

HAMPSTEAD - GARDEN - SUBURB - TRUST

REPORT AND ACCOUNTS FOR THE YEAR
ENDED 5 APRIL 2014



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CHAIRMAN'S REVIEW 2013/2014

I would like to thank my fellow Trustees for their advice and diligence throughout the year; I have especially appreciated this as a new-comer.

In particular I need to record the thanks of the current Trust Council and its predecessors over the past nine years for the sustained and substantive work of Pippa Aitken as the Trustee appointed by the Royal Institute of Town Planning. Pippa is succeeded by Alison Blom-Cooper, to whom I would like to extend a warm welcome.

I would also like to thank the elected Trustees who retired last year, Geoffrey Marriott and Angus Walker. Their contribution to the work of the Trust was of the highest order; you only appreciate how much difference Angus in particular made to the ability of the Trust to carry out its responsibilities if, like me, you inherit as chairman the benefits of his wisdom.

I am grateful to the Trust's staff for their hard work and dedication, and the patience they have shown me in explaining some of the less obvious aspects of the Trust's work and governance.

The financial year 2013/2014 has been busy and productive for the Trust in its duty to protect the Suburb. This requires the Trust delicately to balance the reasonable needs and aspirations of individual owners to alter their properties with the desire of all residents to maintain the leafy environment, architectural harmony and sense of community that makes the Suburb so special to those of us who live here and to architectural historians and planners around the world.

The Trust has continued to rebuild its financial reserves from the low point of 2004. The Trust needs to produce annual revenue from the investment of its reserves to support its work. Investment is proceeding in a small portfolio of modest Suburb properties.

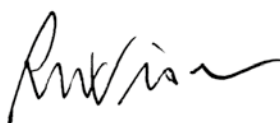
The improvement in the Trust's financial condition is reflected in the increase in grants to organisations that benefit Suburb residents. The Trust's increased financial strength also empowers it to resist unreasonable legal challenges and to take breaches of the Scheme of Management or other covenants to the courts if necessary.

However, while the Trust's finances appear to balance for the financial year, they only do so in relation to the non-Scheme of Management finances because we drew on income from the sale of freeholds and the release of covenants, which are non-renewable assets. This isn't sustainable in the long-term.

The Trust's success in defending the 2 Green Close case in the High Court and the Court of Appeal has had the effect of defining and strengthening the Trust's powers to protect the Suburb beyond purely architectural matters. The judgments issued by the courts (available through the Trust website) support the Trust; they also awarded the bulk of the legal costs to be returned to the Trust, and hence, in appropriate proportion, to residents.

Applications for alterations to Suburb property were up by over 30% on 2012/2013. The buoyant London property market has not bypassed the Suburb and the pressure to increase the size of Suburb property, including by excavating basements, is greater than ever. The court judgments have strengthened the Trust's resolve generally to restrain basement development, and in those cases where a basement is considered acceptable by the Trust, to restrict it to the footprint of the house. The Suburb is essentially a community and should not be allowed to become a collection of empty investment properties.

The Design Guidance for the Suburb, adopted by the Trust and Barnet Council in 2010, has now been published by the Trust in an illustrated form and is proving an effective means of explaining the Trust's architectural policies to residents and their professional advisers. Copies are available on the Trust's website or from the Trust office and the Suburb Library.



Richard Wiseman
Chairman

LEGAL, ADMINISTRATIVE AND OTHER INFORMATION ABOUT THE TRUST

MEMBERS OF THE COUNCIL ON 22 JULY 2014



Back row (l-r): Jonathan Ross, Simon Hurst, Alison Blom-Cooper, Tim Leach. Front row (l-r): Claire Calman, Richard Wiseman, Saul Zadka, Michael Franklin

Elected members:

Claire Calman

Elected 1 October 2012

Claire has been a Suburb resident for over twelve years and first became involved with the work of the Trust as the Chair of Reynolds Close Residents Association. She is a published author and has worked as a journalist and editor.

Michael Franklin

Elected 26 September 2013

Michael grew up and went to school on the Suburb, returning as a resident again in 2001. He was Chairman of the Suburb Horticultural Society for six years until 2013. His background is in business.

Richard Wiseman (Chairman)

Elected 26 September 2013

Richard has lived on the Suburb for about eighteen years. Prior to his election to the Trust Council he was an active member of the Residents Association Executive. He is a lawyer and prior to his retirement he was global head of ethics and compliance for Shell.

Saul Zadka

Elected 4 October 2011

Saul has been a Suburb resident for over six years. He is an international journalist and military historian. He was for many years a senior lecturer in international relations and media studies. He is also a regular BBC commentator on Middle East affairs.

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 and 2013**

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.
Re-appointed 2012**

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.

Re-appointed 2014

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 is not now a resident but he was brought up on the Suburb and his father is a past member of the Trust Council.

