

REGISTERED CHARITY NUMBER: 205856

**Report of the Trustees and
Audited Financial Statements for the Year Ended 31 March 2009
For
HAMMERSMITH UNITED CHARITIES**

HAMMERSMITH UNITED CHARITIES

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For the Year Ended 31 March 2009**

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HAMMERSMITH UNITED CHARITIES

Report of the Trustees For the Year Ended 31 March 2009

The trustees present their report with the financial statements of the charity for the year ended 31 March 2009. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

205856

Principal address

Gloucester House
Sycamore Gardens
London
W6 0AS

Trustees

Mrs Susan Glass MBE	Chair
Mr Stephen Burke	Deputy Chairman
Cllr Adronie Alford	- appointed 19.09.08
Ms Elaine Ashton	
Mrs Maggie Burgess	
Mrs Sarah Burrell	
Mrs Angela Clarke	
The Reverend Simon Downham	
Mr Christopher Hammond	- reappointed 26.03.09
Mr Julian Hillman	
Mr John Howard	
Mr John Little	
Mr Michael Smith	
The Reverend Roger Thacker	- term of office ended 5.09.08
Mr William Wates	- appointed 17.01.08
Cllr Eugenie White	

Clerk to the Trustees

Stuart Sessions MBE

Auditors

haysmacintyre
Fairfax House
15 Fulwood Place
London
WC1V 6AY

Bankers

Allied Irish Bank
361 King Street
Hammersmith
London
W6 9NA

Solicitors

Russell Cooke
2 Putney Hill
Putney
London
SW15 6BX

HAMMERSMITH UNITED CHARITIES

Report of the Trustees For the Year Ended 31 March 2009

REFERENCE AND ADMINISTRATIVE DETAILS - continued

Investment Advisers

HSBC Global Asset Management
78 St. James's Street
London
SW1A 1HL

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and schemes subsequently issued by the Charity Commission and constitutes an unincorporated charity.

Induction and training of new trustees

The Clerk is responsible for the induction of new trustees, a process involving personal briefing, visits to the Charity's operations and detailed written guidance. A Trustees' Handbook provides trustees with a comprehensive reference pack that includes the governing instrument, details of activities, organisation, assets, accounts, responsibilities and procedures of the charity. This handbook forms the basis for induction or briefing of new board members, staff and professional advisors.

All trustees are encouraged to attend central training. Events, visits and individual training course are organized for trustees to brief them on best practice or current and relevant issues in specialist areas such as housing.

Organisational structure

Hammersmith United Charities is an unincorporated trust constituted under a scheme last revised by The Charity Commission in July 1992 and amended by order on 12 February 2007 - registration number: 205856.

An Order of the Commissioners made under Section 36 of the Charities Act 1993 dated 12 February 2007 gave trustees limited authority to amend the trusts; a further amendment was made by trustees and approved by the Commissioners on 20 August 2008.

The Charity is also a "registered social landlord" in accordance with the rules and regulations of the Housing Corporation - registration number: 1789.

In 1618, Dr Thomas Edwards gave £100 to the poor of Fulham to buy them lands. Two years later, in 1620, Bishop John King, the then Bishop of London (after whom the main street in Hammersmith is named) donated £20 for a similar purpose. These two sums were added together and Dr. Edwards and Bishop King's Fulham Charity was established. Much later, in 1834, the hamlet of Hammersmith became a separate parish to Fulham and, in 1863, the Charity Commissioners ordered that the income and assets from the combined Charities of Dr Edwards and Bishop King should be divided equally between a Fulham and Hammersmith branch; the latter being the "root" of Hammersmith United Charities.

Other benefactors accumulated between the 17th and 19th Centuries. Whilst the terms of each of the benefactor's wills were different, the general thrust of each was for the care and well-being of the poor of Hammersmith and, in June 1923, the Charity Commissioners decreed that all the then individual Charities should amalgamate, under the title of Hammersmith United Charities. The two main branches of the Charity under the present Governing Instrument are the provision of housing for the elderly, derived from the inheritance of that responsibility from three, predecessor, almshouse organisations, and a general grant-making or 'Relief in Need' branch, inherited from 13 individual charities established for that purpose. The Extra Care branch, which was introduced by the 1992 revised Scheme to enable the provision of a frail elderly unit in a specific part of the Charity's property (Gloucester House), went into abeyance in January 2008 when Gloucester House closed.

HAMMERSMITH UNITED CHARITIES

Report of the Trustees For the Year Ended 31 March 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

The Charity is governed by a board of Trustees comprised of:

	Number of Persons
Ex-officio Trustee	1
Nominated Trustees	9
Co-opted Trustees	9

Ex-officio Trustee - incumbent vicar of St Paul's Hammersmith.

Nominated Trustees - eight appointed by the Council of the London Borough of Hammersmith and Fulham (number amended under the authority of the Commissioners given on 20.08.08)
- one appointed by the Governors of the Latymer Foundation.

Co-opted Trustees - nine persons who through residence, occupation, employment or otherwise have special knowledge of the area of benefit (number amended under the authority of the Commissioners given on 20.08.08).

Trustees are appointed for a period of four years after which period they may seek re-appointment.

The governance of the charity is organised as follows:

The full trustees meet not less than four times annually. Each of these meetings will deal with one or more strategic issues and will also include on a rotational basis: budget; risk; estate and maintenance issues; housing.

