

REGISTRAR OF COMPANIES

Hammerson Home Charitable Trust

Annual Report and Financial Statements

31 December 2010

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

Charity Registration Number
286002

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Contents

Reports

Reference and administrative information	1
Report of the directors	2
Independent auditor's report	12

Financial statements

Statement of financial activities	14
Balance sheet	16
Principal accounting policies	17
Notes to the financial statements	19

The following page does not form
part of the statutory financial statements

Detailed income and expenditure account	24
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Reference and administrative information

Directors	Mrs E Angel Mr T Angel OBE Mrs P Beecham Mrs S Hammerson CBE Mrs C Holmes Mr T Michaels Mrs P Strauss Mr F E Winter FCA Mrs J Wiseman
Secretary	Mrs E Angel
Chief Executive	Mr A Leigh
Registered office	50A The Bishop's Avenue London N2 0BE
Company registration number	1672002 (England and Wales)
Charity registration number	286002
Auditors	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Newton Investment Management Limited 71 Queen Victoria Street London EC1V 4DR
Bankers	Barclays Bank plc 28 Hampstead High Street Hampstead London NW3 1QB

Report of the Directors Year to 31 December 2010

The directors present their report together with the financial statements of the Hammerson Home Charitable Trust ("the Trust") for the year ended 31 December 2010

The report has been prepared in accordance with Part VI of the Charities Act 1993 and constitutes a directors' report for Companies Act purposes

The financial statements have been prepared in accordance with the accounting policies set out on pages 17 and 18 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 March 2005

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

Hammerson Home Charitable Trust is a registered charity (Charity Registration Number 286002) and a company limited by guarantee (Company Registration Number 1672002) It is governed by its memorandum and articles of association

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

The directors constitute trustees of the charity for the purposes of charity legislation and directors of the charity for the purposes of company law.

The following directors were in office at 31 December 2010 and served throughout the year except where shown

Directors	Appointed/Resigned
Mrs E Angel	
Mr T Angel OBE	
Mrs P Beecham	
Mrs S Hammerson CBE	
Mrs C Holmes	
Mr J Markson	Resigned 15 December 2010
Mr T Michaels	
Mrs P Strauss	Appointed 15 December 2010
Mrs J Wiseman	
Mr F E Winter FCA	

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Brief biographical details of each of the directors are given below

Eleanor Angel

Eleanor Angel is the sales administration director of Angels, The Costumier. She is also a director of the Women of the Year Lunch and a trustee for a number of organisations including the Women of the Year Foundation and the AJR Charitable Trust.

Tim Angel OBE

Tim Angel is the chairman of Angels, The Costumiers. He was the chairman of the British Academy of Film and Television Arts (1997 – 2000) and is now a permanent trustee there. Tim has also been a governor of the British Film Institute (BFI) since 2003 and was awarded an OBE for services to film, theatre and television in 1997.

Patricia Beecham

Patricia Beecham went to the City of London School and then pursued her musical studies at the Conservatoire in Lausanne. She worked at the BBC in its Welfare Department (Human Resources) until her marriage and was on the Board of the RPO, the ENO Benevolent Fund, and the City of London Music Festival. She has been involved with fundraising and all activities at Hammerson Home since her late teens.

Sue Hammerson CBE

Sue Hammerson was born in 1914 to Dutch parents. She married Lew Hammerson in 1938 and had three children. Her husband died in 1958 and thereafter she worked tirelessly to set up the Lewis W Hammerson Memorial Home in his memory. She was awarded a CBE in 2009, and today she still visits the Home and works on fundraising efforts. From about 1965–1990, she was the treasurer of the Queen Mother's London Needlework Guild.

Carol Holmes

Carol Holmes was a partner in the law firm, Dechert, for many years, specialising in commercial real estate. She has now retired from practice. She is a non-executive director of Trinity Hospice Shops Limited, a company that runs 22 charity shops raising funds for a South London hospice and a trustee of WIZO UK.

Philippa Strauss

Philippa worked in the City as an Investment Director for over 20 years and then decided to retire. After that she spent 4 years at World Jewish Relief (WJR) as Deputy Chief Executive. Now she has had a portfolio of trusteeships including Hammerson House, Jewish Youth Fund, Javon Charitable Trust and the Association of Jewish Refugees (AJR). She sits on the Allocations Committee of WJR and the investment committee of the AJR and is also a member of the B'nai B'rith Leo Baeck Lodge.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Tony Michaels

Tony Michaels joined the family business of importing printing and paper converting machinery, working his way up in the company until he became the managing director. Following his partial retirement in 2000, the company changed its focus to the plastic and packaging industry and he still oversees the running of the company. Since 2000, he has been involved in the property industry and is a director of a number of property companies and has been a trustee for various charities.

