

HAMMERSMITH UNITED CHARITIES
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

Registered Charity Number: 205856

HAMMERSMITH UNITED CHARITIES

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

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HAMMERSMITH UNITED CHARITIES

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

REFERENCE & ADMINISTRATIVE DETAILS

Trustee	Hammersmith United Trustee Company
Trustee company registration number	06928467
Charity number	205856
Homes England number	1789
Registered office	Sycamore House, Sycamore Gardens, London W6 0AS

Directors of the Trustee

Mike Smith Chair until 14 March 2019	Retired accountant and banker (Term ended May 2019)
Vivienne Lukey * Chair Housing and Property Committee and Deputy Chair until 14 March and Chair thereafter	Hammersmith & Fulham Councillor until May 2018
David Bailey Chair Finance and Investment Committee	Formally Group Head of Marketing & Communications, Augentius
Sam Deards Chair of Grants and Partnerships Committee	Surveyor and Trustee of Hammersmith & Fulham Arts Festival
Marilyn Hawkins Chair of Governance and HR Committee	Management Consultant in the Further Education sector (Resigned February 2019)
Iain Cassidy *	Hammersmith & Fulham Councillor and Caseworker for Andy Slaughter MP (Term ended June 2018)
Christabel Cooper *	Insight & Data Analyst
Adam Matan OBE	Director, Anti-Tribalism Movement (Appointed May 2018)
Sian Davis #	Communications Manager, Latymer Upper School
Charlie Dewhirst *	Hammersmith & Fulham Councillor and Senior Public Affairs Manager, Rugby Football Union (Term Ended May 2018)
Mark Higton	Company Director (Appointed June 2018)
Rev Ben Humphries +	Associate Vicar, Parish of St Michael & St George White City
Rachel Leighton	Schools and Colleges Engagement Manager (Appointed June 2018)
Bernadette McGlew	Grants Manager, Porticus
William Wates	Wates Foundation and Chartered Building Surveyor, Fedalah Ltd

Appointees

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

HAMMERSMITH UNITED CHARITIES

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

REFERENCE & ADMINISTRATIVE DETAILS (continued.)

Management Team

Chief Executive and Clerk to the Trustees

Victoria Hill

Auditors

Haysmacintyre LLP
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

Surveyors

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

Contact details

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Sycamore Gardens
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@HamUnited

HAMMERSMITH UNITED CHARITIES

CHAIR'S INTRODUCTION

FOR THE YEAR ENDED 31 MARCH 2019

The Charity marked its 400th year anniversary in 2018. Throughout the year we held a series of celebratory activities bringing together people from all of Hammersmith's diverse communities to thank them for the part they have played in the Charity's past successes and forge new relationships on which to build the achievements of the next 400 years.

We are moving forward with two strategic projects to grow our impact for future generations as a legacy of these 400th year celebrations:

In 2018, we established UNITED in Hammersmith and Fulham together with our sister charity Doctor Edwards and Bishop King's Fulham Charity, which also celebrated its 400th anniversary during the year. UNITED in Hammersmith and Fulham is an independent charity and place-based giving scheme through which we aim to galvanise local giving to help address the high levels of inequality in the borough. It will run community fundraising campaigns and engage local donors to raise funds for causes across Hammersmith and Fulham. Hammersmith United Charities will support this venture through the provision of funding and access to our network, expertise and resources.

The Charity is also seeking opportunities to develop our capacity to provide affordable housing for future generations of older people from our area of benefit. We were disappointed that our proposal to develop a new intergenerational housing scheme in partnership with Shepherds Bush Housing Group was not able to proceed to planning, however we will continue to pursue new opportunities to develop our housing offer.

Our core activities continued throughout the year. The Charity's two sheltered housing schemes, John Betts House and Sycamore House, provide safe and secure housing for nearly 100 older residents. Residents make an active contribution to their community both inside and outside of our sheltered housing and support a wide range of sociable activities from hosting a visit from HRH the Duke of Gloucester to inviting the community to join them in our very own 'Gardeners Question Time'. Hammersmith United Charities makes a positive impact in the wider community through the distribution of more than 50 grants to local charitable causes reaching more than 3,000 beneficiaries. Our grants programme is made up of longer term grants to 'Anchor Organisations', groups that make a vital contribution to the quality of life in our area of benefit, our main grants programme open to organisations working in our area of benefit and a small number of 'Micro Grants' offering small and flexible funding for one-off projects. In 2014, the Charity made a strategic investment of £1m funding over 10 years in Wormholt and White City and we are looking forward to continuing with this work.

The Charity is financially robust. 2018/2019 saw a small decrease in funds, this is after accounting for over £500,000 of depreciation of our freehold properties. There was also a modest increase in the value of our investments and the balance sheet remains very strong. Since the year end we have appointed Cazenove Capital as the Charity's investment managers and are confident that this will enable us to optimise the value of our investments in the long term.

Finally, the year saw the planned retirement of Chair, Mike Smith, and CEO and Clerk to the Trustees, Tim Hughes, and we would like to thank both of them for their outstanding work and dedication to the Charity which has done so much to put the Charity in a strong position to look forward to the next 400 years of serving the people of Hammersmith.

