



REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2011

~HAMPSTEAD - GARDEN - SUBURB - TRUST~

CHAIRMAN'S REVIEW 2010/2011

GROWING STRENGTH

The year 2010-2011 was one of great pressure on the Trust, though notable for the strengthening of the Trust's finances and a further confirmation of its legal position. The detail of the events of the year is contained in the Report of the Council and I would like to take this opportunity to set these events in the context of the Trust's longer term planning. In 2005 the then Chairman undertook to review and modernise the operation and practices of the Trust. Five years later it may be helpful to review progress.

In 2005-2006 the Trust's readily realisable assets were only just sufficient to cover the working capital requirements of the Scheme of Management. There was no formal budgeting process or longer financial projections. The accounts needed complete reconstruction and computerisation. The Trust was unsure of its legal position and hesitant about its powers to enforce its decisions. Charitable giving had declined to a very low level.

By 2010-2011 the Trust had made considerable improvements in all these fundamental aspects of its activities.

FINANCE

The Trust's financial position has returned its cash, and near cash, reserves to a level equivalent to about two year's income. Interest rates are very low, negative in real terms, while the Trust's experience in the investment markets has been very disappointing. In spite of this the Trust's resources have materially increased and the Trust plans to develop an investment policy that will produce better and more secure returns even in a period when returns on cash are expected to remain negative in real terms and the financial markets are expected to remain volatile and to also provide low returns for some years. The aim, in managing the finances of the Trust, is to eliminate the structural deficit and improve the long term financial position of the Trust and, accordingly, its effectiveness as a charity.

CHARITABLE GIVING

The Trust still has a deficit on its operating account but it has been able modestly to increase its charitable giving. As it is able to deploy its resources more effectively, the Trust expects in the foreseeable future both to eliminate its shortfall on operating revenues and to be able to provide more substantial support to organisations whose objectives, like those of the Trust, are to 'preserve the character and amenities of the Suburb'.

ESTATE MANAGEMENT

One of the principal improvements in the Trust's operations since 2005 has been in the management of its estate, which includes 26 roads and 49 open spaces together with some residential and office accommodation. The appointment of an estate manager, supported by an Estate Committee with the participation of Suburb residents, has enabled the Trust to institute a regular process for the maintenance of roads and to make a start on the conservation and repair of the infrastructure for which the Trust is responsible. This is the beginning of a programme that will be constantly reviewed with a view to its acceleration when resources allow.

APPLICATIONS

The level of activity in controlling the appearance of houses and gardens on the Suburb has continued steadily to increase. The Trust receives on average more than one application a day for alterations to property. These are all scrutinised in more detail than they receive from the local authority. In addition the Trust's architectural staff provide pre-application advice, advice on materials and workmanship and site visits including a final check that developments have been completed in accordance with the approved plans. These are not routinely offered by the local authority. With the expected reduction of resources that Barnet Council will be able to devote to planning matters, the Trust has increased in importance as a defence against harmful development on the Suburb.

LEGAL POWERS OF THE TRUST

The Trust's legal powers have been tested in the courts and these examinations have supported the Trust's understanding of its powers and duties. Until 2005 the Trust used its charitable funds to subsidise freeholders and leaseholders both directly and indirectly. This practice was steadily eroding the Trust's balance sheet and, if continued, would have led to its serious debilitation if not extinction. The Trust now charges the full cost of the Scheme of Management to freeholders on principles approved by the Lands Tribunal and reaffirmed by the Surveyor appointed to determine the Management Charge for 2008-2009.

Of especial importance is the Lands Tribunal judgment that, effectively, the exercise of the Trust's powers under the Scheme of Management is in the public interest.

CHAIRMAN'S REVIEW 2010/2011 (Continued)

EXPENDITURE ON THE SCHEME OF MANAGEMENT AND THE MANAGEMENT CHARGE

In 2005, when the review of Trust activities began, it was calculated that, in order for the Trust properly to fulfil its functions as the operator of the Scheme of Management, expenditure on the Scheme of Management would need to treble from £50 to £150 a year. Such a calculation could only be an estimate of the costs of the various changes in staff, organisation, equipment and charging that needed to be made. In 2005, as already noted, the Trust had no budget or cash projections in the formal sense and did its sums by reference to the previous year's accounts and a concern that freeholders were not prepared to meet the full cost of the Scheme.

In the event expenditure has been lower than this original estimate. Actual expenditure on the Scheme of Management was £89.50 per unit in 2005-2006, the first year in which actual expenditure was calculated in the way approved by the Lands Tribunal on appeal in 2007. In 2011-2012 the expenditure is expected to be £125.30. This represents a real increase of 13.9% over the period; an average real increase of 2.3% p.a. This is less than half of the 5% limit on annual real increases recently proposed by some residents.

Each year since 2008 the Trust Council has published its expectations about the future level of the Management Charge. Since 2008 expenditure has been within this published range and steadily improving budgeting ability has enabled the Trust to be growingly confident about its forecasting accuracy.

For the foreseeable future the Trust Council expects expenditure on the Scheme of Management to fall within the range £100 to £140 in 2011 money. The upper level of this expectation has been constant since 2008 and so represents a decline in real terms of about 10%.

It would be wrong to suppose, however, that expenditure, and therefore the Management Charge, will continue to decline in real terms as it has since 2009-2010, but the Trust Council believes that for the foreseeable future real increases are very unlikely to be more than 2%.

STAFF

The Trust is fortunate in having a dedicated and uncomplaining staff. In spite of a heavy and increasing workload the number of staff has not increased, in terms of their full time equivalent, since 2008 and there are no plans for recruitment.

VOLUNTEERS

The Trust could not function were it not for the unpaid support of volunteers who often provide very skilled, professional advice and analysis. In this regard the Trust is very grateful in particular to the Residents Association which, each year, provides nine volunteers to work on the Trust's advisory committees, for Property and Plans (control of development), the Grants (charitable giving) and the Estate Committee (maintenance of the Trust's various properties).

TRUSTEES

I would like to take this opportunity, on behalf of the four Trustees elected by Suburb residents, to record our thanks for the tireless support of the four Trustees appointed individually by the Law Society, the Royal Institute of British Architects, the Royal Town Planning Institute and the Victorian Society.

This year Richard Wakefield is retiring, as required by the Articles of Association, having served the maximum period allowed for residential Trustees. The Trust Council would like, on behalf of members, to express their thanks and admiration for Richard's work on behalf of the Trust – his long-standing commitment to the protection of the Suburb and his work in other areas is widely known. Richard has always argued and worked hard for the principles on which the Trust is founded and has never allowed a sometimes painful disability to abate his efforts.



