REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2010

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# CHAIRMAN'S REVIEW 2009/2010

#### **DESIGN GUIDANCE – AN IMMENSE TASK**

The year under review saw the completion of the immense task of revising and updating the Design Guidance for the Suburb. This is now complete except for the formalities of its adoption by Barnet Council and the Trust Council. The Character Appraisal and the revised Design Guidance together provide a more nuanced account of the criteria to be applied to applications for alterations than has hitherto been available. The Character Appraisal is based on a division of the Suburb into 16 different areas and is designed to reflect the differing characteristics of each. It provides a detailed description of the principal features of each area including, in some cases, individual houses, and is extensively illustrated by photographs

The work was carried out in collaboration with Barnet Council, with the advice of English Heritage, and, most important, with the active help of residents. The Trust is deeply indebted to all those who took part but especially to Judith Chaney, who led the work of the residents, and to Councillor Andrew Harper, who chaired the steering committee that oversaw the work.

#### PROTECTING THE WORK OF LATER ARCHITECTS

The Character Appraisal and revised Design Guidance will be important tools in the Trust's task of protecting the Suburb. They will be especially significant for the newer, post-1914, areas where the special qualities of the Suburb are less well documented. The new Design Guidance will protect the work of architects like Soutar and Butler, who are less well known than Unwin or Lutyens, but whose work is nevertheless critical to the unique character of the Suburb. Approval procedures are expected to be completed within the next few weeks in the case of the Trust and before the end of the year for Barnet. The Guidance will then be available on line, and in a printed version from the Trust office. The Guidance will be regularly reviewed and, as necessary, revised in close collaboration with Barnet Council.

#### A HANDSOME SOUTAR HOUSE

From his appointment as Trust architect in 1915 J.C.S. Soutar played an outstandingly important part in the development of the Suburb and was responsible not only for the design of a large number of buildings but also for the layout of the later Suburb including Ingram Avenue. The Trust has accordingly, since 2005, vigorously resisted the demolition of the relatively untouched, structurally sound and handsome building by Soutar at 24 Ingram Avenue. The house, which stands on a large double plot with a view of Turners Wood, is illustrated on the cover of this report and below.



CHAIRMAN'S REVIEW 2009/2010 continued

#### UNEXPECTED DECISION

In March 2010 the Lands Tribunal decided to allow the demolition of this house and the construction of two new houses on the site. The decision was entirely unexpected and appeared to call into question the powers of the Trust under the Scheme of Management. The application did not satisfy the Trust's own established criteria for demolition while two appeals in this calendar year for demolition on the Suburb have been rejected by the Ministry's inspectors on the grounds that the buildings concerned are by Soutar and, as such, represent important contributions to the character of the Suburb.

#### LEGAL COSTS

The cost of resisting this attack on the Suburb has been considerable. Over the last five years the legal expenses amount to a quarter of a million pounds. Throughout this time the Trust Council has regularly reviewed the situation and has always agreed that the expenses involved were not disproportionate to the value of what was at stake. It is these expenses that give rise to the  $\pm$ 7.80 surcharge on the Management Charge for 2009-2010.

#### TRUST RESOLVE STRENGTHENED

Although the Lands Tribunal is undoubtedly empowered to reach a decision of this kind, the Tribunal itself acknowledged that its judgement was unusual and emphasised that its decision should not be seen as a precedent or as an encouragement of other applications for demolition on the Suburb. The Trust believes that the wording of the judgement strongly implies that the powers of the Trust should not be seen to have been weakened.

Encouraged by the Tribunal's concession that its decision on 24 Ingram Avenue was out of the ordinary, the Trust believes that the Tribunal's judgement is unlikely to be repeated and continues resolutely to resist applications for the variation of covenants where these are inconsistent with its duty to preserve the Suburb. The Trust is strengthened in its resolve by the knowledge that its determination is, as a result of the recent joint revision of the Design Guidance, shared by Barnet Council, the local planning authority.

#### ANOTHER APPLICATION REJECTED

The Trust's confidence in its understanding of the powers granted to it under the Scheme of Management was further confirmed by the Lands Tribunal's decision, reached in late July 2010, after the end of the year under review, to reject another application for the variation of a covenant on 25 Ingram Avenue, (coincidentally across the road from number 24, the subject of the successful application referred to above).

The Trust's arguments before the Tribunal were accepted in their entirety. Of particular and general importance were the Tribunal's observations that:

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

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

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

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#### COSTS AND THE MANAGEMENT CHARGE

As already noted, litigation costs can be very high and even when, as in the 25 Ingram Avenue case, a defence is successful, it is not usual for a court to allow the defendant to recover all its costs. Nonetheless, the likely level of the expenses involved should not be exaggerated. In spite of the fees to which we have already referred, both the Management Charge for 2009-2010 and the expected level of the Charge for 2010-2011 are well within the limits of the range to which the Trust committed itself in 2008 – between £90 and £140. Nor, for the foreseeable future, does the Trust Council expect the Charge to fall outside the somewhat narrower range of £100 to £140 in 2010 money that is now its expectation.

