

**HAMMERSMITH UNITED CHARITIES**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**Registered Charity Number: 205856**

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# HAMMERSMITH UNITED CHARITIES

## TRUSTEE REPORT

### FOR THE YEAR ENDED 31 MARCH 2018

#### REFERENCE & ADMINISTRATIVE DETAILS

<b>Trustee</b>	Hammersmith United Trustee Company
<b>Trustee company registration number</b>	06928467
<b>Charity number</b>	205856
<b>Homes England number</b>	1789
<b>Registered office</b>	Sycamore House, Sycamore Gardens, London W6 0AS
<b>Directors of the Trustee</b>	

Mike Smith Chair	Retired accountant and banker
Julian Hillman * Deputy Chair	Chair of Hammersmith & Fulham Mencap (Term ended February 2018)
Vivienne Lukey * Chair Housing Committee & Deputy Chair	Hammersmith & Fulham Councillor and former Cabinet Member for Health & Adult Social Care
David Bailey Chair Finance & Investment Committee	Group Head of Marketing & Communications, Augentius (Appointed June 2017)
Sam Deards Chair of Grants Committee	Surveyor and Trustee of Hammersmith & Fulham Arts Festival
Marilyn Hawkins Chair of Governance Committee	Deputy Further Education Commissioner, Member of Mayoral Skills Taskforce
Iain Cassidy *	Hammersmith & Fulham Councillor and Caseworker for Andy Slaughter MP
Christabel Cooper *	Insight & Data Analyst (Appointed February 2018)
Chris Hammond #	Former Assistant Head Master Latymer Upper School. (Term ended April 2017)
Sian Davis #	Communications Manager, Latymer Upper School (Appointed April 2017)
Charlie Dewhirst *	Hammersmith & Fulham Councillor and Head of Communications, Yorkshire 2019 Ltd
Rev Simon Downham +	Vicar of St Paul's Church, Hammersmith (Term ended August 2017)
Rev Ben Humphries +	Associate Vicar, Parish of St Stephen & St Thomas Shepherd's Bush with St Michael & St George White City (Appointed August 2017)
John Little	Retired HR Director (Term ended October 2017)
Bernadette McGlew	Grants Manager, Porticus (Appointed December 2017)
William Wates	Member of the Investment Committee and Grants Committee, Wates Foundation and Chartered Building Surveyor, Fedalah Ltd

#### Appointees

\* Hammersmith & Fulham Council; # Latymer Foundation; + Bishop of Kensington

# HAMMERSMITH UNITED CHARITIES

## TRUSTEE REPORT

### FOR THE YEAR ENDED 31 MARCH 2018

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#### REFERENCE & ADMINISTRATIVE DETAILS (continued.)

##### Management Team

Chief Executive & Clerk to the Trustees

Tim Hughes

Head of Community Partnerships

Melanie Nock

Head of Housing and Property

Rita Nath-Dongre

Head of Finance and Investment

Robert Woolf

##### Housing team

Cathy Lehane, Scheme Manager, Sycamore House

Jackie Thompson, Community Gardener/Horticulturalist

Jill Hampson, Scheme Manager, John Betts House

##### Support staff

Gaia Bini /Nora Laraki, Administrator job share

Rosemary Rinn, Finance Assistant

Eniyal Sahadevan, Finance Officer

**PhD student** (joint role with London Southbank University)

Carolyn Defrin, PhD Candidate, Arts & Communities

##### Auditors

haysmacintyre  
10 Queen Street Place  
London EC4R 1AG

##### Solicitors

Russell Cooke  
2 Putney Hill  
London SW15 6AB

##### Investment advisers

Dean Wetton Advisory  
100 Pall Mall  
London SW1Y 5NQ

##### Property advisers

Frost Meadowcroft  
Island Studios,  
22 St. Peters Square,  
London W6 9NW

##### Surveyors

Congreve Horner  
10 Princeton Court  
55 Felsham Rd  
London SW15 1AZ

##### Contact details

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London W6 0AS

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[facebook.com/hamunitedcharities](https://facebook.com/hamunitedcharities)



[@HamUnited](https://twitter.com/HamUnited)

## **HAMMERSMITH UNITED CHARITIES**

### **CHAIR'S INTRODUCTION**

#### **FOR THE YEAR ENDED 31 MARCH 2018**

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The Charity has now entered its 400<sup>th</sup> anniversary year, with a new website and 400<sup>th</sup> anniversary branding, 2017/18 saw the completion of our plans to celebrate this milestone with activities that have the aim of creating sustainable benefits and are built around the theme of bringing people from Hammersmith's diverse communities together (young and old, rich and poor, long-standing residents and newcomers, people with and without disabilities), enhancing connections as neighbours and colleagues and building a sense of belonging.

Celebratory activities which began in 2017/18 include our "Enigma" events, each hosted by a local cultural community centre, bringing together a diverse mix of people, and showcasing related food and arts. Each Enigma event also launches one of our series of republished memoirs from the Hammersmith & Fulham Ethnic Communities Oral History Project. Other events are planned throughout 2018.

We also moved forward with two key partnerships which we hope will bring benefits lasting many years beyond 2018. With Shepherds Bush Housing Group we have progressed our plans for a new-build inter-generational housing scheme. With our sister Charity in Fulham, Doctor Edwards and Bishop King's Fulham Charity, we have established UNITED in Hammersmith and Fulham as a new Charity able to fund charitable activities throughout the Borough. UNITED now has its own board of directors and programme manager and has secured funding for its first three years and is ready to become operational.

Our community partnerships and grants programme has been more active than ever in 2017/18, reaching over 3,700 beneficiaries. More details are given in the following pages, but it is particularly worth highlighting here our successes in securing funds from national programmes; these include funding to develop social enterprises addressing the needs of an ageing society, which we have been able to extend to Fulham through UNITED, and funding for place-based community action in Old Oak.

The year also saw a substantial investment in our sheltered housing schemes. Major plumbing and water pressurisation modernised works were completed at both John Betts House and Sycamore House at a cost of over £400,000. Safety is always our highest priority, and further expenditure was undertaken to enhance our fire safety and water hygiene measures. We also reviewed our eligibility criteria for housing, reducing the requirement for previous residence in Hammersmith from ten years to five, in order to widen the opportunity to enjoy our flats to more local older people.

The Charity continues to be financially strong. Although 2017/18 saw a small net reduction in funds, this is after accounting for over £500,000 of depreciation of our freehold properties, a non-cash item which does not reflect a change in their actual value. There was also a modest fall in the value of our investments, which must be seen in the context of strong rises in the previous two years. The balance sheet remains very strong and was enhanced by the sale of our vacant investment property at 1a Ravenscourt Road for considerably more than its book value. The investment policy was reviewed and updated during the year, and a seminar was held with the assistance of our external advisers to ensure that all trustees are fully informed on our investments.

All this activity is a tribute to the energy and skill of our small team of paid staff. I would like to thank them on behalf of the Board and our beneficiaries.

