

***HAMPSTEAD HEATH***  
***REPORT AND CONSOLIDATED FINANCIAL STATEMENTS***  
***FOR THE YEAR ENDED 31 MARCH 2018***

**Charity Number: 803392**

# HAMPSTEAD HEATH

## **Trustee's Annual Report and Financial Statements for the year ended 31 March 2018**

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# **HAMPSTEAD HEATH**

## **Trustee's report for the year ended 31 March 2018**

### **1. Reference and Administration Details**

Charity Name:	Hampstead Heath
Registered Charity Number:	803392
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The City of London Corporation
Chief Executive:	The Town Clerk of the City of London Corporation
Treasurer:	The Chamberlain of London
Solicitor:	The Comptroller and City Solicitor
Banker:	Lloyds Bank plc City Office, PO Box 72 Bailey Drive Gillingham, Kent ME8 OLS
Auditor:	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB

### **2. Structure, Governance and Management**

#### **The governing document**

The governing documents are the Hampstead Heath Act 1871 and the London Government Reorganisation (Hampstead Heath) Order 1989. The charity is constituted as a charitable trust.

#### **Trustee Selection methods**

The Mayor and Commonalty and Citizens of London, known as the City of London Corporation, is the Trustee of Hampstead Heath. Elected Aldermen and Members of the City of London Corporation are appointed to the Hampstead Heath, Highgate Wood and Queen's Park Committee, together with six non City of London Corporation Members, one after consultation with the London Borough of Barnet, one after consultation with the London Borough of Camden, one after the consultation with the owners of the Kenwood lands and three after consultation with bodies representing local, archaeological, environmental or sporting interests, governing Hampstead Heath by the Court of Common Council of the City of London Corporation. The Finance Committee of the City of London Corporation administers the Hampstead Heath Trust Fund on behalf of the Trustee.

#### **Policies and procedures for the induction and training of Trustee**

The City of London Corporation makes available to its Members, seminars and briefings on various aspects of the City's activities, including those concerning Hampstead Heath, as it considers necessary to enable the Members to efficiently carry out their duties.

# **HAMPSTEAD HEATH**

## **Trustee's report for the year ended 31 March 2018**

### **2. Structure, Governance and Management (continued)**

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

The Committees governing the charity's activities are noted above. The Committees are ultimately responsible to the Court of Common Council of the City of London. The decision making processes of the Court of Common Council are set out in the Standing Orders and Financial Regulations governing all the Court of Common Council's activities. The Standing Orders and Financial Regulations are available from the Town Clerk at the registered address.

The Charity Governance Code was published in July 2017. The Trustee is supportive of the Code and its aim to assist in the development of high standards of governance throughout the charity sector. At this early point after the release of the Code, the Trustee is currently considering application of the recommended practice to the work of the Hampstead Heath charity.

#### **Details of related parties and wider networks**

Details of any related party transactions are disclosed in Note 16 of the Notes to the financial statements.

#### **Key management personnel remuneration**

The Trust considers its key management personnel comprise the Trustees and the Director of Open Spaces who manages the seven open spaces funded by the City of London Corporation.

Support is also provided by other chief officers and their departments from across the City of London Corporation, including the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor and City Surveyor.

The pay of the Director of Open Spaces is reviewed annually in-line with any uplift awarded to employees across the City of London Corporation. The City of London Corporation is committed to attracting, recruiting and retaining skilled people and rewarding employees fairly for their contribution. As part of this commitment, staff are regularly appraised and, subject to performance, eligible for contribution pay and recognition awards. If recruitment or retention of staff proves difficult, consideration is given to the use of market forces supplements in order to increase pay to a level that is competitive relative to similar positions in other organisations.

#### **Risk identification**

The Trustee is committed to a programme of risk management as an element of its strategy to preserve the charity's assets, enhance productivity for service users and members of the public and protect the employees.

In order to embed sound practice a Risk Management Group has been established in the City of London Corporation to ensure that risk management policies are applied, that there is an ongoing review of risk management activity and that appropriate advice and support is provided to Members and officers.

The City of London Corporation has approved a strategic risk register for all of its activities. This register helps to formalise existing processes and procedures and enables the City of London Corporation to further embed risk management throughout the organisation.

A key risk register has been prepared for this charity and has been reviewed by the committee acting on behalf of the Trustee. It identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

# **HAMPSTEAD HEATH**

## **Trustee's report for the year ended 31 March 2018**

### **2. Structure, Governance and Management (continued)**

#### **Risk identification (continued)**

There are 9 risks which have been identified as affecting all the Open Spaces of which 8 relate to the "green spaces". These are:

- Animal, Plant and Tree Diseases;
- Extreme weather;
- Poor repair and maintenance of buildings;
- Impact of Housing/Highways Development;
- Ensuring the health and safety of staff, contractors and the public;
- Maintaining the City's water bodies;
- IT System Failure; and
- Reputational Risk Associated with Efficiency Changes

There is a system in place for monitoring each of these risks and mitigating actions are undertaken including training, strengthening controls and plans of action.

These risks are then broken down into more site specific risks in each areas own risk register, together with any risks that only relate to that site.

#### **Risk which is specific to Hampstead Heath:**

1. Hampstead Heath Water bodies including Bathing Ponds – members of the public swimming in unauthorised areas, and not paying attention to acclimatisation requirements could lead to death or serious injury. Mitigation includes training of lifeguards, appropriate signage and safety equipment reducing the likelihood from unlikely to rare.

#### **There are three keys risks in the Hampstead Heath Trust risk register:**

1. The first key risk is the possibility of significant decreases in investment income. The impact of this could be major and so there are strict controls over this by having the funds managed by a professional fund manager, and by the Financial Investment Board regularly monitoring the performance of this fund manager. However the likelihood of such decreases is still seen as "possible".
2. The second risk to be managed is where Members of those Committees exercising the Trustee's duties have a conflict of interests. The control which exists is for those concerned to have a specific understanding of trust and charity law and the protocol for disclosing any potential conflict (which includes complying with the City of London Corporation's Code of Conduct), with this in mind although the impact might be serious, the likelihood is viewed as "unlikely".
2. The third risk is of a loss of directly employed staff and/or the support staff. The existing controls are of a documentation of systems, plans and projects, as well as having any necessary training programs. Again the impact could be serious the likelihood is considered "unlikely".