The Trust's financial position continues to be sound. The Trust Council's commitment to the defence of the Suburb is undiminished and Trustees will continue vigorously to oppose attempts to damage the Suburb's heritage.

#### VOLUNTEERS ADD VALUE

Without the work of unsung volunteers the Trust would be very considerably weakened in its ability to reach its objectives. Much of what they do is based on extensive professional expertise and they are doubly important to the success of the Trust, both in terms of the personal commitment which they bring and of the value which they add.

It is important to emphasise that the Trustees are also volunteers and this is as true of the appointed Trustees as it is of the elected, residential Trustees. For the appointed Trustees, to whom we look for especial help in the most serious decisions that the Council has to make, the commitment is even greater; they have further to come and the sacrifice of their time is more extensive.

#### **TRUSTEE RETIRES**

For six years the Trust Council has been very fortunate to have Wendy Miller as the Law Society's appointee. Wendy's experience and knowledge have been invaluable in guiding the Council to a clear and reasoned view of its legal rights and obligations and in sustaining the Council's resolve to resist challenges made through the courts despite set backs and difficulties. Having completed two three year stints as a Trustee, Wendy is retiring with effect of the date of the AGM. We are extremely grateful for all the time that she has devoted to the Trust's affairs and wish her continued success in her busy professional life.

#### DEMANDING YEAR FOR STAFF

This is a year in which the burdens placed on the staff have been especially heavy. The Trust is indebted to them for their cheerfulness, the unpaid hours that they put in and their patience in dealing with and establishing priorities among a very wide variety of demanding tasks.

Awalker

Angus Walker Chairman 4 August 2010

# LEGAL, ADMINISTRATIVE AND OTHER INFORMATION ABOUT THE TRUST

#### MEMBERS OF THE COUNCIL

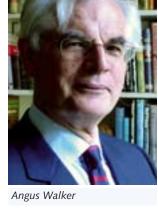
The members of the Council on 20 July 2010 were as follows:





Geoffrey Marriott





Richard Wakefield

Elected members:

#### Judith Chaney. Elected 16 September 2009.

Judith has been a Suburb resident for over twenty years and became involved in the work of the Trust in 2005 as a volunteer. Since 2006, she has taken on the role of Co-ordinator of the Character Appraisal of the Suburb. Prior to retirement, Judith was the Assistant Rector of the London Institute (now University of the Arts, London) having spent her professional life in Higher Education. She also served as Registrar for Art and Design at the Council for National Academic Awards and has undertaken consultancy work for Universities in the UK and abroad.

#### Geoffrey Marriott FRICS. Elected 19 September 2007.

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

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

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

#### Angus Walker (Chairman). Elected 19 September 2007.

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









Phillipa Aitken

#### Simon Hurst

Tim Leach

#### Appointed members:

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

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

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

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

#### 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 2008.

Phillipa is a planning consultant who has previously worked for the international property consultancy CB Richard Ellis and a local authority. She joins Colliers International in September 2010. Phillipa brings extensive knowledge of planning and development issues to the Trust.

#### Election and Appointment to the Council:

There were two vacancies for elected members, created by the retirement of Pia Duran on 16 September 2009 and the retirement by rotation of Richard Wakefield. Richard Wakefield and Judith Chaney, being the only nominees, were declared re-elected unopposed.

There was one vacancy for an appointed member created by the retirement of Wilfred Court on 16 September 2009 and the Victorian Society appointed Tim Leach as his successor.

#### 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 Nicholas Packard MA (European Real Estate) Estate Manager Georgina Malcolm Trust Manager's Assistant Ruth Ash Estate Management Assistant Lauren Geisler Planning Assistant





Jane Blackburn



Georgina Malcolm

David Davidson



Ruth Ash

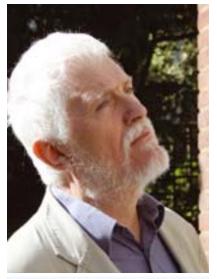


Lauren Geisler

#### Part-time:

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

Part-time consultants: Gwen Kipenakis Book-keeper Ann Marsh BA Dip Arch, RIBA Architectural Consultant





Michael Tutton

Marjorie Galbinski



Gwen Kipenakis



Ann Marsh

#### 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 open Monday to Friday 9am to 5pm, excluding public holidays.

#### TRUST COMPANY MEMBERSHIP

At 5 April 2010 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  $\pm$ 1) and the form can be obtained from the website (www.hgstrust.org) or from the Trust office at the address above.

#### TRUST COUNCIL'S RESPONSIBILITIES

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

#### COUNCIL MEMBERS' INDUCTION AND TRAINING

New Council members are given written information including the Scheme of Management, Articles of Association, Annual Report and Charity Commission publications including The Essential Trustee. Induction sessions and courses are tailored to individual needs and concerns. New Council members are encouraged to tour the office and meet all the staff and to attend 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

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

Investment Advisers Full Circle Asset Management Limited St. John's House Suffolk Way Sevenoaks Kent TN13 1TG Auditors haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY

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

# REPORT OF THE COUNCIL

The Council members, who act in the role of directors and trustees, present their forty-second annual report, together with the audited accounts of the Trust for the year ended 5 April 2010.