Fred Winter

Fred Winter was in public practice for over 50 years as a senior partner in a firm of chartered accountants. He was the treasurer of Hammerson Home for ten years as well as a director in numerous companies. He has been involved with Hammerson Home and the Trust for over 20 years.

Judy Wiseman

Judy Wiseman trained and worked as a radiographer, and then worked for the BBC as a researcher for children's programmes, before becoming a relocation counsellor. Her voluntary roles have included chairmanship of the West London Synagogue Charitable Fund and Parents' Forum, as well as serving as a warden for three years. She has been involved with Hammerson Home for the last 10 years as an admissions officer and organizing religious services. Her Mother is a resident in the Home.

Eleanor Angel, Tim Angel, Patricia Beecham, Tony Michaels, and Judy Wiseman are also on the management committee of Hammerson Home. Sue Hammerson is the president of the Home.

On agreeing to become a director of the charity, new directors are briefed by the existing directors on the history of the Trust, the day-to-day management, the responsibilities of the directors, the current objectives and future plans. The directors may attend any courses which they feel are relevant to the development of their role, and are encouraged to keep up-to-date on any changes in legislation that may impact the Trust.

New directors are supplied with full details of the last three years financial statements of the Trust and a copy of the governing document. The Chief Executive gives the new directors details about the running of the Lewis W Hammerson Memorial Home and general issues pertaining to care of the elderly. Ideally a meeting is arranged with the matron in relation to care of the elderly specifically at the Home. If a new director has not hitherto been a director or a trustee of a charity, he/she is directed to the Charity Commission website to enable himself/herself to ascertain the general duties and responsibilities of a charity trustee.

Sessions are arranged with charity lawyers and accountants on a periodic basis to highlight the role and responsibilities of the directors.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Governance (continued)

Directors are recruited based on the skills they have to offer the Trust

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the directors to prepare financial statements 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 incoming resources and application of resources, including its income and expenditure, for the financial year. In preparing financial statements, the directors are required to

- ◆ select suitable accounting policies and then apply them consistently,
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP),
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material 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 charitable company will continue in operation

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors confirms that

- ◆ so far as the director is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- ◆ the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Structure and management reporting

The directors have ultimate responsibility for the charity. They meet formally three to four times a year and informally when required. The day to day administration of the charity is delegated to the Chief Executive and his staff. The Chief Executive reports to the directors regularly throughout the year both formally and informally. The activities of the Chief Executive are in accordance with the policies of the charity, and any decisions with respect to any event not planned for is referred to the directors prior to a decision being made.

Connected charities and related parties

The charity is directly connected with the Lewis W Hammerson Memorial Home. The majority of the directors of the charity 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 grant making policy described below under the "Activities, specific objectives and relevant policies" section. During the year ended 31 December 2010 the charity provided monetary donations of £513,539 and contributed in-kind expenditure of £331,933 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. Certain of the directors have relatives who are cared for within the Home. Where this is the case, fees and related payments due to the Home are made on an arm's length basis.

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.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Charitable objectives

The charity was established in 1982 and the charitable objects or purposes set out in its memorandum and articles of association are "the relief of aged sick or disabled persons in necessitous circumstances resident in Greater London and elsewhere".

Activities

The charity's income is derived from voluntary income, its investments and interest earned. The majority of the charity's income is applied in the payment of a grant to the Lewis W Hammerson Memorial Home as described below.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Activities (continued)

The movement in the charity's funds for the year is shown in the statement of financial activities on page 14

The directors are happy that the charity's objectives have been met adequately during the year

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.

Review of activities

Throughout 2010 the Trust continued to monitor the investment portfolio pursuing the same investment strategy as in previous years. This resulted in a strong performance over the period.

During the course of the year, the directors decided to move the investments managed by Newton Asset Management from a segregated fund to join the Newton pooled fund. The purpose of this move was to reduce the management cost and to give an even wider spread of risk than had been the case had the funds remained in a segregated fund.

Mindful that nearly all the assets of the Trust were managed by Newton, the trustees decided that it would be wise to reduce the risk inherent in this situation. They decided to interview other investment managers with a view to splitting the total investment account between Newton and a second investment manager, Veritas Asset Management, who have since been appointed.