We also rely on the support of our volunteer trustees. Four longstanding trustees reached the end of their term of office. Julian Hillman, Chris Hammond, John Little and Simon Downham had all, in different ways, made an invaluable contribution to the Charity's development. We are grateful for their skills and commitment and look forward to continuing the Charity's relationship with them.

We reported last year that we were seeking to make some new trustee appointments, and we have been successful in recruiting five new trustees during the year, who offer the Charity a wide range of skills and experience as well as their determination to work to enhance the lives of Hammersmith residents.

With these foundations in place, we look forward with confidence to the remainder of our 400<sup>th</sup> anniversary year and to the opportunities and challenges that lie ahead.

Mike Smith

Chair



# **HAMMERSMITH UNITED CHARITIES**

## **TRUSTEE REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2018**

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#### **STRUCTURE, GOVERNANCE & MANAGEMENT**

The Charity is an unincorporated trust constituted by a scheme of the Charity Commissioners dated 14 July 1992 and amended by an order of 12 February 2007, a resolution dated 11 September 2008 and a further Scheme dated 3 March 2010 under which the Trustee was appointed as sole corporate trustee. The Trustee is a company limited by guarantee. The Charity is also a Registered Provider of social housing registered with Homes England.

##### **Method of appointment and election of trustees**

The trustee company is governed by a board of directors, referred to below as trustees, comprising co-opted trustees and nominated trustees. Trustees serve a term of 4 years and are eligible for re-election or re-appointment, but no trustee can serve more than 12 years.

Up to ten co-opted trustees are appointed, following a recruitment process that involves search and advertisement, of people who live or work locally or have special knowledge of the Charity's Area of Benefit (the eight northern wards of Hammersmith & Fulham). There are six nominated trustees; four appointed by the London Borough of Hammersmith & Fulham; one appointed by the governors of the Latymer Foundation; and one appointed by the Bishop of Kensington.

##### **Induction & training of new trustees**

All trustees are issued with a trustee handbook, which includes the governing instrument, latest financial statements and other briefing documents explaining the organisational structure and practice. Trustees make visits to meet beneficiaries and staff, and training is offered where appropriate.

The induction and ongoing training of trustees is reviewed regularly with a view to enhancing their skills and knowledge relating to Charity affairs.

##### **Public benefit**

Trustees have had regard to the guidance and the duties set out by the Charity Commission. The review of objectives and activities set out below gives example of how the organisation has furthered its charitable purpose for public benefit, including the grants programme and housing activities which reached over 3,700 beneficiaries.

##### **Organisational structure and decision making**

The Board of trustees meets four times a year and receives reports from the management team and trustee committees:

- Housing Committee
- Grants Committee
- Finance and Investment Committee
- Governance Committee

## **HAMMERSMITH UNITED CHARITIES**

### **TRUSTEE REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2018**

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The Board also receives reports from time to time from working groups or advisory committees, for example the Major Projects Group.

The Trustees are responsible for setting strategy and are in law responsible for the running of the Charity, with the day to day management of the organisation being delegated to the Chief Executive & Clerk to the Trustees. Specific areas of responsibility are undertaken by Committees with recommendations being made to the Board. For example: the Finance and Investment Committee has oversight of the Charity's investments, with the Charity's Investment Adviser; the Grants Committee scrutinises and approves grant applications and makes recommendations on changes to grant criteria in light of research and experience; and the Housing Committee oversees quality and performance and the capital programme to ensure the Charity continues to maintain the fabric of the sheltered housing (Almshouses) in good condition.

Two trustees represent the interests of the Charity on the Partnership Board of the Wormholt & White City Big Local, a ten-year programme (now at the half way point), which the Charity funds jointly with the National Lottery, working through the Local Trust which maintains oversight of the national Big Local programme.

The staff team of eleven (7.7 Full-Time Equivalents) comprises: the Chief Executive & Clerk to the Trustees; part-time Head of Community Partnerships; part-time Head of Housing & Property services, part-time Head of Finance & Investment (provided on a consultancy basis); two Sheltered Scheme Managers; Gardener/horticulturalist; two job share Administrators, Finance Officer, and part-time Finance Assistant.

Pay and reward of all staff including senior staff is reviewed on an annual cycle using benchmarking commissioned from an independent pay and reward specialist, and recommendations are made to the Board.

#### **Risk management**

The trustees have implemented a risk management policy which identifies significant risks which the organisation faces and proposes measures to mitigate and manage those risks, and includes the risk register, which is regularly reviewed, and external audits of health & safety and fire safety.

Risks assessed relate primarily to finance and assets, operations of the Charity's two sheltered housing schemes, which includes the delivery of a capital programme, and the reputation of the Charity. Mitigating actions include maintaining adequate reserves and healthy cash flow, regular review of the investment portfolio, maintaining good relationships with beneficiaries, and maintaining strong health & safety procedures.

#### **Memberships**

The Charity is a member of the Association of Charitable Funders, the g320 group of smaller London housing associations, the West London Almshouse Group, the National Almshouse Association, the National Council of Voluntary Organisations, the Grand Union Alliance, and the Housing Ombudsman Service. The Charity was also a member of the Almshouse Consortium until the end of the year.

# **HAMMERSMITH UNITED CHARITIES**

## **TRUSTEE REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2018**

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#### **OBJECTIVES AND ACTIVITIES**

The Charity's objects are to provide for those in need within its Area of Benefit, the former Metropolitan Borough of Hammersmith. The Charity's scheme directs it to do this:

- a) By providing supported living accommodation for elderly people in need who have at least five years of association with the area of benefit and have limited means;
- b) 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".

#### **Governance**

The Board and Governance Committee oversaw and managed significant Board change and transition, underpinned by new role descriptions for the Chair and Deputy Chair, terms of reference for the Board, and revised terms of reference for Committees, subject to final review by individual Committees.

A new Chair of the Finance & Investment Committee and a new Deputy Chair were appointed. Four Board members left the Board, whose terms of office came to an end, and five new trustees were appointed, including new appointments made by the Bishop of Kensington, and the London Borough of Hammersmith & Fulham. A campaign to recruit 'Community' trustees was successful, and a further appointment made after year end.

As a result of the changes, at the start of 2018/19 the average age of the Board has reduced by six years to 54, there are more women (now 40% women and 60% men), and two people with a BAME background are on the Board.

The Charity held a Board review and development day in June 2017 to further develop the Charity and plan for the Charity's 400<sup>th</sup> anniversary in 2018. Trustees and managers continued to develop constructive working relationships and mutual understanding, a shared vision for the future, underpinned by clarity about strategic aims.

#### **Strategic aims**

The 5 strategic aims, and principles which were agreed in 2014, were further embedded:

1. Develop a range of relevant, inclusive, innovative community-based responses to the specific 21<sup>st</sup> century needs of the Area of Benefit, built on the experience and successes of the Charity's extensive history.
2. Embed the Charity's reputation as THE leader in relief in need and housing for older people across the borough.
3. Ensure the forthcoming 400<sup>th</sup> celebrations provide a platform generating new partnerships, new projects, new resources and new profile.
4. Enable the development of more high quality affordable housing for older people unilaterally and in partnership.
5. Consolidate and enhance our financial position to enable us to maximise our investment in our community and attract external funds (including additional legacies).