#### **OBJECT AND PRINCIPAL ACTIVITY**

The object and principal activity of the Trust is to maintain and preserve the present character and amenities of Hampstead Garden Suburb. The Trust was created in its current form principally to control alterations to properties once they became freehold under the Leasehold Reform Act 1967. It is 36 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 2007 it was known as The New Hampstead Garden Suburb Trust.

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

#### MAIN DEVELOPMENTS IN 2009/2010

Aims for the year

The Trust Council's focus in 2009-2010 has been to:

- · resist the continuing pressures to over develop the Suburb through vigorous pursuit of the Trust's legal duties and rights
- complete the Character Appraisal and the revised Design Guidance for the Suburb
- improve the management of the private roads and open spaces in the Trust's ownership
- strengthen the Trust's financial reserves.

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

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

#### **REGULATION: DEFENDING THE SUBURB**

#### Applications

In 2009/2010 the Trust received 233 applications (2008/2009 246 applications) to change the external appearance, use or structure of property. There were 5 applications for demolition of which 3 were given consent and 2 were not resolved in the course of the year. 14 applications involved the addition of or extension to a basement in an existing property and of these 7 were approved, 2 refused and 5 were not resolved in the course of the year. 4 applications involving creating new hard standings were approved. The application process involves consultation with neighbours and negotiation with owners and their architects to achieve an acceptable design. Following the approval of applications by the Trust Council, Trust staff check construction details, monitor work in progress, approve building materials and components, carry out final inspections and issue final consent for correctly completed work.

#### REPORT OF THE COUNCIL continued

#### **REGULATION: DEFENDING THE SUBURB** continued

#### Advice and Enforcement

The Trust's staff gave practical guidance to residents, potential residents and their professional advisers on matters including preliminary advice regarding applications, routine care and maintenance work, legal matters, the pruning and felling of trees and the care of landscape and hedges.

The Trust has worked to correct infringements of the Scheme of Management, leasehold and freehold covenants, and restore sympathetic features. Some 22 recorded infringements have been resolved and lifted in the course of the year but a further 29 new infringements have been recorded. Much of the rectification has been achieved through negotiation but enforcement action has included the involvement of solicitors in several cases.

The Trust has, since 2005, resisted proposals to demolish 24 Ingram Avenue and replace it with two new houses. The Trust Council considered that the original house is a good example of the work of the Trust architect of the day (JCS Soutar) and forms part of the last coherent development of the Suburb through direct control by the old Trust under Dame Henrietta Barnett and Lord Lytton. Erecting another house in the large garden will also destroy the present expansive view of Turners Wood. In refusing consent and defending the case the Trust Council was mindful of its duty to preserve the character and amenity of the Suburb and of the Trust's policy on demolition. The freeholder, Vertical Properties Limited, an offshore company registered in the British Virgin Islands, eventually took its case to the Lands Tribunal in November 2009. Although the decision of His Honour Judge Reid QC, in the Lands Tribunal, was to permit the redevelopment, the judge did not consider that his decision will set a precedent elsewhere in the Suburb and stated that others minded to follow the same course should be well aware that in doing so they are likely to face a very uphill task. Since the hearing many of the properties in Ingram Avenue, including number 24, have been proposed for addition to the Local List and a Planning Inspector has held that demolition of another Soutar house, in Winnington Road, would be contrary to government advice.

It is important to note that the failure of the Trust in court to prevent the application does not compromise the consistency of its position. It has not given consent to the demolition of 24 Ingram Avenue and future decisions will be supported by the Character Appraisal, the Local List and the revised Design Guidance for the Suburb, which were unfortunately not finalized before the hearing of the case of 24 Ingram Avenue.

The Trust has also defended a second application to the Lands Tribunal by a freeholder to build an additional storey of accommodation over a garage at 25 Ingram Avenue. The Trust considers this would encroach on the space between the house and the adjoining property. The Trust Council reviewed its decision to resist that application in the light of the adverse decision on 24 Ingram Avenue and concluded that the second application must still be resisted. Consent would be in conflict with the Design Guidance for the Suburb. By resisting the application the Trust will have avoided setting a precedent which would severely compromise its position elsewhere on the Suburb. The case was heard in late April and a decision is awaited at the time of writing (20 July 2010).

The Suburb Character Appraisal, revised Design Guidance, and proposed additions to the Local List of Buildings of Architectural or Historic Interest have been completed by the Trust in collaboration with the London Borough of Barnet. This is the first Appraisal and the first revision to the Design Guidance since 1994 and has been a major task. Residents have made a very significant contribution in survey work and in responding to the exhibition held as part of Proms week. Public consultation on the final draft, including an exhibition in the Trust office and input from the Conservation and Amenities Committee of the Residents Association, took place in March 2010. Comments have been assessed and the Trust and Barnet will be adopting the revised Design Guidance and supporting Appraisals as soon as any amendments are approved by the Steering Committee. The Trust will be preparing more detailed guidance to provide further advice to owners.

#### Awareness and Education

The Trust endeavours to be modestly pro-active in explaining the special nature of the Suburb to residents and others through talks, guided tours and written articles. The Trust Council considers that wider awareness and appreciation of the Suburb, as an important landmark in the evolution of domestic architecture and Town Planning, is critical to its continued preservation.