Vivienne Lukey

Chair

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 and Fulham). There are six nominated trustees; four appointed by the London Borough of Hammersmith and Fulham; one appointed by the governors of the Latymer Foundation; and one appointed by the Bishop of Kensington.

Induction and 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 for public benefit when reviewing the Charity's aims and objectives and in planning future activities across its grants programme and sheltered housing schemes.

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 and Property Committee
- Grants and Partnerships Committee
- Finance and Investment Committee
- Governance and HR Committee

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 and Clerk to the Trustees who oversees a staff team of 10 people (6.8 FTE).

HAMMERSMITH UNITED CHARITIES

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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 and Partnerships Committee scrutinises and approves grant applications and makes recommendations on changes to grant criteria in light of research and experience; and the Housing and Property 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.

Pay and reward of all staff are reviewed annually by the Governance and HR Committee using benchmarking commissioned from an independent pay and reward specialist.

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. This includes a risk register, which is regularly reviewed, and external audits of health and 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 and safety and safeguarding procedures.

In May 2018, General Data Protection Regulation (GDPR) took effect and we added this to the risk register during the year. The Charity undertook a thorough programme of work to ensure that the Charity is compliant with the new regulations. We have implemented new policies and procedures and trained staff, trustees and volunteers to ensure personal data is handled appropriately.

Fundraising

As an endowed charity we do not actively fundraise though we occasionally receive unsolicited donations from members of the local community, these are added to the Charity's grants budget and given out to local charitable organisations.

From time to time the Charity may make applications for funding from other bodies if we identify an opportunity which aligns with our charitable objectives.

The fundraising activities of UNITED in Hammersmith and Fulham are overseen by an independent Board however as a founding partner the Charity is committed to ensuring that fundraising abides by the Fundraising Standards Board's Fundraising Code of Practice, the FRSB's Fundraising Promise and to high standards of fundraising activity which respects the rights, dignities and privacy of UNITED's supporters.

No complaints have been received about fundraising activity during the year.

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.

HAMMERSMITH UNITED CHARITIES

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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".

The Charity's 5 long standing strategic aims are listed below. These are reviewed annually at a development day for trustees and staff:

1. Develop a range of relevant, inclusive, innovative community-based responses to the specific 21st 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 400th 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).

Each year the Trustees set 5 key objectives in line with the strategic aims which are developed further in the Business Plan:

1. 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*)
2. 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*)
3. To continue to raise our profile and develop 400th anniversary plans (*so that we build on the Big Conversation and in furtherance of our aims*)
4. To develop links and partnerships with housing associations (*so that we secure more housing for local older people in need*)
5. 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*)

OPERATIONAL REVIEW

Much of the year was focussed on delivering celebratory events to mark our 400th anniversary year, raise awareness of the services provided by the Charity and take a more prominent role in fostering a sense of belonging in our community.

The remaining three 'Enigma Lunches' were delivered in partnership with the Polish, Irish and Afro-Caribbean communities. At each event, different local communities came together to enjoy food, traditional music and storytelling to make new connections and share experiences of living and working in this culturally diverse borough.

OPERATIONAL REVIEW (continued)

In the summer we hosted a 'Grand Party' where more than 200 residents, staff, volunteers, beneficiaries and supporters past, present and (hopefully) future came together to celebrate 400 years of supporting the residents of Hammersmith. The event opened with a new dance piece commissioned especially for the occasion and performed by 'Bolder not Older' an innovative new older people's dance company who we continue to support. We were also proud to exhibit the mosaics created by an intergenerational project involving residents of our sheltered housing schemes and pupils from Old Oak and St Stephen's Primary Schools and now permanently installed at each of the sheltered housing schemes.

In September, we were delighted to host our own 'Gardeners Question Time' where a packed audience of residents and people from the local community had the pleasure of taking advice from an expert panel made of the Head Gardener of Fulham Palace, Christine Walkden from the Radio 4's GQT, the Head Gardener from Chiswick House and journalist Gillian Reynolds.

Finally, in December, the residents were honoured to round off the celebrations by hosting a visit from HRH Prince Richard, the Duke of Gloucester, who joined us for a tour of our sheltered housing followed by tea and cakes.

Alongside the anniversary celebrations, the Charity's work to foster a thriving and active community within a safe and secure setting for residents of our sheltered housing schemes and to deliver a wider impact through our community grants programme continued as normal.

The Charity welcomed two new residents at Sycamore House and 5 at John Betts House and we continued to develop the range of activities to encourage social interaction on and off-site. Amongst many other activities, each site holds a communal lunch organised monthly in partnership with Soup4Lunch where residents, staff, volunteers, trustees and members of the local community come together to cook and eat a meal. We have a thriving artistic community amongst our residents who exhibited their art works as part of the local art festival, Hammersmith & Fulham ArtsFest. The gardens continue to be a source of activity and pride and we were pleased to welcome visitors from all over London as part of Open Garden Squares weekend and were delighted to again be recipients of the prestigious London Garden Society Awards. We encourage appropriate use of the Charity's resources by the wider community and this year were happy to begin hosting Creating with Dementia, an art group for people living with dementia and their carers at John Betts House.

We are committed to an ongoing programme of capital improvements and flat refurbishments at both sheltered housing schemes. During the year we fully refurbished one flat, partially refurbished four flats and redecorated 9 flats.