Specific duties in relation to aspects of the roles of the Charity are delegated by the full trustees to a number of sub-committees. All report on their activities to the full trustees at their quarterly meetings.

Task groups of trustees and staff may also be formed from time to time to carry out time limited work on issues that demand a more focussed attention by trustees with specific knowledge of the issues involved; examples would include: a steering group to supervise initiation, progress on or completion of a high risk or high value or profile project; a study into terms and conditions of staff; recruitment of key personnel.

The general business of the charity is conducted under the scrutiny of sub-committees that report to the board:

The Finance Committee: This deals with all matters of finance, personnel and pressing issues that might concern the main board and require trustee oversight, other than those dealt with by the other specialised groupings; meetings are held six times a year. Health and safety is also taken by this committee, which scrutinises work of the Charity's health and safety officer and its systems and reviews its annual health and safety audit, carried out by external examiners.

Housing Committee: This committee is responsible for oversight of the housing operations of the charity, standards, performance, future policy, financial sustainability, admissions and day to day matters that may from time to time be referred by the Clerk. The committee meets four or five times per year and will also provide members for Admissions Committees on an as required basis. The committee has a continuing programme of training, visits to other sheltered schemes and assisted living organisations to keep current with best practice in the field.

HAMMERSMITH UNITED CHARITIES

Report of the Trustees For the Year Ended 31 March 2009

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Governance Group: A small committee of the main board is mandated to keep under scrutiny all matters related to the governance of the charity, including the relevance of the Governing Instrument, trustee recruitment, election, training, conflict of interest, performance and ethical standards and the governing structure itself.

Relief in Need: This committee is charged by the main board with directing efforts to increase public benefit through the Charity's relief in need power, directing the charity's work in that area, setting its strategy and supervising its implementation.

Day to day operations of the Charity are carried out by professional staff, led by the Clerk, Stuart Sessions MBE. He is supported by a full time finance officer, a part time administrator and a part time administrative and finance assistant.

The two almshouses are staffed by one full time, one part time and one relief scheme manager or 'warden'. The trustees continue to believe that weekend and public holiday cover is necessary to support the more vulnerable of its beneficiaries and to permit them to continue to occupy their own homes for as long as they wish to do so. The Charity also retains a maintenance/health and safety person full time and a gardener/horticultural activities organiser on a part time basis.

Risk Management

The Trustees have considered the risks facing the charity and have established systems to review and manage those risks. The Trustees consider the two main risks that now face the Charity to be as follows:

- a. Investment risk coupled with decisions on major projects to be initiated during the forthcoming reporting period.
- b. Continuing reliance on a small number of key, professional staff.

Intensive and detailed study of investment strategy and operations has continued following the full review carried out during the last reporting period. Trustees' access to accurate and timely information and analysis remains a high priority task and specialist advisors and financial sensitivity analysis models have been acquired to help trustees in their decision making processes.

The issue of replacing the Clerk in the event of unplanned departure or incapacity remains a concern yet to be satisfactorily addressed; however, by autumn 2010 work will be initiated to augment the charity's staff with a senior housing manager, part of whose duties will include senior management cover in the event of the Clerk's absence. Responsibilities in the finance function have now been diversified, with intensive training of the finance officer and assistant and the introduction of an external accountant.

The Charity continues to benefit from the advice and support it derives from membership of the Almshouse Association, NCVO and the Association of Charitable Foundations. Links with geographically and operationally close charities, Harrison Housing and Shepherds Trust continue to provide useful benefits as does participation in the West London Almshouse group.

HAMMERSMITH UNITED CHARITIES

Report of the Trustees For the Year Ended 31 March 2009

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity exists to provide for those in need within its area of benefit, the former Metropolitan Parish of Hammersmith. It is currently empowered to do this:

- a. By providing supported living accommodation for the elderly needy who have at least five years of association with the area of benefit;
- b. As noted above, the exercise of the power to provide extra care accommodation in Gloucester House went into abeyance in January 2008.
- c. Through a relief in need power to support, "either generally or individually, persons resident in the area of benefit who are in conditions of need, hardship or distress".

Aims and Strategies to Achieve Objects and Extend Public Benefit

Trustees announced last year that they intended to forward the work of the charity in five areas during this reporting period:

Housing Operations: Agree the design of and achieve planning permission for a rebuilt Gloucester House that will provide the highest achievable standards of sheltered accommodation, make best use of the Sycamore Gardens site and increase the charity's ability to offer sheltered housing to those in need by 30%.

Relief in Need: Carry out an authoritative assessment of poverty and social exclusion in the area of benefit with the aim of identifying the needs of the poorest and formulating a long term strategy by which the charity might meet them. The focus of this assessment was to provide a structure, through a strengthened relief in need power, by which trustees could significantly increase the public benefit available from the charity's assets by means of grant-making.

Maximise Value of Assets: Complete implementation initiated during the previous reporting period of the plan for reorganisation of the charity's assets, including sale of a number of properties and the initiation of a plan to maximise the value to the charity of one of its commercial property holdings.

Governance Reform: Carry out a complete review of the governing instrument and governance arrangements; compare the charity's current scheme with the needs identified in the charity's area of benefit and the charity's future role; recommend governance changes necessary to meet those needs and the charity's role; if warranted, agree revisions to the governing instrument with the Charity Commission resulting from this process.