#### **Underpinning principles**

- Sustain what we are good at whilst being open to change.
- Maximise the return on our investments; manage financial resources prudently and operate with a balanced budget.
- Ensure the work of the Charity is embedded in its community and actively responsive to it.



# HAMMERSMITH UNITED CHARITIES

## TRUSTEE REPORT

### FOR THE YEAR ENDED 31 MARCH 2018

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#### Statement of purpose

The Charity's statement of purpose was reviewed, and remains unchanged:

*Hammersmith United Charities invests in the people and communities in the 8 northern wards of Hammersmith & Fulham to tackle poverty, deprivation and disadvantage, building on our legacies, wisdom, learning and experience gained over 400 years.*

*We support local people to build their confidence and resourcefulness, develop their own talents and skills, connect people together and strengthen relationships and neighbourliness within and across diverse communities.*

*We achieve these aims by:*

- *managing vibrant sheltered housing communities for older people*
- *creating safe, beautiful outdoor environments, managed by the Charity's community horticulturalist with the residents, for people to share and enjoy as neighbours*
- *funding a community-based grants programme*
- *match-funding the Wormholt & White City Big Local with the Lottery, and*
- *by working with local people, organisations and businesses to make Hammersmith a great place.*

# HAMMERSMITH UNITED CHARITIES

## TRUSTEE REPORT

### FOR THE YEAR ENDED 31 MARCH 2018

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#### OPERATIONAL REVIEW

The trustees set 5 key objectives for the 2017/18 Business Plan in line with the strategic aims:

- To sustain and develop what we do (*so that we don't become complacent and continue to challenge and adapt what we do and how we do it in a changing world*)
- To develop longer term financial plans and secure additional financial skills (*so that sufficient resources are available and accessible by the next generation of people in need*)
- To continue to raise our profile and develop 400<sup>th</sup> anniversary plans (*so that we build on the Big Conversation and in furtherance of our aims*)
- To develop links and partnerships with housing associations (*so that we secure more housing for local older people in need*)
- To develop local giving, collaboration and partnerships to meet identified needs (*so that we have more impact, secure new resources, and extend our reach and influence*)

The following are some highlights of 2017/18:

#### Beneficiaries

Across the year our grants (excluding Big Local) were reported to have benefitted a total of 3,703 people (excluding audience members for productions or exhibitions of various kinds). Of these 129 were older people, 1,123 were adults and 2,451 were children and young people. These figures reverse the trend the Charity saw last year for working more with adults than children.

The ninety-one residents of the Charity's two sheltered housing schemes resiliently coped with the inevitable disruption caused by major plumbing and water pressurisation works carried out over the summer months. John Betts House residents welcomed the added benefit of extra storage space as a result of removing existing immersion tanks. They also saw the installation of a new warden call system, to use in emergencies and out of hours, to replace the old system which had reached the end of its useful life. Weekend cover arrangements at both sheltered housing schemes were reviewed, and new arrangements put in place for daily calls.

The Charity continued its annual programme of refurbishments of older flats, which also encompasses adaptations for residents with disabilities. Two flats were refurbished at John Betts House, one fully refurbished and one part refurbished, having had a wet room installed previously. One flat at Sycamore House was partially refurbished with a wet room installed and new kitchen units, and another flat had a wet room installed.

In light of the Grenfell tragedy, the Charity immediately stepped forward to offer temporary accommodation for the people who were affected, although the offer was not taken up, and the Board undertook full scrutiny of the Charity's fire safety measures. As a result, further investment was made in fire proofing works at both sheltered housing schemes.

The Charity welcomed 3 new residents at Sycamore House and one new resident at John Betts House who along with neighbours have the benefit of an increasing range of on-site social activities. The latest is Kundalini (seated) yoga delivered by Open Age, complementing activities with Soup for Lunch, Hammersmith Community Gardens, and Bolder not Older, a dance programme for over 70's developed by Dance West. The Charity reviewed the eligibility criteria for its sheltered housing and reduced the requirement for applicants to have lived in the Area of Benefit from ten to five years, thus increasing opportunities for local people to have new home.

Following a consultation process about how to celebrate the Charity's 400<sup>th</sup> anniversary, residents opted for creating mosaics as an enduring memory. They enjoyed intergenerational engagement facilitated by Design Education as they worked with local children from two local primary schools to design and jointly make two full sized mosaics. These will be presented at the Grand Party in July, and then installed in each sheltered housing schemes afterwards.

Residents continued to welcome local neighbours and people from across London to their secret gardens as part of London Open Garden Squares Weekend. Now firmly established as a central feature of their calendar, our residents' entrepreneurial skills were again on show as they sold cakes, refreshments, plants and crafts, to invest in their social funds for trips and activities.



## **HAMMERSMITH UNITED CHARITIES**

### **TRUSTEE REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2018**

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Our gardens are award-winning ‘hidden gems’ and provide calm and tranquil oases in busy and noisy Hammersmith and Shepherd's Bush. In 2016 we reported that Sycamore House won first prize in the prestigious London Garden Society Awards in the large sheltered housing garden category. This year we can report first prize for John Betts House, and the Challenge Cup presented for the best small sheltered housing garden, and individual awards for balcony displays and container displays.

This year the Charity introduced a new programme of two-year grants for four local organisations we have designated as “anchor organisations”. We hope that by offering core funding and longer-term stability to groups whose work we see as fundamental to our mission in the Area of Benefit, the four groups (Lido Foundation, St Paul's Debt Advice, Shepherd's Bush Family Centre, White City Youth Theatre) are able to focus more on other aspects of their development.

The Charity noted a growing number of grantees identifying isolation as a problem – and in 2018 we are looking at how we can help local groups to address that. We were struck this year by comments reported by our grantees reflecting the life changing impact of volunteers – on themselves and on those they work with.

We spent our full budget allocation on micro grants. Local groups appreciate the very fast turnaround on decisions, the flexibility and the opportunity to use them to fund the kinds of events which address isolation, but which other funders find more difficult to support. For our part, we continue to be impressed at how much activity small amounts of money can leverage – whether that is regular coffee mornings for asthma sufferers for six months or big Christmas parties in sheltered housing schemes run by other landlords which otherwise have little organised social activity.

The Charity continued to match fund the Wormholt and White City Big Local programme – and noted that the same lesson emerged from that experience. The Community Chest programme – in effect a small grants programme for White City – has been one of the most dynamic elements of that programme, tapping into the enthusiasm of local people to organise activities they are passionate about for their neighbours. Five years into this programme, we are now beginning to think about the longer-term sustainability of it.

#### **Developments**

The Charity continued to embed the Big Conversation as a way of working, which has had the benefit of raising the Charity's profile and engaging people in the private, public and third sectors, many of whom didn't fully realise the work we were doing, and its impact. Alongside this, the Board approved a new visual identity, reflecting the 400<sup>th</sup> anniversary, which perfectly met the brief agreed by the Charity, and a brand new website was launched in October in preparation for the 2018 anniversary year. Website visits have increased month on month and now stand at over 500 a week, and over 500 people receive the Charity's periodic newsletter.