Alison Blom-Cooper JP BSc MPhil MRTPI

**Appointed by the Royal Town Planning Institute on
12 April 2014**

Alison has over 30 years' experience of planning issues across both the public and private sectors. She has a particular interest in training and communications. She is currently a Director of Fortismere Associates which offers planning, design and management consultancy support for communities and the public sector.

Election 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 vacancies: Michael Franklin, Brian Ingram, Raphael Papadopoulos and Richard Wiseman. The auditors, haysmacintyre, received 952 valid voting papers and rejected 16 papers as invalid. haysmacintyre reported that votes were cast as follows: Michael Franklin 566 votes, Brian Ingram 356 votes, Raphael Papadopoulos 331 votes, Richard Wiseman 592 votes. haysmacintyre declared that the candidates elected were Michael Franklin and Richard Wiseman.

There was one vacancy for an appointed member created by the retirement, as the appointee of the Royal Town Planning Institute, of Pippa Aitken, who was first appointed on 12 April 2005. On 12 April 2014 the Royal Town Planning Institute appointed Alison Blom-Cooper as her successor.

REGISTERED OFFICE

The registered office of the Trust is 862 Finchley Road, London NW11 6AB, telephone numbers 020 8455 1066 and 020 8458 8085, 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 2014 there were 1,386 members of the Trust Company and 53 associate members. Membership of the Trust is open to adults who have been continuously resident on the Suburb for over three years. Other adult 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). The application 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 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 offered, tailored to individual needs and concerns. New Council members are encouraged to tour the office and meet all the staff and to attend the Property and Plans Committee to gain insight into that important aspect 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.

VOLUNTEER MEMBERS OF ADVISORY COMMITTEES:**Estate Committee**

Judith Chaney, Philip Freedman, Rosalind Josephs, Helen Leiser, Patricia Major, Steven Rosen.

Finance Committee

Jeremy Clynes, Robin Marks, Paul Hartley.

Grants and Amenities Committee

John Freeborn, Eva Jacobs, Sally Lewis, Louise Scheuer. (Visitor Anne Samworth).

Property and Plans Committee

Jonathan Rowley, Geoffrey Spyer, (alternate David Lewis).

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,
26 Red Lion Square
London WC1R 4AG

Arboriculturalist

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

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

STAFF

The following people are currently employed by the Trust:

Administration Team:



Jane Blackburn
BA (Arch), Dip Arch, RIBA
Trust Manager and
Company Secretary



Rosalinde De Best
MA History of Art
Trust Manager's
Assistant



Georgina Malcolm
Finance and
Legal Assistant



Lauren Geisler
Education and
Publications Assistant



Patricia Lewin
Credit Control
(part-time)

Architectural Team:



David Davidson
BA (Arch), MA (Arch Cons)
IHBC
Architectural Adviser



Heidi Pearce
BA (Hons) History of Art
Planning and
Casework Assistant



Michael Tutton
Dip Cons, PgDip (Bldg Cons)
IHBC
Assistant
Architectural Adviser
(part-time)



Marjorie Galbinski
PgDip CHE
Assistant
Architectural Adviser
(part-time)



Ann Marsh
BA Dip Arch, RIBA
Architectural
Consultant
(part-time)

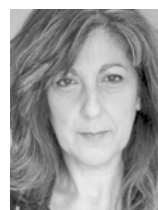
Estate Management Team:



Nicholas Packard
MA (European Real Estate)
MRICS
Estate Manager
(part-time)



Ruth Bull
Assistant
Estate Manager



Susan Samuels
Estate Management
Assistant
(part-time)

REPORT OF THE COUNCIL

The Council members, who act in the role of directors and Trustees, present their forty-sixth annual report, together with the audited accounts of the Trust for the year ended 5 April 2014. For the purposes of this report the term “Trust” is used to mean the company whose directors are referred to as “the Trustees”; the board is referred to as “the Council”.

OBJECT AND PRINCIPAL ACTIVITY

The object and principal activity of the Trust is to maintain and preserve the character and amenities of Hampstead Garden Suburb.

In 1967 legislation was passed that obliged landlords to sell their freeholds on demand to long leaseholders. This created a new situation for the Trust, as for other landlords, as it was constituted at that time. In 1967, therefore, it was dissolved and replaced by the present Trust with a new constitution. The new Trust has members (who must be Suburb residents) but no shareholders and no owners. The Trustees are not permitted to benefit financially from their positions and on dissolution the assets of the Trust would be at the disposal of the Charity Commission.

The new Trust had two principal functions that it continues to carry out to the present day.