Organisational Change Management: Further advance financial and administrative systems of the charity in line with and in support of the ongoing and planned future changes in order to adapt to future roles and organisation.

Public Benefit

The Trustees confirm that they have complied with their duty under Section 4 of the Charities Act 2006 to have due regard for the public benefit. In their report of 2008, trustees set out their plans to increase and maximise the value of the charity's work and assets for this purpose, identifying five streams of work intended to achieve that increase. This document records the continuation of that effort in the work outlined above.

The public benefits delivered by the charity's work and planned for current and future operations are as laid down in the following section, Achievement and Performance.

As stated above, the trustees have initiated internal and an authoritative, external review of need in order to:

- a. Ensure the charity's present activities reflect actual need within the area of benefit.
- b. Shape future work to meet proven needs.
- c. Focus that work and the resources of the charity on those most in need.

HAMMERSMITH UNITED CHARITIES

Report of the Trustees For the Year Ended 31 March 2009

ACHIEVEMENT AND PERFORMANCE

Housing Activities

Accommodation in the charity's supported housing is currently restricted to those over the age of 60, in need and qualified by length of residence in or association with the charity's area of benefit.

Both almshouses have, to all intents and purposes, been in full occupation, with void periods attributable to the long term refurbishment programme at both sites. The charity currently provides 68 supported living flats in two locations. Through redevelopment of the Gloucester House site, the charity intends to increase the public benefit of its housing operation by providing between 20 and 22 additional flats.

Plans for the redevelopment of Gloucester House were submitted for pre-planning approval during the reporting period and feedback was received. The complexity of the site and the need to provide accommodation matching the Borough's housing needs required close liaison with Hammersmith and Fulham Homes and the Borough's Housing Department during their own reorganisation of housing stock; this has resulted in a more lengthy consultation and design period than anticipated. Submission for full planning permission is currently planned to take place in August 2009 with start on site anticipated early in 2010 and work completed in mid 2011.

At Sycamore House four flats were fully refurbished in the reporting year, leaving only three out of 28 flats that have not undergone full refurbishment since 2004. Those three flats will be refurbished when residents permit or cease to occupy, whichever occurs sooner. All available ground floor flats have now been fitted with fully accessible wet rooms. Only two ground floor flats do not now have a fully accessible wet room of which one will be completed in the forthcoming financial year.

In John Betts House, a full redesign, rebuild and refit of the communal lounge, entrance and storage area was completed in the reporting year, providing an aesthetically pleasing and much used new facility. A programme of kitchen redesign also started. Some flats provide an unusually small space for the kitchens, with limited storage. Maximisation of the space therefore requires individual design and made to measure units in projects costing some £6500 per kitchen. Two flats were completed during the reporting period.

A trial, level access wet room has been fitted to a ground floor flat in John Betts House; it is due for occupation early in the new financial year and, if successful, may prove a pattern for future adaptations.

A full programme of events, trips and visits at both sites has provided a means of solidifying and extending the sense of community of residents and building internal relationships.

The work of our part time gardener continues to provide gardens of very high quality. She has also initiated a number of new projects that are increasing both internal participation in horticultural activities and involving all generations from the wider community in the life of one of our almshouses. The level of involvement of residents and the quality of their work is demonstrated once again by the London Garden Society awards; in some individual categories, Hammersmith United Charities provided three of the four finalists. The gardens at both sites and the mobilisation work of our gardener, Jackie Thompson, continue to provide high quality additions to the service the Charity provides to its residents.

Relief in Need Activities

Trustees set aside a limited budget for relief in need activities during the reporting period. A decision was taken to make one grant of £4,000, to Hut Association, a local organisation active in this charity's area of benefit for some 30 years. The grant was intended to provide the organisation with the means to survive a period of substantial difficulty that began when it lost its premises and therefore the majority of its income. As part of the attempt to re-establish the Hut Association and to make the best use of Gloucester House before its demolition, trustees also agreed that Hut Association could occupy part of the disused building under licence at no charge. Hut Association will run series of events and courses that Sycamore House residents will be permitted to attend without cost.

Report of the Trustees
For the Year Ended 31 March 2009

ACHIEVEMENT AND PERFORMANCE - continued

Work was also commissioned by the Relief in Need committee from WRVS intended to identify whether there was a need for an information centre for older people in the north of the Borough. This work resulted in greater understanding of where gaps in provision existed and contributed to the design brief for the new Gloucester House. Trustees will now seek ways to establish and support a volunteer based befriending, security, handyman and helpline service for older people in the north of the Borough as a result of this study, perhaps in conjunction with space provided for an operational partner in the new Gloucester House. A further advantage to HUC of the Hut Association residency is the practical experience of partnership working in the present Gloucester House bringing knowledge of the administrative, legal and general conditions to do so successfully prior to any such arrangement in the new Gloucester House.

The final, major work of the year was the initiation and joint funding with Notting Hill Housing, London Borough of Hammersmith and Fulham and the Parish of St Paul's into an area specific study of urban exclusion in the Charity's area of benefit. The study is to identify for trustees and other partners specific gaps in social provision and a focus, both geographical and sectoral, for the Charity's relief in need work. The study is being carried out by a team led by Professor Anne Power of the Centre for the Analysis of Social Exclusion at the London School of Economics and will report early in the new financial year.