We made just over 50 grants to local organisations during the year and our grants are estimated to have benefitted more than 3,000 people (excluding participants of our 400 year celebrations).

We continued with our 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, Shepherds Bush Family Centre, White City Youth Theatre) are able to focus more on other aspects of their development.

The Wormholt and White City Big Local programme experienced some operational difficulties during the year however our work continued, and we remain committed to dedicating a ring-fenced sum of £100,000 to charitable activities which benefit the area. We also completed our partnership with UnLtd and will continue to offer support to local social enterprises. The Micro Grant programme, offering small grants for one-off projects, continues to be very popular and a valued source of flexible funding.

Our PhD student delivered her final piece, an installation in St Paul's churchyard to encourage Hammersmith locals to come together and overcome preconceptions of youth and ageing. The installation, made up of specially designed swings and benches, was produced in collaboration with local furniture re-use charity Petit Miracles and architects Levitt Bernstein.

HAMMERSMITH UNITED CHARITIES

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FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL REVIEW

Financial performance: 2018/19

Income

Income for the year was £1.51 million. This compares with income of £1.43 million in 2017/18. The two principal sources of income are sheltered housing 'rents' (60% of total income) and investment income (39%).

Expenditure

Unrestricted expenditure, which excludes capitalised items and property depreciation, totalled £1.28m (£1.19m in 2017/18), as a result of which the Charity made an unrestricted surplus of £234k before investment losses and actuarial losses in respect of the pension scheme. Excluding investment revaluations and actuarial losses in respect of the pension scheme, there was an overall deficit of £280k due to the depreciation charged on the endowed property.

The grants programme, including salary costs, incurred expenditure of £469k (£451k in 2017/18).

Staff costs for the year were £424k (£338k in 2017/18).

Capital expenditure for the year was £36k (£532k in 2017/18 of which £448k related to the refurbishment of the plumbing systems in our sheltered housing estate). Depreciation, which is mainly attributable to our sheltered housing properties, was £518k (£515k in 2017/18)

Investments

The Charity has assets that include an invested endowment and investment properties with a value carried forward as at 31 March 2019 of £14.3m. These comprise portfolio investments of £11.5m and investment property valued at £2.8m.

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.

Although there was continuing stock market volatility during the year, the 31 March 2019 valuation of marketable securities at £11.5m reflected an unrealised gain of £0.2m (decrease 2017/18 of £0.05m). The Finance and Investment Committee reviews performance throughout the year compared to the Charity's total return target and other benchmarks. As a result of this ongoing review and in light of continued volatility the Committee recommended that new investment advisors be appointed. Since the year end the Charity has appointed Cazenove Capital to provide discretionary investment management.

Reserves policy

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

1. Commissioned authoritative research that permits them to understand the nature of current need and respond to that need appropriately through its grants programme;
2. 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.
3. 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;
4. 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 £34.0m of which £23.3m relates to endowed funds. £18.6m 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 £4.7m is invested in property and other investments. 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.

£8.8k is held as restricted funds and related to grants received which will be expended in 2019.

The balance of the funds is unrestricted and totals £10.8m. 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.

Value for Money

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

The Charity carries out an ongoing programme of capital improvements according to the recommendations made in our stock survey and responding to any issues which arise during the year. Flats are refurbished every 7 years and the Charity's scheme managers work closely with residents to identify and address maintenance issues. Major projects are put out to tender to multiple suppliers and a full appraisal carried out of the value for money before a decision is made.

A budget and business plan is created each year and scrutinised in detail by the Finance and Investment Committee before being reviewed and approved by the Board. Performance metrics are reported and reviewed each quarter and plans put in place to address any areas of under-performance.

Grantees are required to submit monitoring reports, and these are reviewed before further funds are released. The impact of the grants programme is reviewed annually, in 2018/19 it reached more than 3,000 beneficiaries.

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The Charity has reviewed its metrics in accordance with the Value for Money Code of Practice. The core housing information is set out in the following table.

Metric	Definition	2019	2018
Business Health			
Operating Margin - Social Housing (non-support)	Operating (deficit) from social housing lettings / turnover from social housing lettings	(37.90)%	(38.20)%
Operating Margin - Overall	Operating (deficit) overall / turnover overall	(18.52)%	(19.89)%
EBITDA MRI interest cover	Earnings before interest, tax, depreciation, amortisation, major repairs included Interest cover %	N/A	N/A
Development			
New supply as a % of current units		Nil	Nil
Gearing	Short term loans + long term loans - cash and cash equivalents + finance lease obligations / Tangible fixed assets: Housing properties at cost (current period)	(7.35)%	(6.48)%
Outcomes			
Reinvestment %	Development of new properties (housing) + newly built properties acquired + works to existing housing properties + capitalised interest on housing properties + schemes completed / Tangible fixed assets housing at cost	0.18%	2.78%
Effective Asset Management			
ROCE	Operating (deficit) overall / total assets less current liabilities	(0.82)%	(0.38)%
Cost per unit			
Headline social housing cost		£13,528	£18,174

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FUTURE DEVELOPMENTS

In 2019/20 we expect to introduce more structured means for involving residents of the Charity's sheltered housing in the decisions which affect them. We also plan to begin a formal evaluation of the health and wellbeing of residents to inform planning for meeting our community's evolving needs in the next 5 to 10 years.

