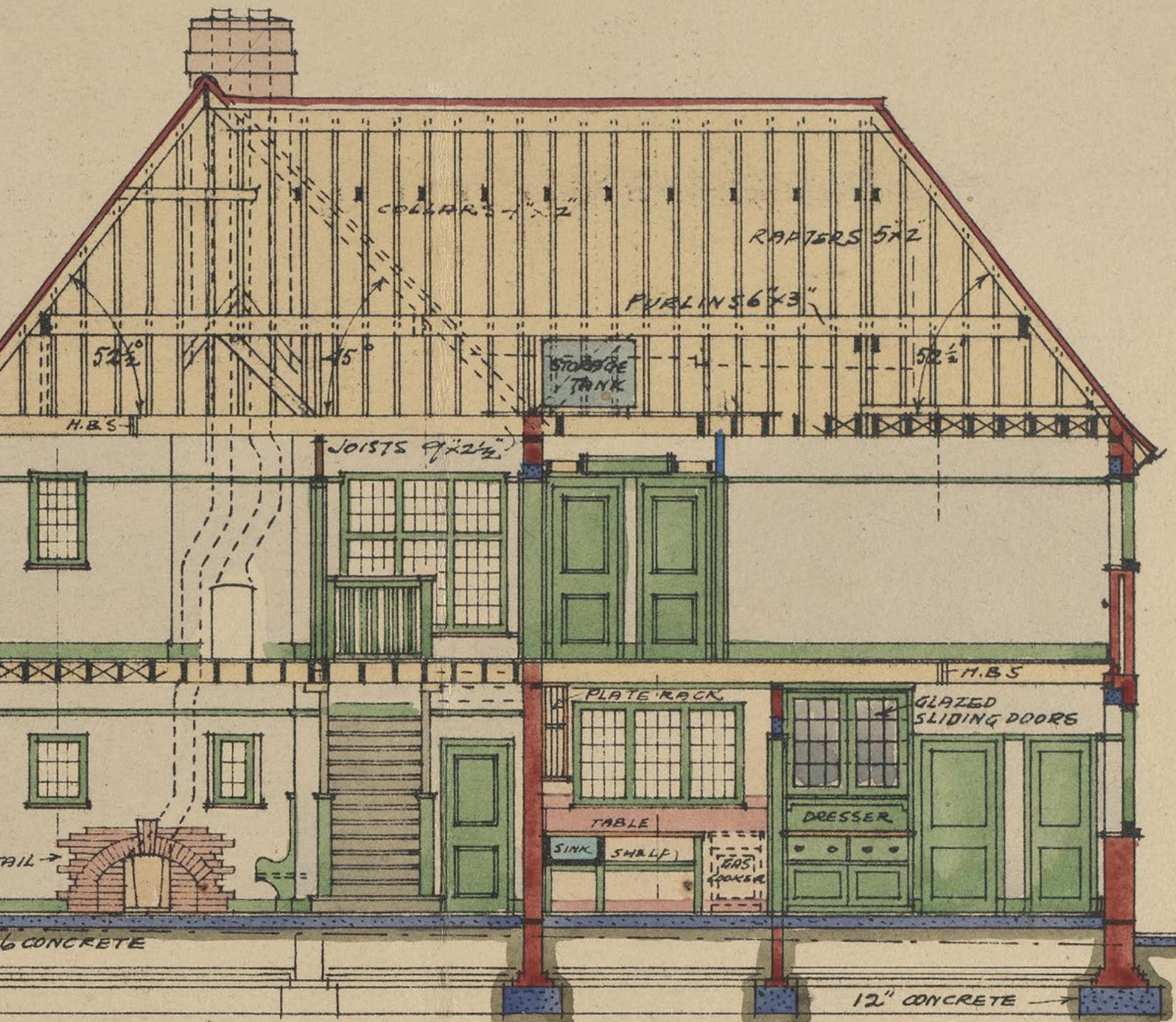


Hampstead Garden Suburb Trust

Annual Report and Accounts
For the Year Ended 31 March 2024



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Hampstead Garden Suburb Trust

The 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

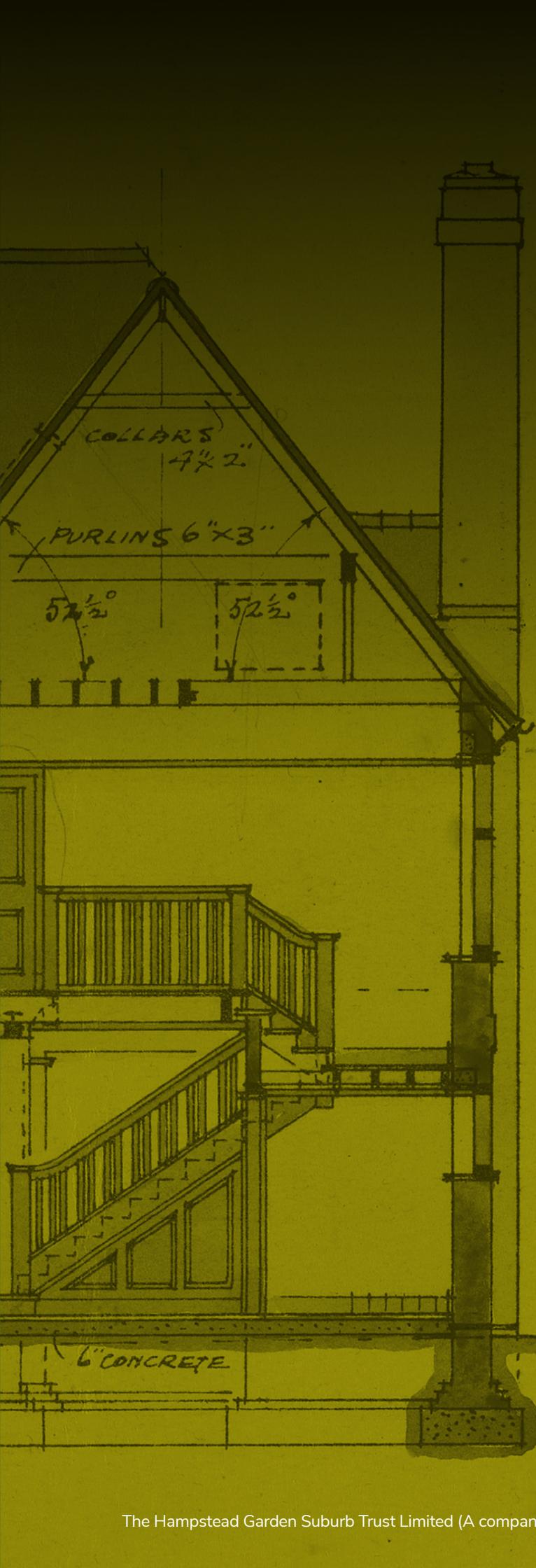
Company number: 00928529

Registered charity number: 1050098

Registered in England

Our cover image is taken from an original drawing by J.C.S. Soutar. We have produced tote bags with this design which are now available to purchase from the Trust office.

PLEASE NOTE: IMAGERY AND FIGURES CONTAINED WITHIN THIS DOCUMENT DO NOT FORM PART OF THE AUDITED REPORT AND ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY



Chairman's review 2023/2024



This is my final chairman's statement. After the AGM on 23 September I will have completed six years as a trustee and will be stepping down. I should like to thank Simon Henderson and his team for their hard work and the excellent job which they do. I should also like to thank all the trustees for their time, support and help in making Hampstead Garden Suburb such a special place.

The Trust was set up in 1968 and is legally charged with doing "all things possible to maintain and preserve the character and amenities of Hampstead Garden Suburb". The last year has been extremely busy for the Hampstead Garden Suburb Trust. The Trust has had a full 12 months of site visits, discussions with residents, and all the other activities that ensure our Suburb remains a delightful place to live.

“ We have developed detailed guidance on retrofitting Suburb homes, and this will be launched later in the year.