Maximisation of Value of Assets

Trustees implemented a strategy agreed during the previous financial year to maximise the value of its assets. This involved sales of four of the charity's residential investment properties. The first of these was sold prior to the property crash, at a premium to the market. Overall good value was achieved for the four sales despite the crash in residential property prices that occurred mid-way through the process. Half of the capital raised was placed on a fixed rate of 6.25% prior to the Bank of England's reduction in those rates to 0.5% with the balance kept on a variable rate, CCLA, AAA V1 rated deposit.

Work began to maximise the worth of 2 Ravenscourt Road, a goods yard on a prime site close to Hammersmith Town Hall and the King Street Regeneration area. Architects were appointed and the process of achieving planning permission began for the site's conversion to higher value use. Achievement of planning permission, which is expected in the second quarter of the new financial year, will increase the sites value beyond the cost of achieving planning permission and will permit trustees to consider a range of further options intended to maximise the value of the asset to the Charity. The intention of the trustees is to use this asset to enable a substantial increase in funding to the Charity's relief in need power.

Trustees and Governance Issues

A review of the relevance of the charity's governing instrument has been carried out led by the changes envisaged by trustees and outlined above. Once collection of information and planning for future roles had been completed, Trustees took the decision to modernise the scheme. A draft proposal for a series of changes to the corporate structure will be placed before the Charity Commission and Tenants' Services Authority early in the new financial year. The changes either already proposed or to be proposed include:

- a. Incorporation of a second charity to be followed by a uniting order, if approved by the Charity Commission.
- b. Maintenance of ownership of specie endowed property in the original charity with management responsibility passed to the incorporated charity as the single trustee. Delegation of powers over non-specie endowed and general funds to the incorporated body.
- c. Revision of the scheme to reflect the current needs of the beneficiary population as identified in the research commissioned for the purpose and therefore the organisation of the charity and the equal status of relief of poverty as a task for trustees.
- d. Rebalancing of trustee appointment arrangements in order to permit a skill based approach to governance.

Internal reorganisation of governance arrangements was also completed that, inter alia:

- a. Expanded the role of the Housing Committee, as reflected in the introductory paragraphs of this report.
- b. Focussed the role of the Finance Committee.
- c. Established a special purpose group reporting to the Finance Committee that provides trustee oversight and direction of the Gloucester House and 2 Ravenscourt Road projects.
- d. Agreed a skills and matrix appropriate to the charity's present and intended future roles in order to assist in transition to a skills based approach to trustee training, selection and performance appraisal.

ACHIEVEMENT AND PERFORMANCE - continued

Management and Administration

The charity has carried out intensive training of both finance officer and part time finance assistant during the reporting year. This has focussed on segregation of tasks that were formerly carried out by the finance officer alone, permitting a more stable and diversified allocation of work. The main future changes now involve:

- a. The establishment of responsibility budgets. Work was set in hand to involve all staff in budget preparation for the first time this year, leading to the most comprehensive of budgets yet set. Substantive challenges of training and systems have still to be met, but a solid start has been made.
- b. Adoption of specialist housing management software intended to prepare the charity's housing operation for its 2010/11 expansion and train and familiarise all staff with the tools needed to manage a larger housing operation efficiently. Full adoption is planned for Q3 of the next financial year.

A full review of management and operational capacity has been carried out during the year and a decision has been taken to recruit a full time housing manager to take over management of the housing operation once its expansion by construction of the new Gloucester House has been completed. As part of the HCA bid process, this review takes into account a 30 year view of the financial viability of the housing operation.

FINANCIAL REVIEW

The value of total funds carried forward at 31 March 2009 increased from £16.8m to £24.1m. This major variance results from a revision to the method of valuation of the Charity's property following professional advice. The upgrading in property asset values masks a number of other, significant variances:

- a. Sale of four residential investment properties, net proceeds of which remain on deposit in cash and which remains classified as permanent endowment.
- b. Absence of income and expenditure from the activities of the care home resulting from its closure.
- c. Major investment in the redevelopment of 2 Ravenscourt Road, noted under "Investment Management Costs".
- d. Major investment in almshouse refurbishment shown under, "Housing Activity" resulting from the refurbishment activity outlined above.
- e. A reduction of £1.33m in the value of the Charity's investments when valued at 31 March 2008. Investment income has reduced but not to a level consistent with the reduction in investment portfolio value or dividend yields; this was due to decisions on asset allocation and the amount of cash held on high interest, fixed deposit.

Investment Review and Performance

As previously reported, trustees selected HSBC Global Asset Management as the Charity's new investment managers following an assessment process. The process of transfer of management was significantly delayed by the bureaucracy involved in any such appointment; the four months that elapsed before the portfolio was fully restructured undoubtedly contributed to the poor performance of the investment portfolio over the period.

The asset allocation agreed did, however, offer partial protection against the downturn, with the fixed interest element outperforming against the equities allocation.

Trustees have kept the status and possible investment options related to 2 Ravenscourt Road under continuous and detailed review during the reporting period and have now identified five possible options intended to maximise the value of that asset. A decision is expected in the forthcoming financial year.

HAMMERSMITH UNITED CHARITIES

Report of the Trustees For the Year Ended 31 March 2009

FINANCIAL REVIEW- continued

Reserves Policy

Levels of reserves are maintained based on guidance issued by the Almshouse Association for the cyclical maintenance and repair of the properties. These reserves will be expended over the cyclical and extraordinary maintenance cycles.