Angus Walker
Chairman

LEGAL, ADMINISTRATIVE AND OTHER INFORMATION ABOUT THE TRUST

REGISTERED OFFICE

The registered office of the Trust is 862 Finchley Road, London NW11 6AB, telephone numbers 020 8455 1066 and 020 8458 8085, facsimile 020 8455 3453, email mail@hgstrust.org, website www.hgstrust.org. The office is normally open Monday to Friday 9am to 5pm, excluding public holidays.

TRUST COMPANY MEMBERSHIP

At 5 April 2011 there were 923 members of the Trust Company. Membership of the Trust is open to people who have been continuously resident on the Suburb for over three years. Other residents may join as Associate Members. Applications are welcome (there is no charge or subscription, and each member's liability is limited to a guarantee of £1) and the form can be obtained from the website (www.hgstrust.org) or from the Trust office at the address above.

TRUST COUNCIL'S RESPONSIBILITIES

The Trust Council meets about ten times a year to direct and oversee the work of the Trust staff in safeguarding the character and amenities of the Suburb. The Trust Council comprises four members elected by residents who are members of the Trust and four members appointed individually by the Law Society, the Royal Institute of British Architects, the Royal Town Planning Institute and the Victorian Society. These positions are all unpaid and carry responsibilities and duties requiring considerable time, understanding and effort.

COUNCIL MEMBERS' INDUCTION AND TRAINING

New Council members are given written information including the Scheme of Management, Articles of Association, Annual Report and Charity Commission publications including The Essential Trustee. Induction sessions and courses are tailored to individual needs and concerns. New Council members are encouraged to tour the office and meet all the staff and to attend appropriate Trust Committees to gain insight into the various aspects of the Trust's work.

HONORARY LIFE PRESIDENT

The Trust's Honorary Life President is Dr Mervyn Miller PhD, BA, BArch (Hons), MUP, MArch, RIBA, FRTPI.

HONORARY ACCOUNTS ADVISER

The Honorary Accounts Adviser is Robin Marks BSc (Hons), AMIMA, AAT, TEP.

PROFESSIONAL ADVISERS

Solicitors

Lee, Bolton, Monier-Williams
1 The Sanctuary
London SW1P 3JT

Bankers

HSBC Bank plc
Temple Fortune
40 Temple Fortune Parade
Golders Green
London NW11 0QU

Auditors

haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

Arboriculturalist

Anthony George Dip LA, MLI, FRSA
The Old Brick House
Village Road
Dorney
Windsor SL4 6QJ

Investment Advisers

Full Circle Asset Management Limited
St John's House
Suffolk Way
Sevenoaks
Kent TN13 1TG

LEGAL, ADMINISTRATIVE AND OTHER INFORMATION ABOUT THE TRUST (Continued)

MEMBERS OF THE COUNCIL ON 19 JULY 2011



Back row (l-r): Phillippa Aitken, Geoffrey Marriott, Angus Walker, Simon Hurst, Tim Leach. Front row (l-r): Jonathan Ross, Judith Chaney, Richard Wakefield

Elected members:

Judith Chaney. Elected 16 September 2009.

Judith has been a Suburb resident for over twenty years and became involved in the work of the Trust in 2005 as a volunteer. She was the Co-ordinator of the Character Appraisal of the Suburb. Prior to retirement, Judith was the Assistant Rector of the London Institute (now University of the Arts, London) having spent her professional life in Higher Education. She also served as Registrar for Art and Design at the Council for National Academic Awards and has undertaken consultancy work for Universities in the UK and abroad.

Geoffrey Marriott FRICS. Elected 19 September 2007. Re-elected 1 October 2010.

Geoffrey has been a Suburb resident for over thirty years. He is a Chartered Surveyor specialising in Estate Management. Geoffrey is also a Director of the Management Company for Belvedere Court.

Richard Wakefield MCIM. Elected September 14 2005, resigned 17 May 2007. Re-elected September 2007 & 2009.

Richard has been a Suburb resident, on and off, for more than fifty years. He has been a Residents Association Council member since 1978 and was RA chairman 1997-2002. He has been editor and then publisher of Suburb News from 1983; he has managed the Garden Suburb Gallery for the RA since 1995. Richard's working life was spent running an advertising agency and associated communications companies.

Angus Walker (Chairman). Elected 19 September 2007. Re-elected 1 October 2010.

Angus has been a Suburb resident for thirty years. Until his election to the Trust Council he was the lead applicant in an approach to the Leasehold Valuation Tribunal seeking to relate the Management Charge to the value of property. He previously undertook voluntary work for the Trust on strategy and finance. Angus's administrative, academic and commercial experience includes appointments in HM Diplomatic Service, HM Treasury, as a Lecturer in Modern History at Balliol College, Oxford, and as a senior executive of BP and BT. He is an economics consultant and a Fellow of the Institution of Engineering and Technology.

Appointed members:

Simon Hurst MA, Dip Arch, BSc (Hons), RIBA (Vice Chairman). Appointed by the Royal Institute of British Architects on 20 May 2003. Re-appointed 2007 & 2010.

Simon is an architect in private practice specialising in works to listed buildings and is a member of the Traditional Architecture Group. He has substantial professional and academic experience, including a scholarship from the Society for the Protection of Ancient Buildings.

Tim Leach BA (Hons) Architecture, DipArch, Dip Con (AA), RIBA. Appointed by the Victorian Society on 16 September 2009.

Tim is an Architect Director of Building Design Partnership and leads the culture and heritage work of the London office. His wide experience includes the master planning of historic environments and the design and implementation of complex conservation projects.

Jonathan Ross. Appointed by the Law Society on 18 July 2011.

Jonathan is a solicitor and is head of property litigation at Forsters LLP, where his clients include a number of section 19 organizations and estates. He writes regularly for the property press. Jonathan grew up on the Suburb but no longer lives here.

Phillipa Aitken BA (Hons), Dip TP, MRTPI. Appointed by the Royal Town Planning Institute on 12 April 2005. Re-appointed 2008 & 2011.

Phillipa is a planning consultant and Head of the Consulting Division at Colliers International. She has previously worked for the international property consultancy CB Richard Ellis and a local authority. Phillipa brings extensive knowledge of planning and development issues to the Trust.

Elections and Appointment to the Council:

There were two vacancies for elected members, created by the retirement by rotation of Geoffrey Marriott and Angus Walker. There were four candidates for the two vacancies: William Asprey, Anne Fenton, Geoffrey Marriott and Angus Walker. The auditors, haysmacintyre, received 467 valid voting papers and rejected two papers as invalid.

haysmacintyre reported that votes were cast as follows: William Asprey, 195; Anne Fenton, 177; Geoffrey Marriott, 262; Angus Walker, 286.

haysmacintyre declared that the two candidates elected were Geoffrey Marriott and Angus Walker.