Complementing this, the Charity has substantially increased its presence on social media (Twitter and Facebook), with the most successful tweet having over 3000 impressions. We have also benefited from using local social media such as Next Door, which has had great value in targeting messages about the Charity's work and its 400<sup>th</sup> anniversary celebrations and engaging with neighbours living in our Area of Benefit.

This year saw our partnership with UnLtd to fund local social entrepreneurs in full swing. We have made grants to seven entrepreneurs and have been impressed by the range of activities they have delivered and their determination and persistence. We recognised that, for many of them, business planning was a particular challenge, so we have provided sessions with a consultant as part of their award. The consultant was struck by their application and seriousness. We think this is a very successful model and intend to continue with the programme after the partnership ends. We also joined forces with Petit Miracles to offer a matching evening with potential local business people to act as mentors. We recruited a number of very high quality local mentors through the social media programme “Next Door” and are pleased that this has led to some successful partnerships.

Our PhD student is now into her final year and is developing her practice-based outputs. We participated in the London festival of architecture with her insightful project which projected video footage of residents of our sheltered housing talking about their lives into models of their houses. This linking of the built environment with the human inhabitation of it has been very striking; most viewers found it a very powerful tool to understand how design impacts on the way in which people live their lives. The involvement of the Charity's architects, Levitt Bernstein in this process has meant that we are looking at how this approach can be used as a consultation tool for new developments. Our student is now working on her final piece which will be premiered as an installation after this year as part of our final celebration of 400 years of serving Hammersmith. We are delighted to have achieved Arts Council and Awards for All funding for this.

## **HAMMERSMITH UNITED CHARITIES**

### **TRUSTEE REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2018**

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#### **FINANCIAL REVIEW**

##### **Financial performance: 2017/18**

###### *Income*

Income for the year was £1.43 million. This compares with a turnover of £1.49 million in 2016/17. The decreased income was mainly due to reduced investment income. The two principal sources of income are sheltered housing Weekly Maintenance Contribution (rents) (61% of total income) and investment income (38%).

###### *Expenditure*

Unrestricted expenditure, which excludes capitalised items and property depreciation, totalled £1.19m (£1.16m in 2016/17), as a result of which the Charity made an unrestricted surplus of £229k. Excluding investment revaluations, there was an overall deficit of £284k due to the depreciation charged on the endowed property.

The grants programme, including salary costs, incurred expenditure of £451k (£417k in 2016/17).

Staff costs for the year were £338k (£326k in 2016/17).

Capital expenditure for the year was £532k (£63k in 2016/17) of which £448k relates to the refurbishment of the major plumbing and water pressurisation works in our sheltered housing estate. Depreciation, which is mainly attributable to our sheltered housing properties, was £515k (£471k in 2016/17).

##### **Investments**

The Charity has assets that include an invested endowment and investment properties with a value carried forward as at 31 March 2018 of £14.1m. These comprise portfolio investments of £11.3m and investment property valued at £2.8m.

The Finance and Investment Committee, with the support of the Charity's investment advisers, undertook a review over 3 months of the existing investment strategy, and a revised and updated investment policy was approved by the Board in March 2018. This will be kept under periodic review in light of changing market conditions.

The Board aims to achieve an income yield consistent with its intention to fund a grants programme that maintains its real value over time. The Charity has an unlimited investment horizon and is therefore able to tolerate volatility in the capital value of the endowment in the medium to long term, in line with the total return target of CPI +4% achieved over a rolling five-year period. The endowment is invested widely in marketable securities diversified by asset class, manager, geography and security.

The invested funds have delivered a total return of 3.6% over the year to 31 March 2018 compared with the target return of CPI+4% which was 6.5% for the year to 31 March 2018. Stock markets have been more volatile than in the previous year and invested funds have shown a reduction in value of £48k (increase 2016/17 of £1,239k). Through the Finance and Investment Committee, the Board regularly reviews fund performance.

We disposed of a vacant investment property with net proceeds exceeding the book value by £152k.



# HAMMERSMITH UNITED CHARITIES

## TRUSTEE REPORT

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#### Reserves policy

The context of the Charity's reserves policy is that trustees have:

- a) Commissioned authoritative research that permits them to understand the nature of current need and respond to that need appropriately through its grants programme;
- b) Undertaken significant capital projects intended to fulfil their commitments to future beneficiaries and have detailed, rolling, 10 year plans to undertake rolling maintenance of their estate while maintaining the real value of endowed assets.
- c) Understood the potential for capital accumulation; considered that current levels of capital holdings are sufficient only to meet expenditure on the Charity's two objects;
- d) Considered applying a total returns policy and are therefore ready to make use of excess capital should it accumulate in support of either of the objects or to take advantage of any opportunities to extend public benefit further.

The Charity has total reserves of £34.2m of which £23.6m relates to endowed funds. £19.1m of the endowed funds are represented by the Almshouse properties which under the terms of the Charity's governing Scheme must be retained permanently as Almshouses. The balance of the endowment of £4.5m is invested in property and other investments which generate additional income. The Trustee may vary the mix of property and other investments in line with its stated policy but must retain rather than expend the investment capital.

£12.5k is held as restricted funds and related to grant received which will be expended in 2018-19.

The balance of the funds is unrestricted and totals £10.6m. The Trustee has elected to hold these funds predominantly as investments for the purpose of generating income and to hold only the minimum working capital necessary to meet the Charity's obligations on a timely basis. The Trustee has discretion to expend all of the unrestricted funds in line with the Charity's objects in the light of the context set out in points (a) to (d) above but its present intention is to keep these reserves at around the same level subject to the annual fluctuations arising from the unrealised gains or losses on the revaluation of investments and to maintain the level of investment income. At 31 March 2018, the Charity's free reserves were £352,749, being the net current assets within unrestricted funds.

#### Value for Money

The Charity's approach to Value for Money is to take a holistic view of financial value, social value, and outcomes for beneficiaries, so that the Charity makes the best possible impact from the resources available: money; people; buildings; and talent.

The major capital programme of plumbing and water pressurisation works at both sheltered housing scheme completed under budget in quarter 4 is anticipated to result in revenue savings in 2018/9 and beyond. Residents at John Betts House have welcomed the benefit of more storage as a result of removing existing immersion heater tanks.

The benefits of the independent review of property management, the recommendations of which were implemented in the prior year, continued to be realised. This has enabled the Charity's sheltered scheme managers to have control over and be able to deal with residents over any maintenance issues.

Cleaning services in the communal areas of both sheltered housing schemes were tendered during the year, resulting in cost savings and the same high-quality service.

The impact of the grants programme was reviewed and showed that thirty-four projects had benefitted over 3,700 local people (excluding the Big Local) which shows the reach and value of the programme.

An intelligent approach to researching external funding opportunities has resulted in additional financial resources secured from a number of different programmes, and the Charity has further developed its grants plus approach, as set out in highlights for the year.

