

HAMPSTEAD - GARDEN - SUBURB - TRUST

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2009



WEST ELEVATION



SOUTH ELEVATION



EAST ELEVATION



NORTH ELEVATION

8 feet to one inch

MANAGER
ARCHITECT
PERMANENT MANAGER - BEDFORD

CHAIRMAN'S INTRODUCTION

The Trust is sad to lose Wilfred Court as the Victorian Society's appointed Trustee and the Council's Vice Chairman. Wilfred has been a Trustee since 2003 and was the Trust's Architect for twelve years up to 1996. No Trustee has such a deep or extensive and detailed knowledge of the Suburb's architecture. A practising architect, Wilfred's quiet authority and wisdom as a member of the Property and Plans Committee was based on a close familiarity with the Suburb which spans a quarter of the history of the Suburb itself. The PPC, the Trust Council's key advisory committee, will not be the same without him.

We are very pleased to welcome as Wilfred's replacement Tim Leach. Tim is a director of BDP, a firm of architects concerned with the care and development of historic buildings. His long experience includes commissions for the Royal Opera House, Covent Garden, the British Museum and King's College London. Tim also brings international experience to us that we hope will help to strengthen the recognition of the Trust both within this country and abroad. We are grateful to the Victorian Society for his appointment.

We are also very sorry to report the departure of John Haywood, the Trust's first Estate Manager. John was appointed to this post after pioneering work by Andrew Botterill had established its importance. He has worked hard and very successfully to establish the foundations for a long-term programme of conservation and improvement for the Trust's properties.

John's successor, Nick Packard, is an experienced property manager and has now been hard at work for some months. Nick is bracing himself to prepare a long-term strategy for work on the Trust's estate. The Trust Council expects to establish an advisory Estates Committee on which, as on the Property and Plans Committee and on the Grants and Amenities Committee, Suburb residents will be invited to serve. We hope that by the beginning of 2010 our ideas about the options available to the Trust will have been worked into a form suitable for debate by the new Committee. These options will be very wide ranging and will include various possibilities for the improvement and management of Central, North and South Squares.

The Trust's finances have continued to improve to the point at which the Trust Council have been able to set aside £250,000 as the basis for an endowment fund from which the Trust will not draw more than half the real growth in capital and income in any one year. This is a fund designed to exist in perpetuity and we hope that residents wishing to express their appreciation for the very existence of the Suburb may make donations or leave legacies to the fund in the knowledge that such gifts will constitute a permanent memorial of their thanks.

The Trust has improved and extended its offices so as to provide more room for the provision of services and an improved working environment for the staff to whom, and for whose unstinting and selfless efforts the Trust Council is, as always, extremely grateful.



Angus Walker Chairman

21 July 2009

LEGAL, ADMINISTRATIVE AND OTHER INFORMATION ABOUT THE TRUST

MEMBERS OF THE COUNCIL

The members of the Council on 21 July 2009 were as follows:



Pia Duran



Geoffrey Marriott



Richard Wakefield



Angus Walker

Elected members:

Pia Duran. Elected September 2007, re-elected September 2008.

Pia has lived on the Suburb for over sixty years. She was a Trustee of Royal Mencap for twelve years and a Non-Executive Director in the National Health Service for most of 1990-2008. Pia was previously an elected member of the HGS Trust from 1992-1998. Since December 2006 she has been Chairman of the Allotments Committee; she is also a co-opted member of Fellowship House Committee.

Geoffrey Marriott FRICS. Elected September 2007.

Geoffrey has been a Suburb resident for thirty years. He is a Chartered Surveyor specialising in Estate Management. Geoffrey is also Chairman of Frays; a Director of Paradigm Homes, a Charitable Housing Association; and a Director of the Management Company for Belvedere Court.

Richard Wakefield MCIM. Elected September 2005, resigned 17 May 2007. Re elected September 2007.

Richard has been a Suburb resident, on and off, for nearly fifty years. He has been a Residents Association Council member since 1978 and was RA chairman 1997–2002. He was editor, and is now publisher, of Suburb News since 1983; he has managed the Garden Suburb Gallery for the RA since 1995; he is a marketing consultant to Hampstead Garden Suburb Institute. Richard's working life was spent running an advertising agency and associated communications companies.