1. The new Trust was not obliged to dispose of all its assets but holds them and its unenfranchised leaseholds in trust ***for all the residents of the Hampstead Garden Suburb including the Freeholders***. It manages these assets so as to maximize their value and devotes any operating surplus to the maintenance of its financial position and to the charitable purposes described in its Memorandum of Association.
2. The new Trust was also designed so as to enable it to operate a Scheme of Management as provided for in section 19 of the Leasehold Reform Act of 1967. In 1974 the High Court authorised a Scheme under which the appearance of the building and grounds of all enfranchised properties is controlled by the Trust and which the Trust still operates. The purpose of the Scheme is to ensure that the Suburb’s architectural integrity and its amenities in terms of its trees, open spaces and gardens are preserved and that inappropriate development is prevented. The Scheme is funded by a Management Charge payable by Freeholders. This money is held in trust for the Freeholders alone and remains the property of Freeholders until expended. Any surplus must be returned to them. The Scheme’s finances have to balance year on year. The Scheme does not have any reserves and does not own anything. It is not a legal entity, simply an accounting device.

Since 1974 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, 27 unadopted roads, some 50 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), 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 benefit both present and future generations.

The Trust’s long term strategy is to undertake:

- Regulation of change on the Suburb through vigorous exercise of the Trust’s obligations and rights under the Scheme of Management (for enfranchised freehold properties) and through the terms of the leases (for property where the Trust retains the freehold reversion)
- Direct, planned management of the residual estate, including communal open spaces, private roads and allotments
- An effective architectural advisory service for residents, owners and their professional agents and contractors.
- An education and awareness programme through walks, talks, publications, broadcast and new media
- A modest programme of charitable donations to Suburb good causes
- Management and enhancement of the Trust’s reserves to permanently eliminate revenue deficit.

REPORT OF THE COUNCIL (Continued)

Main developments in 2013/2014 have been:

- Supportive judgments in the High Court and the Court of Appeal in the Green Close case, have strengthened and clarified the Trust's understanding of its powers under the Scheme of Management
- The illustrated Design Guidance has been published
- The Suburb-wide Tree Survey is making good progress
- Rationalisation of accommodation at 860-864 Finchley Road has increased the Trust's efficiency and income, improved conditions for visitors, especially residents, and allowed the Archive Trust to have a medium term home
- Continued improvement in the Trust's financial position.

The Trust Council confirms that it has complied with the duty in section 17 of the Charities Act 2011 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 2013/2014 the Trust received 282 applications (2012/2013 213 applications) to change the external appearance, use or structure of property. These were reviewed by the Property and Plans Committee and their recommendations were then considered by the Trust Council. There were three new applications for demolition, all of which were unresolved in the course of the year. All three included rebuilding with a basement. Consent was given for two applications for demolition made in the previous year. In addition, fifteen applications involved the addition of, or extension, to a basement in an existing property (including one made retrospectively) and of these five were approved and one was refused. Two were withdrawn and seven were not resolved in the course of the year. Two basement applications from previous years were withdrawn. Consent was given for three basement applications from the previous year. Five applications involved creating new hard standings, of which one was approved, two were refused and two remained unresolved 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.

Advice and Enforcement

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, residents and the local authority, including Ward Councillors, to resist inappropriate felling.

The Trust has worked to correct infringements of the Scheme of Management and of leasehold and freehold covenants; and to restore sympathetic features. Some twelve recorded infringements have been resolved and lifted in the course of the year. Thirty new infringements have been recorded; many of these are in Market Place where the Trust is seeking to improve compliance with the Scheme of Management. Most of the rectification of infringements has been achieved through negotiation, which is always the preferred course, but enforcement action has again included the involvement of solicitors in several cases. In particular a hard standing, installed without Trust consent, and the associated crossover have been removed from 43 Brookland Rise under a court order and action is in hand through the courts to correct serious infringements of the Scheme of Management at 1 Deacons Rise.

The Trust successfully defended an action by a leaseholder who sought an injunction preventing the Trust from reaching a decision regarding a neighbour's application for consent for a basement to be added to his freehold property, in Green Close, unless he was satisfied on engineering and other matters. The outcome of the case has increased the Trust's understanding of its powers of control over the construction of basements, which are stronger than had been, on legal advice, supposed previously. The courts awarded the Trust most of its costs, £117,142, and these have been returned to charge-payers through the Scheme of Management and to the general fund, in equal measure, as they were charged.

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 newly illustrated Suburb Design Guidance was launched in November 2013, in collaboration with the London Borough of Barnet. The Trust's Architectural Adviser, David Davidson, gave a well-attended lecture explaining the implications and application of the Design Guidance, and popular seminars on the Guidance were held for local estate agents and architects. Earlier in the year the Trust had designed and published the work of Suburb resident Dr Eva Jacobs to produce "Notable Residents and Where They Lived". This 50-page biographical compilation works as a "Who's Who" of the Suburb's social history and functions as a self-guided walking tour. Throughout the year Trust staff led guided tours for various groups, including the president and members of the Royal Institute of Town Planning. The Trust participated in New London Architecture's 'Great Estates' exhibition at The Building Centre, and continued to forge links with Toynbee Hall, the Highgate Society and the Grosvenor Estate.