Lastly, the business plan ambition to secure additional internal financial skills has resulted in significant cost savings on external financial consultancy, and greater internal strategic financial capacity.

## **HAMMERSMITH UNITED CHARITIES**

### **TRUSTEE REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2018**

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##### **Fundraising**

The Charity does not actively fundraise at present, but UNITED in Hammersmith & Fulham, our partnership with Dr Edwards and Bishop Kings Fulham Charity to mark our joint 400th anniversaries, will fundraise when registered as a separate Charity.

The Charity periodically makes applications for funding from other bodies for its programmes which align with the Charity's strategic aims:

- UNITED in Hammersmith & Fulham received start-up funding from Hammersmith & Fulham Council for three years, and City Bridge for one year
- Funding was received for Social Enterprise Solutions for an Ageing Society, a collaboration between UnLtd and Esmée Fairbairn Foundation. The Charity is one of five national partners on this programme.
- It was confirmed in October that the Charity would receive funding in 2018/19 for the Placed Based Social Action (PBSA) in Old Oak, a joint programme between the Department for Digital, Culture, Media & Sport (DCMS) and the Big Lottery Fund. The Charity is one of 20 national partners on this programme.

##### **FUTURE DEVELOPMENTS**

The Charity has been actively planning new developments both as part of our 400<sup>th</sup> anniversary programme and to develop and sustain new ideas and approaches for the future.

Just before Christmas, the Charity applied to the Big Lottery/Department of Digital, Culture, Media and Sport Place Based Social Action Programme on behalf of a partnership based in Old Oak. We were delighted to be selected as one of 20 areas to go forward to the next round. We will be working on an action plan with partners and hope to be chosen as one of 10 areas to receive significant funding to support the programme of activities over a three-year period.

We are proud that our 400<sup>th</sup> anniversary has resulted in a commission of a new dance piece for older dancers and the creation of an innovative new older peoples dance company to perform it. This unique event will also take place later in the year. Recognising the value of the arts for everyone, we are sponsoring the borough's first disability arts festival to be launched in June as part of the Hammersmith and Fulham Arts Festival.

We have very much enjoyed the first quarter of a year of events marking 400 years of the Charity. We kicked off 2018 with the first of our "enigma lunches" – lunches (in the widest sense of the word) each hosted by a specific community in our Area of Benefit and intended to bring others who might not normally have any contact together with them. The first lunch was hosted by the Somali community – and out of it has come some exciting new ideas including a potential Hammersmith international link with a village in Somalia. February saw us taking our enigma lunch to an International Womens Day celebration in White City and we are now looking forward to further events at the Irish Cultural Centre and in Ravenscourt park to mark Polish Heritage Day. At each one, we relaunch an oral history publication of testimonies from that community first collected in the 1980s.

Our big new initiative this year was the initiation of our place-based giving programme – UNITED in Hammersmith and Fulham. This is a joint initiative with our sister Charity Dr Edwards and Bishop Kings Fulham Charity. It aims to catalyse 21<sup>st</sup> century philanthropy to revive the tradition of charitable giving within the borough – as a reminder of what £100 given in 1618 has been able to achieve. UNITED has initial funding from the council, City Bridge and ourselves and we have been delighted that Kevin McGrath OBE and Representative Deputy Lieutenant for the London Borough of Hammersmith and Fulham, has come on board to chair it. The emphasis is on raising money which will allow local people to support local activities to ensure that everyone who lives here has a sense of belonging and feels they have somewhere or someone to turn to – for fun or support.



## **HAMMERSMITH UNITED CHARITIES**

### **TRUSTEE REPORT**

**FOR THE YEAR ENDED 31 MARCH 2018**

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#### **STATEMENT OF TRUSTEE'S RESPONSIBILITIES**

The trustee is 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 trustee has 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 trustee is 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 trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable the trustee to ensure that the financial statements comply with the Charities Act 2011. The trustee is 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.

#### **STATEMENT ON INTERNAL FINANCIAL CONTROLS**

The Trustee acknowledges the 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 Trustee 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 authorisation procedures;
- The trustee 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.

#### **APPROVAL**

On behalf of the Board of the Trustee Company:



.....  
Director

Date: 20 June 2018

# HAMMERSMITH UNITED CHARITIES

## INDEPENDENT AUDITORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2018

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#### Opinion

We have audited the financial statements of Hammersmith United Charities for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's trustee, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustee those matters we are required to state 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 Charity's trustee for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2018 and of the Charity's net movement in funds 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 Charities Act 2011, the Housing and Regeneration Act 2008 and The Accounting Direction for Private Registered Providers of Social Housing from April 2015.

#### Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of trustees for the financial statements

As explained more fully in the trustee's responsibilities statement set out on page 14, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



# HAMMERSMITH UNITED CHARITIES

## INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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### Other information

The trustee is responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

haysmacintyre  
Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

20 June 2018

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# HAMMERSMITH UNITED CHARITIES

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2018

		Unrestricted Funds	Restricted Funds	Endowment Funds	2018 Total	2017 Total
	Notes	£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>						
Donations and grants	2	7,500	12,500	-	20,000	24,691
Investments	3	534,155	-	-	534,155	580,725
Charitable activity - Housing	4	865,977	-	-	865,977	868,095
Other		6,357	-	-	6,357	13,822
<b>TOTAL</b>		<b>1,413,989</b>	<b>12,500</b>		<b>1,426,489</b>	<b>1,487,333</b>
<b>EXPENDITURE ON:</b>						
Raising funds:						
Investment management costs	5	62,478	-	-	62,478	78,342
Charitable activities:						
Housing activity	6	691,977	-	504,787	1,196,764	1,125,979
Relief in need and grants	6	430,980	20,000	-	450,980	418,065
<b>TOTAL</b>		<b>1,185,435</b>	<b>20,000</b>	<b>504,787</b>	<b>1,710,222</b>	<b>1,622,386</b>
<b>Net income/(expenditure) before gains/(losses) on investments</b>		<b>228,554</b>	<b>(7,500)</b>	<b>(504,787)</b>	<b>(283,733)</b>	<b>(135,053)</b>
Unrealised (losses)/gains on investments and investment property		(43,984)	-	(259,139)	(303,123)	2,021,734
Realised gain on disposal of investment property		-	-	151,923	151,923	177,735
<b>Net income/(expenditure) for the year</b>		<b>184,570</b>	<b>(7,500)</b>	<b>(612,003)</b>	<b>(434,933)</b>	<b>2,064,416</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>184,570</b>	<b>(7,500)</b>	<b>(612,003)</b>	<b>(434,933)</b>	<b>2,064,416</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>10,400,594</b>	<b>20,000</b>	<b>24,165,939</b>	<b>34,586,533</b>	<b>32,522,117</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>10,585,164</b>	<b>12,500</b>	<b>23,553,936</b>	<b>34,151,600</b>	<b>34,586,533</b>

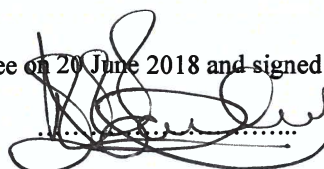
In the year ended 31 March 2017 there was income of £24,691 and expenditure of £4,691 in restricted funds, giving rise to a balance of £20,000 in restricted funds as at 31 March 2017. In the year ended 31 March 2017 movements in the endowment fund were expenditure of £460,641 and gains of £1,072,634, giving rise to an increase in the endowment fund of £611,993 in that year.