Next year we will also increase our grants budget to £400k per annum in honour of our 400th anniversary and in recognition of increasing demand for charitable funding. We will continue with our commitment to making grants of £100,000 per annum in Wormholt and White City. The Charity is also pleased to be working in partnership with The Lyric Theatre, Imperial College London and the London Borough of Hammersmith and Fulham to develop Agents for Change, a leadership programme supporting female community leaders in the area.

We will be moving forward with two strategic projects to grow our impact for future generations as a legacy of these 400th year celebrations:

We established UNITED in Hammersmith and Fulham together with our sister charity Doctor Edwards and Bishop King's Fulham Charity which also celebrated its 400th anniversary in 2018. This is an independent charity and place-based giving scheme through which we aim to galvanise local giving to help address the high levels of inequality in the borough. UNITED in Hammersmith and Fulham will run community fundraising campaigns and engage local donors to raise funds for local causes across Hammersmith and Fulham.

In 2019/20 we will support UNITED with fundraising and grant making activities. For example, we expect to work in partnership with the London Borough of Hammersmith and Fulham and a local philanthropist to give 'Great Get Together' grants for community projects tackling loneliness and social isolation. We will also support UNITED to deliver the next 'Warmer Together' campaign to encourage people who receive the winter fuel allowance and can afford to do so to donate it to provide extra support for less well-off older neighbours. We hope also to start engaging with the local business community to facilitate their involvement in funding local charitable

Our aim is that UNITED in Hammersmith and Fulham becomes self-sustaining and able to operate without the support of the founding partners however we recognise that this may take a few years and the Charity is committed to supporting UNITED to achieve this for the foreseeable future. We will provide support through several means including funding, premises and access to the Charity's network and expertise.

The Charity has funds set aside to enable the development of new sheltered housing. During 2019/20 we will work with the London Borough of Hammersmith and Fulham and other partners to identify opportunities to deliver this.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (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;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- 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.

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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:

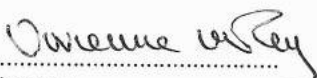
- procedures are in place, including segregation of duties wherever feasible, which allow the monitoring of controls and restrict the unauthorised use of the Charity's assets;
- experienced and suitably qualified staff take responsibility for important business functions with annual appraisal procedures 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 board 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 LLP are willing to be reappointed as auditors for the forthcoming year.

APPROVAL

On behalf of the Board of the Trustee Company:


.....
Director

Date: 25 September 2019

HAMMERSMITH UNITED CHARITIES

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Opinion

We have audited the financial statements of Hammersmith United Charities for the year ended 31 March 2019 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 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 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 the trustee for the financial statements

As explained more fully in the trustee's responsibilities statement set out on page 13, 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 trustee either intends 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. 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 2019

Other information

The trustee is responsible for the other information. The other information comprises the information included in the Trustee's 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
- 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.

Use of our report

This report is made solely to the charity's trustee 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 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's trustee for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

3/10/19


Haysmacintyre LLP 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 2019

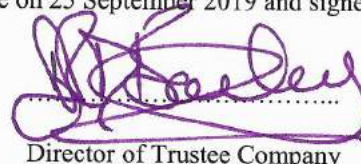
		Unrestricted Funds	Restricted Funds	Endowment Funds	2019 Total	2018 Total
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM:						
Donations and grants	2	14,025	-	-	14,025	20,000
Investments	3	585,011	-	-	585,011	534,155
Charitable activity - Housing	4	908,216	-	-	908,216	865,977
Other		2,242	-	-	2,242	6,357
TOTAL		<u>1,509,494</u>	<u>-</u>	<u>-</u>	<u>1,509,494</u>	<u>1,426,489</u>
EXPENDITURE ON:						
Raising funds:						
Investment management costs	5	67,157	-	-	67,157	62,478
Charitable activities:						
Housing activity	6	742,490	-	509,978	1,252,468	1,196,764
Relief in need and grants	6	465,725	3,700	-	469,425	450,980
TOTAL		<u>1,275,372</u>	<u>3,700</u>	<u>509,978</u>	<u>1,789,050</u>	<u>1,710,222</u>
Net income/(expenditure) before gains/(losses) on investments		<u>234,122</u>	<u>(3,700)</u>	<u>(509,978)</u>	<u>(279,556)</u>	<u>(283,733)</u>
Unrealised gains/(losses) on investments and investment property		(4,377)	-	219,150	214,773	(303,123)
Realised gain on disposal of investment property		-	-	-	-	151,923
Net income/(expenditure) for the year		<u>229,745</u>	<u>(3,700)</u>	<u>(290,828)</u>	<u>(64,783)</u>	<u>(434,933)</u>
Actuarial losses in respect of pension scheme	21	<u>(39,000)</u>	<u>-</u>	<u>-</u>	<u>(39,000)</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>190,745</u>	<u>(3,700)</u>	<u>(290,828)</u>	<u>(103,783)</u>	<u>(434,933)</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>10,585,164</u>	<u>12,500</u>	<u>23,553,936</u>	<u>34,151,600</u>	<u>34,586,533</u>
TOTAL FUNDS CARRIED FORWARD		<u>10,775,909</u>	<u>8,800</u>	<u>23,263,108</u>	<u>34,047,817</u>	<u>34,151,600</u>

All activities are continuing.