There was one vacancy for an appointed member created by the retirement of Wendy Miller on 18 July 2011.

The Law Society appointed Jonathan Ross to serve in succession to Wendy Miller.

LEGAL, ADMINISTRATIVE AND OTHER INFORMATION ABOUT THE TRUST (Continued)

STAFF

The following people are currently employed by the Trust:

Full-time:

1) Jane Blackburn BA (Arch), Dip Arch, RIBA

Trust Manager and Company Secretary

2) David Davidson BA (Arch), MA (Arch Cons) IHBC

Architectural Adviser

3) Nicholas Packard MA (European Real Estate) MRICS

Estate Manager

4) Georgina Malcolm

Trust Manager's Assistant

5) Ruth Ash

Estate Management Assistant

6) Lauren Geisler

Planning, Education and Publications Assistant

Part-time:

7) Michael Tutton Dip Cons, PgDip (Bldg Cons), IHBC

Assistant Architectural Adviser

8) Marjorie Galbinski

Planning Assistant

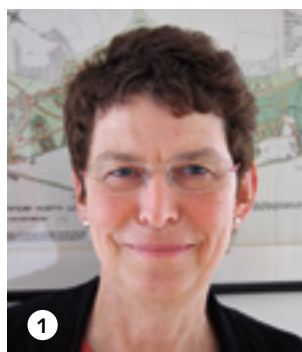
Part-time consultants:

9) Gwen Kipenakis

Book-keeper

10) Ann Marsh BA Dip Arch, RIBA

Architectural Consultant



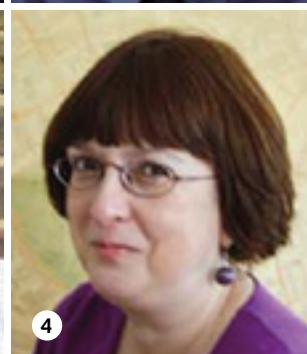
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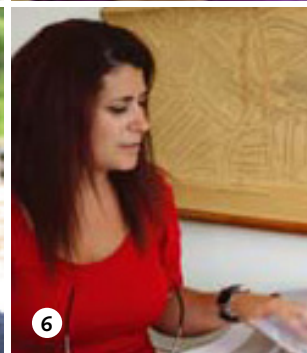
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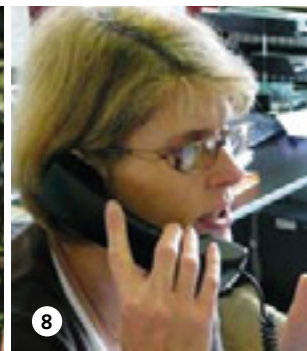
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REPORT OF THE COUNCIL

The Council members, who act in the role of directors and trustees, present their forty-third annual report, together with the audited accounts of the Trust for the year ended 5 April 2011.

OBJECT AND PRINCIPAL ACTIVITY

The object and principal activity of the Trust is to maintain and preserve the present character and amenities of Hampstead Garden Suburb. The Trust was created in its current form principally to control alterations to properties once they became freehold under the Leasehold Reform Act 1967. It is 37 years since the High Court approved the Scheme of Management for the Suburb under the Act. Since then the great majority of the houses and many of the flats on the Suburb have enfranchised and fall within the Scheme of Management, the numbers increasing year by year. In 1988 the Trust acquired the freeholds of all the long leasehold properties on the Suburb (including most of the blocks of flats) from Ashdale Land and Property Company Ltd. Through these leases, the freehold ownership of 11 allotment sites, 26 unadopted roads, 49 other communal open spaces and the Scheme of Management itself, the Trust can maintain a unified control over nearly all Suburb properties and the trees, hedges and many of the communal areas around them. Control of the public highways and the larger open spaces rests with the London Borough of Barnet and Transport for London.

STATUS

The Trust is a company limited by guarantee (registered in England number 928520) and not having a share capital and is registered as a charity (Number 1050098). It is governed by its Memorandum and Articles of Association dated 8 March 1968 and most recently amended on 17 September 2008. Until 15 January 2007 it was known as The New Hampstead Garden Suburb Trust.

The Trust's charitable purposes cover the advancement of the arts, culture and heritage, environmental protection and improvement. Hampstead Garden Suburb is internationally recognised as the finest and best realised example of English twentieth century domestic architecture and planning. The public benefit extends far beyond the 16,000 or so residents of the Suburb to the international community – lay and professional – with an interest in architecture, planning and social history. The lessons to be learnt from the ethos, history, landscape and architecture of the Suburb will benefit both present and future generations.

MAIN DEVELOPMENTS IN 2010/2011

The Trust Council has continued the review of the strategic aims for the Trust commenced in 2005.

Aims for the year 2010-2011 have been to:

- formally adopt the Character Appraisal and the revised Design Guidance for the Suburb
- continue to manage better the private roads and open spaces in the Trust's ownership
- modestly expand the Trust's educational function
- continue to pursue the Trust's legal obligations and rights in defence of the Suburb
- strengthen the Trust's financial reserves to support the viability of the Trust for the long term

The Trust Council confirms that it has complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Commission in determining the activities undertaken by the Charity.

It is through care, regulation and control over the Suburb that the Charity is able to provide the public benefits identified above not only to residents but also to students of and visitors to the Suburb. The care, regulation and control aspects of the Trust's work are detailed below.

REGULATION: DEFENDING THE SUBURB

Applications

In 2010/2011 the Trust received 281 applications (2009/2010 233 applications) to change the external appearance, use or structure of property. There were 5 applications for demolition of which 1 was given consent and 4 were not resolved in the course of the year. 13 applications involved the addition of or extension to a basement in an existing property and of these 9 were approved and 4 were not resolved in the course of the year. 6 applications involved creating new hard standings, of which 3 were approved, 1 refused and 2 were not resolved in the course of the year. The application process involves consultation with neighbours and negotiation with owners and their architects to achieve an acceptable design. Following the approval of applications by the Trust Council, Trust staff check construction details, monitor work in progress, approve building materials and components, carry out final inspections and issue final consent for correctly completed work.

REPORT OF THE COUNCIL (Continued)

ADVICE AND ENFORCEMENT

In September 2010 the Trust Council adopted the revised and expanded Design Guidance for the Suburb, supported by the Conservation Area Character Appraisal. The Local Authority simultaneously adopted as supplementary planning guidance the revised Design Guidance, the Appraisal, the additions to the Local List of Buildings of Architectural or Historic Interest and the Management Proposals for the Suburb. This is the culmination of several years of carefully co-ordinated work by the Trust, the Local Authority and Suburb residents to update the 1994 guidance.