# HAMPSTEAD HEATH

## Trustee's report for the year ended 31 March 2018

### 3. Objectives and Activities for the Public Benefit

The Trustee has due regard to the Charity Commission's public benefit guidance when setting objectives and planning activities.

The object of the charity is the preservation of Hampstead Heath in perpetuity as an Open Space for the recreation and enjoyment of the public.

This charity is operated as part of the City of London's City's Cash. The City of London is committed to funding the ongoing net operational costs of the charity in accordance with the purpose.

The Hampstead Heath Trust Fund is a subsidiary controlled by this charity. That charity was established under the Local Government Reorganisation (Hampstead Heath) Order 1989 with an endowment of £15m. Its purpose was to contribute towards the running costs of the Heath. Separate accounts are prepared for the subsidiary, which are consolidated with these accounts.

### 4. Achievements and Performance

#### Key targets for 2017/18 and review of achievement

The key targets for 2017/18 together with their outcomes were:

- **Continuation of Ponds restoration works following the completion of the successful project.** The Ponds restoration works have progressed well and positive feedback from visitors has been received.
- **Carry out a range of consultation and engagement with respect to the draft Hampstead Heath Management Plan, which will cover the period 2018-2027.** The Vision for Hampstead has been developed as an outcome of the range of engagement which has taken place. This information has informed the Outcomes Framework, which will be an important part of the overall Management Framework.
- **Develop plans and work with the City Surveyor to deliver improvement works for the car park at East Heath.** The plans are progressing and the works to deliver the improvement will commence in Summer 2018.
- **Develop a vision for the Zoo at Golders Hill Park to ensure that it is a sustainable facility.** The vision for the zoo has been developed and the improvement plans form part of the Divisional Plan.
- **Review of the Adventure Playground at Parliament Hill in order to develop plans and options on which to consult and engage with users.** A review and engagement has taken place and the plans for the Adventure Playground have been presented in April 2018, with delivery of the improvements to follow.
- **Further work and development with respect to the Communications Strategy, including signage and interpretation.** A range of improvements have been delivered with respect to signage, with many the large signs which welcome visitors being replaced. A revised map has been rolled out across Hampstead heath and signage at locations such as the Hill Garden and Pergola has been updated to provide more information to visitors.

## **HAMPSTEAD HEATH**

### **Trustee's report for the year ended 31 March 2018**

#### **4. Achievements and Performance (continued)**

##### **Key targets for 2017/18 and review of achievement (continued)**

- **City of London (Open Spaces) Bill – Parliamentary process continues in 2017/18.**  
The Bill received Royal Assent in early March 2018, and a range of work will now be taking place to deliver the projects with which this will assist.

All of the above achievements enhanced the Open Space for the benefit of the public.

#### **5. Financial Review**

##### **Review of financial position**

Investment income of £1,283,000 (2016/17: £1,326,856) was earned during the year. Donations and legacy income received included £9,607 from donations and other external contributions (2016/17: £31,987) and £108,330 from grants (2016/17: £165,000). Income from charitable activities comprised £1,257,203 from sales, fees and charges (2016/17: £1,254,809) and £159,521 from rents (2016/17: £185,825). The contribution towards the running costs of the charity amounted to £6,119,800 (2016/17: £11,993,131). This net cost was met by the City of London Corporation's City's Cash.

The Barratt Bequest Trust Fund (Charity number 1064114) ceased to exist on 23 December 2011 and the Trust's assets and liabilities were transferred to the Hampstead Heath Trust Fund (£570,769) in 2011/12.

Additions to land and capital expenditure on buildings are included in the financial statements as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured. The impact on the financial statements is that the charity's balance sheet reflects its ownership of these fixed asset additions net of depreciation, represented by a designated income fund.

# **HAMPSTEAD HEATH**

## **Trustee's report for the year ended 31 March 2018**

### **5. Financial Review (continued)**

#### **Reserves Policy**

The contribution towards the running costs of Hampstead Heath is determined in accordance with a formula set out in the governing document. Reserves therefore represent the accumulated net income that cannot be distributed under the existing governance arrangements. However the higher level of reserves provides the potential for increased annual contributions in future years (calculated in accordance with the formula). The charity has unrestricted, restricted and endowment funds and the details are set out in Note 14 to the financial statements.

#### **Investment Policy**

The investment policy is driven by the concept of total return over the long term. The purpose of this policy is to provide for real increases in annual expenditure whilst preserving the capital base of the Trust in real terms.

The majority of the charity's surplus funds are invested within the Charities Pool administered by the City of London Corporation and the interest is received from the Chamberlain of London on cash balances held on behalf of the Trust. The investments are managed by Artemis Investment Management Limited and the performance of the fund is measured against the Fund manager benchmark (FTSE All Share Index).

As at 31 March 2018 the Fund achieved a return of +4.28% compared to the FTSE All Share Index return of +1.25%, an out-performance of 3.03%. Over three and five years the Fund has outperformed the index as follows:

	<b>3 Years</b>	<b>5 Years</b>
Fund	5.97%	7.96%
FTSE All Share	5.86%	6.59%
Out performance	0.11%	1.37%

#### **Spending Policy**

The reserves policy of the Trust is that the original Hampstead Heath Trust Fund endowment of £15 million (now worth £32m) should produce income to cover a proportion of the running costs of Hampstead Heath. The maximum contribution as it is set out in the Transfer order is £1,123,000 (2016/17: £1,137,000) and is subject to a triennial review. However, a contribution of £1,075,349 (2016/17: £1,119,739) was made in 2017/18 from the Permanent Endowment fund and the shortfall was funded from City's Cash. 2017/18 was the second year and therefore the contribution is equal to the amount of the maximum contribution for the first year of that period (2016/17 £1,107,144) multiplied by the change in the Average Earnings Index between April 2016 and April 2017 (1.014). A contribution was also made of £20,185 in 2017/18 representing the income arising from the former T.J. Barratt Trust which was transferred to the Hampstead Heath Trust Fund in December 2011 (2016/17: £21,306).

Should the actual income in any specific year added to the surpluses from previous years be less than contribution based on the funds on the original endowment, then the lower sum is attributed. The Finance Committee may decide that an allocation is to be made from the permanent endowment reserves of the Hampstead Heath Trust Fund. This is within the terms of the Transfer Order for the original endowment.