The financial statements were approved and authorised for issue by the Trustee on 25 September 2019 and signed on its behalf by:



Director of Trustee Company


Director of Trustee Company

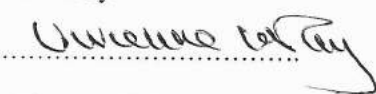
HAMMERSMITH UNITED CHARITIES

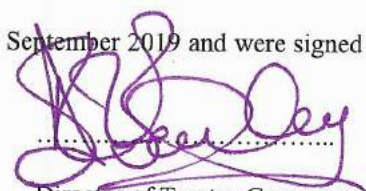
BALANCE SHEET

AT 31 MARCH 2019

	Notes	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	13	18,591,646		19,073,150	
Investments					
Investments	14	11,517,453		11,277,680	
Investment property	15	2,810,000		2,835,000	
			32,919,099		33,185,830
CURRENT ASSETS					
Debtors	16	178,066		128,670	
Cash at bank		1,366,032		1,234,757	
		1,544,098		1,363,427	
CREDITORS: amounts falling due within one year	17	(270,380)		(310,657)	
NET CURRENT ASSETS			1,273,718		1,052,770
TOTAL ASSETS LESS CURRENT LIABILITIES			34,192,817		34,238,600
CREDITORS: amounts falling due after one year					
Pension – defined pension creditor	18		-		(87,000)
NET ASSETS (excluding defined pension scheme liability)			34,192,817		34,151,600
Pension – defined benefit liability	21		(145,000)		-
NET ASSETS			34,047,817		34,151,600
FUNDS	19				
Unrestricted income funds			10,775,909		10,585,164
Restricted funds			8,800		12,500
Endowment funds			23,263,108		23,553,936
TOTAL FUNDS			34,047,817		34,151,600

The financial statements were approved and authorised for issue by the Trustee on 25 September 2019 and were signed on its behalf by:


Director of Trustee Company


Director of Trustee Company

HAMMERSMITH UNITED CHARITIES**STATEMENT OF CASH FLOWS****AT 31 MARCH 2019**

	2019 £	2018 £
Net movement in funds	(103,783)	(434,933)
Unrealised investment (gains)/losses	(214,773)	303,123
Realised investment (gains)	-	(151,923)
Investment income shown in investing activities	(585,011)	(534,155)
Depreciation	517,622	515,439
(Increase)/Decrease in debtors	(49,396)	13,412
(Decrease)/Increase in creditors excluding pension	(21,277)	68,016
Increase/(Decrease) in pension creditors	39,000	(18,000)
Net cash used in operating activities	(417,618)	(239,021)
Cash flows from investing activities		
Investment income	585,011	534,155
Net cash received in respect of investments	-	551,923
Cash paid in respect of tangible fixed assets	(36,118)	(532,408)
	548,893	553,670
Increase in cash and cash equivalents in the year	131,275	314,649
Cash and cash equivalents at the start of the year	1,234,757	920,108
Total cash and cash equivalents at the end of the year	1,366,032	1,234,757
Cash at bank	1,366,032	1,234,757

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 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 2015) - (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. Termination benefits are accounted for on an accruals basis and in line with FRS102.

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 cost
	- Roofing: 3.3% of cost or deemed cost
	- Fit out: 8.3% of cost or deemed 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 2019

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 funds represent Social Enterprise Solutions for Ageing Society, a collaboration between UnLtd and Esmée Fairbairn Foundation.

Pension costs and other post-retirement benefits

The Charity participates in the SHPS (Social Housing Pension scheme). The Scheme is a multi-employer defined benefit scheme and the Charity's share of the results of the scheme is shown within the accounts in accordance with FRS102.

The current service cost and costs from settlements and curtailments are charged against operating results. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Remeasurements are reported in the Statement of Financial Activities.

2. DONATIONS AND GRANTS

	2019 £	2018 £
Donations	14,025	-
Grant income	-	20,000
	<u>14,025</u>	<u>20,000</u>

3. INVESTMENT INCOME

	2019 £	2018 £
Rents receivable	74,388	76,377
Dividends received	504,361	455,055
Interest receivable	5,879	2,268
Other investment income	383	455
	<u>585,011</u>	<u>534,155</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITY

	2019 £	2018 £
Rent and Service Charge	930,787	893,605
Less: Voids	(22,571)	(27,628)
Housing activity	<u>908,216</u>	<u>865,977</u>

5. INVESTMENT MANAGEMENT COSTS

	2019 £	2018 £
Property costs	17,484	22,636
Legal and professional costs	10,439	3,665
Support costs	39,234	36,177
	<u>67,157</u>	<u>62,478</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

6. CHARITABLE ACTIVITIES COSTS

	2019 Direct Costs £	2019 Support Costs £	2019 Total £	2018 Direct Costs £	2018 Support Costs £	2018 Total £
Housing activity	460,023	792,445	1,252,468	424,420	772,344	1,196,764
Relief in need and grants	433,462	35,963	469,425	417,823	33,157	450,980
	<u>893,485</u>	<u>828,408</u>	<u>1,721,893</u>	<u>842,243</u>	<u>805,501</u>	<u>1,654,744</u>