Throughout the year the Trust's staff gave practical guidance to residents, potential residents and their professional advisers on matters including preliminary advice regarding applications, routine care and maintenance work, legal matters, the pruning and felling of trees and the care of landscape and hedges. Applications to fell mature trees are a matter of constant concern to the Trust and the staff work with consultants and residents to resist inappropriate felling.

The Trust has worked to correct infringements of the Scheme of Management and leasehold and freehold covenants; and to restore sympathetic features. Some 24 recorded infringements have been resolved and lifted in the course of the year but 16 new infringements have been recorded. Most of the rectification of infringements has been achieved through negotiation, which is always the preferred course, but enforcement action has included the involvement of solicitors in several cases. This has resulted in the correction of some long standing infringements including the removal and replacement of an extension built without Trust consent in Rotherwick Road, a commercial company ceasing trading, in breach of covenant, from a property in Oakwood Road, and correction of unsightly roof details and a replacement of a plastic dormer window in Wildwood Road.

Legal costs in connection with enforcement cases and the preservation of trees were £989.01 in connection with 3 leasehold properties (net of £815.75 recovered in one case) and £6,920 in connection with 7 freehold properties. Legal costs in connection with 24 Ingram Avenue were £4,380.06 charged to the Trust's general fund and £28,276.75 to the Scheme of Management.

The Trust welcomes the Lands Tribunal's decision, reached in late July 2010, to reject an application for the variation of covenants on 25 Ingram Avenue, to permit building over the garage at the property. The Trust had considered that

this was in contravention of the Design Guidance, would encroach on the space between adjoining properties and would set an unfortunate precedent affecting significant areas of the Suburb. The Trust's arguments before the Tribunal were accepted in their entirety. Of particular and general importance were the Tribunal's observations that:

"The Trust's interest is that of custodian of the public interest. It was given its management powers under the scheme [of management] because the Minister was satisfied that this was necessary 'for the purpose of ensuring the maintenance and preservation' of the Suburb.

"It was said [on behalf of the developer] that it was the council [sc. Barnet Council] rather than the Trust that had the statutory responsibility to protect the public interest; that the council had the responsibility for larger matters, the Trust for smaller details; and that it was wrong for the Trust, as it was put, to use its powers under the Scheme of Management to frustrate a legitimate planning decision. I do not accept this point...I see no justification for the view that the grant of planning permission [sc. by the local authority] should in effect be determinative of the Trust's discretion. Nor is there any reason why, as a matter of principle ...[in] an application like the present one...the decision of the council should be treated as decisive. I agree with...Judge Reid [the Tribunal Member in the 24 Ingram Avenue case]...that the Scheme should carry more weight than a building scheme. It is certainly the case that the degree of control that exists under the Scheme...is more detailed and more finely-grained than that which exists, or could exist, under the planning regime [sc. of the local authority].

"The Tribunal also observed that the Trust performed an important part in making up for any deficiency in the planning process of the local planning authority and that the history of this application to the local authority served "to emphasise the important role played by the Trust in exercising its powers under the Scheme to control development in the Suburb."

There is an appeal against that decision pending, which the Trust will defend. Should the appeal be rejected the costs recovered by the Trust will be returned to management charge payers. The costs to charge payers in 2010/2011 were £73,138.71.

AWARENESS AND EDUCATION

The Trust endeavours to promote understanding of the special nature of the Suburb to residents and others through talks, guided tours and written and illustrated material. The Trust Council considers that wider awareness and appreciation of the Suburb, as an important landmark in the evolution of domestic architecture and Town Planning, is critical to its continued preservation.

The Trust staff gave guided tours of the Suburb to expert groups from the Landscape Institute, the Construction History Society and the Architectural Association. There was a visit from residents of Forest Hills Gardens, USA, another Garden Suburb inspired by Hampstead Garden Suburb. The Trust led walks for local people in aid of the Proms at St Jude's and created a walk which can be downloaded from the website as a contribution to "Open House" weekend. The Trust started posting on Twitter and has 160 diverse followers, including the National Gardens Scheme, local community organizations and estate agents. In December 2010 David Davidson gave a lecture on the work of J.C.S. Soutar, which was well attended by Trust members and other residents despite freezing conditions. Michael Tutton lectured architectural conservation students, with particular reference to good practice on the Suburb.

MAINTAINING THE FABRIC OF THE SUBURB

The Estate Committee, comprising Trustees and residents, was established in October 2010 and has met regularly to consider matters relating to the Trust's land on the Suburb and advise the Trust Council over priorities for maintaining the fabric of the Suburb. In 2010/2011 a new contract for repair works to Trust owned private roads saw minor repairs to 10 roads and resurfacing work at Heath Close, Fairway Close and Wyldes Close. Prior to undertaking these works, consultation with owners using the roads was carried out. Altogether £24,000 was spent under the contract in the year. Following this economic and efficient programme of repairs, consultation with relevant owners on a similar contract for a period of 3 years began. Where major reconstruction of private roads is considered a possibility, initial surveys and engineering advice are obtained, as for Turner Close. Similar statutory consultation on surveys and advice has also been undertaken with owners using Linnell Close. At Sunshine Corner, the western covered bench was repaired along with the outer steps and path. An unfortunate accident in March 2011 resulted in damage to one of the walls and piers, which has subsequently been repaired. At Lucas Crescent (Willifield Way) a land drainage system was installed and two thirds of the path reinstated. Drawing on the Trust's general fund, the crown

roof and box gutters of the Trust office were replaced, and the exterior woodwork repaired and redecorated.

GRANTS

As planned, the Trust's grant aid to local bodies whose charitable activities are likely to be beneficial to residents is steadily increasing. During 2010/2011 the Trust, advised by the Grants & Amenities Committee, made grants of £7,413 (2009/2010: £3,053). Grants include £3,000 to the Proms at St Jude's, £1,000 to the Orchard Housing Society for the installation of automated fire doors, £1,000 to Resources for Autism for refurbishing windows and guttering, £800 to "Open House" weekend, £613 to Fellowship for alleviating hardship, £500 to St Jude-on-the-Hill to clear a wooded area, £350 to Henrietta Barnett School and £150 to Abbeyfield.

VOLUNTEERS

In 2010/2011 the Trust has again benefited from input to its work by volunteers (including non-Trustee members of the Property & Plans Committee, the newly formed Estate Committee and the re-formed Grants and Amenities Committee). Volunteers have assisted with specialist tasks such as tender preparation and analysis, finance and the estate management plan.