Angus Walker (Chairman). Elected September 2007.

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



Wilfred Court



Simon Hurst



Wendy Miller



Phillipa Aitken

Appointed members:

Wilfred Court MA (Cantab), RIBA (Vice Chairman). Appointed by the Victorian Society on 6 June 2003.

Re-appointed 2007.

Wilfred served as the Trust's Architect from 1984 to 1996 and has a deep knowledge of and concern for the architecture of the Suburb. He has also worked in private and public practice in Italy, India, Bangladesh, Pakistan, Ghana and Nigeria.

Simon Hurst MA, Dip Arch, BSc (Hons), RIBA. Appointed by the Royal Institute of British Architects on 20 May 2003.

Re-appointed 2007.

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.

Wendy Miller. Appointed by the Law Society on 22 September 2004. Re-appointed 2008.

Wendy is a solicitor and is a partner in the legal firm of Berwin Leighton Paisner LLP. She is a property litigation specialist.

Phillipa Aitken BA (Hons), Dip TP, MRTPI. Appointed by the Royal Town Planning Institute on 12 April 2005.

Re-appointed 2009.

Phillipa is an executive director with the international property consultancy CB Richard Ellis. She has previously worked for a local authority. Phillipa brings extensive knowledge of planning and development issues to the Trust.

Elections to the Council:

There was one vacancy for an elected member created by the retirement by rotation of Pia Duran. Pia Duran, being the only nominee, was duly declared re-elected unopposed.

LEGAL, ADMINISTRATIVE AND OTHER INFORMATION ABOUT THE TRUST *continued***STAFF**

The following people are currently employed by the Trust:

Full-time:

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

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

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

Nicholas Packard MA European Real Estate Estate Manager



Jane Blackburn



David Davidson



Michael Tutton



Nicholas Packard

Full-time:

Naomi Robinson BA (Hons) History of Art Trust Manager's Assistant

Georgina Malcolm Planning Assistant

Ruth Ash Estate Management Assistant



Naomi Robinson



Georgina Malcolm



Ruth Ash



Marjorie Galbinski



Gwen Kipenakis



Ann Marsh

Part-time:

Marjorie Galbinski Planning Assistant

Part-time consultants:

Gwen Kipenakis Book-keeper

Ann Marsh BA Dip Arch, RIBA Architectural Consultant

LEGAL, ADMINISTRATIVE AND OTHER INFORMATION ABOUT THE TRUST *continued***REGISTERED OFFICE**

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

TRUST COMPANY MEMBERSHIP

At 5 April 2009 there were 1,029 members of the Trust Company. Membership of the Trust is open to people who have been continuously resident on the Suburb for over three years. Applications are welcome (there is no charge or subscription, and each member's liability is limited to a guarantee of £1) and the form can be obtained from the website (www.hgstrust.org) or from the Trust office at the address above.

TRUST COUNCIL'S RESPONSIBILITIES

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

COUNCIL MEMBERS' INDUCTION AND TRAINING

New Council members are given written information including the Scheme of Management, Articles of Association, Annual Report and Charity Commission publications including The Essential Trustee. Induction sessions with the Trust Manager are 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 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.

PROFESSIONAL ADVISERS*Solicitors*

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

Auditors

haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

Bankers

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

Arboriculturalist

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

REPORT OF THE COUNCIL

The Council members, who act in the role of directors and trustees, present their forty-first annual report, together with the audited accounts of the Trust for the year ended 5 April 2009.

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. The Trust was created in its current form principally to control alterations to properties once they became freehold under the Leasehold Reform Act 1967. It is 35 years since the High Court approved the Scheme of Management for the Suburb under the Act. Since then the great majority of the houses and many of the flats on the Suburb have enfranchised and fall within the Scheme of Management, the numbers increasing year by year. In 1988 the Trust acquired the freeholds of all the long leasehold properties on the Suburb (including most of the blocks of flats) from Ashdale Land and Property Company Ltd. Through these leases, the freehold ownership of 11 allotment sites, 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) and not having a share capital and is registered as a charity (Number 1050098). It is governed by its Memorandum and Articles of Association dated 8 March 1968 and most recently amended on 17 September 2008. Until 15 January 2008 it was known as The New Hampstead Garden Suburb Trust.