Guided tours were given to local groups, architecture students, planning professionals from overseas and groups from the Victorian Society, the Decorative Arts Society, the Institute of Historic Building Conservation, the Twentieth Century Society and the Attingham Trust. The Trust has led walks as part of "Open House" weekend and Suburb Proms week. The Architectural Adviser, David Davidson, contributed to the very well received BBC Songs of Praise from St Jude-on-the-Hill, which showed the architecture and landscape of the Suburb to good effect. Articles and advertisements were placed in the Trust Gazette and Suburb News and a piece on the Character Appraisal was published in the English Heritage Conservation Bulletin. The Trustees are grateful to the staff, who have undertaken much of this important work in their own time.

#### MAINTAINING THE FABRIC OF THE SUBURB

The new Estate Management team has been busy working in consultation with residents to improve the standard and efficiency of maintenance and repair in Trust-owned communal areas across the Suburb. The first phase of repair at Sunshine Corner (at the end of Heathgate) involved re-laying the top section of the path and rebuilding the inner steps, both open benches and the eastern covered bench. The repair programme resumed in the spring of 2010 and will extend to the rest of Sunshine Corner. The roadway and pavements at Reynolds Close were reconstructed and design work has commenced for the reconstruction of a number of other Trust-owned roads and to improve the drainage at Lucas Crescent. A road repair contract has been tendered to enable minor road repairs to be dealt with efficiently and economically. The terms of the gardening contract were successfully renegotiated. Work on the exterior of the Trust offices, funded from the Trust's general fund, was tendered to commence in April 2010. The establishment of an Estates Committee to advise the Trust Council on priorities in maintaining the fabric of the Suburb is planned for 2010.

#### GRANTS

During the year the Trust, advised by the Grants and Amenities Committee, made grants of £3,053 (2008/2009: £2,400). Grants include £1,000 to St Jude-on-the-Hill for the improvement of energy systems, £513 to Fellowship for alleviating hardship, £500 in support of the Garden Suburb Theatre, £350 to Henrietta Barnett School, £250 to Abbeyfield House for general improvements, £200 to "Open House" weekend, £100 to Hellerau Garden City and £100 to the Horticultural Society for a new planting bed.

#### VOLUNTEERS

In 2009/2010 the Trust has again benefited from input to its work by volunteers (including non-Trustee members of the Property & Plans Committee and Grants and Amenities Committee) operating at many levels. In addition to work needed to complete the Character Appraisal volunteers have assisted with specialist tasks such as tender preparation and analysis, finance and the website.

#### FINANCIAL MATTERS

The form in which the statement of financial activities is set out on page 16 complies with the Charity Commission requirements to relate expenditure to the Trust's objectives rather than under heads of expenditure. The statement also combines the operation of the Trust itself with the Scheme of Management, although each is separately identified. As a supplement to assist members and charge payers the Trust has included, as an appendix to the report and accounts, an analysis of the management charge, which gives a breakdown under heads of expenditure (see final page).

#### FINANCES OF THE TRUST (WITHOUT THE SCHEME OF MANAGEMENT)

As already noted the Trust's own resources are accounted for separately under the headings "General Fund", "Restricted funds" and "Designated fund" on page 16. These are distinct from the Freeholders' funds which are accounted for under the heading "Scheme of Management" on the same page.

The Trust's income from the ground rents and other charges relating to its leased properties is generally falling in real terms. Net of the conversion of real estate assets to liquid assets through the sales of freeholds and premiums for variations to leases and covenants (shown under "Other incoming resources" on page 16) the Trust had a deficit of  $\pm 27,717$  with respect to its unrestricted funds. A structural deficit – net of income from investments – of about  $\pm 40,000$  a year is expected to persist indefinitely. The gap is expected to be closed by investment income in the medium term.

#### REPORT OF THE COUNCIL continued

#### FINANCES OF THE TRUST (WITHOUT THE SCHEME OF MANAGEMENT) continued

The Trustees have transferred a further £250,000, plus £500 in interest, to the designated fund established in 2009. The donations, including gift aid, of £7,220 (2008/2009: £6,376) received from residents and others during the year are now placed in a new restricted fund. The capital element of each of these funds is intended to be maintained for the longer term with only part of the annual real growth in capital and income spent in any one year.

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

The Council considers that the overall state of the Trust's financial affairs is now satisfactory but expects it to strengthen still further. The Trust has no long-tem debts and its assets are sufficient to meet all foreseeable obligations.

#### THE SCHEME OF MANAGEMENT

The unexpected adverse decision of the Lands Tribunal on 24 Ingram Avenue meant that the Trust's legal expenses could not be recovered. Consequently, the Scheme of Management is in deficit over the year. The adjusted charge for 2009/2010 was £125.80 (rounded up from £125.77 in accordance with the Scheme of Management). The surcharge of £7.80 will be billed with the estimated charge for 2010/2011.

#### TRUST COUNCIL

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

#### COUNCIL MEMBERS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF ACCOUNTS

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as Trustees are aware:

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

#### RESERVES

Reserves are the property of the Trust.