Relief in need and grants includes grants payable of £397,512 and direct staff costs of £33,546 and other direct costs of £2,404. 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	3,381	27,873	6,309
Housing activity	21,705	178,839	3,080
Relief in need and grants	3,101	25,548	440
At 31 March 2019	<u>28,187</u>	<u>232,260</u>	<u>9,829</u>
At 31 March 2018	<u>84,617</u>	<u>172,460</u>	<u>29,150</u>

	Governance Costs £	Property costs £	Non-Property Depreciation £	Totals £
Investment management costs	-	1,671	-	39,234
Housing activity	23,096	558,081	7,644	792,445
Relief in need and grants	-	6,874	-	35,963
At 31 March 2019	<u>23,096</u>	<u>566,626</u>	<u>7,644</u>	<u>867,642</u>
At 31 March 2018	<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 2019

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.

	2019 Salary £	2019 Pension £	2019 Total £	2018 Salary £	2018 Pension £	2018 Total £
Chief Executive to Nov 2018	51,191	4,612	55,803	81,549	8,899	90,448
Chief Executive from Nov 2018	35,078	938	36,016	-	-	-
Total	86,269	5,550	91,819	81,549	8,899	90,448

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

9. STAFF COSTS

	2019 £	2018 £
Wages and salaries	300,418	276,314
Social security costs	26,956	25,248
Pension costs	35,903	17,670
Other staff costs	60,217	18,386
	423,494	337,618

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

	Number	Number
Operational staff	5	5
Management staff	3	3
	8	8

No employee received emoluments of more than £60,000 during the year (2018: One received emoluments of more than £70,000).

Included in the Other Staff costs is £12,250 (2018: £3,861) payment in respect of agency staff, recruitment costs of £22,897 (2018: £1,547) and redundancy cost of £12,443 (2018: £Nil) during the year.

HAMMERSMITH UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

10. NET INCOME/ (EXPENDITURE)	2019	2018
	£	£
This is stated after charging:		
Auditors' remuneration		
- audit services (Excl. VAT)	11,800	11,400
Depreciation of tangible fixed assets owned by the charity	517,622	515,439
Pension costs	35,903	17,670
	<u> </u>	<u> </u>
11. HOUSING INCOME	2019	2018
	£	£
Gross income: rent net of identifiable services charges	930,787	893,605
Less: voids	(22,571)	(27,628)
Other housing related income	2,242	6,357
	<u> </u>	<u> </u>
Housing income per SOFA	910,458	872,334
	<u> </u>	<u> </u>
12. OPERATING COSTS OF HOUSING ACTIVITY	2019	2018
	Number	Number
Housing accommodation – number of units	95	95
	<u> </u>	<u> </u>
	£	£
Services	289,954	264,580
Management	283,187	267,706
Repairs and maintenance	169,349	159,691
Depreciation	509,978	504,787
	<u> </u>	<u> </u>
	1,252,468	1,196,764
	<u> </u>	<u> </u>

HAMMERSMITH UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

13. TANGIBLE FIXED ASSETS	Freehold Property £	Plant & Machinery £	Computer Equipment £	Furniture & Fittings £	Total £
Cost/valuation					
At 1 April 2018	21,836,063	49,402	47,730	28,971	21,962,166
Additions – new components	32,724	-	3,394	-	36,118
At 31 March 2019	21,868,787	49,402	51,124	28,971	21,998,284
Depreciation					
At 1 April 2018	2,774,656	46,177	44,921	23,262	2,889,016
Charged in the year	509,978	1,337	2,341	3,966	517,622
At 31 March 2019	3,284,634	47,514	47,262	27,228	3,406,638
Net Book Value					
At 31 March 2019	18,584,153	1,888	3,862	1,743	18,591,646
At 31 March 2018	19,061,407	3,225	2,809	5,709	19,073,150

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 2019

14. FIXED ASSET INVESTMENTS

	Listed investments £
Market Value	
At 1 April 2018	11,277,680
Gain on revaluation	239,773
Market value at 31 March 2019	11,517,453
Historical Cost	9,120,032

As investments are held at market value, the valuation will fluctuate from year to year. The gains in 2019 are unrealised and follow unrealised loss of £48,123 in 2018 as shown on the Statement of Financial Activities.

15. INVESTMENT PROPERTY

	£
Market Value	
At 1 April 2018	2,835,000
(Loss) on revaluation	(25,000)
At 31 March 2019	2,810,000

It is not possible to determine the historical cost of the properties. The properties were last valued at 31 March 2019 by the Trustee having had regard to external advice.