MAINTAINING THE FABRIC OF THE SUBURB

A condition survey of the hard landscape features on the Trust's estate identified which of these important elements of the Suburb will require repair in the medium and long term. Necessary temporary work was carried out and consultation on permanent repairs with owners will follow. Engineers were instructed to draw up schemes of repair to retaining walls in Corringham Road and a private road, Linnell Close. A scheme of repair to Turner Close was costed and contributions apportioned amongst owners liable to contribute. The work will start on site in the summer of 2014. Owners were consulted and patch repairs carried out on 10 private roads under the Private Road Maintenance Contract. Work on the Tree Survey in conjunction with the Residents Association and LB Barnet continued. Separately, all Trust owned trees were inspected and the necessary arboriculture was undertaken. All this work is carried out in discussion with the Estate Committee, reporting to and advising the Trust Council.

GRANTS

The Trust's grant aid to local bodies whose charitable activities are likely to be beneficial to residents has again increased. During 2013/2014 the Trust, advised by the Grants & Amenities Committee, made grants from the general fund of £13,958 (2012/2013: £10,250). Grants include £3,000 to the Proms at St Jude's, £1,300 to the HGS Archives Trust to cover their accommodation costs in the Trust offices, £800 to "Open City (formerly known as "Open House"), £700 to Fellowship for alleviating hardship (with especial reference to ability to pay the Management Charge) and a further £4,000 to assist HGS Fellowship in preparing proposals to upgrade their

premises, £1,438 to St Jude-on-the-Hill towards notice boards, £550 to the Garden Suburb Theatre towards the cost of performances in Little Wood, £750 to the Orchard Housing Society towards upgrading their guest rooms, £750 to Alyth Synagogue for a children's day camp, £300 to Abbeyfield to cover management charge costs and £250 to support a programme of outings, £120 to Resources for Autism to support their gardening project.

The Trust Council has made an additional grant of £16,000 from the general fund towards maintaining the fabric of St Jude on-the-Hill. This grant is substantially balanced by increased rent received by the Trust for the sub-letting of St Jude's Church Rooms.

VOLUNTEERS

In 2013/2014 the Trust has again benefited from input to its work by volunteers including non-Trustee members of the Property & Plans Committee, the Estate Committee, the Finance Committee and the Grants and Amenities Committee. Volunteers continue to assist with tasks in the office. The Tree Survey programme, using resident and other volunteers, is well under way. The names of those who served on the Trust's advisory committees are given above. Altogether there are twenty-one residents serving on the Trust Council and committees. This does not exhaust the list of those who help the Trust in various valuable ways.

FINANCIAL MATTERS

The form in which the statement of financial activities is set out on page 12 complies with the Charity Commission requirements to relate expenditure to the Trust's objectives rather than under heads of expenditure. The statement also details the finances of the Scheme of Management as well as those of the Trust, although each is separately identified. As a supplement 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 final page).

The Trust's finances

The Trust has a dual obligation. All its assets are held in trust for the benefit of all Suburb residents; Freeholders, leaseholders, tenants and others. The Trust also operates a Scheme of Management under section 19 of the Leasehold Reform Act 1967. The Scheme is funded by a Management Charge paid by enfranchised Freeholders. These funds are accounted for separately from the Trust's own property and are held in trust for the Freeholders until expended. The Trust is not permitted to profit from its operation of the Scheme and any surplus is returned to the Freeholders.

REPORT OF THE COUNCIL (Continued)

A. Assets held in Trust for all residents

Revenue is derived from the ground rents and other charges relating to the Trust's leased properties, which are generally falling in real terms. In the course of 2013/2014 the Trust's total reserves increased by £409,392. This is derived from three sources. Part is from the sale of freeholds and lease extensions, as required by the Leasehold Reform Acts. Part is in the form of one-off payments for variations to leases and covenants. Together these total £502,793. Part is constituted by donations totalling £5,355, including gift aid, received from residents during the year. The latter amount is placed in a restricted fund where the Trust Council has determined that the capital element of the fund is to be maintained for the longer term with not more than half of the real growth in capital and income spent in any one year. It will be noted that the £409,392 increase in reserves is less than the £502,793 received from the sales of assets. These assets are not renewable and the net receipts must be husbanded with great care and invested to provide the Trust with a secure income to support its work for the indefinite future.

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 once again strengthened, but still remains capable of further improvement. The Trust's assets are available and adequate to fulfill its current obligations.