FINANCIAL MATTERS

The form in which the statement of financial activities is set out on page 13 complies with the Charity Commission requirements to relate expenditure to the Trust's objectives rather than under heads of expenditure. The statement also combines the operation of the Trust itself with the Scheme of Management, although expenditure on each is separately identified. To assist members and charge payers the Trust has included, as an appendix to the report and accounts, an analysis of the management charge, which gives a breakdown under heads of expenditure (see page 23).

THE SCHEME OF MANAGEMENT

Due to the pending appeal on 25 Ingram Avenue, which means that the legal costs awarded have not yet been recovered from the owners, the Scheme of Management is in deficit over the year. The adjusted charge for 2010/2011 is £120.90. There will be a surcharge of £1.70 billed with the estimated charge for 2011/2012. This includes the fee for the Surveyor's Determination of the management charge for 2008/2009, requested by "Concerned Residents". The Surveyor's Determination upheld the level of the charge. The Surveyor's fee was voluntarily reduced by him to £8,400.

REPORT OF THE COUNCIL (Continued)

THE TRUST “ALONE”

The Trust's income is derived from the ground rents and other charges relating to its leased properties, which are generally falling in real terms. In 2010/2011 the Trust “alone” income and expenditure account (page 13) shows a deficit of £68,563. A trading deficit is projected to continue in future years as the Trust meets its share of the cost of caring for the Suburb. However in the course of 2010/2011 the Trust's total reserves increased by £253,209 due to the conversion of real estate assets to liquid assets through the sales of freeholds and premiums for variations to leases and covenants and also due to donations totalling £14,535 including gift aid. The donations comprise; £2,700 from the Resident's Association as a contribution to the costs of providing water to an allotment (to be spent in the next financial year), £1,500 from the Henlys Corner Joint Action Committee and £10,335.11 (2009/2010 £7,220.41) received from residents during the year. The latter amounts, totalling £11,835.11, are placed in a restricted fund. The capital element of the fund is intended to be maintained for the longer term with only the real growth in capital and income spent in any one year.

In the opinion of the Council the market value of the Trust's land and buildings is considerably in excess of the value appearing in the accounts.

The Council considers that the overall state of the Trust's financial affairs is much strengthened, but remains capable of some further improvement. The Trust's assets are available and adequate to fulfill its current obligations.

TRUST COUNCIL

Information regarding the Trust Council, including details of those members in office during the year and at the date of approval of this report, is shown under Legal, Administrative and Other Information.

COUNCIL MEMBERS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF ACCOUNTS

The Trustees (who are also directors of The Hampstead Garden Suburb Trust for the purposes of company law) are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable

company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

In so far as Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

RESERVES

Only the Trust can hold reserves. The Scheme of Management may not hold money over from year to year and hence has no reserves. The Management Charge remains the property of the Freeholders until expended. Any surplus must be returned to freeholders at the end of the year. Accordingly the accounts show a break-even position for the Scheme of Management at 5 April 2011. The Trust's real estate assets are reducing with enfranchisement while the overwhelming majority of its remaining rental income is from very long-term leases with fixed rents which are consequently declining in real terms. The longer term purpose of the Trust's net assets is therefore to provide compensating long-term income to fund the charitable purposes of the Trust in preserving the character and amenities of the Suburb.

FINANCIAL MANAGEMENT

- The Trust's readily available financial assets at the end of the year were £978,929
- £300,000 in cash and on deposit is retained as working capital to fund the deficit in the cash flow of the Scheme of Management that arises in the course of the year
- The remaining £678,929 is made up of £21,755 in restricted funds, £465,176 in a designated fund and £191,998 in unrestricted funds
- With respect to the designated and restricted funds the Trust Council is required to limit the draw down of funds to amounts less than that by which the growth of capital and income exceeds inflation
- Only money in the designated fund, £483,911, was invested. Its performance over the last year was disappointing and its value fell to £465,176 ie by 3.87%

RISK MANAGEMENT

The Trust Council members have reviewed the Trust's risk management strategy. This included examining the Trust's building, public liability and professional indemnity insurance, banking arrangements, health and safety issues, etc. The Council members consider that procedures are in place to mitigate any risks to which the Trust could be exposed.

PLANS FOR FUTURE PERIODS

The long term financial objectives of the Trust are, with respect to its own resources, to husband them so as to enable it to preserve the character and amenities of the Suburb as well as to ensure its long-term survival. With respect to the Scheme of Management it will ensure that its expenditures are controlled so as to be consistent with the requirements of the Scheme of Management and endeavour to keep them within a predicted range related to the rates of inflation in the items of expenditure that constitute the expenses of the Scheme of Management.

AUDITORS

haysmacintyre, chartered accountants and registered auditors experienced in the charity sector, were appointed in September 2006. haysmacintyre are willing to continue in office and a resolution will be proposed at the Annual General Meeting for their re-appointment and for their remuneration to be fixed by the Council.

By order of the Council



Jane Blackburn
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HAMPSTEAD GARDEN SUBURB TRUST LIMITED

We have audited the financial statements of the Hampstead Garden Suburb Trust for the year ended 5 April 2011 which comprise the Statement of Financial Activities, the Balance Sheet, 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 charitable company'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 charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 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 trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Council to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Although work was conducted so as to arrive at a conclusion regarding the truth and fairness of the financial statements, we also confirm as required by clause 7(d) (i) of the Scheme, that during the course of our work, nothing came to our attention that would indicate that the Trust, or its operation of the Scheme of Management, has been run in anything other than an economical, efficient and consistent manner.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 5 April 2011 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report of the Council 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime take advantage of the small companies exemption in preparing the Report of the Council.