The Suburb is a living place, and the Trust must always balance the issues of the moment with its wider duty. One particular challenge is how the energy efficiency of Suburb houses can be improved to meet the challenge of climate change without compromising the special character of the Suburb. Working with expert advisors, we have developed detailed guidance on retrofitting Suburb homes, and this will be launched later in the year.

We have also started to consider the rehabilitation of the land below Central Square, following our re-acquisition of the main Square two years ago. We know some residents are keen to see additional community facilities provided here, and we will be developing our ideas for consultation in the year ahead. We have also responded to residents' concerns over the use of the present tennis courts, and a new booking and access system is now in place.

We aim to be supportive. Applications for Trust consent are approved where they preserve the character of the building. For those that do not, we can often, through dialogue, help residents revise their proposal to achieve the same effect while preserving architectural character. We also awarded a record £34,070 in grants to twelve local organisations who support the social or cultural life of the Suburb, and we held a number of public walks to promote the appreciation of the natural and built environment of the Suburb.

We manage and maintain some of the most important green spaces in the Suburb, including Sunshine Corner and Central Square. We also manage and maintain many other smaller green spaces and gardens, as well as tennis courts and allotments. We are also working on improving understanding of the Suburb through walks, talks, exhibitions and conferences for residents and also for the many overseas academics, architects and other visitors who want to see this unique place for themselves.

“ **Trust staff carried out 540 architectural site visits, 395 tree inspections and took in excess of 5000 calls.** ”

All this is a labour-intensive process. The Trust staff, led by chief executive Simon Henderson, carried out around 540 architectural site visits by the planning team, arranged 395 tree inspections by our arboriculturist, took in excess of 5000 calls with residents and responded to numberless emails.

This vital work, however, can only be done with sound finances. We have worked hard to get the Trust's funds into credit to protect against any future legislation which could reduce Trust income, ensuring the unique charm of the Suburb can be enjoyed by generations to come.

The Scheme of Management is funded by the management charge paid by each freehold property. We recognise the importance of financial prudence and delivering real value for charge payers whilst ensuring that the Scheme can meet its expenses which have risen substantially in recent years.

However, a careful approach to budgeting and prudent management means we have been able to hold the rise in both the gross and payable management charge over the last few years well below the rate of inflation, and indeed reduce it when possible. Full details of the Trust's finances come later in this report.

All the good work above can only be done in partnership with residents, who recognise the Suburb as a wonderful place to live. We want to encourage all our residents to become members of the Trust. There is no fee, and the only qualification is that you have to have lived in your property for three years (which includes those who rent their homes).

Joining the Trust signals support for our work enhancing and protecting the Suburb. It also allows you to vote in any election for resident Trustees, which comprise half of the Trust Council, and attend our Winter Lecture.

We also welcome additional resident participation on our various committees including those that manage our green estate and allocate grants to community organisations.

If you qualify, please join the Trust by visiting www.hgsttrust.org/membership and completing the application form online.

Residents can be members of both the Trust and the Hampstead Garden Suburb Residents Association, but membership of one does not automatically mean membership of the other. Both organisations support the Suburb, but our focus differs. Whilst the Trust exists to preserve and maintain the character and amenities of the Suburb, the RA promotes the interests of residents as well as to encouraging good neighbourliness, community activities and enjoyment.

It has been a great privilege and honour for me to be the chairman for the last 5 years and to be able to give something back to the community in which I have lived since 1983. I would like to wish my successor whoever he or she may be every success in their new role and I look forward to seeing both the Trust and Hampstead Garden Suburb going from strength to strength in the years ahead.



Raymond Taylor

Chairman



Legal, administrative and other information about The Trust

Legal, administrative and other information about The Trust

Members of the Council 30 July 2024

Elected members:



Raymond Taylor *Chairman*

Elected 20 September 2018.
Re-elected 30 September 2021.

Raymond has lived on the Suburb for over 35 years and served on the Trust's Estate and Finance & Organisation Committees prior to becoming a trustee. He is a practicing corporate solicitor.



Gren Manuel

Elected 21 September 2022.

Gren has lived on the Suburb for over 20 years. A financial journalist by profession, he has been heavily involved in climate change issues in the Suburb through HGSRA REACH and has written extensively on green investing. Gren sits on the Trust's Property & Plans Committee.



Richard Townley

Elected 27 September 2019.
Re-elected 21 September 2022.

Richard, who has lived in the Suburb for 43 years, is a fellow of the Royal Institution of Chartered Surveyors and has spent over 50 years specialising in commercial property investment. For ten years he was a Trustee of Ambitious About Autism and has been involved in various Suburb projects, in particular the introduction of the heritage lighting in Central Square and the installation of the new flower beds in the Square.



Sarah Stafford

Elected 20 September 2023.

Sarah has lived on the Suburb since 2019. A lawyer by profession, she undertook a major eco-renovation of her house in 2023 and is a strong advocate for improving the energy efficiency of Suburb houses. Sarah sits on the Trust's Plans & Properties Committee.

Appointed members:



Elspeth Clements

Appointed by the Royal Institute of British Architects 1 April 2015.
Re-appointed 1 April 2018 and 2021.

Elspeth is an accredited RIBA Conservation Architect and a former member of RIBA Council. She is Managing Director of Clements & Porter Architects, founded in 1979. She is also Vice-President of the Highgate Society and wrote part of the Highgate Conservation Area Appraisal.



Dr Tye Blackshaw

Appointed by the Victorian Society 7 January 2020.
Re-appointed 7 January 2023.

Dr Blackshaw has a PhD in Victorian Architecture from the Courtauld Institute. She has worked for Pevsner's Buildings of England series and the Victoria County History, has recently served as a Protector for Highgate Cemetery and currently sits on the Council of the Highgate Society.



Jonathan Ross

Appointed by the Law Society 18 July 2011.
Re-appointed 18 July 2014, 2017, 2020 and 2023.

Jonathan is a solicitor and partner at Keystone Law, where his clients include a number of section 19 organisations 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.



Thomas Darwall-Smith

Appointed by the Royal Town Planning Institute on 19 October 2023.

Thomas is a Principal at Keystone Planning, an independent town planning consultancy, specialising in heritage planning and community engagement. He is passionate about the historic environment and the importance of good design.

Election and appointment to the Council

There was one vacancy for election following the end of Trevor Price's first three-year term and his decision not to stand for a further term. One candidate, Sarah Stafford, stood for the vacant position. As there was no contested election, Sarah Stafford was elected as an Elected Trustee at the AGM on 20 September 2023 and duly took up the role.

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 31 March 2024 there were 556 members of the Trust Company and 44 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.

By a Special Resolution passed at the 2023 AGM, the Trust's Articles of Association were amended to remove the requirement to re-register for Membership every three years.

Trust Council's responsibilities

The Trust Council meets nine 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, FRIBA, FRTPI.

Honorary Accounts Adviser

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

Volunteer members of advisory committees

(in addition to Trust Council members):

Estate Committee

Alan Brudney (ret. 2024), Michael Mire, Maralyn Roberts, Laurence Wolff and Steven Rowe (from 2024)

Finance Committee

Jeremy Clynes, Robin Marks, Paul Hartley and Tony Ghilchik

Grants and Amenities Committee

Rosemary Goldstein, Jonathan Seres (d. 2024), Louise Scheuer (ret. 2023), Ron Finlay and Bryan Marcus (from 2024)

Property and Plans Committee

Helena Benes and Emma Howard

Professional advisors and consultants

Architectural Consultant

Monica Knight Dip Arch, BSc Arch, Grad Dip Cons (AA), ARB (part-time)

Solicitors

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

Auditors

Menzies LLP
Magna House,
18-32 London Road
Staines-Upon-Thames
Surrey TW18 4BP

Accountants

JS2 Limited
One Crown Square
Church Street East
Woking
Surrey GU21 6HR

Bankers

HSBC Bank plc



Back row L-R: Alice Porter, Paul Capewell, David Davidson, Richard Ross, Simon Henderson, Calum Orr, George Izzo, Joe Mathieson
 Front row L-R: Poppy Hitchin, Frank Hawkins, Susan Samuels
 Not pictured: Monica Knight, Patricia Lewin

Staff

The following people are currently employed by the Trust. Staff are full-time unless stated otherwise.