# **HAMPSTEAD HEATH**

## **Trustee's report for the year ended 31 March 2018**

### **5. Financial Review (continued)**

#### **Going Concern**

The Trustee considers the Hampstead Heath Trust Fund to be a going concern. Please see Note 1 (c) to the Financial Statements.

### **6. Plans for Future Periods**

The plans for 2018/19 are:

- Launch of the Hampstead Heath Management Plan, which will cover the period 2018-2027.
- Further Ponds restoration works following the completion of the successful project, including Model Boating Pond Island access review.
- Delivery of improvement works for the car park at East Heath.
- Delivery of improvements at the Adventure Playground at Parliament Hill and the adjacent Peggy Jay Centre, delivering natural play and clear links to the wider Heath.
- Further work and development with respect to the Communications Strategy, including signage and interpretation.
- Development of policies and procedures linked to the City of London (Open Spaces) Bill, including an Events Policy.
- Tree management and health work, including disease control for OPM (Oak Processionary Moth) and Masaria.
- Security improvements, including the installation of additional bollards at entrances to Parliament Hill.

### **7. Statement of Trustee's Responsibilities**

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with the Charities Act 2011 and 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 from 1 January 2015.

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- 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 that discloses with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. 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.

**HAMPSTEAD HEATH**  
**Trustee's report for the year ended 31 March 2018**

**8. Adopted and signed for and on behalf of the Trustee on 13 November 2018.**

Jeremy Paul Mayhew MA MBA  
Chairman of Finance Committee  
Guildhall, London

Jamie Ingham Clark  
Deputy Chairman of  
Finance Committee  
Guildhall, London

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF HAMPSTEAD HEATH**

## **Opinion**

We have audited the financial statements of Hampstead Heath for the year ended 31 March 2018 which comprise the Statement of Financial Activities, Balance Sheet, 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 FRS 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 2018 and of its incoming resources and application of resources, 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.

## **Basis for opinion**

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 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 audit opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in 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.

## **Other information**

The trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF HAMPSTEAD HEATH (CONTINUED)**

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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the 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.

### **Responsibilities of the trustee**

As explained more fully in the Trustee's Responsibilities Statement set out on page 8, 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 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 Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF HAMPSTEAD HEATH (CONTINUED)**

### **Use of our report**

This report is made solely to the charity's trustee, as a body, in accordance with Chapter 3 of Part 8 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 and its trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Heather Wheelhouse, *Senior Statutory Auditor*

For and on behalf of Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street  
London  
EC1A 4AB

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

Date: 13 November 2018.

# HAMPSTEAD HEATH

## Consolidated Statement of Financial Activities for the year ended 31 March 2018

	Notes	Unrestricted Funds		Restricted Fund	Endowment Fund	2017/18	2016/17
		General Fund	Designated Fund				
		£	£	£	£	£	£
<b>Income and endowments from:</b>							
Income from							
Donations and legacies		9,607	-	108,330	-	<b>117,937</b>	196,987
Charitable activities		1,416,724	-	-	-	<b>1,416,724</b>	1,440,634
Grant from City of London Corporation		6,114,761	5,039	-	-	<b>6,119,800</b>	11,993,131
Investments		1,262,815	-	-	20,185	<b>1,283,000</b>	1,326,856
<b>Total</b>	4	8,803,907	5,039	108,330	20,185	<b>8,937,461</b>	14,957,608
<b>Expenditure on:</b>							
Raising funds							
Managed investment fees	5	184,188	-	-	-	<b>184,188</b>	181,986
Interest payable	5	3,278	-	-	-	<b>3,278</b>	3,825
Charitable activities	5	8,616,441	215,337	98,330	20,185	<b>8,950,293</b>	8,005,074
<b>Total</b>		8,803,907	215,337	98,330	20,185	<b>9,137,759</b>	8,190,885
Net gains on investments	10	-	-	-	331,146	<b>331,146</b>	3,469,850
<b>Net income/(expenditure)</b>		-	(210,298)	10,000	331,146	<b>130,848</b>	10,236,573
		-	-	-	-	-	-
<b>Net movements in funds</b>		-	(210,298)	10,000	331,146	<b>130,848</b>	10,236,573
<b>Reconciliation of funds</b>							
Total funds brought forward	14	-	19,997,830	-	32,378,443	<b>52,376,273</b>	42,139,700
<b>Total funds carried forward</b>	13,14	-	19,787,532	10,000	32,709,589	<b>52,507,121</b>	52,376,273

There are no recognised gains or losses other than as shown in the statement of financial activities above.

All income and expenditure derive from continuing activities.

# HAMPSTEAD HEATH

## Consolidated Balance Sheet as at 31 March 2018

	Notes	2018	2017
		£	£
<b>Fixed Assets</b>			
Tangible Fixed Assets	9	<b>19,747,146</b>	19,956,830
Fixed Asset Investments	10	<b>32,690,842</b>	31,728,501
		<b>52,437,988</b>	51,685,331
<b>Current Assets</b>			
Debtors	11	<b>373,433</b>	403,808
Investments	10	<b>191,867</b>	823,062
Cash at bank and in hand		<b>562,978</b>	551,647
		<b>1,128,278</b>	1,778,517
<b>Creditors: amounts falling due within one year</b>	12	<b>(1,059,145)</b>	(1,087,575)
<b>Net Current Assets (Liabilities)</b>		<b>69,133</b>	690,942
<b>Total Assets Less Current Liabilities</b>		<b>52,507,121</b>	52,376,273
<b>The funds of the charity:</b>			
<b><i>Unrestricted Fund</i></b>			
General Fund	14	-	-
Designated Fund	14	<b>19,787,532</b>	19,997,830
<b><i>Restricted Funds</i></b>	14	<b>10,000</b>	-
<b><i>Endowment Funds</i></b>	14	<b>32,709,589</b>	32,378,443
<b>Total charity funds</b>		<b>52,507,121</b>	52,376,273

Approved and signed for and on behalf of the  
Trustee.

The Notes at pages 15 to 31 form part of these  
accounts.