B. The Scheme of Management

As stated above, the Scheme of Management is funded by Freeholders and its finances are accounted for separately from those of the Trust itself: the funds within the Scheme of Management are not the property of the Trust. Income and expenditure under the heads of the budget for the year, including £60,571 in legal fees recovered, were the equivalent of an actual charge for the year of £116.60 per household. This is below the estimated charge of £124.70 and the equivalent of a rebate to charge payers of £8.40 over the full year. This will be set against the estimated charge for 2014/2015 when the Management Charge bills are sent out in August/September. Charge payers should note that the Management Charge is a land charge that runs with the property; the law requires that rebates must be made to the current owner even when they are made in respect of costs incurred before a transfer of ownership.

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 that 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 AND INVESTMENT POLICY

Until 2005 the Trust's assets were steadily depleted by subsidising the operation of the Scheme of Management. The withdrawal of the subsidy from the Scheme of Management in that year arrested the deterioration of the Trust's finances. Since 2005 revenue has been generated by the sale of assets which were on the balance sheet at book value and by fees from the variation of covenants which

had no assigned balance sheet value. Cash from these balance sheet “crystallisations” is no longer invested on the stock market but is being invested in Suburb property. A second flat was acquired in 2013/2014 and the purchase of a further small flat was completed early in 2014/2015. The extension of the ground floor office at 862 Finchley Road allowed the upper floors of the building to be returned from office use entirely back to residential use, as two self-contained maisonettes, in October 2014. This reinstates the residential parts of the building as originally designed and has restored the more valuable residential rental income stream from the upper floors as originally intended. The income from these modest investments in residential property is bringing the operating account, in chronic deficit for many years, into balance.

The fundamental financial objective of the Trust is to restore the level of its investible assets to a level that will enable it to produce an increasing real income – quite independent, of course, of the Scheme of Management. Over the last eight years the Trust has made some progress towards this goal but it will need some years of well controlled expenditure and investment before it is firmly established.

In effect, the Trust is restructuring its balance sheet. Its freeholds have been subject to compulsory sales since 1967 and the revenue from these sales will eventually be extinguished; meanwhile they have some way to run. These freeholds are held at book value so that their value is understated in the accounts. The Trust also derives revenue from variations in covenants. The Trust's experience of these transactions suggest that they will decline but that, for the foreseeable future, they will make it possible to reinvest what are essentially balance sheet assets so as to improve the Trust's financial position. The intention is that this should be continually strengthened by careful management.

FINANCIAL MANAGEMENT

- During the year the stated value of the Trust's balance sheet grew by an amount (£409,392) greater than the deficit on its operations (£93,401) after stripping out the £502,793 surplus on freehold sales, licences and variations
- £491,255 is held in the Trust's general fund (see note 23). This includes the Trust's working capital, the calls on which include the funding of the deficit in the cash flow of the Scheme of Management that occurs in the course of the year
- £36,580 is held in restricted funds (see note 21)
- The Council has designated those funds that are intended to be held for the long term and that constitute the foundation of the Trust's future income. Property investments in these designated funds are intended to be

held for the long term and expenditure from them is limited to amounts that do not exceed in any one year more than half the real growth in capital and income. Funds designated by the Trust Council total £1,618,463. These resources are in the form of: £1,432,485 in property assets and £185,978 of cash on deposit.

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 and consolidate them so as to generate revenue 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 the Trust 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 re-appointed in September 2013. haysmacintyre is 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 2014 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 pages 8 and 9, 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 2013 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 to 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 2014

(Including the income and expenditure account)

	Notes	2013/2014				2013/14 Total £	2012/13 Total £
		General Fund £	Restricted Funds note 21 £	Designated Funds note 22 £	Scheme of Management note 2 & 24 £		
Incoming resources	1(c)						
Incoming resources from generated funds:							
Voluntary income							
Leaseholders voluntary & other donations	21	-	7,355	-	-	7,355	3,703
Activities for generating funds:							
Commissions and fees	3	2,600	-	-	-	2,600	17,209
Sundry income		5,845	-	-	-	5,845	3,154
Investment income	4	114,669	-	-	-	114,669	98,251
Incoming resources from charitable activities:							
Building application fees	5	19,206	-	-	126,967	146,173	128,207
Management charges payable by freeholders		-	-	-	468,596	468,596	480,185
Legal fees recovered		58,571	-	-	60,571	119,142	2,000
Estate Maintenance Charges	1(e)	298,954	-	-	-	298,954	59,824
Other incoming resources:							
Surplus on freehold sales, licences & variations		502,793	-	-	-	502,793	230,852
Total incoming resources		1,002,638	7,355	-	656,134	1,666,127	1,023,385
Resources expended	6,7						
Costs of Generating Funds:							
Rental/Investment Management		85,321	-	-	-	85,321	22,412
Charitable Activities:							
Regulation: Applications		24,178	-	-	126,932	151,110	124,160
Regulation: Awareness/Advice/Enforcement		99,338	-	-	280,688	380,026	311,694
Maintaining the Fabric of the Suburb		78,246	4,834	-	189,983	273,063	230,396
Rechargeable Estate Maintenance	1(e)	298,954	-	-	-	298,954	59,824
Governance Costs:							
Governance costs including audit fees	1(c)	6,782	-	-	26,775	33,557	34,536
Total resources expended		592,819	4,834	-	624,378	1,222,031	783,022
Net incoming/(outgoing) resources before transfers	8	409,819	2,521	-	31,756	444,096	240,363
Balance of Freeholders Management							
Charges: charged/(refunded)		-	-	-	(69,628)	(69,628)	(159,940)
Transfers (designated funds)		(528,714)	-	528,714	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		(118,895)	2,521	528,714	(37,872)	374,468	80,423
Gain/(loss) on investment assets	14	(2,948)	-	-	-	(2,948)	-
Net movement in funds		(121,843)	2,521	528,714	(37,872)	371,520	80,423
Funds brought forward at 5 April 2013	17	613,098	34,059	1,089,749	69,628	1,806,534	1,726,111
Funds at 5 April 2014 before return or charge of balance of Management Charge		491,255	36,580	1,618,463	31,756	2,178,054	1,806,534
Balance of Freeholders Management							
Charges to be charged/(refunded)	2	-	-	-	(31,756)	(31,756)	(69,628)
Funds carried forward at 5 April 2014		491,255	36,580	1,618,463	-	2,146,298	1,736,906