The Trust's charitable purposes include the advancement of the arts, culture and heritage, environmental protection and improvement, and education. 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 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 are beneficial to both present and future generations.

MAIN DEVELOPMENTS IN 2008/2009

Aims for the year and public benefit

The Trust Council's focus in 2008/2009 has again been to:

- resist the continuing pressures to over-develop the Suburb by exercising its legal rights to do so
- communicate with residents
- continue to modernise the operation and practices of the Trust
- improve the management of the private roads and open spaces in the Trust's ownership
- strengthen the Trust's finances

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

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

REPORT OF THE COUNCIL *continued*

REGULATION: DEFENDING THE SUBURB

Applications

In 2008/2009 the Trust received 246 applications (2006/2007 297 applications) to change the external appearance, use or structure of property. There were 6 applications for demolition of which 1 was given consent, 1 refused and 4 were not resolved in the course of the year. 9 applications involved the addition of or extension to a basement in an existing property and of these 3 were approved, 1 refused and 5 were not resolved in the course of the year. 2 applications involved creating a new hard standing and of these 1 was approved and 1 refused. There was an application from the Dame Henrietta Barnett School, involving the construction of two new wings to the main building and some work to the existing buildings, which was approved subject to detail.

Advice and Enforcement

The Trust's staff gave guidance to residents, potential residents and their professional advisers on matters including preliminary advice regarding applications, routine maintenance work, legal matters and the pruning and felling of trees. The Trust has worked to correct infringements of the Scheme of Management, leasehold and freehold covenants, and to restore sympathetic features. Enforcement action has included the involvement of solicitors in several matters, including two Court actions. The Trust continues to contest two challenges to the Scheme of Management at the Lands Tribunal. Hearings are scheduled for November 2009.

The Trust has continued to work closely with the London Borough of Barnet and English Heritage on the production of a Character Appraisal of the Suburb. The Trust is grateful for the work of residents in making the very detailed assessment necessary for the Suburb.

The Management Guidance that stems from the Appraisal will be divided into three documents:

- Management Proposals, which offer generic aims over a 5 year period and will be regularly updated. This is a local authority style document as it is to be adopted by Barnet as supplementary planning guidance.
- The revised joint Trust/Barnet Planning Guidance.
- The Trust is producing its own detailed design guidance for each area of the Appraisal document. This will not be adopted by Barnet but will be used by the Trust to advise residents and their agents and guide the Trust's decisions on applications.

The Article 4 Direction, which removes permitted development rights under the Town and Country Planning Acts, is being revised and submitted to Barnet for adoption. The Trust has discussed the production of maps with Barnet and agreed a method by which the Character Appraisal maps can be created and what information will be included. The Trust has agreed to draw up a Local List of Buildings of Architectural or Historic Interest for Barnet. Barnet will put all of the documents it is to use out for public consultation. The Trust has engaged in a series of exhibitions to consult residents.

Education

Guided tours, lectures and general information about the Suburb were given to local groups (including members of Alyth Synagogue), American, Japanese and British students (including the Architectural Association Building Conservation course), interested professionals (including the Institute of Historic Building Conservation) and other adults (including the London Explorers Club). The Trust was invited to send a representative to address the centenary celebrations for Milanino, a garden suburb of Milan. The Trust assisted the makers of several television features about the Suburb (including a Gardeners' World feature about the importance of hedges). Relevant articles and advertisements were placed in the Trust Gazette and Suburb News.

MAINTAINING THE FABRIC OF THE SUBURB

Estate Management

The process of reviewing the Trust's land holdings and reassessing the associated requirements and responsibilities is substantially complete. The immediate major concerns, health and safety issues and liabilities have been identified and addressed. The Trust is now in a position to look forward, identify future requirements and plan for the management of each area of open space or roadway within an overall plan for its freehold estate.