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Dr Peter Kane  
Chamberlain of London  
13 November 2018

**HAMPSTEAD HEATH**  
**Balance Sheet as at 31 March 2018**

	Notes	2018	2017
		£	£
<b>Fixed Assets</b>			
Tangible Fixed Assets	9	<u>19,747,146</u>	<u>19,956,830</u>
<b>Current Assets</b>			
Debtors	11	89,058	165,641
Cash at bank and in hand		<u>385,670</u>	<u>374,339</u>
		<b>474,728</b>	<b>539,980</b>
<b>Creditors: Amounts falling due within one year</b>	12	<b>(424,342)</b>	<b>(498,980)</b>
<b>Net Current Assets</b>		<u><b>50,386</b></u>	<u><b>41,000</b></u>
<b>Total Assets less Current Liabilities</b>		<u><b>19,797,532</b></u>	<u><b>19,997,830</b></u>
<b>The funds of the charity</b>			
<i>Unrestricted Funds</i>			
Designated Fund	14	<b>19,787,532</b>	19,997,830
<i>Restricted Funds</i>	14	<u><b>10,000</b></u>	<u>-</u>
<b>Total charity funds</b>		<u><b>19,797,532</b></u>	<u><b>19,997,830</b></u>

Approved and signed for and on behalf of the Trustee

Dr Peter Kane  
Chamberlain of London  
13 November 2018



## **HAMPSTEAD HEATH**

### **Notes to the financial Statements for the year ended 31 March 2018**

#### **1. Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

##### **(a) *Basis of Preparation***

These are the Consolidated Financial Statements for the Hampstead Heath Group comprising Hampstead Heath and Hampstead Heath Trust Fund. Separate statements are also produced for the Hampstead Heath Trust Fund which is a subsidiary of Hampstead Heath.

Hampstead Heath is a public benefit entity and the financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

##### **(b) *Group Financial Statements***

These financial statements consolidate the results of the Charity and its subsidiary undertaking, Hampstead Heath Trust Fund, on a line by line basis. A separate statement of financial activities for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

The Hampstead Heath Trust Fund is a subsidiary controlled by this charity. That was established by the Local Government Reorganisation (Hampstead Heath) Order 1989 with an endowment of £15m. Its purpose was to contribute towards the running costs of the Heath. Separate accounts are prepared for the subsidiary which are consolidated with these accounts.

##### **(c) *Going Concern***

The governing documents place an obligation on the City of London Corporation to preserve the open space for the benefit of the public. The City of London Corporation is committed to fulfilling this obligation which is reflected through its proactive management of, and ongoing funding for, the services and activities required. The funding is provided from the City of London Corporation's City's Cash which annually receives considerable income from its managed funds and property investments. Each year a medium term financial forecast is updated from City's Cash. The latest forecast to the period 2021/22 anticipates that adequate funding will be available to enable the Trust to continue to fulfil its obligations. On this basis the Trustee consider the Trust to be a going concern for the foreseeable future, therefore has prepared the financial statements on the going concern basis.

##### **(d) *Statement of Cash Flows***

The Trust has taken advantage of the exemption in FRS102 (paragraph 1.12b) from the requirement to produce a statement of cash flows on the grounds that it is a qualifying entity. Statement of Cash Flows is included within the City's Cash Annual Report and Financial Statements 2018 which is publicly available and can be found at [www.cityoflondon.gov.uk](http://www.cityoflondon.gov.uk).

## HAMPSTEAD HEATH

### Notes to the financial Statements for the year ended 31 March 2018

#### 1. Accounting Policies (continued)

##### (e) *Fixed Assets*

###### *Heritage Land and Associated Buildings*

Hampstead Heath comprises 275 hectares (680 acres) of land located in the London Boroughs of Camden and Barnet, together with associated buildings. The objects of the charity are the preservation of the Heath at Hampstead in perpetuity as an Open Space for the recreation and enjoyment of the public. Hampstead Heath is considered to be inalienable (i.e. may not be disposed of without specific statutory powers).

###### *Tangible Fixed Assets*

Land and associated buildings acquired prior to 1 April 2009 are considered to be heritage assets. In respect of the original land and buildings, cost or valuation are not included in these accounts as reliable cost information is not available and a significant cost would be involved in the reconstruction of past accounting records, or in the valuation, which would be onerous compared to the benefit to the users of these accounts.

Additions to the original land and capital expenditure on buildings are included as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured.

These are included at historic cost less depreciation on a straight line basis to write off their costs over their estimated useful lives and less any provision for impairment. Land is not depreciated and other fixed assets are depreciated from the year following that of their acquisition. Typical asset lives are as follows:

	Years
Operational buildings	30 to 50
Landscaping/Conservation	up to 50
Improvements and refurbishments to buildings	up to 30
Equipment	5 to 15
Infrastructure	generally up to 20*

\* with the exception of certain ponds infrastructure (such as sheet piling and foundation slabs) whose useful life has been determined at 120 years.

##### (f) *Recognition of capital expenditure*

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised provided that the expenditure is material (generally in excess of £50,000) and the asset yields benefits to the City of London, and the services it provides, for a period of more than one year. This excludes expenditure on routine repairs and maintenance of fixed assets which is charged directly within service costs.

##### (g) *Income Recognition*

All income is included in the Statement of Financial Activities gross without deduction of expenses in the financial year in which they are due.

##### (h) *Donations and legacies*

Donations and legacies are comprised of public donations and sponsorship income.

## HAMPSTEAD HEATH

### Notes to the financial Statements for the year ended 31 March 2018

#### 1. Accounting Policies (continued)

(i) ***Volunteers***

No amounts are included in the Statement of Financial Activities for services donated by volunteers, as this cannot be accurately quantified.

(j) ***Grants receivable***

Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably. To this end, evidence of entitlement is assumed to exist when the formal offer of funding is communicated in writing to the Charity. Where there is a performance condition attached to the grant, entitlement is only recognised when the conditions have been met.

(k) ***Contribution from City's Cash***

The City of London Corporation's City's Cash meets the deficit on running expenses of the charity and also provides grant funding for certain capital works.

(l) ***Fees and Charges for Services, Use of Facilities***

The fees and charges income relates to income received from filming, car parking charges, wedding ceremonies, sports tuition, licences and for use of sports facilities.

(m) ***Rental income***

Rental income is included in the Charity's incoming resources for the year and amounts due but not received at the year-end are included in debtors.