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 15 to 23 form part of these accounts.

BALANCE SHEET AT 5 APRIL 2014

Company number 928520

	Notes	2013/2014 £	2012/2013 £
Fixed Assets			
Tangible assets			
Freehold and long leasehold estate, at cost	10 & 1(b)	52,205	46,821
Freehold property	11	34,800	34,800
Property investments		1,343,692	626,261
Assets in Course of Construction		-	310,031
Office equipment and furniture	12	-	-
Estate Works	13	125,373	146,477
Investments	14	246,625	298,589
		1,802,695	1,462,979
Current Assets			
Debtors	15	389,689	158,416
Scheme of Management surcharge/(rebate)	15	(31,756)	(69,628)
Cash at bank and in hand		579,610	537,614
		937,543	626,402
Current Liabilities			
Creditors: amounts falling due within one year	16	(593,940)	(352,475)
Scheme of Management		-	-
Net Current Assets		343,603	273,927
Net Assets		2,146,298	1,736,906
Representing:			
General fund		491,255	613,098
Restricted fund	21	36,580	34,059
Freehold Scheme of Management	17	-	-
Designated fund	22	1,618,463	1,089,749
		2,146,298	1,736,906

Approved and authorised for issue on behalf of the Council on 22 July 2014 and signed on its behalf by



Richard Wiseman



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 2014

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. In 2013/2014 the Trust bought a piece of garden land to restore the original form of one of its allotment sites. The value of that land (£7,184) has been added to the freehold estate.

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 (see Note 21).

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 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 comprise short term deposits and property assets. Investment properties are held at Trustees' best estimate of market value at the balance sheet date in accordance with the SORP. Any surplus or deficit arising on revaluation is taken directly to the fund as an unrealised gain or loss. No depreciation is charged on investment property.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. 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. Each item of income and expenditure is allocated to either the Scheme of Management or the general fund, or where appropriate shared between both. The basis on which Freeholders have consequently been charged with a proportionate part of the expenses of the Trust in operating the Scheme has been agreed by the auditors.

Items of expenditure and income that relate to both the Scheme of Management and the general fund are apportioned as follows:

- General overheads 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 on average more than ten times as much time, weighted for salary, was spent on houses as on flats. This calculation results for 2013/2014 in an apportionment of 84%:16% between the Scheme of Management and the general fund.
- Legal costs are allocated or apportioned on a case by case basis, in accordance with legal advice. The apportionment is determined according to the balance of significance of the covenants relating to the Scheme of Management and to the Trust as the owner of the residual estate, balanced by consideration of the overriding reasons for the Trust defending or taking the action. The apportionment of the costs of defending the case of 2 Green Close was 50:50; the courts ordered that most of the costs (£117,142.16) were to be reimbursed to the Trust and these have been credited back to the Scheme and to the general fund, in the same proportions.
- Costs for projects and amenities of benefit to all residents 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, with each property weighted equally. This results for 2013/2014 in an apportionment of 73%:27% between the Scheme of Management and the general fund.

The Trust's auditors are satisfied that these apportionments are 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 surplus of £31,756 (2012/2013: net surplus of £69,628) attributable to the Scheme will be returned by a balancing credit to each Freeholder in accordance with clause 8 (b) (ii) of the Scheme of Management.

3. COMMISSIONS AND FEES

This amount includes Royal & Sun Alliance (insurers) £2,600.58 (2013: £2,745), for an original requirement (now lapsed) in some Trust leases that insurance was to be provided by them.