In the past year estate works have included planning for the reconstruction of Reynolds Close, repointing paving in Corringham Road Squares and at Fellowship House, clearance work at the Hill Top allotment site and commencement of a three year programme for the repair of Sunshine Corner. The new gardening contract has been running throughout 2008/2009 to the general satisfaction of residents and the Trust. The Trust's office has been improved and extended so that there is appropriate space for residents to consult plans and meet with staff, and adequate space for staff to work.

Central Square improvement proposals

The grant from the Heritage Lottery Fund, supported by contributions from the Residents Association and Barnet, resulted in a set of indicative proposals which were the subject of extensive consultations. These demonstrated the importance of the square as a local facility for residents of the Suburb and the need for a significant improvement in the hard and soft landscaping of the space. The Trust is discussing the prospects for improvement with Barnet and the Heritage Lottery Fund.

GRANTS AND AMENITIES COMMITTEE

The Grants and Amenities Committee has continued to consider the role of the Trust in supporting the social fabric of the Suburb. During the year the Trust made donations of £2,400 (2007/2008 £2,659). Donations include £1,000 to the Garden Suburb School, £250 to Henrietta Barnett School, £650 to the Garden Suburb Theatre, and £500 to Fellowship. The Trust also supported the Proms at St Jude's.

VOLUNTEERS

In 2008/2009 the Trust has again benefited from significant input to its work by volunteers (including non-Trustee members of the Property & Plans Committee, the Finance Committee and the Grants and Amenities Committee) operating at many levels. In 2008/2009 residents contributed a further 516 hours to the Suburb Character Appraisal. Residents have also assisted with specialist tasks such as governance, finance, the database and the website.

FINANCIAL MATTERS

The form in which the accounts are set out complies with the Charity Commission requirements to relate expenditure to the Trust's objectives rather than under heads of expenditure. As a supplement to assist charge payers the Trust has again included in this year's report and accounts an analysis of the management charge which gives a breakdown under heads of expenditure (see final page).

The Trust

The Trust's income is derived from the ground rents and other charges relating to its leased properties. In the course of 2008/2009 the Trust's total cash reserves increased by £199,687 of which £193,214 was due to the conversion of real estate assets to liquid assets through the sales of freeholds and premiums for variations to leases and covenants. The balance, £6,473, represents the Trust's operating surplus for the year.

The Trust's improved cash reserves enabled the Trustees to establish a designated endowment fund of £250,000. This is designed to last in perpetuity and only part of its real growth in capital and income will be spent in any one year. This will be used in support of the conservation of the character and amenities of the Suburb.

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 overall state of the Trust's financial affairs continues to strengthen. The Trust has sufficient liquid assets to meet any probable liability.

REPORT OF THE COUNCIL *continued*

FINANCIAL MATTERS *continued*

The Scheme of Management

Despite a high level of legal fees, incurred mainly by the two Lands Tribunal actions where the Trust is defending the special covenants which enable it to safeguard the Suburb, the Scheme of Management is in surplus over the year. The surplus is returned to freeholders as a credit of £6 against the estimated Management Charge for 2009/2010.

The adjusted charge for 2008/2009 was £104.

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 Council members, who act in the role of directors and trustees, are responsible for preparing the report of the Council and the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. The Council members are required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and the incoming resources and application of resources, including its income and expenditure, for the year. In preparing those accounts, the Council members are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDIT ENQUIRIES

As far as the Council members are aware, there is no relevant audit information of which the Trust's auditors are unaware. Each of the Council members has taken all steps that they ought to as directors in order to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

RESERVES

The Trust's reserves provide income to balance the reducing assets of the Trust.

Operational requirements mean that the Trust holds cash reserves sufficient to meet:

- the cash flow requirements for both the general fund and the Scheme of Management in any year
- contingent expenses required for litigation and uninsured risks
- general contingency fund equal to about six months expenditure

Any cash at the bank not required in the short term is placed on deposit.

RISK MANAGEMENT

The Trust's 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.