(n) ***Expenditure Recognition***

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

(o) ***Allocation of costs between different activities***

The City of London Corporation charges staff costs to the charitable activity on a time spent basis. Associated office accommodation is charged out proportionately to the square footage used. All other costs are charged directly to the charitable activity.

(p) ***Pension Costs***

Staff are employed by the City of London Corporation and are eligible to contribute to the City of London Local Government Pension Fund, which is a funded defined benefits scheme. The estimated net deficit on the Fund is the responsibility of the City of London Corporation as a whole, as one employer, rather than the specific responsibility of any of its three main funds (City Fund, City's Cash and Bridge House Estates) or the trusts it supports. The Fund's estimated net liability has been determined by independent actuaries in accordance with FRS102 as £592.6m as at 31 March 2018 (£597.9m as at 31 March 2017). Since this net deficit is apportioned between the accounts of the City of London's three main funds, the charity's Trustees do not anticipate that any of the liability will fall on the charity. The charity is unable to identify its share of the pension scheme assets and liabilities and therefore the Pension Fund is accounted for as a defined contribution scheme in the accounts.

# HAMPSTEAD HEATH

## Notes to the financial Statements for the year ended 31 March 2018

### 1. Accounting Policies (continued)

(p) ***Pension costs (continued)***

The costs of the pension scheme charged to the charity are the employer's contributions disclosed in Note 7 and any employer's pension contributions within support services costs as disclosed at Note 6. A triennial valuation was undertaken as of 31 March 2016 and as a result the employer's contribution rate to be adopted for the financial years 2017/18, 2018/19 and 2019/20 has been set at 21% (2016/17: 17.5%). There are no outstanding or pre-paid contributions at the balance sheet date.

(q) ***Investments***

The investments are all managed by Artemis Investment Management.

All of the securities within the Trust are listed on a stock exchange and are valued at The Stock Exchange trading System price at 31 March 2018.

Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities. The net gain on investments shown in the Statement of Financial Activities represents the difference in the market value of investments between 1 April 2017 and 31 March 2018 after taking account of any purchases and sales which were made during 2017/18. Both realised and unrealised gains on investments at the balance sheet date are included in the funds of the Hampstead Heath Trust Fund.

(r) ***Foreign Currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the capital fund. There were no gains or losses on foreign currency transactions in the year.

(s) ***Fund Accounting***

The charity has three funds – an unrestricted income fund which comprises a general fund representing the net income of the Trust distributed annually towards the running costs of the Heath and a designated fund consisting of fixed assets at historic cost less accumulated depreciation; a restricted income fund in respect of Parliament Hill Outdoor Gym project (see Note 14), a permanent endowment fund which represents the original endowment invested shown at current market value and an expendable endowment fund transferred from the former T J Barratt bequest in December 2011.

### 2. Tax Status of the Charity

Hampstead Heath is a registered charity and as such its charitable income and gains are exempt from income tax to the extent that they are applied to its charitable objectives.

### 3. Indemnity Insurance

The City of London Corporation takes out indemnity insurance in respect of all of its activities. The charity does not contribute to the cost of that insurance.

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2018

#### 4. Income and endowments

Income and endowments are comprised as follows:

	Unrestricted Funds		Restricted Funds		2017/18 £	2016/17 £
	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Endowment Fund £		
<b>Income and endowments from:</b>						
<b>Donations and legacies</b>						
Contributions/Grants	9,607	-	108,330	-	<b>117,937</b>	196,987
Investments	1,262,815	-	-	20,185	<b>1,283,000</b>	1,326,856
Revenue and capital grants from City of London Corporation	6,114,761	5,039	-	-	<b>6,119,800</b>	11,993,131
	7,387,183	5,039	108,330	20,185	<b>7,520,737</b>	13,516,974
<b>Income from charitable activities</b>						
Fees and charges	1,245,267	-	-	-	<b>1,245,267</b>	1,212,826
Sales	11,936	-	-	-	<b>11,936</b>	41,983
Rental income	159,521	-	-	-	<b>159,521</b>	185,825
	1,416,724	-	-	-	<b>1,416,724</b>	1,440,634
<b>Total</b>	<b>8,803,907</b>	<b>5,039</b>	<b>108,330</b>	<b>20,185</b>	<b>8,937,461</b>	<b>14,957,608</b>

#### Investments

Income from generated funds consist of investment income and interest received on average cash balances for the year. Income for the year amounted to £1,283,000 (2016/17: £1,326,856).

#### Donations and legacies

Donations and legacies relate to donations and sponsorship income of £8,437 (2016/17: £31,987), grant funding from the City Bridge Trust of £98,330 (2016/17: £165,000), grant funding from Shared Services Connected Limited of £1,170 (2016/17: £nil) and a grant of £10,000 was received from London Borough of Camden (Sports and Physical Activity Service) for creation of a new outdoor gym at Parliament Hill (2016/17: £nil).

#### Deficit funding Contribution from City's Cash

The City of London Corporation's City's Cash meets the deficit on running expenses of the charity.

#### Charges for the use of facilities

Fees and charges are made to the public for the use of facilities, admissions and services.

**HAMPSTEAD HEATH**  
**Notes to the Financial Statements for the year ended 31 March 2018**

**5. Expenditure**

Expenditure is analysed between activities undertaken directly and support costs as follows:

	Activities undertaken directly  £	Support costs  £	2017/18  £	2016/17  £
Charitable activities	7,884,785	1,252,974	<b>9,137,759</b>	8,190,885
<b>Total</b>	7,884,785	1,252,974	<b>9,137,759</b>	8,190,885

No expenditure by third parties to undertake charitable work on behalf of the charity.

**Charitable activities**

Expenditure on charitable activities includes labour, premises costs, equipment, materials and other supplies and services incurred as the running costs of Hampstead Heath.

**Costs of generating funds**

These costs consist of Fund managers' fees of £184,188 (2016/17: £181,986) and an interest charge on overdrawn cash balances of £3,278 (2016/17: £3,825).

*Auditor's remuneration and fees for external financial services*

Moore Stephens are the auditors of the City of London City's Cash. The City of London Corporation does not attempt to apportion the audit fee between all the different charities but prefers to treat it as part of the cost to its private funds. No other external financial services were provided for the charity during the year or in the previous year.