The arrangement between the Trust and Brownhill, Morris & West ceased by mutual agreement from 5 April 2013.

4. INVESTMENT INCOME

	2013/2014 £	2012/2013 £
Rental income	111,752	92,033
Bank interest	2,917	6,218
	114,669	98,251
Allocated to:		
Trust and estate management (general fund)	114,669	98,251
Restricted Fund (interest)	-	-
	114,669	98,251

5. BUILDING APPLICATION FEES

	2013/2014 £	2012/2013 £
Leasehold	19,206	13,151
Freehold	126,967	115,056
	146,173	128,207

6. RESOURCES EXPENDED

	Direct £	Support £	2013/2014 £	2012/2013 £
Costs of Generating Funds				
Rental/Investment Management	73,854	11,467	85,321	22,412
Charitable activities				
Regulation: Applications	100,289	50,821	151,110	124,160
Regulation: Awareness/Advice/Enforcement	292,238	87,788	380,026	311,694
Maintaining the Fabric of the Suburb	207,193	65,870	273,063	230,396
Rechargeable Estate Maintenance	298,954	-	298,954	59,824
Governance Costs	28,541	5,016	33,557	34,536
	1,001,069	220,962	1,222,031	783,022

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. DIRECT AND SUPPORT COSTS

	Staff Costs £	Support Costs £	Amenities & Project Costs £	Legal/ Professional Costs £	Total 2013/2014 £	Total 2012/2013 £
Costs of Generating Funds						
Rental/investment management	73,854	11,467	-	-	85,321	22,412
Charitable Activities						
Regulation: Applications	100,289	50,821	-	-	151,110	124,160
Regulation: Awareness/Advice/Enforcement	142,694	87,788	6,127	143,417	380,026	311,694
Maintaining the Fabric of the Suburb	33,154	65,870	151,545	22,494	273,063	230,396
Rechargeable Estate Maintenance	-	-	298,954	-	298,954	59,824
Governance Costs inc. audit fees	10,235	5,016	-	18,306	33,557	34,536
	360,226	220,962	456,626	184,217	1,222,031	783,022

Support costs include £55,416 (2013: £41,695) of management and staff costs (see note 9).

8. NET INCOME RESOURCES

	2013/2014 £	2012/2013 £
Net incoming resources for the year has been stated after charging:		
Depreciation – Office	-	-
Depreciation – Estate	21,104	21,103
Auditors remuneration – audit (haysmacintyre)	8,910	8,640
Auditors remuneration – non audit	2,964	3,107

9. MANAGEMENT AND STAFF COSTS

The average number of full and part-time staff (employees and contracted staff) during the year was 12 (2013:11) of which 7 (2013:5) were part-time and all of whom were involved in the delivery of the Trust's activities.

	2013/2014 £	2012/2013 £
Management and staff costs during the year comprised:		
Wages and salaries	315,662	283,413
Employers NI	32,509	28,879
Pension	9,531	8,603
Other management costs and expenses incurred	57,940	48,560
	415,642	369,455

For the year ended 5 April 2014 one employee received emoluments in the range £60,000-£70,000 (2013: One). No trustees received remuneration in either this or the previous year.

10. FREEHOLD AND LONG LEASEHOLD ESTATE, AT COST

	2013/2014 £	2012/2013 £
At 5 April 2013	46,821	48,351
Disposals during the year	(1,800)	(1,530)
Acquisition during the year	7,184	-
At 5 April 2014	52,205	46,821

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. In 2013/2014 the Trust acquired a piece of garden land for allotment use.

11. FREEHOLD PROPERTY

	Land £	Building £	Total £
Valuation on 12 December 1968			
At 5 April 2013 and 2014	7,800	27,000	34,800

12. OFFICE EQUIPMENT AND FURNITURE

	£
Cost	
At 5 April 2013 and 2014	-
Depreciation	
At 5 April 2013	-
Charge for year	-
At 5 April 2014	-
Net Book Value	
At 5 April 2014	-
At 5 April 2013	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. ESTATE WORKS

	£
Cost	
At 5 April 2013	211,043
Additions during the year	-
At 5 April 2014	211,043
Depreciation	
At 5 April 2013	64,566
Charge for the year	21,104
At 5 April 2014	85,670
Net Book Value	
At 5 April 2014	125,373
At 5 April 2013	146,477

14. INVESTMENTS

	2013/2014 £	2012/2013 £
Investments brought forward	2,948	2,948
Additions at cost	-	-
Disposal proceeds at market value	-	-
Unrealised gains/(losses)	(2,948)	-
	-	2,948
Cash held	246,625	295,641
	246,625	298,589
Investments listed on a recognised stock exchange	-	2,948
Cash held as part of the investment portfolio	246,625	295,641
	246,625	298,589