Simon Henderson

Chief Executive Officer and Company Secretary

Richard Ross BSc (Hons), MRICS

Head of Estates

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

Head of Architecture

Paul Capewell BSc (Hons) Information Management

Communications Officer

Frank Hawkins CHort MCIHort MArborA IOSH

Green Estate Manager

Poppy Hitchin

Business Support Officer

George Izzo (from 1st June 2024)

Credit & Finance Officer (part-time)

Patricia Lewin (to 31 May 2024)

Credit Control (part-time)

Joe Mathieson BA, MSt

Architectural Adviser

Calum Orr BSc (Hons), MSc

Architectural Adviser

Alice Porter BArch (Hons), MSc

Architectural Support Officer

Susan Samuels

Office Manager (part-time)

The average staff establishment in the year ended 31 March 2024 was 10.06 FTE

Report of the Council

Report of the Council



The Council members, who act in the role of directors and trustees, present their fifty-sixth annual report, together with the audited accounts of the Trust for the year ended 31 March 2024. 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".

Our purpose

The object and principal activity of the Trust is to do all things possible to maintain and preserve the present character and amenities of Hampstead Garden Suburb.

The original Hampstead Garden Suburb Trust was founded in 1907 and managed a Suburb that was almost entirely composed of leasehold properties. In 1967, changes in legislation obliged landlords to sell their freeholds on demand to long leaseholders. As the original Trust was not equipped for this new situation, it was dissolved after pressure from residents and replaced by the present Trust with a new constitution the following year. Instead of shareholders, the Trust has members, who must be Suburb residents, but 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 Trust has two principal functions:

1. For all residents:

The Trust holds its assets and its remaining unenfranchised leaseholds in trust for all the residents of the Hampstead Garden Suburb. It manages these assets to maximize their value, and it devotes any operating surplus to the charitable purposes described in its Memorandum of Association and to maintaining its financial security.

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 national and international community – lay and professional – with an interest in architecture, urban 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.

2. For freehold property owners only:

The Trust also operates 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 buildings and grounds of all enfranchised freehold properties is regulated by the Trust. 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 maintained, and that unreasonable development is prevented.

The Scheme is funded by a Management Charge payable annually by freeholders. This money is held in trust for the freeholders alone and remains their property until spent. The Scheme's finances have to balance year-on-year, and any surplus must be returned to Charge payers the following year. The Scheme does not have any reserves and does not own anything.

Since 1974, the great majority of the houses and many of the flat blocks 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 changes to nearly all Suburb properties, together with the trees, hedges, and many of the communal areas around them. The London Borough of Barnet and Transport for London control and maintain the public highways and the larger open spaces. The Heath Extension is owned and maintained by the City of London Corporation.

Our status and organisational structure

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 20 September 2023.

The Trust Council is responsible for decisions of the Trust. The Trust Council is advised on relevant matters by the Property & Plans Committee, Finance & Organisation Committee, Estate Committee and Grants & Amenities Committee. Policies are developed by senior staff (Chief Executive, Head of Architecture and Head of Estates) and

the advisory committees. Decisions are implemented by staff.

We confirm that we have 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.

The Trust's key activities are:

- Regulating change on the Suburb through applying the terms of the Scheme of Management to enfranchised freehold properties, and through the terms of the leases on properties where the Trust retains the freehold reversion
- Directly maintaining our residual estate, including communal open spaces, private roads and allotments
- Providing an expert architectural advisory service for residents, owners and their professional agents and contractors
- Promoting an understanding and appreciation of the Suburb through walks, talks, publications, broadcast and new media
- Making charitable donations to Suburb groups and associations
- Managing and building the Trust's finances to permanently eliminate its long-term revenue deficit.

Through the care, regulation and control over the Suburb, the Trust as a Charity is able to provide the public benefits identified above, not only to residents but also to students of and visitors to the Suburb. We set out these aspects of the Trust's work during the year in more detail on page 12.



The year ended 31 March 2024 in review

In summary

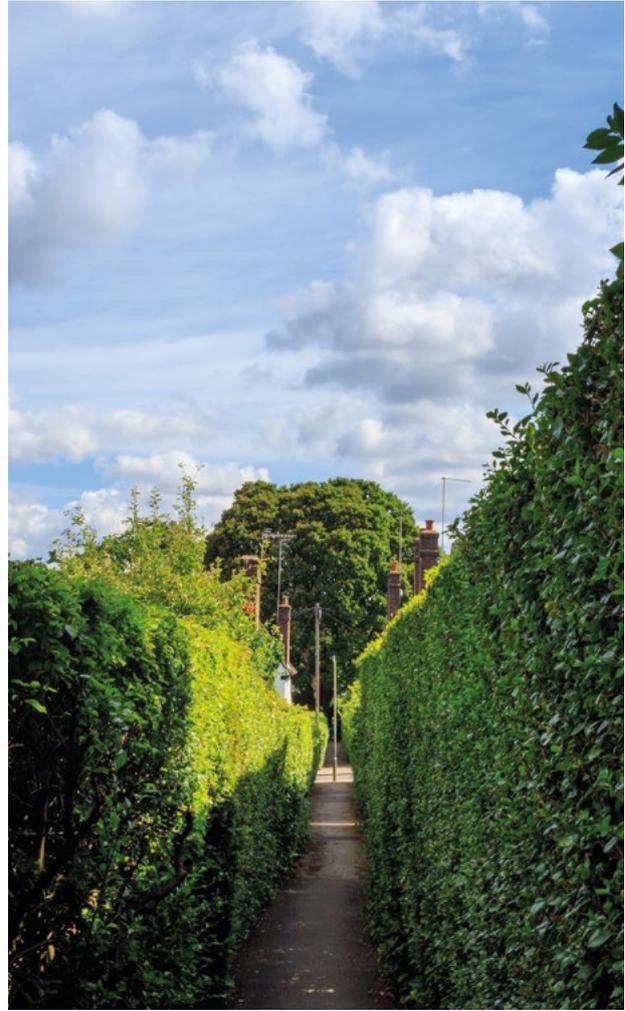
After the disruption of the last two years' Covid pandemic, 2023/24 saw a return to comparative normality in the Trust's activities. Applications for Trust Consent, tree inspections and other services were generally at the expected level, although the higher demand for conveyancing packs over the year may indicate an increasing turnover in ownership. Concern over the influence of natural and man-made pressures on the Suburb's historic natural and built environments also drove several new initiatives during the year. Much staff time continued to be taken up advising residents and their agents on changes to their properties, and staff changes in-year allowed resources to be re-allocated to bolster key areas of activity.

The Trust's Income and expenditure continued the positive trend of recent years, with income in nearly all areas exceeding budget predictions and expenditure falling within budget. While the income from ground rent fell as properties enfranchised in-year, this was more than compensated for by the growth in rents from the Trust's portfolio of investment properties. Two new properties were acquired in 2023/24; one is now let and the other will be let in 2024/25.

In addition to the Trust's day-to-day work, other key events during the year included:

- Developing detailed guidance on retrofitting properties to improve their energy efficiency and conservation
- Taking back the tree advisory service in-house and doubling the number of available appointments
- Awarding a record level of grants to 12 local organisations that benefit the Suburb
- Hosting public walks to promote and explain the value of the Suburb's history, and its built and natural environment
- Holding a well-received Winter Lecture
- Purchasing two investment properties
- Participating in the national Tree Forum in Birmingham in September
- Presenting to the International Garden City Retrofitting Congress in May, subsequently written up by the Town and Country Planning Association
- Meeting with the senior team at Dulwich to share insight and best practice
- Appointing a new Head of Estates
- Welcoming a new elected trustee and two new members of staff.