The trustees consider it prudent to retain free reserves equivalent to 12 month's expenditure, which is budgeted to reach £811,000 in 2009.

General funds at the year end exceeded the level identified by trustees who are therefore able to consider investment of reserves to increase the income available to fund an increased Relief in Need programme.

FUTURE DEVELOPMENTS

The aims of the Trustees for the forthcoming year are therefore to:

Housing Operations

- (i) Gain planning permission for and initiate work on the building of Gloucester House;
- (ii) Agree a model for the Charity's housing operation that will make it fully self-sustaining.
- (iii) Introduce and become proficient in use of specialist housing management software in preparation for the 30% increase in provision that will occur in 2011.
- (iv) Continue the Charity's internally funded programme of flat and communal area refurbishment intended to provide excellently designed and maintained individual and communal facilities.
- (v) Complete preparations for the expansion of the charity's housing operation including increase of its housing management capacity.

Relief in Need Operations

- (i) Review, disseminate and agree an action plan to forward the results of the LSE poverty review commissioned during 2007/8.
- (ii) Agree a long term plan for development of the Charity's grant-making operations.
- (iii) Establish relationships within the Borough and beyond that will result in synergies and add value to the Charity's own activities.
- (iv) Make grants consistent with the charity's budget and its understanding of priority needs in the Borough and continue work to develop the charity's capacity to run its relief in need operations.

Asset Maximisation: Continue reorganisation of assets intended to maximise value, and in particular:

- (i) Agree a plan for the future of the 2 Ravenscourt Road site that maximises its long term value to the charity and creates the maximum possible, additional income stream for relief in need operations.
- (ii) Achieve the maximum possible grant for building of Gloucester House and pursue other possible methods of raising capital for this project.
- (iii) Review and pursue other possible methods of increasing public benefit in a way that reduces the charity's core costs.

Governance: Complete modernisation of the charity's governance arrangements, and in particular:

- (i) Agree modernised objects, incorporation and complete the associated negotiations and agreements with the relevant authorities.
- (ii) Implement changes needed to increase the trustees' flexibility in their methods of increasing public benefit and operational efficiency, including tax efficiency.

HAMMERSMITH UNITED CHARITIES

Report of the Trustees For the Year Ended 31 March 2009

CONCLUSION

A period of renewal is necessary from time to time for an ancient charity such as HUC to maintain its relevance and focus. To contemplate undertaking comprehensive renewal by embarking on plans of such breadth requires great commitment of time and intellect by both staff and board. This current period of energetic renewal is being achieved through the happy conjunction of a clerk whose hard work, commitment, innovative thinking and willingness to stretch the boundaries of his knowledge has been coupled with a body of particularly engaged trustees who have given unstintingly of their experience. This type of change demands a high time commitment and attendance at meetings scheduled and unscheduled. The chair would like to commend the generosity of spirit of all the HUC trustees, and indeed the clerk, who have given so freely of their time.

However determined, a trustee body cannot be fully effective without staff support. Our office staff have welcomed and initiated change while maintaining a robust cheerfulness. Our almshouse staff continues to support our beneficiaries in maintaining as independent a life as is possible while offering ample help when independence becomes more difficult.

This is an exciting time to be part of HUC, whether as a member of staff or as a board member. It is the trustees' hope that together we will continue to advance towards the attainment of the objectives we have set ourselves for the coming year.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HAMMERSMITH UNITED CHARITIES

Report of the Trustees For the Year Ended 31 March 2009

STATEMENT ON INTERNAL FINANCIAL CONTROLS

The Trustees acknowledge their ultimate responsibility for ensuring that the charity has in place a system of controls that is appropriate to the environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the charity or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

Controls and procedures in place include the following:

- procedures are in place, including segregation of duties wherever feasible, which allow the monitoring of controls and restrict the unauthorised use of the charity's assets;
- experienced and suitably qualified staff take responsibility for important business functions with annual appraisal procedures in place to maintain standards of performance;
- forecasts and budgets are prepared which allow the Trustees and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term;
- regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorization procedures;

Trustees reviewing reports from management and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed;

AUDITORS

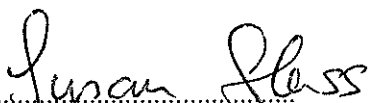
The auditors, haysmacintyre are willing to be reappointed as auditors for the forthcoming year.

HAMMERSMITH UNITED CHARITIES

Report of the Trustees
For the Year Ended 31 March 2009

APPROVAL

On behalf of the Board:

A handwritten signature in cursive script that reads "Susan Glass". The signature is written in black ink and is positioned above a dotted line.

.....
Mrs Susan Glass MBE – Chairman of Trustees

Date: 24 September 2009

Report of the Independent Auditors to the Trustees of Hammersmith United Charities

We have audited the financial statements of Hammersmith United Charities for the year ended 31 March 2009 which comprise the statement of financial activities, balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with the regulations made under the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. 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 and are properly prepared in accordance with the Charities Act 1993, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

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

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 charity's circumstances, consistently applied and adequately disclosed.