The principal recipient of funds from the Trust continued to be the Lewis W Hammerson Home. As the directors continued to consider the long term balance of accommodation available at the Lewis W Hammerson Home, a Building Fund of £400,000 had been designated in 2009 for the purpose of renovation of the accommodation. During 2010, a total of £331,933 had been spent on completely rebuilding 5 rooms that can be used for either residential or nursing care and creating 3 flats for sheltered housing that would better meet the needs of future residents and tenants.

A decision had also been taken in 2009 to designate a fund of £400,000, to be called a Hardship Fund, specifically to cover the costs of residents taking up residence at the Lewis W Hammerson Memorial Home who were unable to meet the total cost of care themselves. During 2010, a total of £357,885 was used for this purpose.

The directors can foresee an ongoing need for these two funds.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Public benefit

In setting out the objectives and planning the activities of the charity, the directors have given careful consideration to the Charity Commission's general guidance on public benefit

Since 1982 the directors have chosen to pursue the charity's charitable purposes by providing grant funding to The Lewis Hammerson Memorial Home ("the Home") – a charitable Industrial and Provident Society which is also a Registered Social Landlord, regulated by the Tenant Services Authority and which runs a residential home for the elderly in London

The directors review their policy of providing support to the Home from time to time. They are currently of the view that the continued support of the Home is in the best interests of the charity and is an appropriate and beneficial use of its funds. There are two primary reasons for this: first, the charity's donors are also supporters of the Home and it is likely that donations to the charity (and/or the prospect of them) would diminish if it reduced its support for the Home. Secondly, the directors believe that by making grants to the Home they are well able to satisfy the public benefit test so far as the charity is concerned

The charity's grant to the Home is made for its general purposes and so in practice its application is determined by the Committee of Home between the three levels of residents' care provided within the Home, namely residential care, nursing care and sheltered accommodation. At 31 December 2010 the number of residents in each category was as follows: 57 residential, 13 nursing and 14 sheltered accommodation

All of the Home's residents are elderly. Those provided with nursing care are also all sick or disabled. However, many of the other residents are also disabled by either ill health or old age and fall to be regarded as primary beneficiaries under the charity's objects clause. From time to time the elderly who are in residential care or sheltered accommodation become sick and they are therefore provided with nursing care for so long as is necessary (or until a change of their status to permanent nursing care seems appropriate)

Residents to the Home are admitted on an open basis according to the availability of care/accommodation of the requisite type and the needs of the individual concerned. For example, if it is impossible for an individual to be looked after at home s/he will be given priority for a place. In the past the Home has had a waiting list for future residents but this is not the case at present. From time to time local authorities (including Barnet in which the Home is situated) place individuals at the Home. Other residents learn of the Home from friends, family and other sources. It has an outstanding reputation.

The Home charges fees in respect of its residents. These fees are in line with similar facilities managed by charity providers. Individuals are not excluded from the potential to benefit from the Home by the level of these fees because the fees for many residents (in recent years the percentage has ranged from 36% to 40%) are paid by their local authority. In all cases the amount paid by local authorities does not cover the full amount of the fees. To date the Home and the charity have been able to ensure that the shortfall is made up from other resources, so as to enable the elderly residents concerned to remain in the Home irrespective of their ability to pay the fees or have them paid on their behalf.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Investment policy and performance

The charitable company has a portfolio of listed investments which, together with cash awaiting investment, had a market value as at 31 December 2010 of £4,166,830 (2009 – £3,348,523)

There are no restrictions on the charity's power to invest. At 31 December 2010 the investments are managed by Newton Investment Management Limited. The company operates within specific guidelines that are set and regularly reviewed by the directors. The investment objectives are to hold medium risk investments which show capital growth.

The total net gains on the charity's investments during the year of £425,861 (2009 – losses of £522,014) reflect the upturn in the world stock markets following the unprecedented volatility in 2008 and 2009. The directors remain satisfied that their investment policy is appropriate for the medium to long term.

FINANCIAL REVIEW

Results for the year

Total incoming resources for the year amounted to £707,915 (2009 – £618,921) and comprised donations of £593,076 (2009 – £496,147) and investment income and interest receivable of £114,839 (2009 – £122,774).

Total resources expended amounted to £891,014 (2009 – £544,624). Charitable donations in support of the Lewis W Hammerson Memorial Home made during the year totalled £513,359 (2009 – £509,216). In addition, an amount of £331,933 was spent by the Trust on refurbishment works for the Lewis W Hammerson Memorial Home and has been treated as a donation in kind.