Regulation

Applications for Trust Consent

In the year ended 31 March 2024 we received 192 applications (compared to 214 in the year ended 31 March 2023) to change the external appearance, use or structure of property. Two applications were received which involved the construction of a basement to an existing property (compared to two in the year ended 31 March 2023): one was granted provisional consent and the other remains outstanding. One application was received for the total demolition and rebuilding of a property (originally a partial rebuild), which has yet to be determined.

Many applications involved work to improve the property's energy efficiency. Fifty applications were received for double glazing (compared to 21 the year ended 31 March 2023). Of these 43 received consent and seven remained unresolved at the end of the year. Fifteen applications included an electric vehicle charger (compared to 6 the year ended 31 March 2023) of which nine received consent and six were referred back for amendments not relating to the electric charger.

Advice and Enforcement

Throughout the year, we gave practical guidance to residents, potential residents and their professional advisers on matters concerning their properties. This

included preliminary advice regarding applications, routine care and maintenance work, site visits during construction, property advice, the pruning and felling of trees and the care of landscape and hedges. As the quality of applications for Trust Consent can vary considerably, the planning team spend much time providing expert advice on the design and detailing of Suburb homes. Although time-consuming, it is increasingly necessary in order to ensure that the high standards set by the original designers of the Suburb's houses are respected in new work. Around 540 planning visits were made to individual properties in the year ending 31 March 2024.

We always seek to enforce the Scheme of Management through discussion and negotiation with residents, whether through the application and construction process, or the reinstatement of unauthorised alterations to Suburb property. This is particularly the case where a new application is received for work on a house with an existing infringement. A realignment of staff duties in-year has strengthened the Trust's approach to infringements: 7 new infringements were registered and 11 infringements lifted in the year ended 31 March 2024.

The need for enforcement through court action has again been avoided this year through successful negotiation with property owner over unconsented work or, if necessary, legal letters.

Awareness and Education

Wider awareness and appreciation of the Suburb as a landmark in the evolution of domestic architecture and town planning is critical to its continued preservation. We therefore work to promote an informed understanding of the special nature of the Suburb with talks, guided tours and publications, both printed and on-line, as well as engaging with groups and organisations that share our aims and interests.

As part of the annual Proms at St Jude's festival, three staff led well-attended walks covering Suburb Radicals, The Suburb in TV and Cinema, and Unwins Oaks. Members of staff also led walks for the London Festival of Architecture, Open House and Kenwood House staff, and we welcomed a number of visitors from home and abroad.

Our annual Winter Lecture took a new path this year, with two excellent speakers talking on "Trees for the Future" to an engaged audience of over sixty people. Dr Samantha Dobbie from the Birmingham Institute for Forest Research at Birmingham University, and Keith Sacre, from Barcham Trees gave compelling presentations on the science and practice of creating resilience in the tree population.

We also strive to keep our Trust Members and other residents informed of the Trust's work and responsibilities through our website, social media and printed publications. We published three editions of the new Trust Times on-line and in paper form, and we contributed regular informative articles to the Suburb News and e-News, by courtesy of the HGS Residents Association.

Maintaining the fabric of the Suburb

Garden maintenance work continued on schedule through the year, although some chargeable work was delayed by the need to get common agreement from the residents concerned. The gardening contract was re-tendered competitively at the end of 2023 on a new specification, although only three of the eleven companies approached submitted tenders. The present contractor was duly appointed for a further year, and the contract will then be re-tendered in 2025.

The Suburb was carefully planned around the pre-existing landscape of hedges and oak trees, many of which are several hundred years old and need careful and continual maintenance if they are to survive. Our external and in-house arboriculturists made 395 visits to properties to advise on trees and hedges during the year. Staff changes meant that the annual tree survey will now be undertaken in summer 2024.

We continue to receive applications to fell healthy mature trees under pressure from insurance companies, sometimes accompanied by threats of legal action should the Trust not consent. We have so-far resisted these, with the welcome support of the HGSRA, and we are working to find mutually acceptable solutions that preserve one of the Suburb's most distinctive assets.

The tennis courts again saw heavy usage through the summer and autumn months, although poor summer weather affected overall use, compared with the previous year. There were 4243 bookings in the year (2022/23: 4,485 bookings) in the period and 765 advance



© DAVID WHITE



© DAVID WHITE



cancellations, allowing others to book vacated slots. The courts were booked for approximately 71% of the useable time available. Following representations from players, we have instituted a new booking and access system for the courts for 2024/25, to prevent misuse and maximise availability.

The allotments remain popular, and there is a short waiting list. The volunteer Allotment Secretaries provided valued support over the year in overseeing the best use of plots, offering advice to plot holders and collecting allotment fees. We had hoped to install a water supply to a further set of allotments during the year, but the cost and practical difficulties of access prevented this. We will however be looking at alternative arrangements and other improvements during the coming year.

Charitable grants

We provide grant aid to local charitable groups and associations whose activities are based on the Suburb and are likely to be beneficial to residents. During the year ending 31 March 2024 we made 14 grants totalling £34,070 to 12 local organisations, a considerable increase on the previous year (2022/23: £13,225).

These comprised: £1,200 to Youth Music Centre; £1,300 to HGS Archives Trust; £1,000 to HGS Heritage; £5,350 in two grants to Proms at St Jude's; £850 to HGS Fellowship; £500 to HGS Residents Association; £15,000 to St Jude's-on-the-Hill PCC; £5,000 to the HGS Free Church; £1,000 to the HGS Infant School; £500 to Brookland Junior School PA; £1,370 to Northway Gardens Organisation; and £1000 in two grants to Garden Suburb Theatre.

Our volunteers

We again benefited from the highly valued contribution of our volunteer committee members, including non-Trustee members of the Property & Plans Committee, the Estate Committee, the Finance Committee and the Grants & Amenities Committee. Altogether there are 14 residents serving on the Trust Council and committees,

plus many others who help the Trust in various valuable ways.

We were sorry to lose Jonathan Seres, whose death on 31 March 2024 deprived the Trust of a valued and committed member of the Grants & Amenities Committee. He will be much missed by the many who knew him.

Financial matters

The Statement of Financial Activities (SOFA)

The form in which the statement of financial activities is set out on page 23 complies with the Charity Commission requirements to relate expenditure to the Trust's objectives, rather than under heads of expenditure. The statement also identifies and details the finances of the Scheme of Management separately from those of the Trust. As a supplement to assist members and Charge payers, we include an analysis of the Management Charge as an appendix to the report and accounts. This gives a breakdown under heads of expenditure (see page 39) and does not form part of the Report and Accounts.

Our financial obligations

As explained above, the Trust has a dual financial obligation. All its assets are held in trust for the benefit of all Suburb residents, regardless of their property tenure. The Trust also operates a Scheme of Management, funded by a Management Charge paid by enfranchised freeholders only. These funds are accounted for separately from the Trust's own funds and are held in trust for the freeholders until they are spent. Any funds received under other provisions of the Scheme are also held in trust, to be applied in subsequent years in accordance with the terms of the Scheme.

a. Assets held in Trust for all residents

In the course of the year ended 31 March 2024, our reserves increased by £508,978. Revenue from the ground rents and other charges relating to the Trust's leased properties totalled £293,877. In addition, income from the sale of freeholds and lease extensions (as required by the Leasehold Reform Acts) and from one-off payments for variations to leases and covenants, together totalled £528,295. A further new income stream from providing conveyancing packs on property sales raised £26,464 Designated income, constituted by donations received from residents during the year, totalled £596.

The increase in reserves is again greater than the receipts from the sales of assets. These assets can only be disposed of once, and they will eventually be exhausted. We therefore recognise the need to husband these receipts with great care, and to invest them wisely to provide a secure income to support the Trust's work going forward.