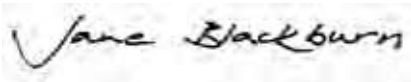
PLANS FOR FUTURE PERIODS

The long term financial objectives of the Trust are to control the freehold management charge while generating sufficient funds from this and other sources to enable the Trust to operate effectively to preserve the character and amenities of the Suburb.

AUDITORS

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

By order of the Council

A handwritten signature in black ink that reads "Jane Blackburn". The signature is written in a cursive style and is positioned above the printed name and title.

Jane Blackburn

Secretary

21 July 2009

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 Limited for the year ended 5 April 2009 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 company's members, as a body, in accordance with Section 495 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.

RESPECTIVE RESPONSIBILITIES OF COUNCIL MEMBERS AND AUDITORS

As explained more fully in the Council Members' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Although our 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 company's affairs as at 5 April 2009 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Richard Weaver (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor
21 July 2009

Fairfax House
15 Fulwood Place
London, WC1V 6AY

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING THE INCOME AND EXPENDITURE ACCOUNT
for the year ended 5 April 2009

	2008/2009					2008/2009 Total £	2007/2008 Total £
	Notes	General fund £	Restricted funds (note 1(c)) £	Designated fund £	Freehold Scheme of Management (note 2 & 25) £		
Incoming resources							
Incoming resources from generated funds:							
Voluntary income							
Leaseholders voluntary and other donations		6,376	19,500	–	–	25,876	29,209
Activities for generating funds:							
Commissions and fees	3	27,226	–	–	–	27,226	19,405
Sundry income		3,085	–	–	–	3,085	5,633
Rental/investment income	4	104,303	–	–	–	104,303	104,791
Incoming resources from charitable activities							
Application fees	5	17,854	–	–	94,833	112,687	137,672
Management charges payable by freeholders		–	–	–	390,751	390,751	350,631
Estate maintenance charges	1(e)	49,747	–	–	–	49,747	265,077
Other incoming resources							
Surplus on freehold sales, licences and variations		193,214	–	–	–	193,214	190,193
Total incoming resources		401,805	19,500	–	485,584	906,889	1,102,611
Resources expended							
Costs of generating funds:							
Rental/investment management	6,7	14,992	–	–	–	14,992	11,054
Charitable activities							
Regulation: applications		27,125	–	–	102,889	130,014	146,255
Regulation: awareness/advice/enforcement		62,910	46,099	–	203,188	312,197	206,733
Maintaining the fabric of the Suburb		29,222	–	–	138,087	167,309	160,210
Rechargeable estate maintenance	1(e)	49,747	–	–	–	49,747	265,077
Governance costs							
Governance costs including audit fees	1(c)	11,023	–	–	19,105	30,128	23,402
Total resources expended		195,019	46,099	–	463,269	704,387	812,731
Net incoming resources/(resources expended)	8	206,786	(26,599)	–	22,315	202,502	289,880
Net income/(expenditure) for the year before taxation							
Taxation		–	–	–	–	–	–
Net income/(expenditure) for the year after taxation		206,786	(26,599)	–	22,315	202,502	289,880
Balance of freeholders management charges (returned)/charged							
Transfers		(255,099)	5,099	250,000	–	–	–
Net movement in funds		(48,313)	(21,500)	250,000	(37,458)	142,729	289,880
Funds brought forward at 5 April 2008	18	619,953	19,500	–	59,773	699,226	409,346
Funds at 5 April 2009 before return or charge of balance of management charge							
Balance of freeholders management charges to be (returned)/charged		571,640	(2,000)	250,000	22,315	841,955	699,226
					(22,315)	(22,315)	(59,773)
Funds carried forward at 5 April 2009		571,640	(2,000)	250,000	–	819,640	639,453

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 16 to 23 form part of these accounts.