After taking account of realised gains of £4,888 (2009 – gains of £8,160) on the disposal of investments and an increase in the value of the charitable company's investments of £420,973 (2009 – increase of £513,854), there was a net increase in funds for the year of £242,762 (2009 – increase of £596,311).

The resultant total funds at 31 December 2010 were £4,443,125 (2009 – £4,200,363), most of which were represented by long term investments held for the generation of future income.

FINANCIAL REVIEW (continued)

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 up to six 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 £4,443,125 (2009 - £4,200,363)

These funds include designated funds of £4,166,830 (2009 - £3,348,523) representing the market value of the charity's investment portfolio as at 31 December 2010. 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.

In addition, the directors have designated £100,000 (2009 - £400,000) towards the provision of future grants to enable the continued refurbishment and modernisation of the Lewis W Hammerson Memorial Home. A further £100,000 (2009 - £400,000) has been set aside to enable the Trust to assist the Home to provide care to those residents funded by the local authorities where the fees paid are inadequate to cover the costs of care. It is likely that an amount similar to this year will be necessary in 2011 to part fund these residents. The current shortfall will be met by income already received during the year ending 31 December 2011.

Restricted funds, representing funds received with donor imposed conditions were nil at the year end (2009 - £nil).

Unrestricted general funds, representing the free reserves of the charity at 31 December 2010, total £76,295 (2009 - £51,840). These represent funds available to meet any chronic shortfall in the ability of the Lewis W Hammerson Memorial Home to meet its obligations and represent approximately 3 to 4 months (2009 - 3 to 4 months) of the Home's expenditure. The directors consider the free reserves to be adequate and within the parameters set out in the reserves policy above.

FUTURE PLANS

The directors intend to follow the same investment strategy during the year ahead. As noted above, the major change for the future will be that assets will be managed by two investment managers rather than one.

Report of the Directors Year to 31 December 2010

FUTURE PLANS (continued)

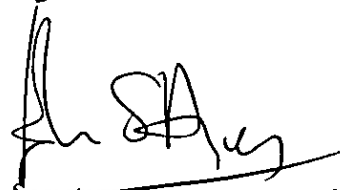
The Trust will continue to support the Lewis W Hammerson Memorial Home and work towards the relief of aged or disabled people. It will do this by paying a grant to the Home to help meet the costs of those residents unable to meet the full costs of their care by way of the Hardship Fund and by assisting the Home to renovate its accommodation so that it is suitable for the needs of aged and disabled people by way of the Building Fund.

The fiftieth anniversary of the establishment of the Lewis W Hammerson Home will fall in 2012. The directors are aware that investigation is under way by the Home in the possibility of a capital project being launched in 2011 to coincide with this significant anniversary. As a result, the directors expect to make a further significant contribution to the Building Fund.

POST BALANCE SHEET EVENT

The trustees of Hammerson Home Charitable Trust, the Management Committee of the Lewis W Hammerson Memorial Home Limited and the trustees of Nightingale House are in preliminary discussions about a potential merger. All agree that such a merger would be in the best interests of the parties and would ensure the long term futures of both the Lewis W Hammerson Memorial Home and Nightingale House.

Signed on behalf of the directors



Secretary **ELEANOR ANGEL**
Approved by the board on



Director **PHILIPPA STRAUSS**

21 June 2011

Independent auditor's report to the members of Hammerson Home Charitable Trust

We have audited the financial statements of Hammerson Home Charitable Trust for the year ended 31 December 2010 which comprise the statement of financial activities, balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out in the Report of the Directors, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report 31 December 2010

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- ◆ the financial statements are not in agreement with the accounting records and returns, or
- ◆ certain disclosures of directors' remuneration specified by law are not made, or
- ◆ we have not received all the information and explanations we require for our audit

Bogzacott LLP

Amanda Francis, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

16 August 2011

Statement of financial activities Year to 31 December 2010

	Notes	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
Voluntary income		569,394	23,682	593,076	496,147
Investment income and interest receivable	1	114,839	—	114,839	122,774
Total incoming resources		684,233	23,682	707,915	618,921
Resources expended					
Cost of generating funds	2	40,872	—	40,872	29,014
Charitable activities					
Grants payable	3	489,677	23,682	513,359	509,216
Gifts in kind		331,933	—	331,933	—
Governance costs	4	4,850	—	4,850	6,394
Total resources expended		867,332	23,682	891,014	544,624
Net (outgoing) incoming resources before investment assets disposals		(183,099)	—	(183,099)	74,297
Realised gains on disposal of investments		4,888	—	4,888	8,160
Statement of total recognised gains and losses					
Net (outgoing) incoming resources		(178,211)	—	(178,211)	82,457
Unrealised gains on investments		420,973	—	420,973	513,854
Net movement in funds		242,762	—	242,762	596,311
Balance brought forward at 1 January 2010		4,200,363	—	4,200,363	3,604,052
Balance carried forward at 31 December 2010		4,443,125	—	4,443,125	4,200,363