We consider that the overall state of the Trust's financial affairs continues to be strengthened. The Trust's assets are available and adequate to fulfil its current obligations, but we recognise that they are capable of further improvement to achieve a guaranteed surplus year-on-year. As one step towards

this end, we have reviewed the disposition of the Trust's funds across its bank accounts, and we will be reallocating these funds across a range of accounts bearing higher rates of interest in 2024/25.

b. The Scheme of Management

Income and expenditure under the Scheme budget for the year were the equivalent of an actual charge of £210.21 per household, based on the median number of chargeable properties in the year ended 31 March 2024. This is below the estimated charge of £217.92 per budgeted enfranchised property and the equivalent of a rebate to charge payers of £35.07 per actual enfranchised property for the year ending 31 March 2025. This will be set against the estimated charge for the year ending 31 March 2025 when the Management Charge bills are sent out in August 2024.

The Management Charge is a local land charge that runs with the property. The law requires that rebates must be made to the current owner, even when the costs they relate to were incurred before a transfer of ownership. We maintain a credit control policy to minimise arrears in-year, including reclamation through the County Court in cases of serious or long-term default. This allows us to obtain a Charging Order on the property and a Charge on the Title. Twenty County Court applications were made in the year. Most were settled and Charging Orders have needed to be applied for against two properties.

In cases of genuine hardship, we will offer various stage payment options or arrange for an assistance grant through HGS Fellowship. 20 payment plans for major debt are currently in place (2022/23: 12) and one assistance grant was made in 2023/24

Financial Management

- During the period, the stated value of the Trust's general unrestricted reserves grew by an amount £508,483. After stripping out the £528,295 surplus on freehold sales, licences and variations and the net losses on investments of £24,369 there was an operational surplus of £4,557. This surplus reflects the fact that annual running costs did not require the support of one-off sales of assets in 2023/24.
- £3,738,364 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.
- £137,900 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 intended to be 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 £3,442,183. These resources are in the form of: £3,177,050 in property assets and £265,133 of cash on deposit (see note 22a, b and c and 23).

The Trust does not have any obligations in respect of a defined benefit pension scheme.

Pay and remuneration

The trustees comprise the Trust Council. No trustees received remuneration in the period.

The senior management team comprises the key management personnel of the Trust, i.e. Chief Executive, Head of Architecture and Head of Estates. The remuneration of all staff is reviewed at least annually by the Finance & Organisation Committee who make recommendations to the Trust Council for their decision. The Finance & Organisation Committee are asked to:

- Review Trust staff salaries and conditions, and make sure recommended amendments ensure that they remain competitive.
- Recommend the annual percentage increase in the payroll for each member of staff (which can be zero) taking into account changes in relevant published indices of living costs (such as CPI, RPI and Living Wage).
- Recommend any consolidated pay awards and staff salary increases outside of the annual review process, taking into account the recommendations received from time to time by the Chief Executive.
- Recommend any non-consolidated pay awards or bonuses, taking into account the recommendations received from time to time by the Chief Executive.
- Recommend pension arrangements and ensure that contractual terms on termination are fair to the individual and the Trust, that poor performance is not rewarded and a duty to mitigate loss is recognised.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other charities and property companies ensuring the Trust remains sensitive to the broader issues such as inflation, or pay and employment conditions elsewhere.

Reserves and investment policy

Our fundamental financial objective to build the Trust's investable assets to a level that will enable it to (i) bring its operating account, in chronic deficit for many years, into balance; and (ii) produce an increasing operating surplus independent of the Scheme of Management. Our investment policy is predicated on these two objectives.

Since 2005, the Trust's own revenue has been generated by the sale of assets which were on the balance sheet at book value, by fees from the variation of covenants which had no assigned balance sheet value, and by ground rents on leasehold properties for which it holds the freehold title. We expect the receipts from these sales to decline progressively to a level which no longer generates any significant income. Long-mooted changes in leasehold enfranchisement legislation may remove the ability to charge a premium on such sales. Income from fixed ground rents was always modest and declines iteratively with every freehold enfranchisement.

The Trust therefore looked to establish a reliable source of income to replace the present arrangement while this was still capable of generating significant revenue. Since 2011, we have used the proceeds from asset sales to purchase residential property on the Suburb, the rental income from which supports the Trust's obligations to contribute towards shared costs from its own funds, and to meet its own costs. Over time, the steadily increasing revenue for this growing portfolio would reduce, and then wipe out the chronic deficit in the Trust's own accounts once sales of assets are discounted.

Trustees reviewed and reaffirmed this policy in-year. We consider that continuing to invest in a mixed portfolio of rentable local property provides a robust and responsible approach to protecting and building the Trust's reserves in the medium-to-long term, and one that is adaptable to changes in external economic circumstances, insofar as they can be foreseen.

With a current portfolio of 13 investment properties, we have managed to make good progress towards this goal, so much so that Trust funds showed a modest surplus in 2023/24, for the first time. However, it will need several further years of well controlled expenditure and investment before this position is firmly and reliably established year-on-year.

The Trust Council

Information regarding the Trust Council, including details of those members in office during the period 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 a 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. We 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 we are aware:

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

Risk management

We 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. We consider that procedures are in place to mitigate any risks to which the Trust could be exposed.

We identify the principal risks and uncertainties as follows: a successful legal claim against the Trust arising from its role as landlord or its administration of the Scheme of Management; damage to real property; failure of or severe attack on IT systems; and fraud.

The plans and strategies for managing these risks are: professionally qualified and trained staff; advice from relevant professional advisors; regular review of cases by trustees; Health & Safety risk assessment and policy; regular inspection and repair regime; appropriate policies for the use of property; regular maintenance of the Trust's property; appropriate liability and other insurance; regular back up of data and an external IT support contract; regular upgrades of IT hardware and software; financial controls and an annual independent audit.

Our future plans

By managing the Trust's own resources as we have described, we plan to generate sufficient predictable year-on-year revenue to enable the Trust to:

- Act effectively and responsively in maintaining and preserving the character and amenities of the Suburb, including developing practical guidance on addressing any emerging issues that may affect this
- Ensure that the Scheme of Management expenditures are managed consistent with the requirements of the Scheme, and to endeavour to keep them within a predicted range consistent with the actual needs of administering the Scheme of Management over time
- Invest in improvements to the Trust's estate that will benefit residents of the Suburb, including the provision of additional amenities of benefit to residents, improvement of the Trust's own public estate, and addressing emerging issues such as succession tree planting. Detailed plans for these will be developed over the coming years as funds and other resources permit

- Ensure the Trust's own long-term future as the Suburb's regulatory body.

In line with the aims of the reserves and investments policy, and with the risk management strategies in place, we believe that the Trust is a Going Concern at the date of approving the report and accounts. The budget for 2024/25 and 18-month cash-flow projection takes into account the likely impact of known threats to income, and remedial measures will be put in place as and when necessary, to ensure that the Trust remains a Going Concern and can maintain its core business activities.

Disclosure of information to the auditors

We, the Trustees of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- There is no relevant audit information of which the Company's auditors are unaware; and
- We have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

By order of the Council



Simon Henderson

Secretary



Independent Auditor's Report

Independent Auditor's Report to the Members of the Hampstead Garden Suburb Trust Limited

Opinion

We have audited the financial statements of The Hampstead Garden Suburb Trust Limited (the 'charitable company') for the period ended 31 March 2024 which comprise Statement of financial activities, Balance sheet, Statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, and of the charitable company's incoming resources and application of resources, including its income and expenditure for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the report of the council for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- The report of the council has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the council.

We have nothing to report in respect of the following matters in relation to which 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 and take advantage of the small companies' exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which these are capable of detecting irregularities, including fraud is detailed below:

- The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including FRS 102, Charities SORP, Companies Act 2006, Charities Act 2011 and compliance with the scheme of management. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the charitable company is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas; management override of controls to manipulate results, or to cause the Company to enter into transactions not in its best interests.

Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Reviewing the basis and allocations to the scheme of management;
- Challenging assumptions and judgments made by management in its significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Janice Matthews FCA (Senior Statutory Auditor)

for and on behalf of

Menzies LLP

Chartered Accountants

Statutory Auditor

Magna House

18-32 London Road

Staines-Upon-Thames TW18 4BP

Date: 2 August 2024

Statement of financial activities for the year ended 31 March 2024

(Including the income and expenditure account)

	Notes	Unrestricted		Restricted		Year ended 31 March 2024 Totals £	Year ended 31 March 2023 Totals £
		General Fund £	Designated Funds Note 22 £	Scheme of Management Note 21 £	Other Restricted Funds Note 21 £		
INCOME FROM	1(a&d)						
Donations and legacies:							
Leaseholders voluntary & other donations		-	596	-	-	596	1,915
Other trading activities:							
Sundry income		26,464	-	-	-	26,464	15,940
Investments:							
Rental and other investment income	3	325,769	-	-	-	325,769	248,833
Charitable activities:							
Application fees	4	14,636	-	101,135	-	115,771	94,469
Management Charges payable by freeholders		-	-	887,158	-	887,158	858,430
Legal fees recovered		96	-	509	-	605	1,874
Estate Maintenance Charges	1(f)	151,650	-	-	-	151,650	116,163
Other income:							
Freehold sales, licences & variations	5	528,295	-	-	-	528,295	563,703
Total income		1,046,910	596	988,802	-	2,036,308	1,901,327
EXPENDITURE ON	6,7						
Raising funds:							
Rental and other investments		135,318	-	-	-	135,318	131,729
Charitable activities:							
Regulation: Applications		31,375	-	227,423	-	258,798	210,564
Regulation: Awareness/Advice/Enforcement		73,299	-	274,318	-	347,617	332,541
Maintaining the fabric of the Suburb		122,416	-	348,865	101	471,382	340,815
Rechargeable estate maintenance	1(f)	151,650	-	-	-	151,650	116,163
Total expenditure		514,058	-	850,606	101	1,364,765	1,131,812
Net (loss)/gain on investments		(24,369)	-	-	-	(24,369)	90,000
Net income/(expenditure)	8	508,483	596	138,196	(101)	647,174	859,515
Balance of Freeholders Management Charges: refunded	2&17	-	-	(224,123)	-	(224,123)	(205,600)
Net movement in funds		508,483	596	(85,927)	(101)	423,051	653,915
Reconciliation of funds:							
Funds brought forward at 1 April 2023		3,229,881	3,441,587	-	138,001	6,809,469	6,174,077
Funds brought forward at 1 April 2023 before return or charge of balance of Management Charge		3,229,881	3,441,587	224,123	138,001	7,033,592	6,379,677
Balance of Freeholders Management charges to be funded	2&17	-	-	(138,196)	-	(138,196)	(224,123)
Funds carried forward at 31 March 2024	23	3,738,364	3,442,183	-	137,900	7,318,447	6,809,469

All of the above are continuing activities of the Trust. The Trust had no recognised gains and losses other than those included above.

The notes on pages 26 to 38 form part of these accounts.

Balance sheet at at 31 March 2024

	Notes	31 March 2024		31 March 2023	
		£	£	£	£
FIXED ASSETS					
Tangible assets:					
Freehold and long leasehold estate, at cost	10&1(c)	38,615		40,235	
Freehold property, at cost less depreciation	11	358,021		366,103	
Estate works, at cost less depreciation	12	3,046		6,093	
Investments:					
Property investments, initially at cost subsequently at fair value	13	5,237,500		4,340,000	
Other investments	14	265,134		259,624	
Total fixed assets			5,902,316		5,012,055
CURRENT ASSETS					
Debtors	15	296,609		242,344	
Cash at bank and in hand		1,429,891		1,897,356	
Total current assets			1,726,500		2,139,700
LIABILITIES					
Creditors: amounts falling due within one year	16	(310,369)		(342,286)	
NET CURRENT ASSETS			1,416,131		1,797,414
TOTAL NET ASSETS OR LIABILITIES			7,318,447		6,809,469
REPRESENTING THE FUNDS FOR THE CHARITY					
Unrestricted funds:					
General fund	23	3,738,364		3,229,881	
Designated funds	22(a,b&c)	3,442,183		3,441,587	
Restricted funds:					
Scheme of Management compensation	21	137,900		138,001	
			7,318,447		6,809,469

Approved and authorised for issue on behalf of the Council on 23 July 2024 and signed on its behalf by



Raymond Taylor



Gren Manuel

The notes on pages 26 to 38 form part of these financial statements.

Statement of cash flows for the year ended 31 March 2024

	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Cash flows from operating activities	132,525	266,999
Cash flows from investing activities:		
Rental and other investment income	325,769	248,833
Proceeds from the sale of investments	1,620	1,350
Purchase of investments	(921,869)	-
Net cash generated/(used) by investing activities	(594,480)	250,183
Change in cash and cash equivalents in the reporting period	(461,955)	517,182
Cash and cash equivalents at the beginning of the reporting period	2,156,980	1,639,798
Cash and cash equivalents at the end of the reporting period	1,695,025	2,156,980

NOTES TO THE CASH FLOW STATEMENTS	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Reconciliation of net income to net cash flow from operating activities:		
Net income for the reporting period	423,051	653,915
Depreciation charges	11,129	11,129
Loss (Gain) on investments	24,369	(90,000)
Rental and other investment income	(325,769)	(248,833)
Decrease/(increase) in debtors	(54,265)	37,936
(Decrease)/increase in creditors	54,010	(97,148)
Net cash provided by operating activities	132,525	266,999
Analysis of cash and cash equivalents:		
Cash at bank and in hand	1,429,891	1,897,356
Short term deposits	265,134	259,624
	1,695,025	2,156,980

Analysis of changes in net debt	At 31 March 2023 £	Cashflows £	At 31 March 2024 £
Cash and cash equivalents	2,156,980	(461,955)	1,695,025
	2,156,980	(461,955)	1,695,025

The notes on pages 26 to 38 form part of these accounts.

Notes to the financial statements for the year ended 31 March 2024

General information

The charity is a company limited by guarantee and is incorporated and registered in England and Wales. Its registered office and principle place of business is 862 Finchley Road, London NW11 6AB.

The financial statements are presented in Sterling (£).

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

1. Accounting policies

The following are the accounting policies adopted by the Trust:

a. Basis of preparation

The financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) and the Companies Act 2006.

The Hampstead Garden Suburb Trust meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

b. Going concern

The trustees consider that there are no material uncertainties regarding the charitable company's ability to continue as a going concern.

c. 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 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 book value of the Trust's freehold land and building is based on a professional valuation carried out as at 12 December 1968. Until the year ending 5 April 2019, the Trust's office extension was held at its investment value. In line with the Charities SORP (FRS 102) from that date onwards the office extension is shown at cost (from completion in 2013) of £404,035 less depreciation on a straight line basis over 50 years. The parts of the Trust's office building that are currently used as residential could be taken back in to the Trust's use at short notice. The Trust considers that reliably measuring the residential element in isolation of the rest of the land and building would involve the Trust in undue cost and/or effort.

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.

d. Income and expenditure

All incoming resources and all resources expended are accounted for in the period to which they relate, as follows:

- Donations are accounted for when they are received into the Trust's bank account.
- Legacies are accounted for once notification of entitlement has been received.
- Income from investment property rents is recognised in the period of rental being provided.
- Ground rents, quarterly & annual rents are recognised in the period of rental being provided as the leases prescribe.
- Application fees for Trust Consent are accounted for when they are received into the Trust's bank account.
- Management Charges are billed annually in September, with arrears reminders in December, March and June. Receipts are accounted for and recognised in the period to which the income relates.
- Rechargeable Estate Charges: the Trust carries out various rechargeable works to communal or shared areas, such as gardening and road works. The direct cost of these works is recharged to those owners obligated to contribute to such costs as a condition of their property title. Costs are added to property accounts and accounted for quarterly but billed annually. Estate management expenditure is accounted for monthly.
- Income from freehold sales, licences and variations is notified to the Trust on completion of the legal agreement but only accounted for when received from the Trust's solicitors and allocated as above. Income from completions within the financial year received after 31st March are not accrued. This is in accordance with the Trusts rules.