The Scheme of Management has no reserves. The Management Charge remains the property of the Freeholders until expended. Any surplus must be returned to freeholders at the end of the year; it cannot be held as a reserve. The accounts show a breakeven position for the Scheme of Management at 5 April 2010. This is achieved by including any necessary rebate or surcharge adjustment to residents for expenditure incurred in the financial period.

The Trust's net assets are £1,130,166.

Of this value £139,805 is the book value of the Trust's real estate.

In the short-term, from the remaining £990,361 the Trust makes provision for its operational needs so as to allow for any unexpected variations in income and expenditure and to enable it to provide temporary funding for any deficit incurred by the Scheme of Management in the course of the year. The Trustees have decided that these operational funds should be maintained at approximately £300,000. The Trustees believe that this level is adequate given the current economic climate but it is likely that it will need to be increased with time and Trustees will keep it under constant review. These funds are held in cash or on deposit. At the year end the value of operating funds was £309,497.

The Trust's real estate assets are reducing with enfranchisement while the overwhelming majority of its remaining rental income is from very long-term leases with fixed rents which are are consequently declining in real terms. The longer term purpose of the Trust's net assets – £680,864 after the book values of its real estate and its operating funds are deducted – is therefore to provide compensating long-term income to fund the charitable purposes of the Trust in preserving the character and amenities of the Suburb.

#### **RISK MANAGEMENT**

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

#### INVESTMENT POLICY AND PERFORMANCE

Full Circle Asset Management has been appointed to manage the Trust's investments. The Trust's current investment policy is to take a risk managed approach in order to benefit from the current underlying economic conditions whilst preserving capital and outperforming cash on deposit over the medium term. "Medium term" is defined as between two to three years.

#### PLANS FOR FUTURE PERIODS

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

#### AUDITORS

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

By order of the Council

lance Blackburn

Jane Blackburn Secretary 20 July 2010

# 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 2010 which comprise the Statement of Financial Activities, the Balance Sheets and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Trust'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 TRUSTEES AND AUDITORS**

The Trustees' (who are also the directors of the company for the purposes of company law) responsibilities 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Council Members' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Report of the Council is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of the Council and consider the implications for our report if we become aware of any apparent misstatements within it.

Although the 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.

#### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the charitable parent company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### OPINION

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 5 April 2010, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Richard Weaver (Senior Statutory Auditor) for and on behalf of haysmacintyre, Statutory Auditors 20 July 2010 Fairfax House 15 Fulwood Place London WC1V 6AY

# STATEMENT OF FINANCIAL ACTIVITIES INCLUDING THE INCOME AND EXPENDITURE ACCOUNT

for the year ended 5 April 2010

		2009/2010					
	Notes	General fund £	Restricted funds (note 1(c)) £	Designated fund £	Scheme of Management (note 2 & 25) £	2009/2010 Total £	2008/2009 Total £
	Notes	L	L	L	L	L	
Incoming resources Incoming resources from generated funds:							
Voluntary income							
Leaseholders voluntary and other donations		_	8,220	_	_	8,220	25,876
Activities for generating funds:			0,220			0,220	25,676
Commissions and fees	3	17,395	_	_	_	17,395	27,226
Sundry income		2,979	-	-	-	2,979	3,085
Rental/investment income	4	80,057	_	-	-	80,057	104,303
Incoming resources from charitable activities:		·					
Building application fees	5	16,279	_	-	74,977	91,256	112,687
Management charges payable by freeholders		_	_	_	422,010	422,010	390,751
Legal fees recovered		-	-	-	5,237	5,237	
Estate maintenance charges	1(e)	201,480	-	-	-	201,480	49,747
Other incoming resources:							
Surplus on freehold sales, licences and variations	5	346,970	-	-	-	346,970	193,214
Total incoming resources		665,160	8,220	-	502,224	1,175,604	906,889
Resources expended	6,7						
Costs of generating funds:							
Rental/investment management		9,920	-	-	-	9,920	14,992
Charitable activities:							
Regulation: applications		21,947	-	-	92,947	114,894	130,014
Regulation: awareness/advice/enforcement		58,816	-	-	280,780	339,596	312,197
Maintaining the fabric of the Suburb		46,038	358	-	130,070	176,466	167,309
Rechargeable estate maintenance	1(e)	201,480	-	-	-	201,480	49,747
Governance costs:							
Governance costs including audit fees	1(c)	7,706	-	-	26,058	33,764	30,128
Total resources expended		345,907	358	-	529,855	876,120	704,387
Net incoming/(outgoing) resources							
before transfers	8	319,253	7,862	_	(27,631)	299,484	202,502
Balance of freeholders management charges							
(refunded)/charged		-	-	-	(22,315)	(22,315)	(59,773
Transfers (endowment fund)		(250,000)	-	250,000	-	-	
Transfers (interest allocation)		(500)	-	500	-	-	-
Transfers (restricted fund Central Square)		(1,358)	1,358	-	-	-	
Net incoming/(outgoing) resources		C7 205	0 220		(40.046)	277 4.00	442 720
before other recognised gains and losses		67,395	9,220	250,500	(49,946)	277,169	142,729
Gain/(loss) on investment assets	15	-	-	(16,589)		(16,589)	-
Net movement in funds		67,395	9,220	233,911	(49,946)	260,580	142,729
Funds brought forward at 5 April 2009	18	571,640	(2,000)	250,000	22,315	841,955	699,226
Funds at 5 April 2010 before return or charge							
of balance of management charge		639,035	7,220	483,911	(27,631)	1,102,535	841,955
Balance of freeholders management charges							
to be (refunded)/charged	25	_			27,631	27,631	(22,315
Funds carried forward at 5 April 2010		639,035	7,220	483,911		1,130,166	819,640
- · · F				·- ·			

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 18 to 27 form part of these accounts.