Richard Weaver (Senior Statutory Auditor)
for and on behalf of **haysmacintyre, Statutory Auditors**
Fairfax House, 15 Fulwood Place, London WC1V 6AY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2011

(Including the income and expenditure account)

	Notes	2010/2011				2010/11 Total £	2009/10 Total £
		General Fund £	Restricted Funds note 1(c) £	Designated Fund £	Scheme of Management note 2 & 24 £		
Incoming resources							
Incoming resources from generated funds:							
Voluntary income							
Leaseholders voluntary & other donations		-	14,535	-	-	14,535	8,220
Activities for generating funds:							
Commissions and fees	3	13,726	-	-	-	13,726	17,395
Sundry income		2,291	-	-	-	2,291	2,979
Investment income	4	78,974	-	-	-	78,974	80,057
Incoming resources from charitable activities:							
Building application fees	5	18,153	-	-	96,989	115,142	91,256
Management charges payable by freeholders		-	-	-	429,081	429,081	422,010
Legal fees recovered		-	-	-	201	201	5,237
Estate Maintenance Charges	1(e)	202,192	-	-	-	202,192	201,480
Other incoming resources:							
Surplus on freehold sales, licences & variations		325,972	-	-	-	325,972	346,970
Total incoming resources		641,308	14,535	-	526,271	1,182,114	1,175,604
Resources expended	6,7						
Costs of generating funds:							
Rental/investment management		22,488	-	-	-	22,488	9,920
Charitable activities:							
Regulation: applications		23,867	-	-	99,790	123,657	114,894
Regulation: awareness/advice/enforcement		51,562	-	-	286,616	338,178	339,596
Maintaining the fabric of the Suburb		76,517	-	-	122,755	199,272	176,466
Rechargeable estate maintenance	1(e)	202,192	-	-	-	202,192	201,480
Governance costs:							
Governance costs including audit fees	1(c)	7,273	-	-	23,075	30,348	33,764
Total resources expended		383,899	-	-	532,236	916,135	876,120
Net incoming/(outgoing) resources before transfers	8	257,409	14,535	-	(5,965)	265,979	299,484
Balance of freeholders management charges: charged/(refunded)		-	-	-	27,631	27,631	(22,315)
Net incoming/(outgoing) resources before other recognised gains and losses		257,409	14,535	-	21,666	293,610	277,169
Gain/(loss) on investment assets	14	-	-	(18,735)	-	(18,735)	(16,589)
Net movement in funds		257,409	14,535	(18,735)	21,666	274,875	260,580
Funds brought forward at 5 April 2010	17	639,035	7,220	483,911	(27,631)	1,102,535	841,955
Funds at 5 April 2011 before return or charge of balance of management charge		896,444	21,755	465,176	(5,965)	1,377,410	1,102,535
Balance of freeholders management charges to be charged/(refunded)	24	-	-	-	5,965	5,965	27,631
Funds carried forward at 5 April 2011		896,444	21,755	465,176	0	1,383,375	1,130,166

All of the above are continuing activities of the Trust. The Trust had no recognised gains and losses other than those included above. The attached notes on pages 14 to 23 form part of these accounts.

BALANCE SHEET AT 5 APRIL 2011

Company number 928520

	Notes	2010/2011		2009/2010	
		£	£	£	£
Fixed Assets					
Tangible assets					
Freehold and long leasehold estate, at cost	10	50,961		53,751	
Freehold property	11	34,800		34,800	
Office equipment and furniture	12	-		5,097	
Estate Works	13	149,964		46,157	
Investments	14	211,298		233,411	
			447,023		373,216
Current Assets					
Debtors	15	192,694		228,568	
Cash at bank and in hand		767,631		559,497	
			960,325		788,065
Current Liabilities					
Creditors: amounts falling due within one year	16	(23,973)		(31,115)	
Net Current Assets			936,352		756,950
Net Assets			1,383,375		1,130,166
Representing:					
General fund		896,444		639,035	
Restricted fund	21	21,755		7,220	
Freehold Scheme of Management	17	-		-	
Designated fund	22	465,176		483,911	
			1,383,375		1,130,166

Approved and authorised for issue on behalf of the Council on 19 July 2011 and signed on its behalf by



Angus Walker



Simon Hurst

The notes on pages 15 to 23 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2011

1. ACCOUNTING POLICIES

The following are the accounting policies adopted by the Trust:

a) Basis of accounting

The financial statements are prepared under the historical cost convention, as modified by the valuation of the Trust's freehold land and building, and on the going concern basis. In order to present a true and fair view, because of the special circumstances in which the Trust is operating, the Statement of Financial Activities is drawn up in a form which differs from that provided for by the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP) issued in March 2005. With this exception the accounts have been prepared in accordance with the provisions of the SORP, the Companies Act 2006 and applicable United Kingdom Accounting Standards.

In accordance with Financial Reporting Standard No. 1, the Trust is exempt from the requirement to prepare a cash flow statement as it is a small company.

b) Fixed assets and depreciation

Freehold and long leasehold estate: This is stated at cost and is not being depreciated, but the book value is reduced on the sale of each freehold and lease extension.

Freehold land and building: freehold land is not being depreciated. Depreciation was provided on the freehold building at £500 per annum from 6 April 1978 to 5 April 1984. This policy was changed from that date so that no further depreciation is provided as the property is maintained to a sufficiently high standard to extend its useful life indefinitely. The freehold building has been reviewed for impairment in accordance with Financial Reporting Standard No. 11 and any depreciation charge would be immaterial. The book value of the Trust's freehold land and building is based on a professional valuation carried out as at 12 December 1968. The Trust is adopting the transitional provisions of Financial Reporting Standard No. 15 in that it has not updated this valuation.

Office equipment and furniture: The charity currently has a capitalisation policy, whereby only items over £5,000 will be capitalised and included within the assets of the charity, all costs below this threshold are written off in the year of purchase. The depreciation rate provided on office equipment and furniture is 3 years so as to write off the cost of the office furniture and equipment over its expected useful working life.

Estate works: The charity has a capitalisation policy whereby appropriate estate works over £5,000 will be capitalised and included within the assets of the charity, all costs below this threshold are written off in the year the works are undertaken. The depreciation rate provided on appropriate estate works is 10 years so as to write off the costs over their expected useful life.

c) Incoming resources and resources expended

All incoming resources and all resources expended are accounted for in the period to which they relate.

Restricted funds comprise monies raised for, and their use restricted to, a specific purpose; or donations subject to donor imposed conditions.

Directly attributable expenditure is charged to charitable activities or governance costs as appropriate. Support costs, which are defined as those costs necessary to deliver an activity but which do not contribute to its output, are allocated on the basis of estimated staff time.

Governance costs are those which relate to the general running of the charity, rather than charitable activity. These include audit fees, legal advice for trustees and costs associated with constitutional and statutory requirements together with the appropriate allocation of support costs.

d) Taxation

As a registered charity the Trust is generally not liable to taxation on its surplus or capital gains. It is not however, exempt from value added tax. Irrecoverable value added tax is included in the cost of those items to which it relates.

e) Rechargeable Estate Maintenance

The Trust carries out numerous works on behalf of the residents in the year. This work relates directly to specific areas for items such as gardening and road works. This is recharged to those residents affected by the works.

f) Pensions

The Trust has a contributory pension scheme.

g) Investments

Investments are stated at their market values at the balance sheet date. The realised and unrealised gains and losses on investments are calculated based on the open market values and are accounted for within the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

SCHEME OF MANAGEMENT

The Trust administers a Scheme of Management under the 1967 Leasehold Reform Act. This was passed by the High Court in 1974 and amended in 1983. The purpose of the Scheme is to preserve and conserve the Hampstead Garden Suburb and applies to all freehold properties enfranchised since the Act came into force.