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.

e. Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to its charitable purposes.

f. Pensions

The Trust has contributory pension arrangements, which it accounts for on an accruals basis.

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. The Trust maintains a regular review of local properties prices, and investment property values are reviewed by the Trust's Head of Estates against a comparable range of local properties of equivalent location and size. Any gains or losses on investment assets are shown on the SOFA. No depreciation is charged on investment property.

h. Critical accounting judgements and estimates

In preparing these accounts, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the accounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting judgements and estimates include:

- Valuation of investment property (see note 1(h)).
- Allocation of expenditure to the Scheme of Management (see note 2).

i. Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

j. Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

k. Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

l. Redundancy and termination costs

The charity recognises employee redundancy and termination costs in full on the date the redundancy or termination is confirmed.

m. Comparative Reallocation

For the year ended 31 March 2024 a negative debtor balance relating to Refund of Management Charge has been reallocated to creditors, from debtors, to better reflect the nature of the amount.

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 (i.e. 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 2023/2024 in an apportionment of 88%:12% (Year ended 31 March 2023 88%:12%) 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.

- Costs for projects and amenities of benefit to all residents are apportioned according to the proportion of enfranchised (i.e. 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. For 2023/2024, this results in an apportionment of 80%:20% (Year ended 31 March 2023 80%:20%) 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 page 39 by way of additional information as that page does not form part of the report & accounts. The net surplus of £138,196 (Year ended 31 March 2023: net surplus of £224,123) 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. Investment income

	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Rental income	293,877	240,696
Bank interest	31,892	8,137
	325,769	248,833
Allocated to:		
Trust and estate management (general fund)	325,769	248,833

4. Building application fees

	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Leasehold	14,636	8,850
Freehold	101,135	85,619
	115,771	94,469

5. Freehold Sales, Licenses & Variations

	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Freehold Sales	225,541	167,543
Variations	221,254	396,160
Lease Extensions	81,500	
	528,295	563,703

6. Analysis of expenditure

Year ended 31 March 2024	Direct £	Support £	Total £
Costs of Generating Funds:			
Rental/Investment Management	102,740	32,578	135,318
Charitable Activities (inc. Governance Costs):			
Regulation: Applications	172,731	86,067	258,798
Regulation: Awareness/Advice/Enforcement	245,742	101,875	347,617
Maintaining the Fabric of the Suburb	396,816	74,566	471,382
Rechargeable Estate Maintenance	151,650	-	151,650
	1,069,679	295,086	1,364,765

Year ended 31 March 2023	Direct £	Support £	Total £
Costs of Generating Funds:			
Rental/Investment Management	106,846	24,883	131,729
Charitable Activities (inc. Governance Costs):			
Regulation: Applications	151,439	59,125	210,564
Regulation: Awareness/Advice/Enforcement	255,395	77,146	332,541
Maintaining the Fabric of the Suburb	293,294	47,521	340,815
Rechargeable Estate Maintenance	116,163	-	116,163
	923,137	208,675	1,131,812

7. Direct and support costs

Year ended 31 March 2024	Staff Costs	Support Costs	Amenities & Project Costs	Legal/ Professional Costs	Total
	£	£	£	£	£
Costs of Generating Funds:					
Rental/Investment Management	102,740	32,578	-	-	135,318
Charitable Activities (inc. Governance Costs):					
Regulation: Applications	172,731	86,067	-	-	258,798
Regulation: Awareness/Advice/Enforcement	200,785	101,875	-	44,957	347,617
Maintaining the Fabric of the Suburb	91,228	74,566	282,244	23,344	471,382
Rechargeable Estate Maintenance	-	-	151,650	-	151,650
	567,485	295,086	433,894	68,301	1,364,765
Year ended 31 March 2023	Staff Costs	Support Costs	Amenities & Project Costs	Legal/ Professional Costs	Total
	£	£	£	£	£
Costs of Generating Funds:					
Rental/Investment Management	106,846	24,883	-	-	131,729
Charitable Activities (inc. Governance Costs):					
Regulation: Applications	151,439	59,125	-	-	210,564
Regulation: Awareness/Advice/Enforcement	181,577	77,146	-	73,818	332,541
Maintaining the Fabric of the Suburb	58,894	47,521	199,390	35,010	340,815
Rechargeable Estate Maintenance	-	-	116,163	-	116,163
	498,756	208,675	315,553	108,828	1,131,812

Support costs include £122,948 (Year ended 31 March 2023: £65,136) of management and staff costs.

8. Net income

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Net incoming resources for the period has been stated after charging:		
Depreciation – Office	8,082	8,082
Depreciation – Estate	3,047	3,047
Auditors remuneration – audit	18,438	13,979

9. Management and staff costs

The average number of full and part-time staff (employees and contracted staff) during the period was 11 (Year ended 31 March 2023: 10) of which 3 (Year ended 31 March 2023: 3) were part-time and all of whom were involved in the delivery of the Trust's activities. The average number of Full Time Equivalent employees and contracted staff during the period was 10.06 (Year ended 31 March 2023 10.67).

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Management and staff costs during the period comprised:		
Wages and salaries	503,060	428,597
Employers NI	50,119	50,583
Pension – Defined Contribution	37,065	34,341
Other management costs and expenses incurred	100,189	77,592
	690,433	591,113

For the Year Ended 31 March 2024 no employee received emoluments in the range £70,000-£80,000 (Year ended 31 March 2023: one), two employee received emoluments in the range £80,000 - £90,000 (Year ended 31 March 2023: one), no employee received emoluments in the range £90,000 - £100,000 (Year ended 31 March 2023: one), and one employee received emoluments in the range £100,000 - £110,000 (Year ended 31 March 2023: none).

The total employee benefits of the key management personnel of the Trust were £298,369 (Year ended 31 March 2023: £273,837).

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

10. Freehold and long leasehold estate, at cost

	31 March 2024	31 March 2023
	£	£
At 1 April 2023	40,235	41,585
Disposals during the year	(1,620)	(1,350)
At 31 March 2024	38,615	40,235

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 Other income Freehold sales, licences & variations net of an allocation of the original cost.

11. Freehold property

	Land	Building	Total 31 March 2024	Total 31 March 2023
	£	£	£	£
Cost				
At 31 March 2023	7,800	390,626	398,426	398,426
Additions	-	-	-	-
At 31 March 2024	7,800	390,626	398,426	398,426
Depreciation				
At 31 March 2023	-	32,323	32,323	24,241
Charge for period	-	8,082	8,082	8,082
At 31 March 2024	-	40,405	40,405	32,323
Net Book Value				
At 31 March 2024	7,800	350,221	358,021	366,103
At 31 March 2023	7,800	358,303	366,103	374,185

The parts of the Trust's office building that are currently used as residential could be taken back into the Trust's use at short notice. The Trust is unable to reliably determine the fair value of the resident element in isolation from the rest of the land and buildings. For this reason, the historic construction cost of the extension completed in 2013 is depreciated in a straight line over 50 years.

12. Estate works

	31 March 2024	31 March 2023
	£	£
Cost		
At 31 March 2023	241,511	241,511
Additions during the period	-	-
At 31 March 2024	241,511	241,511
Depreciation		
At 31 March 2023	235,418	232,371
Charge for the period	3,047	3,047
At 31 March 2024	238,465	235,418
Net Book Value		
At 31 March 2024	3,046	6,093
At 31 March 2023	6,093	9,140

13. Property investments

	31 March 2024 £	31 March 2023 £
Cost		
At 31 March 2023	4,340,000	4,250,000
Additions	921,869	-
Revaluation	(24,369)	90,000
At 31 March 2024	5,237,500	4,340,000

Property investments comprise 13 residential properties located on Hampstead Garden Suburb. These investments are let on assured shorthold tenancies. They are held for their rental income which matches the Trust's long term obligations to contribute towards shared costs from the Trust's own funds. See note 1 (h) for the Trust's policy on valuation of investments.