BALANCE SHEET

at 5 April 2009

	Notes	2008/2009		2007/2008	
		£	£	£	£
Fixed assets					
Tangible assets					
Freehold and long leasehold estate, at cost	11	54,651		55,641	
Freehold property	12	34,800		34,800	
Office equipment and furniture	13	12,288		6,253	
			101,739		96,694
Current assets					
Debtors	14	107,880		88,336	
Cash at bank and in hand		665,608		673,178	
			773,488		761,514
Current liabilities					
Creditors: amounts falling due within one year	15	(55,587)		(123,761)	
Net current assets			717,901		637,753
Total assets less current liabilities					
Creditors: amounts falling due in more than one year	16		819,640		734,447
			–		(94,994)
Net assets			819,640		639,453
Representing:					
General fund			571,640		619,953
Restricted fund	23		(2,000)		19,500
Freehold Scheme of Management	18		–		–
Designated fund	24		250,000		–
			819,640		639,453

Approved and authorised for issue on behalf of the Council on 21 July 2009 and signed on its behalf by



Angus Walker



Wilfred Court

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 5 April 2009

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 1985 and applicable United Kingdom Accounting Standards.

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

b) Fixed assets and depreciation

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

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

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

c) Incoming resources and resources expended

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

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

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

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

d) Taxation

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

e) Rechargeable Estate Maintenance

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

f) Pensions

The Trust has designated a stakeholder pension provider.

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: it applies to all freehold properties enfranchised since the Act came into force.

Items of income and expenditure are allocated to either the Scheme of Management or the general fund, or shared between both, as appropriate and the Trust's auditors have reviewed the basis on which freeholders have been charged with a proportionate part of the expenses of the Trust in operating the Scheme. Items which are incurred in respect of both the Scheme of Management and the general fund are apportioned according to the proportion of enfranchised (ie freehold) properties to all properties in respect of which the management charge or lease rents are payable to the Trust. Within this calculation flats are weighted against houses in the proportion 1:10. The weighting has been determined by an analysis of staff time which showed that more than ten times as much time, weighted for salary, was spent on houses as on flats. This calculation results for 2008/2009 in an apportionment of 80%:20% or 4:1 between the Scheme of Management and the general fund. The Trust's auditors are satisfied that this apportionment is an appropriate basis on which to allocate expenditure to the activities of the Trust and the Scheme of Management.

The accounting systems used by the Trust ensure that all items of income and expenditure attributable to the Scheme of Management are separately accounted for. Given the separate accounting records, the Trustees do not consider that the Scheme of Management would be any more effectively operated with a separate bank account, and the auditors concur with this decision.

A summary of the resources expended by the Trust, allocated between the general fund and the Scheme of Management and related to an individual management charge, is set out on the final page. The net income of £22,315 (2008: £59,773) attributable to the Scheme will be refunded by a balancing payment to each freeholder in accordance with clause 8 (b) (ii) of the Scheme of Management.

3 COMMISSIONS AND FEES

This amount is made up of commission received from Brownhill, Morris & West (insurance agents) £11,145 (2008: £15,677), for the inclusion of material on their services in Trust mailings, Royal & Sun Alliance (insurers) £2,434 (2008: £3,559), for an original requirement (now lapsed) in some Trust leases that insurance was to be provided by them, £8,528 (2008 nil) for past estate management services to Chalcots Park, transferred from a separate account, £5,119 from the London Borough of Barnet for use of material prepared by the Trust.

None of this income involved the Trust in expenditure on additional administrative resources and therefore it increases the Trust's income to the advantage of Suburb residents. Ashdale Land and Property sold their tenanted properties in April 2008 and so the commission from them has reduced to £217 (2008: £318) and is now included under rental/investment income.

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

NOTES TO THE FINANCIAL STATEMENTS *continued***4 INVESTMENT INCOME**

	2008/2009 £	2007/2008 £
Rental income	77,602	80,097
Bank interest	26,701	24,694
	104,303	104,791
Allocated to:		
Trust and estate management (general fund)	104,303	101,291
Freehold Scheme of Management (interest)	–	3,500
	104,303	104,791

5 BUILDING APPLICATION FEES

	2008/2009 £	2007/2008 £
Leasehold	17,854	19,532
Freehold	94,833	118,140
	112,687	137,672