16. DEBTORS: amounts falling due within one year

	2019 £	2018 £
Rental debtors	17,782	11,233
Accrued dividends	134,551	99,754
Prepayments	25,733	17,683
	178,066	128,670

17. CREDITORS: amounts falling due within one year

	2019 £	2018 £
Trade creditors	15,556	30,434
Accruals and deferred income	49,136	75,933
Grant creditors	150,440	131,833
Other creditors	55,248	53,457
Pension deficit contributions	-	19,000
	270,380	310,657

HAMMERSMITH UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

18. DEFINED BENEFIT PENSION CREDITOR

	2019 £	2018 £
Pension deficit contribution due within one year	-	19,000
Pension deficit contributions due after one year	-	87,000
Total benefit to be recognised	-	106,000

19. MOVEMENT IN FUNDS

	2019 Brought Forward £	2019 Income £	2019 Expenditure and transfers £	2019 Gains & Losses £	2019 Carried Forward £
Endowment funds	23,553,936	-	(509,978)	219,150	23,263,108
Restricted funds	12,500	-	(3,700)	-	8,800
Unrestricted funds	10,585,164	1,509,494	(1,275,372)	(43,377)	10,775,909
	<u>34,151,600</u>	<u>1,509,494</u>	<u>(1,789,050)</u>	<u>175,773</u>	<u>34,047,817</u>
	2018 Brought Forward £	2018 Income £	2018 Expenditure and transfers £	2018 Gains & Losses £	2018 Carried Forward £
Endowment funds	24,165,939	-	(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.

HAMMERSMITH UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2019 Tangible fixed assets £	2019 Long-term Investments £	2019 Net Current Asset £	2019 Long-term Liability £	2019 Total Funds £
Endowment funds	18,584,153	3,800,631	878,324	-	23,263,108
Restricted funds	-	-	8,800	-	8,800
Unrestricted funds	7,490	10,526,822	386,597	(145,000)	10,775,909
	<u>18,591,643</u>	<u>14,327,453</u>	<u>1,273,721</u>	<u>(145,000)</u>	<u>34,047,817</u>
	2018 Tangible fixed assets £	2018 Long-term Investments £	2018 Net Current Asset £	2018 Long-term Liability £	2018 Total Funds £
Endowment funds	19,061,407	3,805,008	687,521	-	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. The year to 31 March 2019 is the first year where the deficit on the SHPS Defined Benefit scheme can be accounted for in accordance with the provisions of FRS102 and the net Defined Benefit liability has now been recognised.

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 Charity 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.

This scheme was valued by the Pension Trust's actuary as at 31 March 2019 in accordance with the Financial Reporting Standard FRS102. The liabilities were assessed at £620,000 and the assets were valued at £475,000.

HAMMERSMITH UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

21. PENSION COMMITMENTS (continued)

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION

	31 March 2019	31 March 2018
	(£000s)	(£000s)
Fair value of plan assets	475	448
Present value of defined benefit obligation	620	568
(Deficit) in plan	(145)	(120)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Year ended
	31 March 2019
	(£000s)
Defined benefit obligation at start of period	568
Current service cost	6
Expenses	3
Interest expense	14
Contributions by plan participants	2
Actuarial losses due to scheme experience	5
Actuarial losses due to changes in demographic assumptions	2
Actuarial losses due to changes in financial assumptions	35
Benefits paid and expenses	(15)
Defined benefit obligation at end of period	620

HAMMERSMITH UNITED CHARITIES**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2019****21. PENSION COMMITMENTS (continued)****RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS**

	Year ended 31 March 2019 (£000s)
Fair value of plan assets at start of period	448
Interest income	12
Experience gains on plan assets (excluding amounts included in interest income)	3
Contributions by the employer	25
Contributions by plan participants	2
Benefits paid and expenses	(15)
Fair value of plan assets at end of period	475

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2019 was £15,000.

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

	Period from 31 March 2018 to 31 March 2019 (£000s)
Current service cost	6
Expenses	3
Net interest expense	2
Defined benefit costs recognised in SOFA	11

HAMMERSMITH UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

21. PENSION COMMITMENTS (continued)

DEFINED BENEFIT COSTS RECOGNISED IN SOFA

	Year ended 31 March 2019 (£000s)
Experience gains on plan assets (excluding amounts included in net interest cost)	3
Experience losses arising on the plan liabilities	(5)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	(2)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation	(35)
Total loss recognised in SOFA	(39)

ASSETS

	31 March 2019 (£000s)	31 March 2018 (£000s)
Global Equity	80	89
Absolute Return	41	55
Distressed Opportunities	9	4
Credit Relative Value	9	-
Alternative Risk Premia	27	17
Fund of Hedge Funds	2	15
Emerging Markets Debt	16	18
Risk Sharing	14	4
Insurance-Linked Securities	14	12
Property	11	21
Infrastructure	25	11
Private Debt	6	4
Corporate Bond Fund	22	18
Long Lease Property	7	-
Secured Income	17	17
Liability Driven Investment	174	163
Net Current Assets	1	-
Total assets	475	448

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2019

21. PENSION COMMITMENTS (continued)

KEY ASSUMPTIONS

	31 March 2019	31 March 2018
	% per annum	% per annum
Discount Rate	2.29%	2.54%
Inflation (RPI)	3.30%	3.20%
Inflation (CPI)	2.30%	2.20%
Salary Growth	3.30%	3.20%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2019 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2019	21.8
Female retiring in 2019	23.5
Male retiring in 2039	23.2
Female retiring in 2039	24.7

22. FINANCIAL COMMITMENTS

At the year end, the Charity had financial commitments amounting to £ Nil (2018: £NIL) contracted for at the balance sheet date but not provided for in these accounts.