14. Investments

	31 March 2024 £	31 March 2023 £
Cash held on short term deposit	265,134	259,624

15. Debtors

	31 March 2024 £	31 March 2023 £
Management income owed to the Trust	253,795	182,389
Bad Debt Provision	(13,010)	(11,412)
Other debtors	2,185	9,866
Prepayments and accrued income	53,639	61,501
	296,609	242,344

16. Creditors: Amounts falling due within one year

	31 March 2024	31 March 2023
	£	£
Trade creditors	57,596	22,232
Accruals and deferred income	52,641	63,946
Other Taxation and Social Security	15,539	13,146
Other creditors	46,397	18,839
Sub total	172,173	118,163
Refund of Management Charge	138,196	224,123
	310,369	342,286

Deferred income	31 March 2024	31 March 2023
	£	£
Brought forward	29,561	40,754
Released in the period	(29,561)	(11,193)
Deferred in the period	13,478	-
Carried forward	13,478	29,561

Deferred income represents billing in advance.

17. Freehold Scheme of Management

	31 March 2024	31 March 2023
	£	£
Surplus	(138,196)	(224,123)
Balance refundable to freehold charge payers for 2023/2024	138,196	224,123
Funds carried forward at 31 March 2024	-	-

18. Indemnity insurance

During the Year Ended 31 March 2024 the Trust paid £7,762 (Year ended 31 March 2023: £7,392) 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 (Year ended 31 March 2023: Nil).

No trustees were reimbursed for expenses (Year ended 31 March 2023: Nil).

There were no related party transactions during the period (Year ended 31 March 2023: none).

20. Members liability

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

21. Restricted funds

Year ended 31 March 2024	As at 1 April 2023	Income	Expenditure	Deficit or (Surplus) belonging to Scheme of Management	As at 31 March 2024
	£	£	£	£	£
Management Charge for Scheme of Management	-	988,802	(850,606)	(138,196)	-
Scheme of Management compensation	138,001	-	(101)	-	137,900
	138,001	988,802	(850,707)	(138,196)	137,900

Period ended 31 March 2022	As at 1 April 2022	Income	Expenditure	Deficit or (Surplus) belonging to Scheme of Management	As at 31 March 2023
	£	£	£	£	£
Management Charge for Scheme of Management	-	944,455	(720,332)	(224,123)	-
Scheme of Management compensation	149,243	-	(11,242)	-	138,001
	149,243	944,455	(731,574)	(224,123)	138,001

The Management Charge for Scheme of Management fund shows the amount due to enfranchised freeholders after the costs of operating the Scheme of Management in the period have been ascertained in comparison to the estimated Management Charge for the period. The Scheme of Management compensation fund relates to the net amount (after legal fees were deducted and returned to the relevant funds) paid to the Trust in settlement for an unauthorised development. This fund is restricted by the terms of the Scheme of Management to be applied in subsequent years in the manner authorised by the Scheme of Management, which is made for the purpose of ensuring the maintenance of the character and amenities of Hampstead Garden Suburb. This fund is held in trust for the members of the Scheme of Management. The funds and any interest accruing is kept in a bank account separate to any other funds held by the Trust. Opportunities to invest monies from the Compensation Fund on projects to protect and maintain the character and amenity of the Suburb will be identified during 2024/2025, for delivery in future years as resources allow.

22a. Endowment designated fund

Year ended 31 March 2024	As at 1 April 2023 £	Income £	Expenditure £	Transfers £	As at 31 March 2024 £
Endowment Designated Fund	59,396	596	-	-	59,992

Year ended 31 March 2023	As at 1 April 2022 £	Income £	Expenditure £	Transfers £	As at 31 March 2023 £
Endowment Designated Fund	57,481	1,915	-	-	59,396

The endowment designated 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.

22b. Designated fund

Year ended 31 March 2024	As at 1 April 2023 £	Income £	Expenditure £	Transfers & gains/losses £	As at 31 March 2024 £
Designated Fund	3,382,191	-	-	-	3,382,191

Year ended 31 March 2023	As at 1 April 2022 £	Income £	Expenditure £	Transfers & gains/losses £	As at 31 March 2023 £
Designated Fund	3,382,191	-	-	-	3,382,191

The designated fund was set up in 2008/2009 for the purpose of ensuring the long-term future of the Trust and the Suburb. The designated fund represents the investments of the Trust which it is intended shall be conserved and grown so that the Trust can continue to meet its objects to preserve the character and amenity of the Suburb. In line with its Reserves and investment Policy, the Trust uses the revenue from the sale of assets to purchase investment properties, the income from which is set against the Trust's own financial obligations to the Scheme of Management. The higher than anticipated income from asset sales in the Year Ended 31 March 2023 allowed the Trust to purchase two new investment properties in the Year Ended 31 March 2024. Similar good performance in the Year Ended 31 March 2024 will allow the Trust to purchase a further property in 2024/2025, commensurate with the need to retain adequate funds against future risk and operating contingencies.

22c. Designated funds total

Year ended 31 March 2024	As at 1 April 2023 £	Income £	Expenditure £	Transfers £	As at 31 March 2024 £
Designated Funds Total	3,441,587	596	-	-	3,442,183

Year ended 31 March 2023	As at 6 April 2022 £	Income £	Expenditure £	Transfers £	As at 31 March 2023 £
Designated Funds Total	3,439,672	1,915	-	-	3,441,587

23. Analysis of net assets by fund

Fund balances at 31 March 2024	General Fund £	Designated Funds £	Restricted Fund £	Total Funds £
Fixed assets	2,322,232	3,177,050	137,900	5,637,182
Cash on short term deposits	-	265,133	-	265,133
Net current assets	1,416,132	-	-	1,416,132
	3,738,364	3,442,183	137,900	7,318,447

Fund balances at 31 March 2023	General Fund £	Designated Funds £	Restricted Fund £	Total Funds £
Fixed assets	1,432,467	3,181,963	138,001	4,752,431
Cash on short term deposits	-	259,624	-	259,624
Net current assets	1,797,414	-	-	1,797,414
	3,229,881	3,441,587	138,001	6,809,469

The short term deposits have maturities of three months or less.

THE FOLLOWING PAGE (NO. 39) DOES NOT FORM PART OF THE STATUTORY REPORT & ACCOUNTS

Resources expended allocated to funds and relating to Management Charge period 1 April 2023 to 31 March 2024

Expenditure items	Total	General Fund, Designated & Restricted Funds	Management Charge	Year ended 31 March 2024 Cost per charge	Year ended 31 March 2023 Cost per charge
	£	£	£	£	£
Staff costs:					
Staff salaries inc. PAYE & NI, contract and temporary staff, employee and volunteer expenses, training costs	690,432	82,852	607,580	149.91	129.61
Premises costs:					
Office rent, utilities, telephone, Council Tax, repairs and renewals, cleaning etc.	47,600	5,712	41,888	10.39	7.59
Administrative costs:					
Insurance (except for trustees), office equipment, printing, postage & stationery, public relations, bank charges, depreciation	88,884	12,072	76,812	19.06	14.27
Governance costs:					
Trustee insurance etc.	14,625	1,755	12,870	3.19	1.12
Projects and amenities costs:					
Maintenance of amenity areas and other projects costs	282,244	216,949	65,294	16.20	10.19
Legal costs	29,214	20,860	8,354	2.07	5.69
Other professional costs:					
Arboriculturalist, human resources, valuation and other advice	41,678	20,095	21,583	5.36	7.94
Audit costs	18,438	2,213	16,225	4.03	3.07
EXPENDITURE	1,212,510	362,411	850,099	210.21	179.48
Less					
Income from fees on freehold applications			(101,135)	(25.10)	(21.33)
Legal costs recovered			(509)	(0.12)	(0.10)
NET COST			748,964	184.99	158.05
INCOME					
Management Charges including in-year enfranchisers			887,158		
Balance of Management Charges to be (charged) credited to Freeholders			138,195	35.07	55.84

At 1 April 2023, 4021 Management Charges payable. At 31 March 2024, 4039 Management Charges payable.

Hampstead Garden Suburb Trust

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