

THE TRUST

GAZETTE

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Trust finances – a tale of decline and revival!

All in all, the Trust's financial position is sound and the prospects are that its strength will increase. The immediate future is expected to be one of consolidation together with the development of plans for the more effective pursuit of the Trust's goals.

Until recently the Trust's reserves were in decline causing some concern about the ability of the Trust to survive in the long run and anxieties about its strength in resisting attempts by developers to challenge its powers.

The Trust is the freeholder of about 600 houses and around 1000 flats on very long leases and of a number of private roads and open spaces. The Trust operates a Scheme of Management, approved by the High Court, by which it regulates the appearance of all former leasehold properties where owners have purchased the freehold. The Trust levies an annual management

charge on freeholders which finances the administration of the Scheme.

The Trust's own finances are distinct from those of the Scheme. The Trust may use its own assets and revenue according to its powers, but any unspent money levied under the Scheme of Management remains the property of the Management Charge payers and must be returned to them through a rebate.

Decline....

For many years the Trust failed to charge to the Scheme of Management the true costs of its administration. This meant that over an extended period the Trust spent about £1,000,000 in subsidising the charge.

Reserves fell so that the financial year 2004/5 was the last year in which it was possible to provide a subsidy. In 2006 the Trust raised a mortgage on its property in order to meet the

serious cash flow deficit that had arisen from its operation of the Scheme of Management.

The effect of this decline in reserves was to reduce the Trust's capacity ►►

The Hampstead Garden Suburb Trust Annual General Meeting

8pm Wednesday 17 September
Free Church Hall, Northway

The meeting is open to all residents, but to be eligible to vote you must be a member of the Trust. If you are unsure if you are already a member of the Trust please check with the Trust office. Contact details and information on how to join the Trust are on the back page of this Gazette.

Members and other residents are warmly invited to join the Trust Council members and staff for refreshments and conversation following the AGM.

ALL WELCOME. REFRESHMENTS



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Our well-attended 2007 AGM