*Trustee's expenses*

Members of the City of London Corporation are unpaid and do not receive allowances in respect of City of London Corporation activities in the city. However, Members may claim travelling expenses in respect of activities outside the city and receive allowances in accordance with a scale when attending a conference or activity on behalf of the City of London Corporation. No expenses were incurred in the year (2016/17: £nil).

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2018

#### 6. Support Costs

The cost of administration which includes the salaries and associated costs of officers of the City of London Corporation, together with premises and office expenses, is allocated by the City of London Corporation to the activities under its control, including this charity, on the basis of employee time spent on the respective services. These expenses include the cost of administrative and technical staff and external consultants who work on a number of the City of London Corporation's activities. Support costs allocated by the City of London Corporation to the charitable activity are derived as follows:

	Charitable Activities £	2017/18 £	2016/17 £
<b>Department</b>			
Chamberlain	144,035	<b>144,035</b>	110,963
Comptroller & City Solicitor	85,889	<b>85,889</b>	40,249
Open Spaces Directorate	110,598	<b>110,598</b>	155,301
Town Clerk	221,239	<b>221,239</b>	222,348
City Surveyor	331,566	<b>331,566</b>	285,655
Information Systems	278,262	<b>278,262</b>	246,156
Other governance and support costs	81,385	<b>81,385</b>	85,747
<b>Total support costs</b>	<b>1,252,974</b>	<b>1,252,974</b>	<b>1,146,419</b>

The main support services provided by the City of London Corporation are:

<b>Chamberlain</b>	Accounting services, insurance, cashiers, revenue collection, payments, financial systems and internal audit.
<b>Comptroller and City Solicitor</b>	Property, litigation, contracts, public law and administration of commercial rents and City of London Corporation records.
<b>Open Spaces Directorate</b>	Expenditure incurred by the Directorate, which is recharged to all Open Spaces Committees under the control of the Director of Open Spaces. The apportionments are calculated on the basis of budget resources available to each open space Charity

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2018

#### 6. Support Costs (continued)

<b>Town Clerk</b>	Committee administration, management services, personnel services, public relations, printing and stationery, emergency planning, records office.
<b>City Surveyor</b>	Work undertaken on the management of the Estate properties, surveying services and advice, supervising and administering repairs and maintenance.
<b>Information Systems</b>	The support and operation of the City of London Corporation's central and corporate systems on the basis of usage of the systems; the provision of "desktop" and network support services and small IS development projects that might be required by the charity.
<b>Other support and governance costs</b>	Contribution towards various costs including publishing the annual report and financial statements, central training, the dental service, occupational health, union costs and the environmental and sustainability section.

#### 7. Staff Numbers and Costs

The average actual number of staff employed by the City of London Corporation charged to Hampstead Heath in 2017/18 is 96 (2016/17: 96) at a cost of £4,638,530 (2016/17: £4,414,143). The table below sets out the employment costs and the number of average actual staff charged directly to the charity.

	No of employees	Gross Pay £	Employers' National Insurance £	Employers' Pension Contribution £	Total £
2017/18 Charitable activities	96	3,631,812	362,340	644,378	<b>4,638,530</b>
2016/17 Charitable activities	96	3,546,169	351,200	516,774	<b>4,414,143</b>

There were two employees whose total employee benefits were above the £60,000 threshold (2016/17: 1).



## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2018

#### 7. Staff Numbers and Costs (continued)

The number of directly charged staff earning more than £60,000 in bands of £10,000 is set out below.

<b>Employees who earn more than £60,000 per annum</b>		
<b>Band</b>	<b>No of full time equivalent employees</b>	<b>No of full time equivalent employees</b>
<b>£</b>	<b>2017/18</b>	<b>2016/17</b>
60,000-69,999	2.0	1.0
70,000-79,999	-	-
80,000-89,999	-	-
90,000-99,999	-	-
100,000-109,999	-	-

The Trust considers its key management personnel comprise the Trustees and the Director of Open Spaces who manages the seven open spaces funded by the City of London Corporation. The proportion of the Director's employment benefits, including employer pension contributions, allocated to this charity amounted to £30,685 in 2017/18 (2016/17: £42,366). Trustees are unpaid and do not receive allowances.

Support is also provided by other chief officers and their departments from across the City of London Corporation, including the Town Clerk and Chief Executive, Chamberlain, Comptroller and City Solicitor and City Surveyor.

#### 8. Heritage Assets

Since 1880 the primary purpose of the Charity has been the preservation of Hampstead Heath for the recreation and enjoyment of the public. As set out in Note 1(e), the original heritage land and buildings are not recognised in the Financial Statements.

Policies for the preservation and management of Hampstead Heath are contained in the Hampstead Heath Management Plan 2011. Records of heritage assets owned and maintained by Hampstead Heath can be obtained from the Director of Open Spaces at the principal address as set out on page 2.

Additions made to heritage land or buildings, where relevant information is available, are included at historic cost less accumulated depreciation in accordance with Note 1 (e).

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2018

#### 9. Tangible Fixed Assets

At 31 March 2018 the net book value of tangible fixed assets relating to direct charitable purposes amounts to £19,747,146 (31 March 2017: £19,956,830) as set out below. All tangible fixed assets are held by Hampstead Heath.

	Land and Buildings £	Infrastructure £	Equipment (WIP) £	Equipment £	Total £
<b><u>Cost</u></b>					
At 1 April 2017	1,154,101	19,465,347	-	234,810	<b>20,854,258</b>
Additions	-	5,039	614	-	<b>5,653</b>
Transfers	-	-	-	-	-
<b>At 31 March 2018</b>	<b>1,154,101</b>	<b>19,470,386</b>	<b>614</b>	<b>234,810</b>	<b>20,859,911</b>
<b><u>Depreciation</u></b>					
At 1 April 2017	74,469	691,010	-	131,949	<b>897,428</b>
Charge for year	26,460	172,005	-	16,872	<b>215,337</b>
<b>At 31 March 2018</b>	<b>100,929</b>	<b>863,015</b>	<b>-</b>	<b>148,821</b>	<b>1,112,765</b>
<b><u>Net book value</u></b>					
<b>At 31 March 2018</b>	<b>1,053,172</b>	<b>18,607,371</b>	<b>614</b>	<b>85,989</b>	<b>19,747,146</b>
At 31 March 2017	1,079,632	18,774,337	-	102,861	<b>19,956,830</b>