All activities are continuing.

The financial statements were approved and authorised for issue by the Trustee on 20 June 2018 and signed on its behalf by:



Director of Trustee Company



Director of Trustee Company

# HAMMERSMITH UNITED CHARITIES

## BALANCE SHEET


AT 31 MARCH 2018

	Notes	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	13	19,073,150		19,056,179	
<b>Investments</b>					
Investments	14	11,277,680		11,325,803	
Investment property	15	2,835,000		3,090,000	
			33,185,830		33,471,982
<b>CURRENT ASSETS</b>					
Investment property held for sale	15	-		400,000	
Debtors	16	128,670		142,083	
Cash at bank		1,234,757		920,108	
		1,363,427		1,462,191	
<b>CREDITORS: amounts falling due within one year</b>	17	(310,657)		(241,640)	
<b>NET CURRENT ASSETS</b>			1,052,770		1,220,551
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			34,238,600		34,692,533
<b>CREDITORS: amounts falling due after one year</b>					
Defined benefit pension creditor	18		(87,000)		(106,000)
<b>NET ASSETS</b>			34,151,600		34,586,533
<b>FUNDS</b>	19				
Unrestricted income funds			10,585,164		10,400,594
Restricted funds			12,500		20,000
Endowment funds			23,553,936		24,165,939
<b>TOTAL FUNDS</b>			34,151,600		34,586,533

The financial statements were approved and authorised for issue by the Trustee on 20 June 2018 and were signed on its behalf by:

  
 .....  
 Director of Trustee Company

.....  
 Director of Trustee Company

  
 .....  
 Director of Trustee Company

# HAMMERSMITH UNITED CHARITIES

## STATEMENT OF CASH FLOWS

AT 31 MARCH 2018

	2018 £	2017 £
Net movement in funds	(434,933)	2,064,415
Unrealised investment losses/(gains)	303,123	(2,021,734)
Realised investment (gains)	(151,923)	(177,735)
Investment income shown in investing activities	(534,155)	(580,725)
Depreciation	515,439	470,610
Decrease/(increase) in debtors	13,412	(19,618)
Increase/(decrease) in creditors excluding pension	68,016	(52,735)
(Decrease)/increase in pension creditors	(18,000)	(11,000)
<b>Net cash used in operating activities</b>	<b>(239,021)</b>	<b>(328,522)</b>
<b>Cash flows from investing activities</b>		
Investment income	534,155	580,725
Net cash received in respect of investment property	551,923	665,347
Cash paid in respect of tangible fixed assets	(532,408)	(63,060)
	<b>553,670</b>	<b>1,183,012</b>
<b>Increase in cash and cash equivalents in the year</b>	<b>314,649</b>	<b>854,490</b>
<b>Cash and cash equivalents at the start of the year</b>	<b>920,108</b>	<b>65,618</b>
<b>Total cash and cash equivalents at the end of the year</b>	<b>1,234,757</b>	<b>920,108</b>
<b>Cash at bank</b>	<b>1,234,757</b>	<b>920,108</b>



# HAMMERSMITH UNITED CHARITIES

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2018

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#### 1. ACCOUNTING POLICIES

##### **Basis of accounting**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and with the Housing SORP 2014 Statement of Recommended Practice for registered social housing providers, the requirements of the Housing and Regeneration Act 2008 and the Charities Act 2011, and the Accounting Direction for Private Registered Providers of Social Housing from April 2015.

In addition, the Trustees have had regard to Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2017) - (Charities SORP (FRS 102)), where it does not conflict with the Housing SORP.

The Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Investment assets are restated at fair value at each balance sheet date.

All financial instruments are considered to be basic financial instruments. In the view of the trustee, there are no areas where significant judgements were required in preparing these accounts or where significant estimation uncertainty exists with the exception of investment property valuation.

##### **Income**

All income is included on the Statement of Financial Activities when the Charity is legally entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy.

##### **Expenditure**

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.

##### **Allocation and apportionment of costs**

Support costs are the costs of central management and of governance costs (costs incurred in connection with enabling the Charity to comply with external regulation, constitution and statutory requirements and in providing support to the trustees in the discharge of their statutory duties). These costs are apportioned to activities based on weighted staff time.

##### **Tangible fixed assets**

All assets costing more than £500 are capitalised. Property assets held at 1 April 2014 are held at deemed cost which is based on earlier valuations. This amount will not be updated and subsequent additions are capitalised at cost.

In compliance with the Housing SORP, component accounting is adopted in respect of building costs whereby the buildings are sub-divided into their material components and those with materially different useful lives are treated separately for the purposes of depreciation, replacement and disposal. Assets are depreciated on the following basis.

Freehold land:	not depreciated
Freehold buildings:	Structure: 1% of cost or deemed costs
	Roofing: 3.3% of cost or deemed cost
	Fit out: 8.3% of deemed cost or cost
Plant and machinery:	25% of cost
Fixtures and fittings:	15% of cost
Computer equipment:	30% of cost

##### **Investment property**

Investment property is shown at fair value which in practice is market value. Any aggregate surplus or deficit arising from changes in market value is accounted for through the Statement of Financial Activities.

# HAMMERSMITH UNITED CHARITIES

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 1. ACCOUNTING POLICIES (continued)

##### **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. Endowment funds represent capital funds where the capital must be retained. Restricted funding was received for Social Enterprise Solutions for an Ageing Society, a collaboration between UnLtd and Esmée Fairbairn Foundation.

##### **Pension costs and other post-retirement benefits**

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

Contributions toward deficits arising from past service costs are provided on the balance in full at the fair value of the expected contributions.

<b>2. DONATIONS AND GRANTS</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Grant income	20,000	24,691
	<u>20,000</u>	<u>24,691</u>
<b>3. INVESTMENT INCOME</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Rents receivable	76,377	81,983
Dividends received	455,055	480,166
Interest receivable	2,268	226
Other investment income	455	18,349
	<u>534,155</u>	<u>580,725</u>
<b>4. INCOMING RESOURCES FROM CHARITABLE ACTIVITY</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Rent and Service Charge	893,605	879,802
Less: Voids	(26,628)	(11,707)
Housing activity	<u>865,977</u>	<u>868,095</u>
<b>5. INVESTMENT MANAGEMENT COSTS</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Property costs	22,636	18,659
Legal and professional costs	3,665	28,619
Support costs	36,177	31,064
	<u>62,478</u>	<u>78,342</u>

# HAMMERSMITH UNITED CHARITIES

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support Costs £	Total £
Housing activity	424,420	772,344	1,196,764
Relief in need and grants	417,823	33,157	450,980
	<u>842,243</u>	<u>805,501</u>	<u>1,654,744</u>

Relief in need and grants includes grants payable of £382,500 and direct staff costs of £31,980 and other direct costs of £3,343. Further details of the organisational grants are provided in Appendix 1.