Items of income and expenditure are allocated to either the Scheme of Management or the general fund, or shared between both as appropriate, and the basis on which freeholders have been charged with a proportionate part of the expenses of the Trust in operating the Scheme has been agreed by the auditors. Items which are incurred in respect of both the Scheme of Management and the general fund are apportioned according to the proportion of enfranchised (ie freehold) properties to all properties in respect of which the management charge or lease rents are payable to the Trust. Within this calculation flats are weighted against houses in the proportion 1:10. The weighting has been determined by an analysis of staff time which showed that more than ten times as much time, weighted for salary, was spent on houses as on flats. This calculation results for 2010/2011 in an apportionment of 81%:19% between the Scheme of Management and the general fund. The Trust's auditors are satisfied that this apportionment is an appropriate basis on which to allocate expenditure to the activities of the Trust and the Scheme of Management.

The accounting systems used by the Trust ensure that all items of income and expenditure attributable to the Scheme of Management are separately accounted for.

Given the separate accounting records, the Trustees do not consider that the Scheme of Management would be any more effectively operated with a separate bank account, and the auditors concur with this decision.

A summary of the resources expended by the Trust, allocated between the general fund and the Scheme of Management and related to an individual management charge, is set out on the final page. The net deficit of £5,965 (2010: £27,631) attributable to the Scheme will be recovered by a balancing charge to each freeholder in accordance with clause 8 (b) (ii) of the Scheme of Management.

3. COMMISSIONS AND FEES

This amount includes commission received from Brownhill, Morris & West (insurance agents) £11,096 (2010: £10,915), for the inclusion of material on their services in Trust mailings, Royal & Sun Alliance (insurers) £2,520 (2010: £3,020), for an original requirement (now lapsed) in some Trust leases that insurance was to be provided by them, London Borough of Barnet for use of material prepared by the Trust £110 (2010: £3,460), None of this income involved the Trust in expenditure on additional administrative resources and therefore it increases the Trust's income to the advantage of Suburb residents.

The arrangement between the Trust and Brownhill, Morris & West does not represent an endorsement by the Trust, and residents are free to insure with any company via any broker. However, the Trust receives commission in respect of any resident choosing to insure via Brownhill, Morris & West.

4. INVESTMENT INCOME

	2010/2011 £	2009/2010 £
Rental income	78,008	78,956
Bank interest	966	1,101
	78,974	80,057
Allocated to:		
Trust and estate management (general fund)	78,974	80,057
Freehold Scheme of Management (interest)		
	78,974	80,057

5. BUILDING APPLICATION FEES

	2010/2011 £	2009/2010 £
Leasehold	18,153	16,279
Freehold	96,989	74,977
	115,142	91,256

6. RESOURCES EXPENDED

	Direct £	Support £	2010/2011 £	2009/2010 £
Costs of Generating Funds				
Rental/Investment Management	14,591	7,897	22,488	9,920
Charitable activities				
Regulation: Applications	85,155	38,502	123,657	114,894
Regulation: Awareness/Advice/Enforcement	269,859	50,235	320,094	339,596
Maintaining the Fabric of the Suburb	171,908	45,448	217,356	176,466
Rechargeable Estate Maintenance	202,192	-	202,192	201,480
Governance Costs	25,757	4,591	30,348	33,764
	769,462	146,673	916,135	876,120

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. DIRECT AND SUPPORT COSTS

	Staff costs £	Support costs £	Amenities & project costs £	Legal/professional costs £	Total 2010/2011 £	Total 2009/2010 £
Costs of Generating Funds						
Rental/investment management	14,591	7,897	-	-	22,488	9,920
Charitable Activities						
Regulation: Applications	83,337	38,502	-	1,818	123,657	114,894
Regulation: Awareness/Advice/Enforcement	106,275	50,235	-	163,584	320,094	339,596
Maintaining the Fabric of the Suburb	74,194	45,448	85,996	11,718	217,356	176,466
Rechargeable Estate Maintenance	-	-	202,192	-	202,192	201,480
Governance Costs inc. audit fees	9,309	4,591	-	16,448	30,348	33,764
	287,706	146,673	288,188	193,568	916,135	876,120

Support costs include £46,790 (2010: £42,171) of management and staff costs (see note 9).

8. NET INCOME RESOURCES

	2010/2011 £	2009/2010 £
Net incoming resources for the year has been stated after charging:		
Depreciation – Office	5,097	7,190
Depreciation – Estate	17,231	5,128
Auditors remuneration – audit (haysmacintyre)	7,680	7,520
Auditors remuneration – non audit	3,296	1,923

9. MANAGEMENT AND STAFF COSTS

The average number of full and part-time staff (employees and contracted staff) during the year was 10 (2010:10) of which 4 (2010:3) were part-time and all of whom were involved in the delivery of the Trust's activities.

	2010/2011 £	2009/2010 £
Management and staff costs during the year comprised:		
Wages and salaries	252,367	241,203
Employers NI	26,313	24,813
Pension	7,239	6,516
Other management costs and expenses incurred	48,577	46,786
	334,496	319,318

For the year ended 5 April 2011 one employee received emoluments in the range £60,000-£70,000 (2010: One).

No trustees received remuneration in either this or the previous year.

10. FREEHOLD AND LONG LEASEHOLD ESTATE, AT COST

	2010/2011 £	2009/2010 £
At 5 April 2010	53,751	54,651
Disposals during the year	(2,790)	(900)
At 5 April 2011	50,961	53,751

The Trust has an interest in a number of freehold properties. On enfranchisement of the interest the Trust receives the proceeds and recognises this amount in full on the face of the SOFA under Surplus on Sales of Freeholds net of an allocation of the original cost.