Statement of financial activities Year to 31 December 2010

	2010 £	2009 £
Historical cost net movement in funds		
Net movement in funds (page 14)	242,762	596,311
Unrealised gains on investments	(420,973)	(513,854)
Difference between the gains (losses) calculated by reference to historic cost and the gains (losses) calculated on the revalued amounts	(100,799)	(90,980)
	(279,010)	(8,523)

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

Balance sheet 31 December 2010

	Notes	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Investments	7		4,166,830		3,348,523
Current assets					
Debtors	8	163,968		164,018	
Short term deposits		—		509,819	
Cash at bank and in hand		123,577		187,703	
		<u>287,545</u>		<u>861,540</u>	
Creditors amounts falling due within one year	9	<u>(11,250)</u>		<u>(9,700)</u>	
Net current assets			<u>276,295</u>		<u>851,840</u>
Total net assets			<u>4,443,125</u>		<u>4,200,363</u>
Represented by.					
Funds and reserves					
Restricted income funds	11		—		—
Unrestricted income funds					
General funds			76,295		51,840
Designated funds	10		<u>4,366,830</u>		<u>4,148,523</u>
			<u>4,443,125</u>		<u>4,200,363</u>

Approved by the directors
and signed on their behalf by



Director **PHILIPPA STRAUSS**

Hammerson Home Charitable Trust, Company Limited by Guarantee
Registration Number 1672002 (England and Wales)

Approved on

21 June 2011

Principal accounting policies 31 December 2010

Basis of accounting

The financial statements 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 2006 Applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in the preparation of these financial statements

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

Donations are included in the statement of financial activities when pledged Legacies are included in the statement of financial activities when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified

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 the following

- ◆ The cost of generating funds comprises fees paid to investment managers in connection with the management of the charity's listed investments and costs of hosting the annual fundraising dinner.
- ◆ Charitable activities comprise monies approved for payment to the Lewis W Hammerson Memorial Home Limited together with expenditure incurred on behalf of the Lewis W Hammerson Home Limited and treated in these financial statements as a gift in kind
- ◆ Governance costs include the costs incurred which are directly attributable to the necessary legal procedures for compliance with statutory and constitutional requirements

Fixed asset 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.

Principal accounting policies 31 December 2010

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

The restricted funds are monies received for, and their use restricted to, a specific purpose or donations subjected to donor imposed conditions

Cash flow

The financial statements 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

	Unrestricted funds £	Restricted funds £	Total 2010 £	Total 2009 £
Interest on fixed interest securities	299	—	299	1,930
Dividends from equities	113,531	—	113,531	112,061
Bank and other interest	1,009	—	1,009	8,783
	114,839	—	114,839	122,774

2 Cost of generating funds

	Unrestricted funds £	Restricted funds £	Total 2010 £	Total 2009 £
Investment management fees	22,340	—	22,340	15,177
Annual fundraising dinner	18,532	—	18,532	13,837
	40,872	—	40,872	29,014

3 Grants payable

	Unrestricted funds £	Restricted funds £	Total 2010 £	Total 2009 £
Lewis W Hammerson Memorial Home Limited (note 14)	489,677	23,682	513,359	509,216

In addition to the monetary grants noted above, during the year the Trust incurred expenditure of £331,933 (2009 - £nil) on the refurbishment of the premises and facilities used by the Lewis W Hammerson Memorial Home. This expenditure has been treated in these financial statements as the provision of a donation in kind.

4 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2010 £	Total 2009 £
Auditors' remuneration	4,170	—	4,170	5,115
Miscellaneous	680	—	680	1,279
	4,850	—	4,850	6,394

5 Staff costs and expenses reimbursed

There were no employees during the year (2009 - none). No director received any remuneration in respect of their services as a director during the year (2009 - £nil) and no director was reimbursed any expenses (2009 - £nil).