6 RESOURCES EXPENDED

	Direct £	Support £	2008/2009 £	2007/2008 £
Costs of generating funds				
Rental/investment management	4,561	10,431	14,992	11,054
Charitable activities				
Regulation: applications	83,143	46,871	130,014	146,255
Regulation: awareness/advice/enforcement	255,778	56,419	312,197	206,733
Maintaining the fabric of the Suburb	110,037	57,272	167,309	160,210
Rechargeable estate maintenance	49,747	–	49,747	265,077
Governance costs	27,524	2,604	30,128	23,402
	530,790	173,597	704,387	812,731

7 DIRECT AND SUPPORT COSTS

	Staff costs £	Support costs £	Amenities & project costs £	Legal/professional costs £	Total 2008/2009 £	Total 2007/2008 £
Costs of generating funds						
Rental/investment management	4,561	10,431	–	–	14,992	11,054
Charitable activities						
Regulation: applications	83,143	46,871	–	–	130,014	146,255
Regulation: awareness/advice/enforcement	82,125	56,419	48,709	124,944	312,197	206,733
Maintaining the fabric of the Suburb	80,191	57,272	22,008	7,838	167,309	160,210
Rechargeable estate maintenance	–	–	49,747	–	49,747	265,077
Governance costs including audit fees	4,552	2,604	–	22,972	30,128	23,402
	254,572	173,597	120,464	155,754	704,387	812,731

Support costs include £40,796 (2008: £32,917) of management and staff costs (see note 10).

8 NET INCOMING RESOURCES

	2008/2009 £	2007/2008 £
Net incoming resources for the year has been stated after charging:		
Depreciation	9,257	4,159
Auditors remuneration – audit (haysmacintyre)	7,130	7,873
Auditors remuneration – non audit (non-haysmacintyre)	955	687
Operating lease charges for land and buildings (note 19)	–	1,250

9 INTEREST PAYABLE

	2008/2009 £	2007/2008 £
Bank loan	5,195	5,888

NOTES TO THE FINANCIAL STATEMENTS *continued***10 MANAGEMENT AND STAFF COSTS**

The average number of staff (employees and contracted staff) during the year was 9.5 (2008:9) of which 3 (2008:3) were part time and all of whom were involved in the delivery of the Trust's activities.

	2008/2009 £	2007/2008 £
Management and staff costs during the year comprised:		
Wages and salaries	225,901	206,876
Social security costs	23,628	22,756
Other management costs and expenses incurred	45,840	49,090
	295,369	278,722

For the year ended 5 April 2009 one employee received emoluments in the range £60,000–£70,000 (2008: nil).

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

11 FREEHOLD AND LONG LEASEHOLD ESTATE, AT COST

	2008/2009 £	2007/2008 £
At 5 April 2008	55,641	57,531
Disposals during the year	(990)	(1,890)
At 5 April 2009	54,651	55,641

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.

12 FREEHOLD PROPERTY

	Land £	Building £	Total £
Valuation on 12 December 1968			
At 5 April 2008 and 2009	7,800	30,000	37,800
Depreciation			
At 5 April 2008	–	3,000	3,000
Charge for the year	–	–	–
At 5th April 2009	–	3,000	3,000
Net book value			
At 5 April 2008 and 2009	7,800	27,000	34,800

13 OFFICE EQUIPMENT AND FURNITURE

£

Cost

At 5 April 2008	6,253
Additions during year	15,292

At 5 April 2009	21,545
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Depreciation

Charge for year	(9,257)
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At 5 April 2009	12,288
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Net book value

At 5 April 2009	12,288
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At 5 April 2008	6,253
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14 DEBTORS

	2008/2009 £	2007/2008 £
Management income owed to the Trust	106,533	52,592
Other debtors	–	–
Prepayments and accrued income	1,347	35,744
	107,880	88,336

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008/2009 £	2007/2008 £
Bank loan	–	1,854
Accruals and deferred income	33,272	60,967
Reimbursement of management charge	22,315	59,772
Other creditors	–	1,168
	55,587	123,761

NOTES TO THE FINANCIAL STATEMENTS *continued***16 CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR**

	2008/2009 £	2007/2008 £
Bank loan	–	94,994
	–	94,994

The loan was secured by way of legal charge on 860-864 Finchley Road at an interest rate of 6% over a 25 year period. The loan was repaid in full during the year.