Support costs are detailed in Note 7.

#### 7. SUPPORT COSTS

	Professional Fees £	Staff Costs £	Office Costs £
Investment management costs	10,154	20,696	3,499
Housing activity	65,156	132,796	22,445
Relief in need and grants	9,307	18,968	3,206
	<u>84,617</u>	<u>172,460</u>	<u>29,150</u>

	Governance Costs £	Property costs £	Non-Property Depreciation £	Totals £
Investment management costs		1,828		36,177
Housing activity	24,778	516,516	10,653	772,344
Relief in need and grants		1,676		33,157
	<u>24,778</u>	<u>520,020</u>	<u>10,653</u>	<u>841,678</u>

Support costs are the costs of central management. These costs are apportioned to activities on the basis of weighted staff time.

# HAMMERSMITH UNITED CHARITIES

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 8. EMOLUMENTS OF TRUSTEES AND SENIOR MANAGEMENT TEAM

None of the trustees received any remuneration or expenses in the current or prior year. The Key Management Personnel is considered to comprise the Clerk (Chief Executive) whose emoluments are set out below.

	2018 Salary £	2018 Pension £	2018 Total £	2017 Salary £	2017 Pension £	2017 Total £
Chief Executive	<u>72,650</u>	<u>8,899</u>	<u>81,549</u>	<u>71,400</u>	<u>7,211</u>	<u>78,611</u>

The Chief Executive is an ordinary member of the pension scheme.

#### 9. STAFF COSTS

	2018 £	2017 £
Wages and salaries	276,314	269,775
Social security costs	25,248	24,724
Pension costs	17,670	21,725
Other staff costs	18,386	9,909
	<u>337,618</u>	<u>326,133</u>

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

	Number	Number
Operational staff	5	4
Management staff	3	3
	<u>8</u>	<u>7</u>

One employee received gross pay and taxable benefits in kind of more than £70,000 during the year (2017: 1.).



# HAMMERSMITH UNITED CHARITIES

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2018

10. NET INCOME/ (EXPENDITURE)	2018 £	2017 £
<b>This is stated after charging:</b>		
Auditors' remuneration (excluding VAT):		
- audit services	11,400	11,100
- other services		600
Depreciation of tangible fixed assets owned by the Charity	515,439	470,610
Pension costs	17,670	21,725
	<u>          </u>	<u>          </u>
 11. HOUSING INCOME	 2018 £	 2017 £
Gross income: rent net of identifiable services charges	893,605	879,802
Less: voids	(27,628)	(11,707)
Other housing related income	6,357	13,822
	<u>          </u>	<u>          </u>
Housing income per SOFA	872,334	881,917
	<u>          </u>	<u>          </u>
 12. OPERATING COSTS OF HOUSING ACTIVITY	 2018 Number	 2017 Number
Housing accommodation – number of units	95	95
	<u>          </u>	<u>          </u>
	£	£
Services	264,580	271,571
Management	267,706	223,945
Repairs and maintenance	159,691	169,822
Depreciation	504,787	460,641
	<u>          </u>	<u>          </u>
	1,196,764	1,125,979
	<u>          </u>	<u>          </u>

# HAMMERSMITH UNITED CHARITIES

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2018

<b>13. TANGIBLE FIXED ASSETS</b>	<b>Freehold Property £</b>	<b>Plant &amp; Machinery £</b>	<b>Computer Equipment £</b>	<b>Furniture &amp; Fittings £</b>	<b>Total £</b>
<b>Cost/valuation</b>					
At 1 April 2017	21,306,313	49,402	45,072	28,971	21,429,758
Additions – new components	529,750	-	2,658	-	532,408
At 31 March 2018	21,836,063	49,402	47,730	28,971	21,962,166
<b>Depreciation</b>					
At 1 April 2017	2,269,869	42,262	42,449	18,998	2,373,577
Charged in the year	504,787	3,915	2,473	4,264	515,439
At 31 March 2018	2,774,656	46,177	44,922	23,262	2,889,016
<b>Net Book Value</b>					
At 31 March 2018	19,061,407	3,225	2,809	5,709	19,073,150
At 31 March 2017	19,036,444	7,139	2,623	9,973	19,056,179

The Charity's freehold housing properties, held for charitable purposes, were valued by Frost Meadowcroft Surveyors LLP, at £13.1m on 31 March 2012 (Sycamore House) and at £6.9m on 31 March 2011 (John Betts House) on a depreciated replacement cost basis. On transition to FRS102 at 1 April 2014, these valuations plus subsequent additions at cost were taken as the deemed cost of the properties. No further revaluations will be undertaken.

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.

Additions to freehold property in earlier years were financed with the assistance of Social Housing Grant of £1,750,000. This amount is not shown on the balance sheet due the valuation approach taken. The grant is potentially repayable in the event of the properties being disposed of and the surplus not being reinvested in social housing. In practice the endowed status of the housing properties make it unlikely that such a disposal would take place.

# HAMMERSMITH UNITED CHARITIES

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 14. FIXED ASSET INVESTMENTS

	Listed investments £
<b>Market Value</b>	
At 1 April 2017	11,325,803
Gains/(Losses)	(48,123)
Market value at 31 March 2018	<u>11,277,680</u>
Historical Cost	<u>9,120,032</u>

As investments are held at market value, the valuation will fluctuate from year to year. The losses in 2018 are unrealised and follow unrealised gain of £1,239,808 in 2017 as shown on the Statement of Financial Activities.

#### 15. INVESTMENT PROPERTY

	£
<b>Market Value</b>	
At 1 April 2017	
-Long term	3,090,000
-Short term	400,000
Disposals	(400,000)
(Loss)/Gain on revaluation	(255,000)
At 31 March 2018	<u>2,835,000</u>

It is not possible to determine the historical cost of the properties. The properties were last valued at 31 March 2018 by the Trustee having had regard to external advice from Property advisers.

#### 16. DEBTORS: amounts falling due within one year

	2018 £	2017 £
Rental debtors	11,233	859
Accrued dividends	99,754	114,418
Prepayments	17,683	26,807
	<u>128,670</u>	<u>142,083</u>

#### 17. CREDITORS: amounts falling due within one year

	2018 £	2017 £
Trade creditors	30,434	40,687
Accruals and deferred income	75,933	50,187
Grant creditors	131,833	115,826
Other creditors	53,457	16,940
Pension deficit contributions (see note 21)	19,000	18,000
	<u>310,657</u>	<u>241,640</u>

# HAMMERSMITH UNITED CHARITIES

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2018

<b>18. DEFINED BENEFIT PENSION CREDITOR DUE AFTER ONE YEAR</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Pension deficit contributions (see note 21)	<u>87,000</u>	<u>106,000</u>

### 19. MOVEMENT IN FUNDS

	Brought Forward £	Income £	Expenditure and transfers £	Gains & Losses £	Carried Forward £
Endowment funds	24,165,939	0	(504,787)	(107,216)	23,553,936
Restricted funds	20,000	12,500	(20,000)		12,500
Unrestricted funds	10,400,594	1,413,989	(1,185,435)	(43,984)	10,585,164
	<u>34,586,533</u>	<u>1,426,489</u>	<u>(1,710,222)</u>	<u>(151,200)</u>	<u>34,151,600</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.