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2018

#### 10. Investments

The value and cost of investments comprises:

	<b>Total 2017/18</b>	Total 2016/17
	£	£
Market Value at 1st April	<b>31,728,501</b>	28,478,319
Add: Additions to investments at cost	<b>6,006,945</b>	8,633,362
Less: Disposals at market value	<b>(5,375,750)</b>	(8,853,030)
Net gain/(loss) on revaluation	<b>331,146</b>	3,469,850
<b>Market value 31 March</b>	<b>32,690,842</b>	31,728,501
Cash held by Fund Managers	<b>191,867</b>	823,062
<b>Total investments at 31 March</b>	<b>32,882,709</b>	32,551,563
Cost 31 March	<b>28,073,833</b>	27,453,947

Total investments as at 31 March are analysed between long term and short term investments as follows:

	<b>2018 £</b>	2017 £
Long term	<b>32,690,842</b>	31,728,501
Cash held by the Fund Manager	<b>191,867</b>	823,062
<b>Total</b>	<b>32,882,709</b>	32,551,563

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2018

#### 10. Investments (continued)

The Geographical Spread of Investments at 31 March 2018

	2018 £	2017 £
Fixed Interest Securities		
- UK	3,718	3,134
- United States	-	-
	3,718	3,134
Unit Trusts		
- UK	2,293,587	1,627,379
	2,293,587	1,627,379
Equities		
-UK	26,365,014	25,412,394
-European	4,028,523	4,685,594
-United States	-	-
Emerging Markets	-	-
	30,393,537	30,097,988
Cash held by the Fund Managers	191,867	823,062
<b>Market Value 31 March</b>	<b>32,882,709</b>	<b>32,551,563</b>

#### 11. Debtors

Debtors consist of amounts owing to the charity due within one year.

##### Hampstead Heath Consolidated

	2018 £	2017 £
Rental Debtors	3,330	11,030
Other Debtors	306,444	264,715
Payments in Advance	48,241	43,640
Recoverable VAT	15,418	84,423
<b>Total at 31 March</b>	<b>373,433</b>	<b>403,808</b>

##### Hampstead Heath

	2018 £	2017 £
Rental Debtors	3,330	11,030
Other Debtors	22,069	26,548
Payments in Advance	48,241	43,640
Recoverable VAT	15,418	84,423
<b>Total at 31 March</b>	<b>89,058</b>	<b>165,641</b>

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2018

#### 12. Creditors

Creditors consist of amounts due within one year.

##### **Hampstead Heath Consolidated**

	<b>2018</b> £	2017 £
Bank Overdraft	<b>593,883</b>	550,308
Trade Creditors	<b>69,606</b>	159,994
Accruals	<b>239,942</b>	219,884
Other Creditors	<b>76,067</b>	59,083
Other Deposits	<b>47,737</b>	47,737
Receipts in Advance	<b>31,910</b>	50,569
<b>Total at 31 March</b>	<b>1,059,145</b>	1,087,575

##### **Hampstead Heath**

	<b>2018</b> £	2017 £
Trade Creditors	<b>69,606</b>	159,994
Accruals	<b>239,942</b>	219,884
Other Creditors	<b>35,147</b>	20,796
Other Deposits	<b>47,737</b>	47,737
Receipts in Advance	<b>31,910</b>	50,569
<b>Total at 31 March</b>	<b>424,342</b>	498,980

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2018

#### 13. Analysis of Consolidated Net Assets by Fund at 31 March 2018

	Unrestricted Funds		Restricted Fund	Endowment Fund	2018 £	2017 £
	General Fund £	Designated Fund £				
<b>Fixed Assets</b>						
Tangible Fixed Assets	-	19,747,146	-	-	<b>19,747,146</b>	19,956,830
Investments	-	-	-	32,690,842	<b>32,690,842</b>	31,728,501
<b>Total Fixed Assets</b>	-	<b>19,747,146</b>	-	<b>32,690,842</b>	<b>52,437,988</b>	51,685,331
Current Assets	424,342	40,386	10,000	653,550	<b>1,128,278</b>	1,778,517
Current Liabilities	(424,342)	-	-	(634,803)	<b>(1,059,145)</b>	(1,087,575)
<b>Total Net Assets</b>	-	<b>19,787,532</b>	<b>10,000</b>	<b>32,709,589</b>	<b>52,507,121</b>	52,376,273

#### Expendable Endowment Movements 2010 – 2018

	Balance at 1 April	Revaluation of Investments	Balance at 31 March	Cash	Expendable Endowment
	£	£	£	£	£
<b>Opening</b>	393,461	8,497	401,958	177,308	<b>579,266</b>
<b>2011-12</b>	401,958	11,764	413,722	177,308	<b>591,030</b>
<b>2012-13</b>	413,722	58,823	472,545	177,308	<b>649,853</b>
<b>2013-14</b>	472,545	34,640	507,185	177,308	<b>684,493</b>
<b>2014-15</b>	507,185	32,680	539,865	177,308	<b>717,173</b>
<b>2015-16</b>	539,865	(30,719)	509,146	177,308	<b>686,454</b>
<b>2016-17</b>	509,146	60,784	569,930	177,308	<b>747,238</b>
<b>2017-18</b>	569,930	5,229	575,159	177,308	<b>752,467</b>

#### Hampstead Heath Analysis of Net Assets by Fund at 31 March 2018

	Unrestricted Funds		Restricted Fund	2018 £	2017 £
	General Fund £	Designated Fund £			
<b>Fixed Assets</b>					
Tangible Fixed Assets	-	19,747,146	-	<b>19,747,146</b>	19,956,830
<b>Total Fixed Assets</b>	-	19,747,146	-	<b>19,747,146</b>	19,956,830
Current Assets	424,342	40,386	10,000	<b>474,728</b>	539,980
Current Liabilities	(424,342)	-	-	<b>(424,342)</b>	(498,980)
<b>Total Net Assets</b>	-	19,787,532	10,000	<b>19,797,532</b>	19,997,830