17 LOANS

	2008/2009 £	2007/2008 £
Amounts falling due:		
In one year or less	–	1,854
Between two to five years	–	8,559
More than five years	–	86,435
	–	96,848

18 FREEHOLD SCHEME OF MANAGEMENT

	£
Funds brought forward as at 05/04/2008 as previously stated	(59,773)
Balancing charges 2008/09	59,773
Surplus for 2008/09	(22,315)
Balance repayable to freehold charge payers	22,315
Funds carried forward as at 05/04/2009	–

19 OPERATING LEASE

The lease on land and buildings (the Gallery, 16 Arcade House), which expired on 28 September 2008, has not been renewed.

20 INDEMNITY INSURANCE

During the year ended 5 April 2009 the Trust paid £3,919 (2008: £3,826) 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.

21 REMUNERATION OF THE TRUSTEES

No remuneration is paid to any of the Trust's trustees (2008: Nil). The trustees were reimbursed for travelling expenses totalling £1,305 (2008: £1,416).

22 MEMBERS LIABILITY

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

23 RESTRICTED FUNDS

	As at 06.04.08 £	Incoming resources £	Resources expended £	As at 05.04.09 £
Heritage Lottery Fund and others (i)	19,500	24,599	(46,099)	(2,000)
	19,500	24,599	(46,099)	(2,000)

(i) The Heritage Lottery Fund made a grant of £19,500 for a study of Central Square. £5,099 was paid directly by the Trust. Additional contributions of £1,000 from LB Barnet and £1,000 from the Residents Association were expected after year end.

24 DESIGNATED FUNDS

During the year the Trustees agreed to set up a designated fund 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.

RESOURCES EXPENDED ALLOCATED TO FUNDS AND RELATED TO MANAGEMENT CHARGE

Expenditure items	Total	General fund	Scheme of management		Cost per charge
	£	£	£	£	£
1 Staff costs: Staff salaries inc PAYE & NI, contract and temporary staff, employee and volunteer expenses, training costs	295,369.12	59,073.82	236,295.30		
Less income from fees on freehold applications Less bank interest received			94,832.10 –		
Net staff costs			141,463.20		39.91
2 Premises costs: Office rent, utilities, telephone, Council Tax repairs and renewals, cleaning etc	65,938.34	13,187.67	52,750.67		14.88
3 Administrative costs: Insurance (except for trustees), office equipment, printing, postage & stationery, public relations, bank charges, depreciation, loan costs	66,862.26	17,528.39	49,333.87		13.92
4 Governance costs: Trustee insurance and travelling expenses	8,718.33	1,743.67	6,974.66		1.97
5 Projects and amenities costs: Maintenance of amenity areas	70,717.51	57,476.61	13,240.90		3.74
6 Legal costs: Legal costs for general advice and litigation including LVT action	105,890.50	26,422.80	79,467.70		22.42
7 Other professional costs: Arboriculturalist, human resources advice	33,059.13	14,322.00	18,737.13		5.29
8 Audit fees	8,084.62	1,616.92	6,467.70		1.82
Total expenditure	654,639.81	191,371.88	368,435.83		103.95

At 6 April 2008 3,530 management charges payable. At 6 April 2009 3,560 management charges payable.

Average for year 3,545.

Income from fees on freehold applications	94,832.10
Total management charges including in year enfranchisers	390,751.33
Total expenditure	463,267.92
Balance of management charges to be credited to freeholders	22,315.51

Approved by the Trust Council on 21 July 2009 and signed on its behalf by



Angus Walker



Wilfred Court

HAMPSTEAD & GARDEN & SUBURB

• PROPOSED • BLOCK • OF • FOUR • HOUSES •
• FOR • ERECTION • ON • PLOTS • Nos 224-7 •



• NORTH-EAST



• FRONT



• BACK

The Hampstead Garden Trust Limited
Formerly The New Hampstead Garden Suburb Trust Limited
(a company limited by guarantee and not having a share capital)

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Company registration no: 928520
Registered charity no: 1050098 Registered in England

Scale: