

A black and white photograph of a wooden sculpture. The sculpture depicts a hand with fingers slightly curled, holding a large, thick ring. The wood grain is clearly visible. The background is dark and out of focus.

HAMPSTEAD - GARDEN - SUBURB - TRUST

REPORT AND ACCOUNTS FOR THE YEAR
ENDED 5 APRIL 2013

2013

REPORT AND ACCOUNTS FOR THE YEAR ENDED 5 APRIL 2013

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CHAIRMAN'S REVIEW 2012/2013

A TURNING-POINT

During the year under report the Trust's balance sheet continued to be restructured and reinvested. The Trust's operating account will be in surplus from October 2013 for the first time for many years. The commissioning of the new office annex completes the turn in the Trust's financial situation from its difficult position in 2006.

The Trust is entering into a new period of activity. The last nine years have been a period of review and reinvigoration. It has reformed its finances. It has reconstructed its accommodation. It has adjusted its staff structure. It has broken the back of the most important arrears of work on the repair and maintenance of that part of the fabric of the Suburb for which it is responsible. Its powers and obligations have been confirmed and strengthened by the rulings of the courts and independently appointed Surveyors.

The Trust can now start to turn outward and concentrate on improving the benefits it provides for those it was set up to serve - all the residents of the Suburb.

The Trust's resources are still relatively modest; in real terms only slightly more than half of what they were fifty years ago. But it is now confidently expected that they will continue to grow and make it possible to secure for the Suburb the position that its founders hoped to achieve for it. The task is now to think and plan for the long term.

The Trust will be working to develop a long term plan for the restitution and improvement of the Suburb. The Council expects to be able to start to evolve options in terms of objectives, priorities, costs and timing in the course of the next calendar year. When they have sufficient substance there will be extended consultation with all residents. Projects could include the repair of the Great Wall at the boundary with the Heath Extension, the improvement of Central Square and proposals for other open spaces, large and small, including some (such as Central Square) now owned by the local authority. These changes will not be implemented easily or quickly but they will steadily enhance the standing and value of the Suburb to residents, as well as increasing its recognition nationally and internationally.

DEMOCRACY, TRANSPARENCY AND ACCOUNTABILITY

The Trust is a private company and the responsibility of its Directors/Trustees is to see that its assets are managed, as prescribed by its constitution, in the best interests of its beneficiaries, the residents of the Suburb, not of any group or faction. Members of the Council are required to exercise their judgement independently so as to maximise the benefits they provide to freeholders, leaseholders, tenants and temporary residents.

The Trust's Memorandum of Association provides that half the Board/Council is elected by those residents who choose to become members of the Trust. This does not make it a public, democratic body, but it ensures that the Trust cannot reach decisions without the participation of residents.

The Trust has developed a system of committees that advise the Trust Council on all aspects of its business, from the regulation of development to the management of the Trust's finances. This means that resident volunteers working on the policies of the Trust have a very significant influence.

All Trust decisions are subject variously to challenge; by an independently appointed Surveyor, in the Leasehold Valuation Tribunal, in the County Court, in the Lands Tribunal, in the High Court and on application to the Charity Commission and the Charity Tribunal. The Trust has appeared before or been in contact with all these bodies in recent years. The Trust's only failure in the courts in the last nine years has been in its inability to prevent a demolition which the judge in the case himself declared to be an exception and not to be regarded as setting a precedent. The Trust's accounts have never been qualified by the Members' auditors.

THE SCHEME OF MANAGEMENT

The Scheme of Management is operated, at cost, by the Trust for the benefit of enfranchised leaseholders (i.e. almost all the freeholders on the Suburb). It ensures that the appearance of properties and gardens continues to be consistent with the intentions of the original designers of the Suburb and prevents the degradation that comes with the poorly controlled development that is a prominent feature of the surrounding suburbs. It continues to be a popular arrangement and nearly 3,800 out of 5,000 properties, including over 3,000 of 3,600 houses, have joined it since 1974.

The courts continue to confirm the Scheme's objectives and to support the Trust's understanding of its duties as operator. A recent judgement marginally strengthened the Trust's ability to require structural evidence as well as aesthetic argument when applications for development, including basements, trigger the Scheme of Management's provisions.

The audited expenditure of the Scheme of Management for 2012-2013 proved to be nearly £20 less than budgeted and amounts to £110.40, just above the lower boundary of the Trust Council's predicted range of between £110 and £150. Such a variance from budget, albeit favourable, is not a cause for congratulation but it remains a very satisfactory outcome when costs are so unpredictable. In the last four years to 2012-2013 the Charge has fallen by £15.70 or 12% while retail prices have risen by about 17% over the same period. Apart from the winds of good fortune an appreciable part of this improvement is due to the dedication of the staff in persistently improving efficiency and productivity.

TRUSTEES, VOLUNTEERS AND STAFF

The four appointed Trustees continue to work hard for no reward. We are indebted to them for their energetic and wise contributions to the work of the Trust and their patience in dealing with residents. On the darkest, wettest and coldest evenings the Trust Council has never failed to be quorate. Our Trustees do not even claim their expenses. Many of our volunteers have professional skills of great value to the Trust. We are especially grateful to Alan Armstrong-Wright, former Roads Surveyor for Hong Kong, for his support of our estate function and his work on trees and for an immensely detailed evaluation of the Trust's remaining leases crucial to the Trust's financial planning. The Trust's staff are modestly remunerated, are not paid for overtime and readily work in the evenings or at weekends as required by the Trust. At the same time they are, as already suggested, key to the Trust's quest to achieve economy, efficiency and consistency in all that it does.



Angus Walker
Chairman

LEGAL, ADMINISTRATIVE AND OTHER INFORMATION ABOUT THE TRUST

MEMBERS OF THE COUNCIL ON 23 JULY 2013

Elected members:



Claire Calman
Elected 1 October 2012.

Claire has been a Suburb resident for over ten years and first became involved with the work of the Trust as the Chair of Reynolds Close Residents Association. She is active in various voluntary roles on the Suburb, including the Proms at St Jude's Literary Festival. She is a published author and has worked as a journalist and editor.



Geoffrey Marriott FRICS
Elected 19 September 2007.
Re-elected 1 October 2010.

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.



Angus Walker (Chairman)
Elected 19 September 2007.
Re-elected 1 October 2010.

Angus has been a Suburb resident for over 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.



Saul Zadka
Elected 4 October 2011.

Saul has been a Suburb resident for over five years. He is an international journalist and military historian with a PhD in War Studies from King's College, University of London. He was for many years a senior lecturer in international relations and media studies. He is also a regular BBC commentator on Middle East affairs.

Appointed members:



Simon Hurst MA, Dip Arch, BSc (Hons), RIBA (Vice Chairman)
Appointed by the Royal Institute of British Architects on 20 May 2003.
Re appointed 2007, 2010 and 2013.

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



Tim Leach BA (Hons) Architecture, DipArch, Dip Con (AA), RIBA
Appointed by the Victorian Society on 16 September 2009.
Re appointed 2012.

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



Jonathan Ross
Appointed by the Law Society on 18 July 2012.

Jonathan is a solicitor and head of property litigation at Forsters LLP, where his clients include a number of section 19 organizations and estates. He writes regularly for the property press. Jonathan is not now a resident but he was brought up on the Suburb and his father is a past member of the Trust Council.



Phillipa Aitken BA (Hons), Dip TP, MRTPI
Appointed by the Royal Town Planning Institute on 12 April 2005.
Reappointed 2008 and 2011.

Phillipa is a planning consultant and Head of the Consulting Division at Colliers International. She has previously worked for the international property consultancy CB Richard Ellis and a local authority. Phillipa brings extensive knowledge of planning and development issues to the Trust.

Election and Appointment to the Council:

There was a vacancy for an elected member, created by the retirement of Judith Chaney. There were two candidates for the vacancy: Claire Calman and Gloria Moss. The auditors, haysmacintyre, received 872 valid voting papers and rejected 27 papers as invalid. haysmacintyre reported that votes were cast as follows: Claire Calman, 561; Gloria Moss, 311. haysmacintyre declared that the candidate elected was Claire Calman.

REGISTERED OFFICE

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

TRUST COMPANY MEMBERSHIP

At 5 April 2013 there were 1,461 members of the Trust Company and 36 associate members. Membership of the Trust is open to adults who have been continuously resident on the Suburb for over three years. Other residents may join as associate members. Applications are welcome (there is no charge or subscription, and each member's liability is limited to a guarantee of £1). The application form can be obtained from the website (www.hgstrust.org) or from the Trust office at the address above.

TRUST COUNCIL'S RESPONSIBILITIES

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

COUNCIL MEMBERS' INDUCTION AND TRAINING

New Council members are given written information including the Scheme of Management, Articles of Association, Annual Report and Charity Commission publications including The Essential Trustee. Induction sessions and courses are offered, tailored to individual needs and concerns. New Council members are encouraged to tour the office and meet all the staff and to attend the Property and Plans Committee to gain insight into that important aspect of the Trust's work.

HONORARY LIFE PRESIDENT

The Trust's Honorary Life President is Dr Mervyn Miller PhD, BA, BArch (Hons), MUP, MArch, RIBA, FRTPI.

HONORARY ACCOUNTS ADVISER

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

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

Judith Chaney, Pia Duran, Philip Freedman, Rosalind Josephs, Helen Leiser, Steven Rosen.

Finance Committee

Jeremy Clynes, Robin Marks, Richard Wiseman.

Grants and Amenities Committee

John Freeborn, Eva Jacobs, Sally Lewis, Louise Scheuer.

Property and Plans Committee

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

PROFESSIONAL ADVISERS:**Solicitors**

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

Bankers

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

Auditors

haysmacintyre,
Fairfax House, 15 Fulwood Place,
London WC1V 6AY

Arboriculturalist

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

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

STAFF

The following people are currently employed by the Trust:

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) MRICS
Estate Manager



Georgina Malcolm
Trust Manager's Assistant



Ruth Bull
Estate Management Assistant



Lauren Geisler
Education and Publications Assistant



Heidi Pearce
BA (Hons) History of Art
Planning Assistant

Part-time:



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



Marjorie Galbinski
Assistant Architectural Adviser



Susan Samuels
Administrative Assistant

Part-time consultants:



Gwen Kipenakis
Book-keeper



Ann Marsh
BA Dip Arch, RIBA
Architectural Consultant

REPORT OF THE COUNCIL

The Council members, who act in the role of directors and Trustees, present their forty-fifth annual report, together with the audited accounts of the Trust for the year ended 5 April 2013.

OBJECT AND PRINCIPAL ACTIVITY

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

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

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

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

Since 1974 the great majority of the houses and many of the flats on the Suburb have enfranchised and fall within the Scheme of Management, the numbers increasing year by year. In 1988 the Trust acquired the freeholds of all the long leasehold properties on the Suburb (including most of the blocks of flats) from Ashdale Land and Property Company Ltd. Through these leases, the freehold ownership of 11 allotment sites, 27 unadopted roads, some 50 other communal open spaces and the Scheme of Management itself, the Trust can maintain a unified control over nearly all Suburb properties and the trees, hedges and many of the communal areas around them. Control of the public highways and the larger open spaces rests with the London Borough of Barnet and Transport for London.

STATUS

The Trust is a company limited by guarantee (registered in England number 928520), not having a share capital and is registered as a charity (Number 1050098). It is governed by its Memorandum and Articles of Association dated 8 March 1968 and most recently amended on 17 September 2008. Until 15 January 2007 it was known as The New Hampstead Garden Suburb Trust.

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

The Trust's long term strategy is to undertake

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

REPORT OF THE COUNCIL (Continued)

Main developments in 2012/2013 have been to

- Fully establish the new committee structure, with participating residents nominated by the Residents Association or co-opted as appropriate
- Assist senior staff to devote time to strategic issues by strengthening the staff structure from below, offering training and support to appropriate staff members
- Review development control issues, including the Trust's jurisdiction regarding basements
- Commence, with the assistance of residents, a survey of Suburb trees
- Further increase and strengthen the Trust's reserves through investment in property, specifically by extending 862 Finchley Road

The Trust Council confirms that it has complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Commission in determining the activities undertaken by the Charity.

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

REGULATION: DEFENDING THE SUBURB

Applications

In 2012/2013 the Trust received 213 applications (230 applications in 2011/2012) to change the external appearance, use or structure of property. There were four new applications for demolition, of which two were approved and two were not resolved in the course of the year. Consent was given for one application for demolition made in the previous year. Fifteen applications involved the addition of or extension to a basement in an existing property and of these four were approved, and eleven were not resolved in the course of the year; one application for renewal of a previous consent was also not resolved and two applications from previous years were approved. Three applications involved creating new hard standings, of which one was approved and two were refused. The application process involves consultation with neighbours and negotiation with owners and their architects to achieve an acceptable design. Following the approval of applications by the Trust Council, Trust staff check construction details, monitor work in progress, approve building materials and components, carry out final inspections and issue final consent for correctly completed work.

ADVICE AND ENFORCEMENT

Throughout the year the Trust's staff gave practical guidance to residents, potential residents and their professional advisers on matters including preliminary advice regarding applications, routine care and maintenance work, legal matters, the pruning and felling of trees and the care of landscape and hedges. Applications to fell mature trees are a matter of constant concern to the Trust and the staff work with consultants, residents and the local authority to resist inappropriate felling.

The Trust has worked to correct infringements of the Scheme of Management and of leasehold and freehold covenants; and to restore sympathetic features. Some seventeen recorded infringements have been resolved and lifted in the course of the year; however seventeen new infringements have been recorded. Most of the rectification of infringements has been achieved through negotiation, which is always the preferred course, but enforcement action has again included the involvement of solicitors in several cases.

Legal costs in connection with current enforcement cases and the preservation of trees were £28,475.95 allocated to the general fund in respect of five properties and £53,093.35 allocated to the Scheme of Management in respect of nine properties. The bulk of the costs were in respect of 1 Deacons Rise, where the Trust is taking enforcement action for non-compliance with the Scheme, and 2 Green Close, where a neighbouring owner brought an action against the Trust over the extent of hydrogeological information considered by the Trust in determining the application. Both actions have resulted in costs being awarded to the Trust and these will be returned to charge payers in the financial year in which they are recovered.

AWARENESS AND EDUCATION

The Trust endeavours to promote understanding of the special nature of the Suburb to residents and others through talks, guided tours and written and illustrated material. The Trust Council considers that wider awareness and appreciation of the Suburb, as an important landmark in the evolution of domestic architecture and Town Planning, is critical to its continued preservation.

The Trust joined forces with the Highgate Society, the Heath & Hampstead Society and the Hornsey Historical Society, to publish the 'Hampstead Heritage Trail' in June 2012. The new 15 mile self-guided walking tour from Camden Town to Alexandra Palace runs through the Suburb, with 5 booklets covering 500 points of interest. In the course of the year Trust staff led guided tours for architectural students from the Architectural Association and University College London, construction professionals from Crest Nicholson and a group from the Highgate Society as well as for groups of Suburb residents as part of Proms week. Design seminars were run for Design for Homes and Barratt Homes. In December the Trust's Architectural Adviser, David Davidson, gave a well-attended lecture for Trust members on the landscape of the Suburb.

MAINTAINING THE FABRIC OF THE SUBURB

Working to the priorities set by the Estate Committee for 2012/2013, the Trust's works across the estate included dealing with a major gas main repair programme involving Sunshine Corner which, unavoidably, took place soon after completion of the Trust's refurbishment programme. Disruption to the Trust's land was minimised following negotiations with the Gas Board and their surveyors. Appropriate handrails were installed and the soft landscaping has been reinstated. The wildflower meadows on the outer court are establishing and have improved markedly on last year. The Trust's road at Constable Close was resurfaced and repairs carried out to several other roads under the Private Road Maintenance Contract following consultation with house owners. Consultation with residents began on repairs to a retaining wall in Corringham Road and continued on major works to the Trust-owned roads at Turner Close and Linnell Close. A Tree Works Policy was discussed and agreed and work began on the Tree Survey, in conjunction with the London Borough of Barnet and the Residents Association, to catalogue significant trees on the Suburb.

GRANTS

The Trust's grant aid to local bodies whose charitable activities are likely to be beneficial to residents continues to increase. During 2012/2013 the Trust, advised by the Grants & Amenities Committee, made grants from the

general fund totalling £10,250 (2011/2012: £8,480). Grants include £3,000 to the Proms at St Jude's, £800 to "Open House" weekend, £1,092 to Fellowship for alleviating hardship (with especial reference to ability to pay the Management Charge), £1,100 to St Jude-on-the-Hill towards external repairs, £1,100 to the Free Church towards accessible toilet facilities, £780 to the Garden Suburb Theatre, £978 to the Orchard Housing Society to replace external signs, £600 to Alyth Synagogue for Project Chesed, £150 to Abbeyfield to cover management charge costs and £250 to support a programme of outings, £300 to Resources for Autism to support their gardening project, £100 to Henrietta Barnett School for a project related to the centenary.

VOLUNTEERS

In 2012/2013 the Trust has again benefited from input to its work by volunteers including non-Trustee members of the Property & Plans Committee, the Estate Committee, the Finance Committee and the Grants and Amenities Committee. Volunteers continue to assist with tasks in the office. The Tree Survey programme, using resident and other volunteers, is under way. The names of those who served on the Trust's advisory committees are given above. Altogether there are twenty residents serving on the Trust Council and committees. This does not exhaust the list of those who help the Trust in various valuable ways.

FINANCIAL MATTERS

The form in which the statement of financial activities is set out on page 13 complies with the Charity Commission requirements to relate expenditure to the Trust's objectives rather than under heads of expenditure. The statement also details the finances of the Scheme of Management as well as those of the Trust, although each is separately identified. As a supplement to assist members and charge payers the Trust has included, as an appendix to the report and accounts, an analysis of the Management Charge, which gives a breakdown under heads of expenditure (see final page).

THE TRUST'S FINANCES

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

REPORT OF THE COUNCIL (Continued)

A. Assets held in Trust for all residents

Revenue is derived from the ground rents and other charges relating to the Trust's leased properties, which are generally falling in real terms. In 2012/2013 the Trust's revenue and expenditure account (page 13) shows a deficit of £63,820 after stripping out the £230,852 surplus on the liquidation of assets through freehold sales, licences and variations. This operating loss is in part due to legal costs that will be recovered in 2013/2014. However the underlying operating deficit that has been chronic for many years is reducing and should be eliminated in 2014. In the course of 2012/2013 the Trust's total reserves increased by £170,735. This is derived from three sources. Part is from the sale of freeholds and lease extensions, as required by the Leasehold Reform Acts. Part is in the form one-off payments for variations to leases and covenants. Together these total £230,852. Part is constituted by donations totalling £3,703, including gift aid, received from residents during the year. The latter amount is placed in a restricted fund where the capital element of the fund is to be maintained for the longer term with not more than half of the real growth in capital and income spent in any one year.

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

The Council considers that the overall state of the Trust's financial affairs is once again strengthened, but still remains capable of further improvement. The Trust's assets are available and adequate to fulfill its current obligations.

B. The Scheme of Management

As stated above the Scheme of Management is funded by Freeholders and its finances are accounted for separately from those of the Trust itself: the funds within the Scheme of Management are not the property of the Trust. Income and expenditure under the heads of the budget for the year were the equivalent of an actual charge for the year of £110.40 per household. This is below the estimated charge of £129.10 and the equivalent of a rebate to charge payers of £18.70 over the full year. This will be set against the estimated charge for 2013/2014 when the Management Charge bills are sent out in August/September. Charge payers should note that the Management Charge is a land charge that runs with the property; the law requires that rebates must be made to the current owner even when they are made in respect of costs incurred before a transfer of ownership.

TRUST COUNCIL

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

COUNCIL MEMBERS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF ACCOUNTS

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

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

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

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

In so far as Trustees are aware:

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

RESERVES AND INVESTMENT POLICY

Until 2005 the Trust's assets were steadily depleted by subsidising the operation of the Scheme of Management. The withdrawal of the subsidy from the Scheme of Management in that year arrested the deterioration of the Trust's finances. Since 2005 revenue has been generated by the sale of assets which were on the balance sheet at book value and by fees from the variation of covenants which had no assigned balance sheet value. Cash from these balance sheet "crystallisations" is no longer invested on the stock market but is being invested in Suburb property. A small flat was acquired in 2011/2012 and the purchase of a further flat will be completed in 2013/2014 using funds held as part of the investment portfolio. The extension of the ground floor office at 862 Finchley Road will allow the upper floors of the building to be returned from office use back to full residential use, as two self-contained maisonettes, by October 2013. This will reinstate the residential parts of the building as originally designed and will restore the more valuable residential rental income stream from the upper floors as originally intended. The income from these modest investments in residential property is expected to bring the operating account, in chronic deficit for many years, into balance in 2014.

The Trust's financial objective is to bring its operating account into balance and to generate steadily increasing real revenue from its assets thereafter. This will enable the Trust to better fulfil its duties in conserving the character and amenity of the Suburb.

FINANCIAL MANAGEMENT

- During the year, as described above, the stated value of the Trust's balance sheet grew by an amount (£170,735) greater than the deficit on its operations (£125,741) after stripping out the £230,852 surplus on freehold sales, licences and variations
- The Trust's general fund at £613,098 includes the book values of the Trust's established freehold and long leasehold estate, and £385,000 in cash and on deposit. This cash constitutes the Trust's working capital, the calls on which include the funding of the deficit in the cash flow of the Scheme of Management that occurs in the course of the year.
- £34,059 is held in restricted funds (see note 21)
- The Council has designated those funds that are intended to be held for the long term and that constitute the foundation of the Trust's future income. Property investments in these designated funds are intended to be held for the long term and expenditure from them is limited to amounts that do not exceed in any one year more than half the real growth in capital and income. Funds designated by the Trust Council total £1,089,749.

These resources are in the form of: £626,261 invested or committed to investment in property, £310,031 expended on construction of the extension at 862 Finchley Road, £2,948 in stocks in the process of being liquidated and £150,509 of cash at the bank or on deposit.

RISK MANAGEMENT

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

PLANS FOR FUTURE PERIODS

The long term financial objectives of the Trust are, with respect to its own resources, to husband and consolidate them so as to generate revenue to enable it to preserve the character and amenities of the Suburb as well as to ensure its long-term survival. With respect to the Scheme of Management 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 re-appointed in September 2012. haysmacintyre is willing to continue in office and a resolution will be proposed at the Annual General Meeting for their re-appointment and for their remuneration to be fixed by the Council.

By order of the Council



Jane Blackburn
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HAMPSTEAD GARDEN SUBURB TRUST LIMITED

We have audited the financial statements of the Hampstead Garden Suburb Trust for the year ended 5 April 2013 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Council to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Although work was conducted so as to arrive at a conclusion regarding the truth and fairness of the financial statements, we also confirm as required by clause 7(d) (i) of the Scheme, that during the course of our work, nothing came to our attention that would indicate that the Trust, or its operation of the Scheme of Management, has been run in anything other than an economical, efficient and consistent manner.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 5 April 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report of the Council for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime to take advantage of the small companies exemption in preparing the Report of the Council.

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2013

(Including the income and expenditure account)

	Notes	2012/2013				2012/13 Total £	2011/12 Total £
		General Fund £	Restricted Funds note 21 £	Designated Fund £	Scheme of Management note 2 & 24 £		
Incoming resources	1(c)						
Incoming resources from generated funds:							
Voluntary income							
Leaseholders voluntary & other donations	21	-	3,703	-	-	3,703	18,277
Activities for generating funds:							
Commissions and fees	3	17,209	-	-	-	17,209	14,877
Sundry income		3,154	-	-	-	3,154	2,543
Investment income	4	98,251	-	-	-	98,251	85,352
Incoming resources from charitable activities:							
Building application fees	5	13,151	-	-	115,056	128,207	111,467
Management charges payable by freeholders		-	-	-	480,185	480,185	456,744
Legal fees recovered		-	-	-	2,000	2,000	141,784
Estate Maintenance Charges	1(e)	59,824	-	-	-	59,824	124,334
Other incoming resources:							
Surplus on freehold sales, licences & variations		230,852	-	-	-	230,852	318,725
Total incoming resources		422,441	3,703	-	592,241	1,023,385	1,274,103
Resources expended	6,7						
Costs of generating funds:							
Rental/investment management		22,412	-	-	-	22,412	28,301
Charitable activities:							
Regulation: applications		21,107	-	-	103,053	124,160	140,993
Regulation: awareness/advice/enforcement		91,727	-	-	219,967	311,694	309,199
Maintaining the fabric of the Suburb		54,593	-	-	175,803	230,396	289,406
Rechargeable estate maintenance	1(e)	59,824	-	-	-	59,824	124,334
Governance costs:							
Governance costs including audit fees	1(c)	5,746	-	-	28,790	34,536	28,946
Total resources expended		255,409	-	-	527,613	783,022	921,179
Net incoming/(outgoing) resources before transfers	8	167,032	3,703	-	69,628	240,363	352,924
Balance of freeholders management charges: charged/(refunded)		-	-	-	(159,940)	(159,940)	5,965
transfers (designated funds)		(189,665)	-	189,665	-	0	-
Net incoming/(outgoing) resources before other recognised gains and losses		(22,633)	3,703	189,665	(90,312)	80,423	358,889
Gain/(loss) on investment assets	14	-	-	-	-		(10,188)
Net movement in funds		(22,633)	3,703	189,665	(90,312)	80,423	348,701
Funds brought forward at 5 April 2012	17	635,731	30,356	900,084	159,940	1,726,111	1,377,410
Funds at 5 April 2013 before return or charge of balance of management charge		613,098	34,059	1,089,749	69,628	1,806,534	1,726,111
Balance of freeholders management							
Charges to be charged/(refunded)	2	-	-	-	(69,628)	(69,628)	(18,156)
Legal fees recovered to be (returned)		-	-	-	-	-	(141,784)
Funds carried forward at 5 April 2013		613,098	34,059	1,089,749	-	1,736,906	1,566,171

All of the above are continuing activities of the Trust. The Trust had no recognised gains and losses other than those included above. The attached notes on pages 15 to 23 form part of these accounts.

BALANCE SHEET AT 5 APRIL 2013

Company number 928520

	Notes	2012/2013 £	£	2011/2012 £	£
Fixed Assets					
Tangible assets					
Freehold and long leasehold estate, at cost	10	46,821		48,351	
Freehold property	11	34,800		34,800	
Property investments		626,261		305,005	
Office equipment and furniture	12	-		-	
Estate Works	13	146,477		167,580	
Investments	14	298,589		292,948	
			1,462,979		848,684
Current Assets					
Debtors	15	158,416		159,104	
Scheme of Management surcharge/(rebate)	15	(69,628)		(18,156)	
Cash at bank and in hand		537,614		793,907	
		626,402		934,855	
Current Liabilities					
Creditors: amounts falling due within one year	16	(352,475)		(75,584)	
Scheme of Management		-		(141,784)	
Net Current Assets			273,927		717,487
Net Assets			1,736,906		1,566,171
Representing:					
General fund		613,098		635,731	
Restricted fund	21	34,059		30,356	
Freehold Scheme of Management	17	-		-	
Designated fund	22	1,089,749		900,084	
			1,736,906		1,566,171

Approved and authorised for issue on behalf of the Council on 23 July 2013 and signed on its behalf by



Angus Walker



Simon Hurst

The notes on pages 15 to 23 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2013

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 (see Note 21).

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. SCHEME OF MANAGEMENT

The Trust administers a Scheme of Management under the 1967 Leasehold Reform Act. This was passed by the High Court in 1974 and amended in 1983. The purpose of the Scheme is to preserve and conserve the Hampstead Garden Suburb and applies to all freehold properties enfranchised since the Act came into force. Each item of income and expenditure is allocated to either the Scheme of Management or the general fund, or where appropriate shared between both. The basis on which Freeholders have consequently been charged with a proportionate part of the expenses of the Trust in operating the Scheme has been agreed by the auditors.

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

- General overheads are apportioned according to the proportion of enfranchised (ie freehold) properties to all properties in respect of which the Management Charge or lease rents are payable to the Trust. Within this calculation flats are weighted against houses in the proportion 1:10. The weighting has been determined by an analysis of staff time which showed that more than ten times as much time, weighted for salary, was spent on houses as on flats. This calculation results for 2012/2013 in an apportionment of 83%:17% between the Scheme of Management and the general fund.
- Legal costs are allocated or apportioned on a case by case basis, in accordance with legal advice. The apportionment is determined according to the balance of significance of the covenants relating to the Scheme of Management and to the Trust as the owner of the residual estate, balanced by consideration of the overriding reasons for the Trust defending or taking the action. The apportionment of the costs of defending the case of 2 Green Close is 50:50; the cost of enforcement action on 1 Deacon's Rise has been allocated entirely to the Scheme of Management. In each case the court has ordered that most of the costs are to be reimbursed to the Trust and these will be credited back to the Scheme and to the general fund, in the same proportions, once recovered.
- Costs for projects and amenities of benefit to all residents are apportioned according to the proportion of enfranchised (ie freehold) properties to all properties in respect of which the Management Charge or lease rents are payable to the Trust, with each property weighted equally. This results for 2012/2013 in an apportionment of 72%:28% between the Scheme of Management and the general fund.

The Trust's auditors are satisfied that these apportionments are an appropriate basis on which to allocate expenditure to the activities of the Trust and the Scheme of Management. The accounting systems used by the Trust ensure that all items of income and expenditure attributable to the Scheme of Management are separately accounted for. Given the separate accounting records, the Trustees do not consider that the Scheme of Management would be any more effectively operated with a separate bank account, and the auditors concur with this decision. A summary of the resources expended by the Trust, allocated between the general fund and the Scheme of Management and related to an individual Management Charge, is set out on the final page. The net surplus of £69,628 (2012: net surplus of £18,156) attributable to the Scheme will be returned by a balancing credit to each Freeholder in accordance with clause 8 (b) (ii) of the Scheme of Management.

3. COMMISSIONS AND FEES

This amount includes commission received from Brownhill, Morris & West (insurance agents) £14,464 (2012: £11,826), Royal & Sun Alliance (insurers) £2,745 (2012: £3,051), for an original requirement (now lapsed) in some Trust leases that insurance was to be provided by them. 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

	2012/2013 £	2011/2012 £
Rental income	92,033	83,673
Bank interest	6,218	1,679
	98,251	85,352
Allocated to:		
Trust and estate management (general fund)	98,251	85,014
Restricted Fund (interest)	-	338
	98,251	85,352

5. BUILDING APPLICATION FEES

	2012/2013 £	2011/2012 £
Leasehold	13,151	15,051
Freehold	115,056	96,416
	128,207	111,467

6. RESOURCES EXPENDED

	Direct £	Support £	2012/2013 £	2011/2012 £
Costs of Generating Funds				
Rental/Investment Management	12,587	9,825	22,412	28,301
Charitable activities				
Regulation: Applications	87,173	36,987	124,160	140,993
Regulation: Awareness/Advice/Enforcement	245,760	65,934	311,694	309,199
Maintaining the Fabric of the Suburb	186,348	44,048	230,396	289,406
Rechargeable Estate Maintenance	59,824	-	59,824	124,344
Governance Costs	30,516	4,020	34,536	28,946
	622,208	160,814	783,022	921,179

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. DIRECT AND SUPPORT COSTS

	Staff costs £	Support costs £	Amenities & project costs £	Legal/ professional costs £	Total 2012/2013 £	Total 2011/2012 £
Costs of Generating Funds						
Rental/investment management	12,587	9,825	-	-	22,412	28,301
Charitable Activities						
Regulation: Applications	87,173	36,987	-	-	124,160	140,993
Regulation: Awareness/Advice/Enforcement	126,208	65,934	-	119,552	311,694	309,199
Maintaining the Fabric of the Suburb	92,392	44,048	76,174	17,782	230,396	289,406
Rechargeable Estate Maintenance	-	-	59,824	-	59,824	124,334
Governance Costs inc. audit fees	9,401	4,020	-	21,115	34,536	28,946
	327,761	160,814	135,998	158,449	783,022	921,179

Support costs include £41,695 (2012: £47,883) of management and staff costs (see note 9).

8. NET INCOME RESOURCES

	2012/2013 £	2011/2012 £
Net incoming resources for the year has been stated after charging:		
Depreciation – Office	-	-
Depreciation – Estate	21,103	21,104
Auditors remuneration – audit (haysmacintyre)	8,640	7,100
Auditors remuneration – non audit	3,107	1,008

9. MANAGEMENT AND STAFF COSTS

The average number of full and part-time staff (employees and contracted staff) during the year was 11 (2012:11) of which 5 (2012:5) were part-time and all of whom were involved in the delivery of the Trust's activities.

	2012/2013 £	2011/2012 £
Management and staff costs during the year comprised:		
Wages and salaries	283,413	262,240
Employers NI	28,879	29,864
Pension	8,603	7,907
Other management costs and expenses incurred	48,560	63,617
	369,455	363,628

For the year ended 5 April 2013 one employee received emoluments in the range £60,000-£70,000 (2012: One).
No trustees received remuneration in either this or the previous year.

10. FREEHOLD AND LONG LEASEHOLD ESTATE, AT COST

	2012/2013 £	2011/2012 £
At 5 April 2011	48,351	50,961
Disposals during the year	(1,530)	(2,610)
At 5 April 2012	46,821	48,351

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.

11. FREEHOLD PROPERTY

	Land £	Building £	Total £
Valuation on 12 December 1968			
At 5 April 2012 and 2013	7,800	27,000	34,800

12. OFFICE EQUIPMENT AND FURNITURE

	£
Cost	
At 5 April 2012 and 2013	27,770
Depreciation	
At 5 April 2012	27,770
Charge for year	-
At 5 April 2013	27,770
Net Book Value	
At 5 April 2013	-
At 5 April 2012	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. ESTATE WORKS

	£
Cost	
At 5 April 2012	211,043
Additions during the year	-
At 5 April 2013	211,043
Depreciation	
At 5 April 2012	43,463
Charge for the year	21,103
At 5 April 2013	64,566
Net Book Value	
At 5 April 2013	146,477
At 5 April 2012	167,580

14. INVESTMENTS

	2012/2013 £	2011/2012 £
Investments brought forward	2,948	182,659
Additions at cost	-	182,477
Disposal proceeds at market value	-	(335,000)
Unrealised gains/(losses)	-	(27,188)
	2,948	2,948
Cash held	295,641	290,000
	298,589	292,948
Investments listed on a recognised stock exchange	2,948	2,948
Cash held as part of the investment portfolio	295,641	290,000
	298,589	292,948

None of the direct holdings of stock exchange investments at the year-end exceeded 5% of the portfolio.

15. DEBTORS

	2012/2013 £	2011/2012 £
Management income owed to the Trust	148,449	139,949
Other debtors	9,264	14,504
Prepayments and accrued income	703	4,651
Refund of Management Charge	(69,628)	(18,156)
	88,788	140,948

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012/2013 £	2011/2012 £
Accruals and deferred income	54,475	75,584
Completion of investment property purchase	298,000	-
	352,475	75,584

17. FREEHOLD SCHEME OF MANAGEMENT

	£	£
Funds brought forward as at 05/04/2012 as previously stated		(159,940)
Balancing charges 2012/13		159,940
Surplus for 2012/13	(69,628)	
Balance refundable to freehold charge payers in 2012/13	69,628	
Funds carried forward as at 05/04/2013	-	-

18. INDEMNITY INSURANCE

During the year ended 5 April 2013 the Trust paid £4,124 (2012: £4,138) in respect of an insurance policy which indemnifies its Trustees and officers against the consequences of any neglect or default on their part and protects the Trust from any loss arising from the neglect or defaults to its Trustees or officers.

19. REMUNERATION OF THE TRUSTEES

No remuneration is paid to any of the Trust's Trustees (2012: Nil). No trustees were reimbursed for travelling expenses (2012: Nil).

20. MEMBERS LIABILITY

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RESTRICTED FUNDS

	As at 06.04.12 £	Incoming resources £	Resources expended £	Transfer £	As at 05.04.13 £
Main Restricted Fund	27,522	3,703	-	-	31,225
Stuart Goring Fund	2,834	-	-	-	2,834
	30,356	3,703	-	-	34,059

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

22. DESIGNATED FUND

	As at 06.04.12 £	Incoming resources £	Resources expended £	Transfers/ gains & losses £	As at 05.04.13 £
Designated Fund	900,084	-	-	189,665	1,089,749

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

23. ANALYSIS OF NET ASSETS BY FUND

Fund balances at 5 April 2013 are represented by

	General Fund £	Restricted Fund £	Designated Funds £	Total Funds £
Tangible fixed assets	228,098	-	310,031	538,129
Investments	145,132	-	779,718	924,850
Net current assets	239,868	34,059	-	273,927
	613,098	34,059	1,089,749	1,736,906

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

24. RESOURCES EXPENDED ALLOCATED TO FUNDS AND RELATING TO MANAGEMENT CHARGE YEAR ENDED 5 APRIL 2013

Expenditure items	Total £	General Fund & Restricted Funds £	Scheme of Management £	Cost per charge £	2011/2012 £
1. Staff costs:	369,455	62,807	306,648		
Staff salaries inc PAYE & NI, contract & temporary staff, employee & volunteer expenses, training costs					
Less:					
Income from fees on freehold applications			(115,056)		
Net staff costs			191,591	51.52	55.61
2. Premises costs:	55,214	9,386	45,828	12.32	12.09
Office rent, utilities, telephone, Council Tax, repairs and renewals, cleaning etc.					
3. Administrative costs:	63,906	10,864	53,042	14.26	13.32
Insurance (except for Trustees), office equipment, printing, postage & stationery, public relations, bank charges, depreciation					
4. Governance costs:	7,215	1,227	5,988	1.61	1.23
Trustee insurance					
5. Projects and amenities costs:	76,174	46,998	29,176	7.85	9.56
Maintenance of amenity areas and other projects					
6. Legal costs:	100,902	42,965	57,936		
Less:					
Legal costs recovered			(2,000)		
Net legal costs			55,936	15.04	18.82
7. Other professional costs:	36,432	19,100	17,332	4.67	5.50
Arboriculturalist, human resources, valuation and other advice					
Surveyor's fee for determination of the Management Charge	-	-	-	-	3.15
8. Audit fees:	13,901	2,238	11,663	3.14	1.61
Expenditure	723,199	195,585	410,556	110.40	120.89
Income from fees on freehold applications			115,056		
Income from recovery of legal fees			2,000		
Total management charges including in-year enfranchisers			480,185		
Total income			597,241		
Total expenditure			527,631		
Balance of Management Charges to be (charged) credited to freeholders			69,628	18.70	rounded figure

At 6 April 2012 management charges payable: 3,652. At 6 April 2013 management charges payable: 3,737. Mean for year: 3,719.

The Hampstead Garden Suburb Trust Limited

Formerly The New Hampstead Garden Suburb Trust Limited

(A company limited by guarantee and having no share capital)

862 Finchley Road, Hampstead Garden Suburb, London NW11 6AB

Tel: 020 8455 1066 / 020 8458 8085 Email: mail@hgstrust.org

Company number: 928520

Registered charity number: 1050098 Registered in England