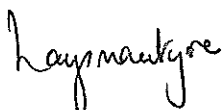
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

**Report of the Independent Auditors to the Trustees of
HAMMERSMITH UNITED CHARITIES**

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 March 2009 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords Determination 2006.



haysmacintyre
Chartered Accountants & Registered Auditors
Fairfax House
15 Fulwood Place
London
WC1V 6AY

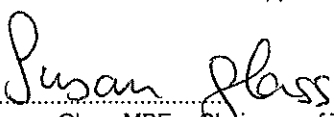
Date: 24 September 2009

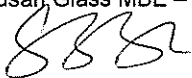
HAMMERSMITH UNITED CHARITIES
Statement of Financial Activities
For The Year Ended 31 March 2009

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2009 Total funds £	2008 Total funds £
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	2	8,110	-	-	8,110	1,224
Investment income	3	442,750	-	-	442,750	478,899
Incoming resources from charitable activities						
Care home activity-Discontinued	4	-	-	-	-	324,496
Housing activity		377,206	-	-	377,206	321,097
Relief in need and grants		-	15,000	-	15,000	-
Other incoming resources		3,215	-	-	3,215	2,576
Total incoming resources		831,281	15,000	-	846,281	1,128,292
RESOURCES EXPENDED						
Costs of generating funds						
Investment management costs	5	311,232	-	-	311,232	72,103
Charitable activities						
Care home activity-Discontinued	6	-	-	-	-	912,761
Housing activity		697,330	-	-	697,330	468,385
Relief in need and grants		22,029	15,000	-	37,029	-
Governance costs	8	35,579	-	-	35,579	35,751
Total resources expended		1,066,170	15,000	-	1,081,170	1,489,000
NET INCOME/(EXPENDITURE) FOR THE YEAR						
		(234,889)	-	-	(234,889)	(360,708)
Realised gain on Fixed Assets		-	-	8,665,975	8,665,975	(438,159)
Unrealised(losses)/Gains on Investments		(1,284,443)	-	182,901	(1,101,542)	(1,368,401)
Net movement in funds		(1,519,332)	-	8,848,876	7,329,544	2,167,268
RECONCILIATION OF FUNDS						
Total funds brought forward		6,661,935	-	10,072,500	16,734,435	18,901,703
TOTAL FUNDS CARRIED FORWARD		5,142,603	-	18,921,376	24,063,979	16,734,435

All activities are continuing apart from care home activities.

The financial statements were approved by the Board of Trustees on 24 September 2009 and were signed on its behalf by:


 Mrs Susan Glass MBE – Chairman of Trustees


 Mr Stephen Burke – Deputy Chairman of Trustees


HAMMERSMITH UNITED CHARITIES

Balance Sheet
At 31 March 2009

	Notes	2009 Unrestricted funds £	2008 Total funds £
FIXED ASSETS			
Tangible assets	14	13,560,088	4,922,439
Investments			
Investments	15	5,314,685	6,650,116
Investment property	16	<u>2,620,000</u>	<u>5,222,500</u>
		21,494,773	16,795,055
CURRENT ASSETS			
Debtors	17	57,389	39,335
Cash at bank		<u>2,625,288</u>	<u>29,213</u>
		2,682,677	68,548
CREDITORS			
Amounts falling due within one year	18	(113,471)	(129,168)
		<u>(113,471)</u>	<u>(129,168)</u>
NET CURRENT (LIABILITIES)/ASSETS		2,569,206	(60,620)
TOTAL ASSETS LESS CURRENT LIABILITIES		24,063,979	16,734,435
NET ASSETS		24,063,979	16,734,435
FUNDS	19		
Unrestricted funds:			
General fund		5,142,603	6,661,935
Endowment funds		<u>18,921,376</u>	<u>10,072,500</u>
TOTAL FUNDS		24,063,979	16,734,435

The financial statements were approved by the Board of Trustees on 24 September 2009 and were signed on its behalf by:


.....
Mrs Susan Glass MBE - Chairman of Trustees


.....
Mr Stephen Burke - Deputy Chairman of Trustees

HAMMERSMITH UNITED CHARITIES

Notes to the Financial Statements For the Year Ended 31 March 2009

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007), the Charities Act 1993 and the requirements of the Statement of Recommended Practice: Accounting by Registered Social Landlords (RSL SORP). Where it does not conflict with the RSL SORP, the accounts also have had regard to the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005).

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs are those costs incurred in connection with enabling the company to comply with external regulation, constitution and statutory requirements and in providing support to the trustees in the discharge of their statutory duties.

Allocation and apportionment of costs

Support costs are the costs of central management. These costs are apportioned to activities on a per capita basis.

Tangible fixed assets

All assets costing more than £500 are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	-25% on reducing balance
Fixtures and fittings	-15% on reducing balance
Computer equipment	-30% on reducing balance

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Pension costs and other post-retirement benefits

Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

HAMMERSMITH UNITED CHARITIES

Notes to the Financial Statements - continued
For the Year Ended 31 March 2009

2. VOLUNTARY INCOME

	2009 £	2008 £
Donations	8,010	1,224
Bequests & legacies	<u>100</u>	<u>-</u>
	<u>8,110</u>	<u>1,224</u>

3. INVESTMENT INCOME

	2009 £	2008 £
Rents receivable	119,302	169,061
Dividends received	231,453	304,612
Interest receivable	87,795	5,226
Management fees	<u>4,200</u>	<u>-</u>
	<u>442,750</u>	<u>478,899</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Activity	2009 £	2008 £
Care home activity (Discontinued)	-	324,496
Housing activity	377,206	321,097
Relief in need and grants	<u>15,000</u>	<u>-</u>
	<u>392,206</u>	<u>645,593</u>

5. INVESTMENT MANAGEMENT COSTS

	2009 £	2008 £
Property costs	6,714	4,392
Running costs	571	6,535
Legal & professional costs	277,485	27,995
Other costs	470	5,739
Support costs	<u>25,992</u>	<u>27,442</u>
	<u>311,232</u>	<u>72,103</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 7) £	Totals £
Housing activity	426,789	270,541	697,330
Relief in need and grants	<u>32,976</u>	<u>4,053</u>	<u>37,029</u>
	<u>459,765</u>	<u>274,594</u>	<u>734,359</u>

Direct costs includes staff cost of (£87,304) and other cost of (£339,485).

