them back into beneficial use.

On completion of the project the restored buildings are either sold on or let with sale receipts or loans secured by rental income forming the revolving fund by which the company maintains its facility to continue its work.

**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)**

**ACHIEVEMENTS AND FUTURE DEVELOPMENTS**

During the year the company obtained a Heritage Lottery Grant towards the cost of relocating the Grade II listed St Pancras Waterpoint from its site outside St Pancras Station, Camden, covered by proposed extensions to the station, to a new site overlooking the railway and the Regents Canal. Relocation was completed in November 2001. Repair and refurbishment work is to be put in hand with a view to completion in Spring 2003 when the building will be leased to British Waterways Board.

Work also started on the Grade II listed Poplar Library in Tower Hamlets incorporating its repair and refurbishment for use as a 'seed bed' centre for new businesses and incorporating six live/work units as enabling development. This project will be completed in Autumn 2002.

For the future, the company has commissioned a feasibility study on the Grade II\* Bromley Hall, adjoining Poplar Library, is in discussion with Groundwork Southwark about a Grade II listed building at Denmark Hill Station and with English Heritage and Haringey Borough Council about the Grade II listed building at 810 High Road.

**RESULTS**

There have been no material changes in the operating policies of the company since the previous annual report.

The deficit for the year amounted to **£1,146** (31 March 2001 **£9,258**). The unrealised revaluation surplus amounted to **£105,000** (31 March 2001: **£35,642**).

**RISK ASSESSMENT**

The company has no permanent staff and the loss of its Surveyor and Secretary is a significant risk in the context of its day to day operations.

The cashbook and associated records for properties in hand are maintained on computer in the office of the Surveyor and Secretary. Loss of these could be a major incident but daily update back ups are taken and a full back up is taken at the end of each week. These are held in a different location from the office.

Each project has its attendant risks and the company reduces this to acceptable levels by appointing skilled professional teams with appropriate expertise and resources to work with its Surveyor and Secretary representing the company in running the project.

**RESERVES**

At the year end the company has unrestricted funds of **£303,646** and restricted funds of **£Nil**. Company policy is to match applicable expenditure to its restricted income, with any shortfall being made good from unrestricted funds.

The company has a policy of aiming to hold a minimum cash balance equivalent to two years operating costs to allow for the lengthy lead-time necessary for most projects.

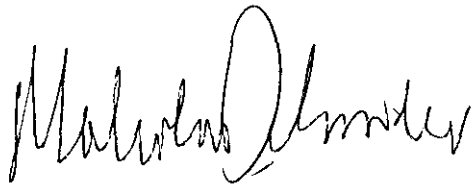
The directors confirm that the company has sufficient assets available to fulfil its obligations.

**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
TRUSTEES' REPORT (CONTINUED)**

**INVESTMENT POWERS**

The company can invest monies not immediately required for its purposes in or upon such investments, securities or property as may be thought fit subject to conditions or consents as may for the time being be imposed or required by law.

This trustees report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.



BY ORDER OF THE BOARD

M D Crowder  
Secretary

12 Nov .....2002

**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the financial activities of the charity during the year and of its state of affairs at the end of the year (unless the charity is entitled to prepare modified accounts on a receipts and payments basis). In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the applicable law and regulations. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HERITAGE OF LONDON TRUST OPERATIONS LIMITED

We have audited the financial statements of Heritage of London Trust Operations Limited for the year ended 31 March 2002 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The responsibilities of the trustees (who are also the directors of Heritage of London Trust Operations Limited for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements 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 Trustees' Report is not consistent with the financial statements, if the charitable company 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees' Report and consider the implications of our report if we become aware of any apparent misstatements within it.

### 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 judgments made by the trustees in the preparation of the financial statements, 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 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 charitable company's affairs as at 31 March 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.