### 20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Long-term Investments £	Net Current Asset	Long-term Liability £	Total Funds £
Endowment funds	19,061,407	970,008	681,521	-	23,553,936
Restricted funds	-	-	12,500	-	12,500
Unrestricted funds	11,743	10,307,672	352,749	(87,000)	10,585,164
	<u>19,073,150</u>	<u>14,112,680</u>	<u>1,052,770</u>	<u>(87,000)</u>	<u>34,151,600</u>

### 21. PENSION COMMITMENTS

Hammersmith United Charities participates in the SHPS (Social Housing Pension Scheme). The scheme is a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme fully as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.



## HAMMERSMITH UNITED CHARITIES

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 MARCH 2018

#### 21. PENSION COMMITMENTS (continued)

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2014. This actuarial valuation was certified on 23 November 2015 and showed assets of £3,123m, liabilities of £4,446m and a deficit of £1,323m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

##### Deficit contributions

<b>Tier 1</b>	£40.6m per annum
From 1 April 2016 to 30 September 2020:	(payable monthly and increasing by 4.7% each year on 1 <sup>st</sup> April)
<b>Tier 2</b>	£28.6m per annum
From 1 April 2016 to 30 September 2023:	(payable monthly and increasing by 4.7% each year on 1 <sup>st</sup> April)
<b>Tier 3</b>	£32.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1 <sup>st</sup> April)
<b>Tier 4</b>	£31.7m per annum
From 1 April 2016 to 30 September 2026:	(payable monthly and increasing by 3.0% each year on 1 <sup>st</sup> April)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation was certified on 17 December 2012 and showed assets of £2,062m, liabilities of £3,097m and a deficit of £1,035m. To eliminate this funding shortfall, payments consisted of the Tier 1, 2 & 3 deficit contributions.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement, the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

#### PRESENT VALUES OF PROVISION

#### RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	<b>Period Ending</b> 31 March 2018 (£000s)	<b>Period Ending</b> 31 March 2017 (£000s)
Provision at start of period	124	135
Unwinding of the discount factor (interest expense)	1	3
Deficit contribution paid	(18)	(17)
Remeasurements - impact of any change in assumptions	(1)	3
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	106	124

## HAMMERSMITH UNITED CHARITIES

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 MARCH 2018

#### 21. PENSION COMMITMENTS (continued)

##### INCOME AND EXPENDITURE IMPACT

	<b>Period Ending</b> 31 March 2018 (£000s)	<b>Period Ending</b> 31 March 2017 (£000s)
Interest expense	1	3
Remeasurements – impact of any change in assumptions	(1)	3
Remeasurements – amendments to the contribution schedule	-	-

##### ASSUMPTIONS

	31 March 2018 % per annum	31 March 2017 % per annum	31 March 2016 % per annum
Rate of discount	1.72	1.33	2.06

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

#### 22. FINANCIAL COMMITMENTS

At the year end, the Charity had financial commitments amounting to £NIL (2017: £NIL) contracted for at the balance sheet date but not provided for in these accounts.

**HAMMERSMITH UNITED CHARITIES****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2018**

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**APPENDIX 1****Grants awarded April 2017 – March 2018**

<b>Organisation</b>	<b>Purpose</b>	<b>Amount</b>
Maleeka School	Towards the cost of providing a programme of English language training and cultural exchange for local women	£5,000
Switch Sports	For a programme of summer sports	£5,000
Funpact	To pilot a programme of workshops for year 6 children making the transition to secondary school	£2,000
CAB	Towards the costs of an outreach advice service run from the foodbank hub in White City	£15,000
H and F Arts festival	To support the first stages of work to allow a disability arts festival	£5,500
Lunch Club+ 4 The Blind	To cover the costs of transport for club members	£2,000
Ball Out	To provide a summer programme of free basketball training for young people	£1,370
Old Oak Community Centre	Towards the costs of setting up a community enterprise run by children to redistribute surplus food via a box scheme	£10,000
Protection Approaches	For a programme of work to develop the findings of an earlier project investigating the impact of discrimination on young people	£5,000
A360CIC	For a summer programme of stand-up paddle boarding for young people	£4,000
Solidarity Sports	Towards the costs of the summer programme for young people and to match a donation from Big Give	£2,400
Active Successful Engagement	For a programme of mentoring with 15 vulnerable lone parents	£8,000
Grove Neighbourhood Folk Art	To support a programme of community art classes for vulnerable people	£1,500
Wendell Park School	To provide art therapy for up to 10 children over a year.	£8,400
CEF/Mother and baby group	For a programme of support for 40 offenders and 40 young people at risk of offending in the Somali community	£15,000
Team Up	To provide volunteer numeracy and literacy support and a programme of enrichment workshops in STEM subjects for 50 GCSE pupils at Phoenix School	£10,000
Solidarity Sports	To enable child protection procedures to be updated	£3,600



Grove Parent and Toddler Group	To enable a traditional toddler group benefitting 20 – 30 children weekly to be provided at an affordable cost	£3,500
White City Youth Group	For a programme of work around drones benefitting 20 young people	£4,700
Old Oak primary school	To continue the family group programme for another year	£10,000
Lyric Hammersmith	For the costs of a choreographer and director for a piece of work involving young people with disabilities for the Evolution festival 2018	£1,500
Hammersmith Academy	Towards the costs of creating a ~” workspace” within the garden area of Elgin Close Resource centre as a partnership project with the school, Hammersmith Community Gardens Association, the resource centre and the local community. The project will include creating a nature space and a community volunteer group.	£5,000
Urbanwise	For a local history and environment project celebrating the 250 <sup>th</sup> anniversary of the birth of Queen Caroline. The project will involve children from St Paul’s school and residents on the Queen Caroline estate	£5,000
Anti Tribalism Movement	Towards the costs of a Somali poetry workshop project to include a performance poetry event and a possible publication.	£5,000
Kenmont Primary School	for the cost of providing art psychotherapy for children in need for one year	£6,000
West London Welcome; centre for migrants and refugees	Towards the costs of a pilot day centre for refugees and migrants, based at the Quaker meeting house and offering a range of support and social activities.	£5,000
Edith Durham Community School	A contribution to the costs of a Saturday supplementary school for children from the local Albanian community	£1,500
West London Community Sports	For a football team for people with severe mental health services, including a dedicated women’s team	£6,000
London Spark	Towards the cost of Polish Heritage Day, an outdoor celebration of Polish culture	£1,500
Original Club	Support for Taekwondo training for children and adults at all levels from beginner to champion	£5,000 + support in kind
Hammersmith and Fulham Food Bank	Towards the cost of the manager’s salary	£15,000
Bush Theatre	To enable young people from the Area of Benefit to participate in a young writers’ programme	£3,000