# BALANCE SHEET

at 5 April 2010

#### Company number 928520

			2009/2010		3/2009
	Notes	£	£	£	£
Fixed assets					
Tangible assets					
Freehold and long leasehold estate, at cost	11		53,751		54,651
Freehold property	12		34,800		34,800
Office equipment and furniture	13		5,097		12,288
Estate Works	14		46,157		-
Investments	15		233,411		-
			373,216		101,739
Current assets					
Debtors	16	228,568		107,880	
Cash at bank and in hand		559,497		665,608	
		788,065		773,488	
Current liabilities					
Creditors: amounts falling due within one year	17	(31,115)		(55,587)	
Net current assets			756,950		717,901
Net assets			1,130,166		819,640
Representing:					
General fund			639,035		571,640
Restricted fund	22		7,220		(2,000)
Freehold Scheme of Management	18		-		-
Designated fund	23		483,911		250,000
			1,130,166		819,640

Approved and authorised for issue on behalf of the Council on 20 July 2010 and signed on its behalf by

Andaku

Angus Walker

montunto

Simon Hurst

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 5 April 2010

#### **1 ACCOUNTING POLICIES**

The following are the accounting policies adopted by the Trust:

#### a) Basis of accounting

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

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

#### b) Fixed assets and depreciation

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

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

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

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

#### c) Incoming resources and resources expended

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

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

Directly attributable expenditure is charged to charitable activities or governance costs as appropriate. Support costs, which are defined as those costs necessary to delivery 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 a contributory pension scheme.

#### g) Investments

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

#### **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.

Items of income and expenditure are allocated to either the Scheme of Management or the general fund, or shared between both as appropriate, and the basis on which freeholders have been charged with a proportionate part of the expenses of the Trust in operating the Scheme has been agreed by the auditors. Items which are incurred in respect of both the Scheme of Management and the general fund are apportioned according to the proportion of enfranchised (ie freehold) properties to all properties in respect of which the management charge or lease rents are payable to the Trust. Within this calculation flats are weighted against houses in the proportion 1:10. The weighting has been determined by an analysis of staff time which showed that more than ten times as much time, weighted for salary, was spent on houses as on flats. This calculation results for 2009/2010 in an apportionment of 81%:19% between the Scheme of Management and the general fund. The Trust's auditors are satisfied that this apportionment is an appropriate basis on which to allocate expenditure to the activities of the Trust and the Scheme of Management.

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

A summary of the resources expended by the Trust, allocated between the general fund and the Scheme of Management and related to an individual management charge, is set out on the final page. The net deficit of  $\pm 27,631$  (2009: surplus of  $\pm 22,315$ ) attributable to the Scheme will be recovered by a balancing charge to each freeholder in accordance with clause 8 (b) (ii) of the Scheme of Management.

#### NOTES TO THE FINANCIAL STATEMENTS continued

#### **3 COMMISSIONS AND FEES**

This amount is made up of commission received from Brownhill, Morris & West (insurance agents) £10,915 (2009: £11,145), for the inclusion of material on their services in Trust mailings, Royal & Sun Alliance (insurers) £3,020 (2009: £2,434), for an original requirement (now lapsed) in some Trust leases that insurance was to be provided by them, London Borough of Barnet for use of material prepared by the Trust £3,460 (2009: £5,119), for past management of Chalcots Park nil (2009: £8,528). None of this income involved the Trust in expenditure on additional administrative resources and therefore it increases the Trust's income to the advantage of Suburb residents.

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

#### **4 INVESTMENT INCOME**

	2009/2010 £	2008/2009 £
Rental income	78,956	77,602
Bank interest	1,101	26,701
	80,057	104,303
Allocated to:		
Trust and estate management (general fund)	80,057	104,303
Freehold Scheme of Management (interest)	-	-
	80,057	104,303

#### **5 BUILDING APPLICATION FEES**

	2009/2010	2008/2009
	£	£
Leasehold	16,279	17,854
Freehold	74,977	94,833
	91,256	112,687

#### **6** RESOURCES EXPENDED

	Direct £	Support £	2009/2010 £	2008/2009 £
Costs of generating funds				
Rental/investment management	1,915	8,005	9,920	14,992
Charitable activities				
Regulation: applications	81,786	33,108	114,894	130,014
Regulation: awareness/advice/enforcement	295,453	44,143	339,596	312,197
Maintaining the fabric of the Suburb	129,982	46,484	176,466	167,309
Rechargeable estate maintenance	201,480	-	201,480	49,747
Governance costs	27,556	6,208	33,764	30,128
	738,172	137,948	876,120	704,387