HAMMERSMITH UNITED CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

23. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2018

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

APPENDIX 1**Grants awarded May 2018**

Organisation	Amount	Purpose
Hammersmith and Fulham Law Centre	£8,000	To provide a drop in legal clinic at the Refugee Welcome centre
Our Lady of Fatima Church	£1,000	Towards the cost of a mural and environmental improvements
Nubian Life	£10,000	To extend the Valuing Independence Project
BLINK Dance Theatre	£7,000	To provide a programme of dance workshops for people with learning disabilities and train a group of peer facilitators
St Katherine's Taekwondo Academy	£5,000	To support the costs of memberships and initial grading for child members and towards the costs of a programme of outreach
White City Youth Club	£8,000	For a programme of virtual reality film making about issues of concern to the members
Centrepoint	£3,000	To provide a fund to support activities for young people from Hammersmith in the care of Centrepoint to enable them to do ordinary fun things
Dance West	£10,000	To support core costs and in particular the employment of two local young people to strengthen coordination and administration
Chess in Schools and Communities	£1,000	Towards the cost of chess teaching at Miles Coverdale School
Ball Out	£1,370	To provide a programme of free basketball training in Ravenscourt Park and Wormholt Park over the summer
Bishop Creighton House	£7,000	To continue a programme of literacy and numeracy training for people with learning disabilities
Art West	£1,000	To support the outreach programme linked to the annual open studios event
Juliana Asthma Cause	£1,000	To support awareness raising and support for people with asthma
The Upper Room	£4,000	Towards the costs of the meals programme
Albert & Friends Instant Circus	£6,000	Towards the cost of a programme of circus skills workshops on the Charecroft estate
Banooda Aid Foundation	£7,500	For a programme of intergenerational activities and workshops on the White City estate
Womans Trust	£8,000	To provide counselling for individual women affected by domestic abuse
Design Ed	£7,800	For a weeklong design and making summer camp for disadvantaged children from White City
Music House for Children	£6,000	For a programme of music, movement and storytelling workshops for babies and toddlers with special needs
Old Oak Youth Club	£7,000	Towards the costs of a junior youth club
United in Hammersmith and Fulham	£5,000	Towards a programme of neighbourhood events inspired by the Jo Cox Foundation

APPENDIX 1**Grants awarded October 2018**

Organisation	Amount	Purpose
Funpact	£10,000	To enable the director to work full time for a year
Studio Hache	£3,500	For a programme of arts activities with the Welcome centre
John Betts Primary School	£8,700	For play therapy, art therapy and music lessons for children with specific needs
Protection Approaches	£5,000	To fund two projects developed as part of the White City hackathon
Photojournalism hub	£3,300	For a programme of debates on social issues relevant to the AOB
Old Oak primary school	£10,000	Continuation funding for Family Group
Grove toddlers	£3,500	Towards the running costs of this traditional community toddler group
Flying Gorillas	£5,000	Towards the cost of a programme of breakdance and classical music in special schools and to train teachers
Ethiopian Womens Empowerment Group	£5,000	For a programme of activities to break down isolation
Lunch club 4 the blind	£2,000	For members' transport costs
Leaf education	£7,000	For a programme of ESOL classes for disadvantaged women
Bubble and Squeak	£15,000	Towards the costs of this food related child run social enterprise
Grove Neighbourhood Folk Art Group	£3,000	Towards the costs of an art class for people with social and health issues
Soup4lunch	£16,000	For a project to investigate who participates in community activities and why
Hammersmith Community Gardens Association	£10,000	Towards the additional costs of acquiring Phoenix Farm for the community
Thursday Club	£3,000	For activity costs for a social club for residents of Pioneer Way
Women's community leadership course	£5,000	Towards the cost of the course and network

HAMMERSMITH UNITED CHARITIES**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 MARCH 2019****APPENDIX 1****Grants awarded January 2019**

Organisation	Amount	Purpose
Urban Flyers	£10,000	To run a drone club for young people aged 11 – 16 on White City, teaching drone skills including employment related skills.
Solidarity Sports	£10,000	Towards core costs
Westside Basketball	£8,000	For basketball training for young men aged 19 - 21
Baraka Community Association	£8,000	Programme of support and role modelling for Somali boys who have grown up without a father
Cottman Foundation	£4,250	For a consultation event and to install and maintain a knife bin
Key4life	£8,000	To provide mentoring, a residential weekend and emotional resilience sessions for younger teenagers.
UPG/Creative Circle	£10,000	A project on the Edward Woods estate to support children to improve their emotional health, facilitate positive relationships, improve their self confidence and build parent confidence.
Women Make Change	£5,000	Towards the core costs of this organisation providing support for female victims of domestic abuse.
Wendell park Primary school	£10,000	For art therapy for the children
Kenmont primary school	£6,000	For an art and play therapy service
Magic Me	£3,000	For cocktail parties in sheltered housing and care homes
Iraqi Reach and Connect	£7,000	To provide an extended range of social activities for older Iraqi people and for women, focusing on those who are socially excluded and only speak Arabic
Petite Miracles	£17,000	For a programme of work to support individual entrepreneurs with advice, training, access to a selling hub and mentoring including additional outreach and the development of an accessible pathway into the programme.
Mother and Child welfare organisation	£7,000	For a programme of story telling activities with the Somali community
Community activities in White City	£7,000	To continue the programme of coffee mornings and social activities on the White City estate previously delivered via Big Local.
JOY	£6,500	For the second year of the disability arts festival run by Hammersmith and Fulham ArtsFest.