15. DEBTORS

	2013/2014 £	2012/2013 £
Management income owed to the Trust	94,727	148,449
Other debtors*	247,462	9,264
Prepayments and accrued income	47,500	703
Refund of Management Charge	(31,756)	(69,628)
	357,933	88,788

*Other debtors 2013/2014 includes £196,242 in uncashed cheques held by the Trust ahead of estate works at Turner Close. The figure is balanced by a similar amount, included in the 2013/2014 accruals and deferred income figure in note 16, due for payment by the Trust to the contractor for the works.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013/2014 £	2012/2013 £
Accruals and deferred income*	315,588	54,475
Completion of investment property purchase	278,352	298,000
	593,940	352,475

*See note 15 above

17. FREEHOLD SCHEME OF MANAGEMENT

	£	£
Funds brought forward as at 05/04/2013 as previously stated		(69,628)
Balancing charges 2013/14		69,628
Surplus for 2013/14	(31,756)	
Balance refundable to freehold charge payers in 2013/14	31,756	
Funds carried forward as at 05/04/2014	-	-

18. INDEMNITY INSURANCE

During the year ended 5 April 2014 the Trust paid £4,149 (2013: £4,124) 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 (2013: Nil). No trustees were reimbursed for travelling expenses (2013: Nil).

20. MEMBERS LIABILITY

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RESTRICTED FUNDS

	As at 06.04.13 £	Incoming Resources £	Resources Expended £	Transfer £	As at 05.04.14 £
Main Restricted Fund	31,225	5,355	-	-	36,580
Stuart Goring Fund	2,834	-	(2,834)	-	-
Richard Snow Bequest	-	2,000	(2,000)	-	-
	34,059	7,355	(4,834)	-	36,580

The main restricted fund contains donations to support the Trust's ability to preserve the amenities and character of the Suburb in the long term; for that reason the Trust Council has determined that not more than half the fund's real growth in capital and income will be spent in any year. The Stuart Goring Fund was closed in May 2013, in accordance with the instructions of the donor, when the residue of £2,834 was passed to Hampstead Garden Suburb Fellowship for the relief of hardship amongst Suburb residents. The Richard Snow bequest of £2,000 enabled the Trust to buy his collection of architectural books for the Trust library.

22. DESIGNATED FUND

	As at 06.04.13 £	Incoming Resources £	Resources Expended £	Transfers/ gains & losses £	As at 05.04.14 £
Designated Fund	1,089,749	-	-	528,714	1,618,463

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.

23. ANALYSIS OF NET ASSETS BY FUND

Fund balances at 5 April 2014 are represented by

	General Fund £	Restricted Fund £	Designated Funds £	Total Funds £
Tangible fixed assets	87,005	36,580	1,432,485	1,556,070
Investments	60,647	-	185,978	246,625
Net current assets	343,603	-	-	343,603
	491,255	36,580	1,618,463	2,146,298

The investments in the general fund have maturities of three months or less.

24. RESOURCES EXPENDED ALLOCATED TO FUNDS AND RELATING TO MANAGEMENT CHARGE YEAR ENDED 5 APRIL 2014

Expenditure items	Total £	General Fund, Designated & Restricted Funds £	Scheme of Management £	Cost per charge £	2012/2013 £
1. Staff costs:	415,644	66,503	349,141		
Staff salaries inc PAYE & NI, contract & temporary staff, employee & volunteer expenses, training costs					
Less:					
Income from fees on freehold applications			(126,967)		
Net staff costs			222,174	59.29	51.52
2. Premises costs:	89,647	14,344	75,303	20.10	12.32
Office rent, utilities, telephone, Council Tax, repairs and renewals, cleaning etc.					
3. Administrative costs:	75,899	12,144	63,755	17.02	14.26
Insurance (except for Trustees), office equipment, printing, postage & stationery, public relations, bank charges, depreciation					
4. Governance costs:	6,431	1,029	5,402	1.44	1.61
Trustee insurance etc.					
5. Projects and amenities costs:	157,672	137,027	20,645	5.51	7.85
Maintenance of amenity areas and other projects					
6. Legal costs:	131,691	52,464	79,227		
Less:					
Legal costs recovered			(60,571)		
Net legal costs			18,656	4.98	15.04
7. Other professional costs:	34,220	11,876	22,344	5.96	4.67
Arboriculturalist, human resources, valuation and other advice					
8. Audit fees:	11,874	3,312	8,562	2.28	3.14
Expenditure	923,078	298,699	436,841	116.58	110.40
Income from fees on freehold applications			126,967		
Income from recovery of legal fees			60,571		
Total management charges including in-year enfranchisers			468,596		
Total income			656,134		
Total expenditure			624,378		
Balance of Management Charges to be (charged) credited to freeholders			31,756	8.40	rounded figures

At 6 April 2013 3,737 management charges payable. At 6 April 2014 3,757 management charges payable.

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