11. FREEHOLD PROPERTY

	Land £	Building £	Total £
Valuation on 12 December 1968			
At 5 April 2010 and 2011	7,800	30,000	37,800
Depreciation			
At 5 April 2010 and 2011	-	3,000	3,000
Net Book Value			
At 5 April 2010 and 2011	7,800	27,000	34,800

12. OFFICE EQUIPMENT AND FURNITURE

	£
Cost	
At 5 April 2010 and 2011	21,545
Depreciation	
At 5 April 2010	16,448
Charge for year	5,097
At 5 April 2011	21,545
Net Book Value	
At 5 April 2011	-
At 5 April 2010	5,097

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. ESTATE WORKS

£

Cost

At 5 April 2010	51,285
Additions during the year	121,038

At 5 April 2011	172,323
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Depreciation

At 5 April 2010	5,128
Charge for the year	17,231

At 5 April 2011	22,359
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Net Book Value

At 5 April 2011	149,964
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At 5 April 2010	46,157
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14. INVESTMENTS

	2010/2011 £	2009/2010 £
Investments brought forward	158,580	-
Additions at cost	299,462	343,252
Disposal proceeds at market value	(256,648)	(168,083)
Unrealised gains/(losses)	(187,735)	(16,589)
	182,659	158,580
Cash held	28,639	74,831
	211,298	233,411
Investments listed on a recognised stock exchange	182,659	158,580
Cash held as part of the investment portfolio	28,639	74,831
	211,298	233,411

14. INVESTMENTS (continued)

	2010/2011 £	2009/2010 £
Investments which exceed 5% of the value of the portfolio are:		
Royal Bank China Bear Super Tracker	30,041	36,424
Royal Bank	-	31,185
OPC Luxcellence	21,690	23,058
Societe Générale HUI Bull	-	22,302
Blackrock Gold and General	22,927	18,587
ETF Securi Natural Gas	-	14,570
Baring Asset Global Agriculture	-	12,434
ETFS Foreign Exchange Limited - Japanese	21,678	-
ETFS Foreign Exchange Limited - Australian	15,008	-
UK Government 4.25% 2046 Bond	20,720	-
Barclays Bank	13,690	-
SGA Societe Generale Acceptance NV	18,804	-
Multi Units Luxembourg	18,101	-
	182,659	158,580

15. DEBTORS

	2010/2011 £	2009/2010 £
Management income owed to the Trust	178,424	104,133
Other debtors	-	19,602
Prepayments and accrued income	8,305	77,202
Recharge of Management Charge	5,965	27,631
	192,694	228,568

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010/2011 £	2009/2010 £
Accruals and deferred income	23,973	31,115

17. FREEHOLD SCHEME OF MANAGEMENT

	£	£
Funds brought forward as at 05/04/2010 as previously stated		27,631
Balancing charges 2010/11		(27,631)
Deficit for 2010/11	5,965	
Balance chargeable to freehold charge payers in 2011/12	(5,965)	
Funds carried forward as at 05/04/2011	-	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. INDEMNITY INSURANCE

During the year ended 5 April 2011 the Trust paid £4,115 (2010: £4,115) in respect of an insurance policy which indemnifies its trustees and officers against the consequences of any neglect or default on their part and protects the Trust from any loss arising from the neglect or defaults to its trustees or officers.

19. REMUNERATION OF THE TRUSTEES

No remuneration is paid to any of the Trust's trustees (2010: Nil). No trustees were reimbursed for travelling expenses (2010: £626).

20. MEMBERS LIABILITY

The liability of members is limited by guarantee up to a maximum of £1 per member.

21. RESTRICTED FUNDS

	As at 06.04.10 £	Incoming resources £	Resources expended £	Transfer £	As at 05.04.11 £
Restricted Fund and others	7,220	14,535	-	-	21,755

22. DESIGNATED FUND

The designated fund was set up in 2008/2009 for the purpose of ensuring the long term future of the Trust and the Suburb.

Only part of the real growth in capital and income will be spent in any one year.

	As at 06.04.10 £	Incoming resources £	Resources expended £	Transfers/ gains & losses £	As at 05.04.11 £
Designated Fund	483,911	-	-	(18,735)	465,176

23. ANALYSIS OF NET ASSETS BY FUND

Fund balances at 5 April 2011 are represented by

	General Fund £	Restricted Fund £	Designated Funds £	Total Funds £
Tangible fixed assets	235,725	-	-	235,725
Investments	-	-	211,298	211,298
Net current assets	660,719	21,755	253,878	936,352
	896,444	21,755	465,176	1,383,375

24. RESOURCES EXPENDED ALLOCATED TO FUNDS AND RELATING TO MANAGEMENT CHARGE YEAR ENDED 5 APRIL 2011

Expenditure items	Total	General Fund	Scheme of Management	Cost per charge	2009/2010
	£	£	£	£	£
1. Staff costs:	334,496.68	63,554.37	270,942.31		
Staff salaries inc PAYE & NI, contract & temporary staff, employee & volunteer expenses, training costs					
Less:					
Income from fees on freehold applications	(96,988.60)		(96,988.60)		
Legal fees recovered	(200.87)		(200.87)		
Net staff costs			173,752.84	48.29	49.91
2. Premises costs:	49,587.25	9,421.58	40,165.67	11.16	11.32
Office rent, utilities, telephone, Council Tax, repairs and renewals, cleaning etc.					
3. Administrative costs:	50,294.46	12,291.25	38,003.21	10.56	10.24
Insurance (except for trustees), office equipment, printing, postage & stationery, public relations, bank charges, depreciation, loan costs					
4. Governance costs:	5,472.50	1,039.78	4,432.72	1.23	1.29
Trustee insurance and travelling expenses					
5. Projects and amenities costs:	85,995.84	67,911.89	18,083.94	5.03	3.30
Maintenance of amenity areas					
6. Legal costs:	134,442.58	12,853.41	121,589.17	33.79	42.75
Legal costs for general advice and litigation					
7. Other professional costs:					
Arboriculturalist, human resources, valuation advice	34,277.69	11,128.03	23,149.66	6.43	4.81
Surveyor's fee for determination of the Management Charge 2008/2009	8,400.00		8,400.00	2.33	-
8. Audit fees:	10,975.92	3,506.91	7,469.01	2.08	2.15
Expenditure	616,753.45	181,707.22	435,046.22	120.90	125.77

At 6 April 2010 management charges payable: 3,590. At 6 April 2011 management charges payable: 3,615. Median for year: 3,598.

Income from fees on freehold applications	96,988.60
Income from recovery of legal fees	200.87
Total management charges including in year enfranchisers	429,081.27

Total income	526,270.74
Total expenditure	532,235.70

Balance of Management Charges to be (charged) credited to freeholders	(5,964.96)	(1.70)
		rounded figure

The Hampstead Garden Suburb Trust Limited

Formerly The New Hampstead Garden Suburb Trust Limited
(A company limited by guarantee and having no share capital)

862 Finchley Road, Hampstead Garden Suburb, London NW11 6AB
Tel: 020 8455 1066 / 020 8458 8085 Email: mail@hgstrust.org

Company number: 928520
Registered charity number: 1050098 Registered in England