Norwich, UK

.....21.11.2002

PKF

PKF

Registered Auditors



**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
YEAR ENDED 31 MARCH 2002**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2002	Total Funds 2001
		£	£	£	£
<b>Incoming resources</b>					
Operating activities in furtherance of the charity's objects	3	-	117,000	117,000	147,358
Donations and grants	4	8,500	823,103	831,603	49,559
Investment income	5	50,206	-	50,206	46,077
<b>Total incoming resources</b>		<b>58,706</b>	<b>940,103</b>	<b>998,809</b>	<b>242,994</b>
<b>Charitable expenditure:</b>					
Cost of activities in furtherance of the charity's objects	6	-	940,103	940,103	196,917
Managing and administering the charity	7	59,852	-	59,852	55,335
<b>Total charitable expenditure and total resources expended</b>		<b>59,852</b>	<b>940,103</b>	<b>999,955</b>	<b>252,252</b>
<b>Net incoming resources before transfers</b>		<b>(1,146)</b>	<b>-</b>	<b>(1,146)</b>	<b>(9,258)</b>
<b>Transfer between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Movement in total funds for the year:</b>					
Net income/(expenditure) for the year		(1,146)	-	(1,146)	(9,258)
Unrealised surplus/(deficit) on revaluation of properties		105,000	-	105,000	35,642
<b>Total funds brought forward</b>		<b>199,792</b>	<b>-</b>	<b>199,792</b>	<b>173,408</b>
<b>Total funds carried forward</b>		<b>303,646</b>	<b>-</b>	<b>303,646</b>	<b>199,792</b>

All incoming resources and resources expended derive from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year. The deficit for the year for Companies Act purposes comprises the net incoming resources for the year, including realised gains on property disposals, and totals £1,146 (2001 £9,258).

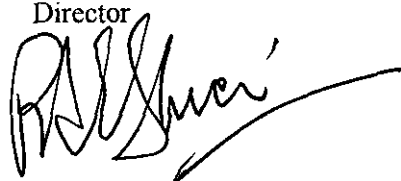
**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
BALANCE SHEET  
AS AT 31 MARCH 2002**

	Notes	£	<u>2002</u> £	£	<u>2001</u> £
<b>Fixed assets</b>					
Tangible assets	11		533,000		428,000
<b>Current assets</b>					
Stock		904,337		98,403	
Debtors	12	337,105		4,324	
Cash at bank and in hand		1,310		29,699	
			<u>1,242,752</u>	<u>132,426</u>	
<b>Creditors:</b>					
Amounts falling due within one year	13	1,216,076		112,617	
<b>Net current assets</b>			<u>26,676</u>		<u>19,809</u>
<b>Total assets less current liabilities</b>			<u>559,676</u>		<u>447,809</u>
<b>Creditors</b>					
Amounts falling due after more than one year	13		<u>(256,030)</u>		<u>(248,017)</u>
<b>Net assets</b>			<u><u>303,646</u></u>		<u><u>199,792</u></u>
<b>Income funds</b>					
Unrestricted fund (includes revaluation reserve of £158,650 [2001 £53,650] )	14		303,646		199,792
Restricted funds	15		-		-
			<u><u>303,646</u></u>		<u><u>199,792</u></u>

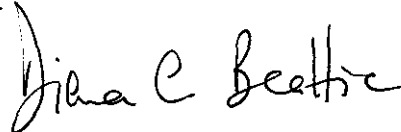
These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 12.11.02

Mr J Spicer  
Director



Mrs. DIANA C. BEATTIE  
Director



**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2002**

**1 ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, the Financial Reporting Standard for Smaller Entities (effective March 2000), and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

**(b) Incoming resources**

Income from operating activities in furtherance of the charity's objects is included in the year in which the charity is entitled to receipt.

**(c) Donations and grants**

Income from donations and grants is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting years, the income is deferred until those years.

When donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

**(d) Interest receivable**

Interest is included when receivable by the charity.

**(e) Operating lease income**

Receipts are credited to the profit and loss account in the year to which they relate.

**(f) Stock and work in progress**

Stock, comprising project work in progress, is stated at the lower of cost and net realisable value. Cost comprises the direct cost of acquiring properties and improvements to property. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2002**

**1 ACCOUNTING POLICIES - CONTINUED**

**(g) Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories as is considered appropriate.

**(h) Tangible fixed asset investments**

Fixed asset investments are carried at open market value as determined by professional independent valuers.

**(i) Fund accounting**

Funds held by the charity are either:

- Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.
- Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanations of the nature and purpose of each fund is included in the notes to the financial statements.