### 7 DIRECT AND SUPPORT COSTS

	Staff costs £	Support costs £	Amenities & project costs £	Legal/ professional costs £	Total 2009/2010 £	Total 2008/2009 £
Costs of generating funds						
Rental/investment management	1,915	8,005	-	-	9,920	14,992
Charitable activities						
Regulation: applications	81,786	33,108	-	-	114,894	130,014
Regulation: awareness/advice/enforcement	101,453	44,143	575	193,425	339,596	312,197
Maintaining the fabric of the Suburb	81,172	46,484	35,729	13,081	176,466	167,309
Rechargeable estate maintenance	-	-	201,480	-	201,480	49,747
Governance costs including audit fees	10,821	6,208	_	16,735	33,764	30,128
	277,147	137,948	237,784	223,241	876,120	704,387

Support costs include £42,171 (2009: £40,796) of management and staff costs (see note 10).

#### NOTES TO THE FINANCIAL STATEMENTS continued

#### **8 NET INCOMING RESOURCES**

	2009/2010	2008/2009
	£	£
Net incoming resources for the year has been stated after charging:		
Depreciation – office	7,190	9,257
Depreciation – estate	5,128	-
Auditors remuneration – audit (haysmacintyre)	7,520	7,130
Auditors remuneration – non audit	1,923	955

#### **9 INTEREST PAYABLE**

	2009/2010	2008/2009
	£	£
Bank loan	-	5,195

#### **10 MANAGEMENT AND STAFF COSTS**

The average number of full and part-time staff (employees and contracted staff) during the year was 10 (2009: 9.5) of which three (2009: three) were part-time and all of whom were involved in the delivery of the Trust's activities.

	2009/2010 £	2008/2009 £
Management and staff costs during the year comprised:		
Wages and salaries	241,203	225,901
Employers NI	24,813	23,628
Pension	6,516	-
Other management costs and expenses incurred	46,786	45,840
	319,318	295,369

For the year ended 5 April 2010 one employee received emoluments in the range £60,000-£70,000 (2009: one). No trustees received remuneration in either this or the previous year.

#### 11 FREEHOLD AND LONG LEASEHOLD ESTATE, AT COST

	2009/2010	2008/2009
	£	£
At 5 April 2009	54,651	55,641
Disposals during the year	(900)	(990)
At 5 April 2010	53,751	54,651

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**

12 FREEHOLD PROPERTY	Land £	Building £	Total £
Valuation on 12 December 1968			
At 5 April 2009 and 2010	7,800	30,000	37,800
Depreciation			
At 5 April 2009	_	3,000	3,000
Charge for the year	-	-	-
At 5th April 2010	-	3,000	3,000
Net book value			
At 5 April 2009 and 2010 13 OFFICE EQUIPMENT AND FURNITURE	7,800	27,000	34,800
At 5 April 2009 and 2010           13 OFFICE EQUIPMENT AND FURNITURE           Cost	7,800	27,000	£
At 5 April 2009 and 2010          13 OFFICE EQUIPMENT AND FURNITURE         Cost         At 5 April 2009 and 2010	7,800	27,000	£ 21,545
At 5 April 2009 and 2010          13 OFFICE EQUIPMENT AND FURNITURE         Cost         At 5 April 2009 and 2010         Depreciation at 5 April 2009	7,800	27,000	£ 21,545 9,258
At 5 April 2009 and 2010          13 OFFICE EQUIPMENT AND FURNITURE         Cost         At 5 April 2009 and 2010	7,800	27,000	£ 21,545
At 5 April 2009 and 2010  13 OFFICE EQUIPMENT AND FURNITURE  Cost At 5 April 2009 and 2010  Depreciation at 5 April 2009 Charge for year	7,800	27,000	£ 21,545 9,258
At 5 April 2009 and 2010          13 OFFICE EQUIPMENT AND FURNITURE         Cost         At 5 April 2009 and 2010         Depreciation at 5 April 2009	7,800	27,000	£ 21,545 9,258 7,190
At 5 April 2009 and 2010  13 OFFICE EQUIPMENT AND FURNITURE  Cost At 5 April 2009 and 2010  Depreciation at 5 April 2009 Charge for year At 5 April 2010	7,800	27,000	£ 21,545 9,258 7,190

# NOTES TO THE FINANCIAL STATEMENTS continued

#### **14 ESTATE WORKS**

	£
Cost	
At 5 April 2009	-
Additions during the year	51,285
At 5 April 2010	51,285
Depreciation	
At 5 April 2009	-
Charge for the year	5,128
At 5 April 2010	5,128
Net book value	
At 5 April 2010	46,157
At 5 April 2009	-

#### **15 INVESTMENTS**

	2009/2010 £	2008/2009 £
Investments brought forward	-	-
Additions at cost	343,252	-
Disposal proceeds at market value	(168,083)	-
Unrealised gains/(losses)	(16,589)	-
	158,580	_
Cash held	74,831	-
	233,411	_
	2009/2010 £	2008/2009 £
Investments listed on a recognised stock exchange	158,580	-
Cash held as part of the investment portfolio	74,831	-
	233,411	_