HAMMERSMITH UNITED CHARITIES

Notes to the Financial Statements - continued
For the Year Ended 31 March 2009

7. SUPPORT COSTS

	Staff costs £	Office costs £
Investment management costs	14,822	1,388
Governance costs	22,233	2,083
Housing activity	144,515	13,538
Relief in need and grants	<u>3,706</u>	<u>347</u>
	<u>185,276</u>	<u>17,356</u>

	Depreciation £	Totals £
Investment management costs	9,782	25,992
Governance costs	-	24,316
Housing activity	112,488	270,541
Relief in need and grants	<u>-</u>	<u>4,053</u>
	<u>122,270</u>	<u>324,902</u>

Support costs are the costs of central management. These costs are apportioned to activities on a per capita basis.

8. GOVERNANCE COSTS

	2009 £	2008 £
Legal & professional	10,063	10,369
Other costs	1,200	1,145
Support costs	<u>24,316</u>	<u>24,237</u>
	<u>35,579</u>	<u>35,751</u>

9. EMOLUMENTS OF TRUSTEES AND SENIOR MANAGEMENT TEAM

There were no trustees' remuneration or other benefits for the year ended 31 March 2009 nor for the year ended 31 March 2008.

The aggregate emoluments of senior management Team were £60,387 (2008: £53,282). The remuneration of the Clerk comprised salary of £60,387 and pension contribution of £5,133 (2008: £53,282 and £4,524 respectively). The Clerk is an ordinary member of the defined benefit pension scheme with no special terms or rights to enhanced benefit.

HAMMERSMITH UNITED CHARITIES

Notes to the Financial Statements - continued
For the Year Ended 31 March 2009

10. STAFF COSTS

	2009 £	2008 £
Wages and salaries	221,005	533,450
Social security costs	21,777	38,012
Pension costs	<u>7,690</u>	<u>16,354</u>
	<u>250,472</u>	<u>587,816</u>

The average number of full-time equivalent employees during the year was as follows:

	2009	2008
Care workers	-	13
Operational staff	6	6
Management staff	<u>3</u>	<u>3</u>
	<u>9</u>	<u>22</u>

Included in wages and salaries is £9,633 (2008 - £66,200) payment in respect of agency staff during the year.

One employee received emoluments of more than £60,000 during the year (2008 - Nil).

11. NET OUTGOING RESOURCES

This is stated after charging:

	2009 £	2008 £
Auditors' remuneration – audit services	10,063	9,988
Auditors' remuneration – other services	9,775	3,108
Depreciation of tangible fixed assets: - owned by the charity	122,270	141,069
Pension costs	<u>7,690</u>	<u>16,354</u>

12. HOUSING INCOME

	2009 £	2008 £
Gross income: rent & service charge	388,229	761,933
Less: voids	<u>(11,023)</u>	<u>(116,340)</u>
Net maintenance contribution & service charge as per SOFA	<u>377,206</u>	<u>645,593</u>
Voids	<u>11,023</u>	<u>116,340</u>

The level of voids reflects the contribution made by the closure of Gloucester House, the Charity's residential care home.

HAMMERSMITH UNITED CHARITIES

Notes to the Financial Statements - continued
For the Year Ended 31 March 2009

13. OPERATING COSTS FROM HOUSING INCOME

	2009	2008
Housing Accommodation - number of units	<u>68</u>	<u>90</u>
	£	£
Services	166,677	660,767
Management	327,190	341,249
Repairs and maintenance	203,464	331,417
Rent loss from bad debts	-	1,004
	<u>697,331</u>	<u>1,334,437</u>

14. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Computer Equipment	Furniture & Fittings	Totals
	£	£	£	£	£
COST					
At 1 April 2008	4,850,000	37,088	68,193	14,318	4,969,599
Additions	82,679	5,199	5,566	500	93,944
Revaluation	8,567,321	-	-	-	8,567,321
Disposals	-	-	-	-	-
	<u>13,500,000</u>	<u>42,287</u>	<u>73,759</u>	<u>14,818</u>	<u>13,630,864</u>
DEPRECIATION					
At 1 April 2008	-	16,345	17,316	13,499	47,160
Charge for year	98,654	6,486	16,932	198	122,270
Revaluation adjustment	(98,654)	-	-	-	(98,654)
Elimination on disposal	-	-	-	-	-
	<u>-</u>	<u>22,831</u>	<u>34,248</u>	<u>13,697</u>	<u>70,776</u>
NET BOOK VALUE					
At 31 March 2009	<u>13,500,000</u>	<u>19,456</u>	<u>39,511</u>	<u>1,121</u>	<u>13,560,088</u>
At 31 March 2008	<u>4,850,000</u>	<u>20,743</u>	<u>50,877</u>	<u>819</u>	<u>4,922,439</u>

The Charity's freehold properties, held for charitable purposes, were valued by Meadowcroft Surveyors LLP, at £13,500,000 on 31 March 2009 (2008- 4,850,000 by Dunphy & Hayes Limited, Chartered Surveyors). The carrying value prior to revaluation in 2000 was £5,161,540.