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2018

#### 14. Consolidated Movement of Funds during the year to 31 March 2018

	Fund balances brought forward	Income	Expenditure	Transfers	Gains and losses	Fund balances carried forward
	£	£	£	£	£	£
<b>Unrestricted Funds</b>						
General Fund	-	8,803,907	(8,803,907)	-	-	-
<b>Designated Funds</b>						
Tangible Fixed Assets	19,956,830	5,039	(215,337)	614	-	<b>19,747,146</b>
Funding for Capital Projects	41,000	-	-	(614)	-	<b>40,386</b>
<b>Restricted Funds (Note 14)</b>	-	108,330	(98,330)	-		<b>10,000</b>
Permanent Endowment	31,631,205	1,262,815	(1,262,815)	-	325,917	<b>31,957,122</b>
Expendable Endowment	747,238	20,185	(20,185)	-	5,229	<b>752,467</b>
<b>Total Funds</b>	<b>52,376,273</b>	<b>10,200,276</b>	<b>(10,400,574)</b>	<b>-</b>	<b>331,146</b>	<b>52,507,121</b>

#### Notes to the Funds

**General Fund** - The General fund has a balance of nil as the operating deficit of the charity is financed by the City of London Corporation.

**Designated Funds** - Designated funds consist of fixed assets at historic cost less accumulated depreciation in accordance with Note 1 (e).

**Funding for Capital Projects** - As part of an Open Spaces wide Fleet Management project a disposal exercise of redundant fleet and equipment was undertaken in 2016/17. It was agreed to use the income raised to fund energy efficiency improvement works. £41,000 was transferred into reserve as at 31 March 2017 to install photovoltaic energy panels at the Lido, Hampstead Heath. £614 was utilised in 2017/18.

#### **Restricted Funds**

##### • *Parliament Hill Outdoor Gym Project*

The sum of £10,000 was received in 2017/18 from London Borough of Camden (Sports and Physical Activity Service) for creation of a new outdoor gym at Parliament Hill. It is anticipated this will be spent in 2018/19.

##### • *City Bridge Trust*

Funding from City Bridge Trust towards an environmental learning programme designed to improve London's engagement and sense of wellbeing with respect to green spaces; as well as a sector – specific evaluation. A grant of £98,330 was given by the City Bridge Trust in 2017/18. 2017/18 was the second year of this three year grant. (2016/17: £165,000).

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2018

#### 14. Consolidated Movement of Funds during the year to 31 March 2018 (continued)

**Permanent Endowment** - The purpose of this fund is to generate the net income to be used towards the running costs of the Heath and for its investments to increase the capital value of this reserve. The investments represent the endowment of the £15 million received from the London Residuary Body, which has increased in capital value since it was passed over to the Trust.

**Expendable Endowment** – The purpose of this fund is to provide net income to be used towards the running costs of the Heath and arise from the underlying investments which represent the former investment assets of T J Barratt charity which have gained in capital value.

#### Hampstead Heath Movement of Funds during the year to 31 March 2018

	Fund balances brought forward	Income	Expenditure	Transfers	Fund balances carried forward
	£	£	£	£	£
<b>Unrestricted Funds</b>					
General Fund	-	8,803,907	(8,803,907)	-	-
<b>Designated Funds</b>					
Tangible Fixed Assets	19,956,830	5,039	(215,337)	614	<b>19,747,146</b>
Funding for Capital Projects	41,000	-	-	(614)	<b>40,386</b>
<b>Restricted Funds</b>	-	108,330	(98,330)	-	<b>10,000</b>
<b>Total Funds</b>	<b>19,997,830</b>	<b>8,917,276</b>	<b>(9,117,574)</b>	<b>-</b>	<b>19,797,532</b>

#### 15. Contingent Liabilities

No disclosable contingent liabilities have been identified.

#### 16. Related Party Transactions

The City of London Corporation as well as being the Trustee also provides management, surveying and administrative services for the charity. The costs incurred by the City of London Corporation in providing these services are charged to the charity. The City of London Corporation also provides banking services, allocating all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is set out in the Statement of Financial Activities under “Expenditure on charitable activities” and an explanation of these services is set out in Note 6 for support costs of £1,252,974 (2016/17: £1,146,419). The City of London Corporation’s City’s Cash meets the deficit on running expenses of the charity. This amounted to £6,119,800 (2016/17: £11,993,131) as shown in Note 4 to the financial statements.

The City of London Corporation is also the Trustee of a number of other charitable trusts. These trusts do not undertake transactions with Hampstead Heath, with the exception of the Hampstead Heath Trust, Keats House (charity number 1053381) and the City Bridge Trust (charity number 1035628). Hampstead Heath benefits from the income from the Hampstead Heath Trust (charity 803392-1).



## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2018

#### 16. Related Party Transactions (continued)

By virtue of the London Government Reorganisation (Hampstead Heath) Order 1989, the City of London Corporation acquired responsibility for the management of Hampstead Heath with effect from 31 March 1989. At the same time the London Residuary Body transferred £15 million to the City of London Corporation for the establishment of the Hampstead Heath Trust Fund, the purpose of which is to meet a proportion of the maintenance cost of the Heath. Contributions are assessed on a triennial basis and increased annually in accordance with the average earnings index. This income is shown as income in the statement of financial activities. A full list of other charitable trusts of which the City of London Corporation is Trustee is available on application to the Chamberlain of the City of London.

The Charities Pool is an investment mechanism operating in a similar way to a unit trust. It enables the City of London to “pool” small charitable investments together and consequently obtain better returns than would be the case if investments were made individually. Investment income consists of distribution from the Charities Pool and interest receivable on cash balances. Investment income of £1,283,000 was earned during the year (2016/17: £1,326,856).

Members of the City of London Corporation responsible for managing the Trust are required to comply with the Relevant Authority (model code of conduct) Order 2001 issued under the Local Government Act 2000 and the City of London Corporation’s guidelines which require that:

- Members sign a declaration agreeing to abide by the City of London Corporation’s code of conduct;
- a register of interests is maintained;
- pecuniary and non-pecuniary interests are declared during meetings; and
- Members do not participate in decisions where they have an interest.

There are corresponding arrangements for staff to recognise interests and avoid possible conflicts of those interests. In this way, as a matter of policy and procedure, the City Corporation ensures that Members and officers do not exercise control over decisions in which they have an interest. There are no material transactions with organisations related by virtue of Members and officers interests which require separate reporting. Transactions are undertaken by the Trust on a normal commercial basis.