Investments which exceed 5% of the value of the portfolio are:

	2009/2010	2008/2009
	£	£
Royal Bank China Bear Super Tracker	36,424	-
Royal Bank	31,185	-
OPC Luxcellence	23,058	-
Societe Générale HUI Bull	22,302	-
Blackrock Gold and General	18,587	-
ETF Securi Natural Gas	14,570	-
Baring Asset Global Agriculture	12,434	-
	158,580	_

# **16 DEBTORS**

	2009/2010	2008/2009
	£	£
Management income owed to the Trust	104,133	106,533
Other debtors	19,602	-
Prepayments and accrued income	77,202	1,347
Reimbursement (recharge) of management charge	27,631	-
	228,568	107,880

# 17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

2009/		2008/2009
	£	£
Bank loan	-	-
Accruals and deferred income 31	,115	33,272
Reimbursement/(recharge) of management charge	_	22,315
Other creditors	-	-
31	,115	55,587

#### **18 FREEHOLD SCHEME OF MANAGEMENT**

	£	£
Funds brought forward as at 05/04/2009 as previously stated		22,315
Balancing charges 2008/09		(22,315)
Deficit for 2009/10	27,631	
Balance chargeable to freehold charge payers in 2010/11	(27,631)	
Funds carried forward as at 05/04/2010		

#### **19 INDEMNITY INSURANCE**

During the year ended 5 April 2010 the Trust paid  $\pounds$ 4,115 (2009:  $\pounds$ 3,919) 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.

#### **20 REMUNERATION OF THE TRUSTEES**

No remuneration is paid to any of the Trust's trustees (2009: Nil). The trustees were reimbursed for travelling expenses totalling  $\pm 626$  (2009:  $\pm 1,305$ ).

#### 21 MEMBERS LIABILITY

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

#### 22 RESTRICTED FUNDS

	As at 06.04.09 £	Incoming resources £	Resources expended £	Transfer £	As at 05.04.10 £
Heritage Lottery Fund and others (i)	(2,000)	8,220	(358)	1,358	7,220

(i) The Heritage Lottery fund (for the Central Square study) was overspent by £358, this was transferred from the Trust's General Fund.

#### 23 DESIGNATED FUNDS

The designated fund was set up in 2008/2009 for the purpose of ensuring the long term future of the Trust and the Suburb. Only part of the real growth in capital and income will be spent in any one year.

	As at 06.04.09 £	Incoming resources £	Resources expended £	Transfers/ gains and losses £	As at 05.04.10 £
Designated Fund	250,000	-	_	233,911	483,911

# 24 ANALYSIS OF NET ASSETS BY FUND

Fund balances at 5 April 2010 are represented by:

	General Fund	Restricted Fund	Designated Funds	Total Funds
	£	£	£	£
Tangible fixed assets	139,805	-	-	139,805
Investments	-	-	233,911	233,411
Net current assets	499,230	7,220	250,000	756,950
	639,035	7,220	483,911	1,130,166

# RESOURCES EXPENDED ALLOCATED TO FUNDS AND RELATING TO MANAGEMENT CHARGE (note 25)

for the year ended 5 April 2010

	Total	General fund	Schen	Scheme of management	
Expenditure items	£	£	£	£	£
1 Staff costs: Staff salaries inc PAYE & NI, contract and temporary staff, employee and volunteer expenses, training costs	319,317.92	60,670.40	258,647.52		
Less income from fees on freehold applications Legal fees recovered			74,976.67 5,237.32		
Net staff costs				178,433.53	49.91
<b>2 Premises costs:</b> Office rent, utilities, telephone, Council Tax repairs and renewals, cleaning etc	49,980.89	9,496.37		40,484.52	11.32
<b>3 Administrative costs:</b> Insurance (except for trustees), office equipment, printing, postage & stationery, public relations, bank charges, depreciation, loan costs	45,795.88	9,187.22		36,608.66	10.24
<b>4 Governance costs:</b> Trustee insurance and travelling expenses	5,704.11	1,083.78		4,620.33	1.29
<b>5 Projects and amenities costs:</b> Maintenance of amenity areas	36,303.61	24,498.73		11,804.88	3.30
6 Legal costs: Legal costs for general advice and litigation	180,844.05	28,004.37		152,839.68	42.75
7 Other professional costs: Arboriculturalist, human resources, valuation advice	25,661.70	8,478.49		17,183.21	4.81
8 Audit fees	11,031.75	3,365.16		7,666.59	2.15
Expenditure	674,639.91	144,784.52		449,641.40	125.77

At 6 April 2009 3,560 management charges payable. At 6 April 2010 3,590 management charges payable. Average for year 3,575.

Income from fees on freehold applications	74,976.67		
Income from recovery of legal fees	5,237.32		
Total management charges including in year enfranchisers	422,009.96		
Total income		502,223.95	
Total expenditure		529,855.39	
Balance of management charges to be (charged) credited to freeholders		(27,631.44)	(7.80) rounded figure

Approved by the Trust Council on 20 July 2010 and signed on its behalf by

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Angus Walker

Simon Hurst

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

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

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