**2 LEGAL STATUS OF THE CHARITY**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £5.

**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2002**

**3 INCOMING RESOURCES FROM OPERATING ACTIVITIES IN  
FURTHERANCE OF THE CHARITY'S OBJECTS**

	2002 £	2001 £
Capitalisation of fixed asset investment on completion	-	147,358
Contract receipt from LCR	117,000	-
	<hr/> 117,000	<hr/> 147,358

**4 DONATIONS AND GRANTS**

	2002 £	2001 £
Local authority and corporate grants for capital projects	823,103	-
Corporate grants for revenue expenditure	8,500	-
	<hr/> 831,603	<hr/> -

**5 INVESTMENT INCOME**

	2002 £	2001 £
Rental income	49,665	45,201
Interest on bank deposits	5	876
Interest on other deposits	536	-
	<hr/> 50,206	<hr/> 46,077

**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2002**

**6 COST OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS**

	<u>2002</u> £	<u>2001</u> £
Expenditure on completed development	-	147,358
Expenditure on current developments	940,103	49,559
	<u>940,103</u>	<u>196,917</u>

**7 MANAGING AND ADMINISTERING THE CHARITY**

	<u>2002</u> £	<u>2001</u> £
Professional costs	33,176	24,110
Establishment costs	1,596	3,832
Other costs	815	2,463
Interest	<u>24,265</u>	<u>24,930</u>
	<u>59,852</u>	<u>55,335</u>

The trustees were not paid or reimbursed for expenses during the year.

**8 a) DIRECTORS' REMUNERATION**

The Company's Articles of Association do not permit the directors to receive emoluments.

**b) EMPLOYEES EMOLUMENTS**

During the year the company had no employees (2001: nil).

**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2002**

**9 MOVEMENT IN TOTAL FUNDS FOR THE YEAR**

This is stated after charging/(crediting) the following:

	2002 £	2001 £
Auditors' remuneration – audit fees	1150	950
	<u>          </u>	<u>          </u>

**10 TAXATION**

As the company is a registered charity, there will be no liability to corporation tax or to capital gains tax unless income from non primary purpose activities (included in Activities for Generating Funds) exceeds Inland Revenue permitted thresholds, in which case full provision is made in the financial statements.

**11 FIXED ASSETS**

	2002	2001
Freehold investment properties at valuation	533,000	428,000
	<u>          </u>	<u>          </u>

All assets are held for direct charitable purposes.

The property held by the company is leased to third parties. All rentals received are used by the company for charitable purposes.

The properties were valued by professional independent valuers in October 2001 on an open market basis.

On an historical cost basis the properties would have been included at a cost of £374,350 (2001 £374,350).

**12 DEBTORS**

	2002 £	2001 £
Grant due	315,998	-
VAT	21,107	4,324
	<u>337,105</u>	<u>4,324</u>
	<u>          </u>	<u>          </u>

PKF

**HERITAGE OF LONDON TRUST OPERATIONS  
LIMITED BY GUARANTEE  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2002**

**13 CREDITORS**

	<b>2002</b>			<b>2001</b>
	<b>Due within one year £</b>	<b>Due after more than one year £</b>	<b>Due within one year £</b>	<b>Due after more than one year £</b>
Bank loan and overdraft	46,485	256,030	44,129	248,017
Other loans	911,000	-	25,000	-
Trade creditors	241,386	-	30,122	-
Accruals and deferred income	17,205	-	13,366	-
	<u>1,216,076</u>	<u>256,030</u>	<u>112,617</u>	<u>248,017</u>

The bank and other loans are secured on the company's properties.

Included within other creditors above are loan instalments falling due as follows:

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
In one year	16,267	44,129
In two to five years	82,459	74,743
In more than five years	173,571	173,274
	<u>272,297</u>	<u>292,146</u>

**14 UNRESTRICTED FUNDS**

The movement on unrestricted funds during the year was as follows:

	<b>£</b>
At 31 March 2001	199,792
Deficit for the year	(1,146)
Unrealised surplus on revaluation of properties	105,000
At 31 March 2002	<u>303,646</u>



**HERITAGE OF LONDON TRUST OPERATIONS  
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NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2002**

**15 RESTRICTED FUNDS**

The funds of the charity include restricted funds comprising the following:

	Balance 2001 £	Incoming Resources and transfers £	Expenditure £	Balance 2002 £
Contract receipt from LCR	-	117,000	-	-
Grants received for capital projects	-	823,103	-	-
Expenditure on capital projects	-	-	(940,103)	-
	-	940,103	(940,103)	-

**16 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	533,000	-	533,000
Cash at bank and in hand	1,310	-	1,310
Other net current assets	25,366	-	25,366
Long term liabilities	(256,030)	-	(256,030)
<b>TOTAL FUNDS</b>	<b>303,646</b>	<b>-</b>	<b>303,646</b>

**17 RELATED PARTY TRANSACTIONS**

	2002 £	2001 £
<b>M Crowder</b> (Company secretary and project organiser)		
Project organiser's fees	22,661	23,160