There were insufficient records available as to the period of ownership of these properties and the dates on which costs were incurred and hence, an estimate of depreciated historical cost would not be meaningful.

The Trustees, having taken professional advice, consider that the open market values of the freehold properties are significantly in excess of the existing use values. However, there is no intention to dispose of these properties in the foreseeable future and it was not therefore considered necessary to obtain a full market valuation.

There would be no potential tax liability if the properties were sold at the current market value provided the gains were applied for charitable purposes.

HAMMERSMITH UNITED CHARITIES

Notes to the Financial Statements - continued
For the Year Ended 31 March 2009

15. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2008	5,417,061
Additions	8,085,992
Disposals	(6,757,310)
Realised/unrealised gains/(losses)	(1,793,706)
	<u>4,952,037</u>
Cash awaiting investment	362,648
	<u>5,314,685</u>
Market value at 31 March 2009	<u>5,314,685</u>
Cost at 31 March 2009	<u>5,380,020</u>

The total investment assets held outside the UK was £1,519,499 (2008 – Nil).

Significant holdings: UK Govt Gilts - £484,221; HSBC Global Asset Management UK - £373,626; IShares - £417,027.

16. INVESTMENT PROPERTY

	£
MARKET VALUE	
At 1 April 2008	5,222,500
Disposals	(2,870,000)
Revaluation adjustment	<u>267,500</u>
At 31 March 2009	<u>2,620,000</u>
NET BOOK VALUE	
At 31 March 2009	<u>2,620,000</u>
At 31 March 2008	<u>5,222,500</u>

Freehold investment properties were valued on an open market basis by Meadowcroft Surveyors LLP, at £2,620,000 on 31 March 2009 (2008 - £5,222,500 by Dunphy & Hayes Limited, Chartered Surveyors).

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade debtors	31,430	15,223
Other debtors	12,838	24,112
Prepayments	<u>13,121</u>	-
	<u>57,389</u>	<u>39,335</u>

HAMMERSMITH UNITED CHARITIES

Notes to the Financial Statements - continued
For the Year Ended 31 March 2009

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	19,797	28,394
Taxation and social security	6,285	6,007
Other creditors	<u>87,389</u>	<u>94,767</u>
	<u>113,471</u>	<u>129,168</u>

19. MOVEMENT IN FUNDS

	At 1.4.08 £	Net movement in funds £	At 31.3.09 £
Unrestricted funds:			
General funds	6,661,935	(1,519,332)	5,142,603
Restricted Funds	-	-	-
Endowment funds	10,072,500	8,848,876	18,921,376
TOTAL FUNDS	<u>16,734,435</u>	<u>7,329,544</u>	<u>24,063,979</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds:				
General fund	831,281	(1,066,170)	(1,284,443)	(1,519,332)
Restricted funds:				
Relief in need	15,000	(15,000)	-	-
Endowment funds	-	-	8,848,876	8,848,876
	<u>846,281</u>	<u>(1,081,170)</u>	<u>7,564,433</u>	<u>7,329,544</u>

Following review of the property portfolio and advice from the Charity Commissioners, trustees have classified as endowment all specie and non-specie property owned by the Charity. The value shown under 'endowment funds' therefore represents the total value or movement in value of the Charity's specie and non-specie property during the accounting period.

HAMMERSMITH UNITED CHARITIES

Notes to the Financial Statements - continued
For the Year Ended 31 March 2009

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets	Investments	Net current assets/ (liabilities)	Total
	£	£	£	£
Unrestricted funds	60,087	5,314,685	(232,171)	5,142,601
Endowment funds	13,500,000	2,620,000	2,801,376	18,921,376
	<u>13,560,087</u>	<u>7,934,685</u>	<u>2,569,205</u>	<u>24,063,977</u>
TOTAL FUNDS	<u>13,560,087</u>	<u>7,934,685</u>	<u>2,569,205</u>	<u>24,063,977</u>

21. PENSION COMMITMENTS

Hammersmith United Charities participates in the SHPS (Social Housing Pension Scheme) administered by The Pension Trust. SHPS is a multi-employer defined benefit scheme. The scheme is funded and is contracted out of the state scheme. Due to its nature, it is not possible to identify the share of the underlying assets and liabilities belonging to the individual participating employers.

The actuarial valuation of the scheme revealed a deficit of £663 million as at 30 September 2008 compared with the deficit of the previous valuation in 2005 of £283 million. Hammersmith United Charities are now required to make past service deficit contributions in addition to the ongoing contributions for current members.

It was agreed to relate the past service deficit rate as a value equal to 7.5% of the pensionable payroll for each employer at 30 September 2008 increasing by 4.7% per annum. The 4.7% increase allowance represents the future earnings increase assumption used by the scheme Actuary in the valuation. This rate will be subject to review and may change following the next valuation due at 30 September 2011.

The employers' contributions during the accounting period were at the rate of 9.4% of pensionable salaries.