Notes to the financial statements 31 December 2010

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

7 Investments

	2010 £	2009 £
Listed investments		
Market value at 1 January 2010	3,231,468	2,532,353
Additions at cost	1,306,625	856,992
Disposals at opening book value (proceeds £854,579, gains £4,888)	(849,691)	(671,731)
Net unrealised investment gains	420,973	513,854
Market value at 31 December 2010	4,109,375	3,231,468
Cash held by investment managers	57,455	117,055
	4,166,830	3,348,523
 Cost of listed investments at 31 December 2010	 3,192,917	 2,635,184

Listed investments held at 31 December 2010 comprised the following

	2010 £	2009 £
UK bonds	498,825	344,371
Overseas bonds	56,322	32,749
UK equities	2,574,567	2,298,179
Overseas equities	979,661	556,169
	4,109,375	3,231,468

8 Debtors

	2010 £	2009 £
Interest accrued	—	392
Income tax recoverable on Gift Aid donations	13,968	13,626
Accrued income – pledged donations	150,000	150,000
	163,968	164,018

9 Creditors: amounts falling due within one year

	2010 £	2009 £
Sundry creditors	1,525	—
Accruals	9,725	9,700
	11,250	9,700

10 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the directors for specific purposes

	At 1 January 2010 £	New designations £	Funds utilised/ released £	At 31 December 2010 £
Investment fund	3,348,523	818,307	—	4,166,830
Building fund	400,000	31,933	(331,933)	100,000
Hardship fund	400,000	57,885	(357,885)	100,000
	4,148,523	908,125	(689,818)	4,366,830

The purpose for which each of the funds is to be used is as follows

◆ **Investment fund**

The designated investment fund at 31 December 2010 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 14)

◆ **Building fund**

The building fund comprises monies set aside by the directors to modernise the premises and facilities of the Lewis W Hammerson Memorial Home

◆ **Hardship fund**

The hardship fund comprises monies set aside to enable the Trust to assist the Lewis W Hammerson Memorial Home to provide care for those residents funded by Local Authorities where other sources of income to provide top-up fees do not exist or are inadequate.

11 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes

	At 1 January 2010 £	Incoming resources £	Resources expended £	At 31 December 2010 £
Dorset Music Trust fund	—	9,500	(9,500)	—
Westlon Trust fund	—	12,000	(12,000)	—
Other	—	2,182	(2,182)	—
	—	23,682	(23,682)	—

The purpose for which each of the funds is to be used is as follows

♦ Dorset Music Trust fund

The Dorset Music Trust fund represented income raised specifically to provide music therapy to the residents of the home

♦ Westlon Trust fund

The Westlon Trust fund comprised monies to be used to purchase hairdressing salon and nursing equipment

12 Analysis of net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2010 are represented by				
Investments	—	4,166,830	—	4,166,830
Net current assets	76,295	200,000	—	276,295
	76,295	4,366,830	—	4,443,125

Unrealised gains on investments included above are as follows

	General funds £	Designated funds £	Restricted funds £	Total £
Reconciliation of movements in unrealised gains on investments				
Unrealised gains at 1 January 2010	—	596,284	—	596,284
Less in respect of disposals during the period	—	(100,799)	—	(100,799)
Add net unrealised gains in the period	—	420,973	—	420,973
Unrealised gains at 31 December 2010	—	916,458	—	916,458

13 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.

14 Related party transactions

The Lewis W Hammerson Memorial Home Limited

The charitable objectives of the Hammerson Home Charitable Trust, as noted in the directors' report, are principally achieved by the provision of financial support to the Lewis W Hammerson Memorial Home Limited.

Several of the charity's directors also serve as Management Committee Members of the Home. During the year the charity donated £513,359 (2009 - £509,216) to the Home. At 31 December 2010 there was no indebtedness between the two entities (2009 - £nil). The Trust had also incurred expenditure totalling £331,933 towards refurbishment works for the Lewis W Hammerson Memorial Home.

The Directors

During the year donations totalling £395,140 (2009 - £323,730) were received from individual directors, their families, or other charitable organisations with which they are associated.

Certain of the directors have relatives who are cared for within the Lewis W Hammerson Memorial Home. Where this is the case, fees and related payments due to the Home are made on an arm's length basis.

15 Post balance sheet event

The trustees of Hammerson Home Charitable Trust, the Management Committee of the Lewis W Hammerson Memorial Home Limited and the trustees of Nightingale House are in preliminary discussions about a potential merger. All agree that such a merger would be in the best interests of the parties and would ensure the long term futures of both the Lewis W Hammerson Memorial Home and Nightingale House.