

***HAMPSTEAD HEATH***  
***REPORT AND CONSOLIDATED FINANCIAL STATEMENTS***  
***FOR THE YEAR ENDED 31 MARCH 2015***

**Charity Number: 803392**

# HAMPSTEAD HEATH

## Trustee's Annual Report and Financial Statements for the year ended 31 March 2015

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# **HAMPSTEAD HEATH**

## **Trustee's report for the year ended 31 March 2015**

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

Charity Name:	Hampstead Heath
Registered Charity Number:	803392
Principal Address:	Guildhall, London EC2P 2EJ
Trustee:	The Mayor and Commonalty and Citizens of the City of London
Chief Executive:	The Town Clerk of the City of London Corporation
Treasurer:	The Chamberlain of London
Solicitor:	The Comptroller and City Solicitor
Banker:	Lloyds TSB 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 2015**

### **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.

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

Details of any related party transactions are disclosed in Note 17 of the Notes to the Financial Statements.

#### **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.

### **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.

# HAMPSTEAD HEATH

## Trustee's report for the year ended 31 March 2015

### 4. Achievements and Performance

#### Key targets for 2014/15 and review of achievement

The key targets for 2014/15 together with their outcomes were:

- **Continue to support the Hampstead Heath Ponds Project through the completion of outline design to enable the planning application to be submitted on 4 July 2014. The City will present the project to the Development Management Forum arranged by Camden Council in June 2014. The City will continue to consult the Ponds Project Stakeholder Group and in September the emphasis will be to consult on the palette of materials that will enable the completion of the detailed design in the autumn.**

**Taking account of the feedback from the Public Consultation the Designers, Atkins prepared the preferred solutions report which will be submitted to the Hampstead Heath Consultative Committee on 2 June 2014 and the Hampstead Heath, Highgate Wood & Queens Park Committee on 9 June 2014.**

Planning approval was granted to the City of London by the London Borough of Camden in January 2015. A Judicial Review was served on the City by the Heath and Hampstead Society, which was heard in November 2014, with a judgment following shortly after to reject the claim. Regular meetings continue to be held with contractors to ensure that all works are carried out and completed in accordance with agreed standards.

As part of the project additional funding has been secured from the City to support a learning programme, which will deliver a range of opportunities to schools, universities and the public to provide a greater understanding of the Heath and the natural environment.

- **Liaise with City Surveyor to implement the agreed programme for additional works for Hampstead Heath.**  
Various areas have benefited from this programme, which has included the rebuilding of the boundary wall at the Hill Garden. This has ensured that this important location is maintained and protected.
- **Work with Heath Hands to further develop their role, empowering them to take ownership of projects, such as Whitestone Gardens. Develop in partnership a broader range of volunteering opportunities, such as the RSPB/HLF "Wild about the Heath" project.**  
The development of a Cross Heath Strategic Partnership between the City, Heath Hands, RSPB and English Heritage has provided a valuable framework for continued and further development of volunteering opportunities and partnership working.
- **Develop plans for a creation of a visitor hub at Parliament Hill, using existing buildings; which will provide a One Stop Shop for information and visitors.**  
The City Surveyor has been asked to carry out a feasibility study for this project and plans for the future of this development are progressing. Staff have been involved in project teams in order to consider ways of working and this project will form part of the wider suite of options which will be delivered over the coming three years.

# **HAMPSTEAD HEATH**

## **Trustee's report for the year ended 31 March 2015**

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

- **Review budgets and ways of working in line with the City's Service Based Review programme.**

A review of the budgets and ways of working has been carried out and a number of projects have been developed which will be carried out over the coming three years. Options are being considered and these will form the basis of the business plan and objectives for staff.

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 £1,331,036 (Restated 2013/14 £1,347,171) was earned during the year. Other income received included £214,381 from donations and other external contributions (Restated 2013/14 £485,040), £994,182 from sales, fees and charges (2013/14 £972,690) and £167,211 from rents (2013/14 £198,543). The contribution towards the running costs of the charity amounted to £8,611,085 (2013/14 £6,366,234). This net cost was met by the City of London Corporation's City's Cash. An annual sum of £5,000 was transferred from the restricted fund for maintenance of land transferred to the Heath, from the Athlone House development agreement. The restricted fund is now £10,000 at the end of the year.

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.

#### **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).

#### **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.

# **HAMPSTEAD HEATH**

## **Trustee's report for the year ended 31 March 2015**

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

#### **Spending Policy**

The reserves policy of the Trust is that the original Hampstead Heath Trust Fund endowment of £15 million (now worth £30m) should produce income to cover a proportion of the running costs of Hampstead Heath. The maximum contribution (£1,157,000) is set out in the Transfer order and is subject to a triennial review. 2014/15 was year two of three and therefore the contribution is equal to the amount of the maximum contribution for the first year of that period (2014/15 £1,171,000) multiplied by the change in the Average Earnings Index between April 2013 and April 2014 (0.988). A contribution was also made of £21,576 in 2014/15 representing the income arising from the former T.J. Barratt Trust which was transferred to the Hampstead Heath Trust Fund in December 2011.

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. In 2014/15, £336,847 of the contribution was met from the Permanent Endowment Fund and this was used towards the operational costs of Hampstead Heath at 31 March 2015.

#### **Going Concern**

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

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

The plans for 2015/16 are:

- Implementation and management of the Hampstead Heath Ponds Project which has received agreement to proceed and all of the necessary planning approvals. The City will work closely with the Community Working Group, which was established as part of the Planning Conditions issued by the London Borough of Camden. The City will also be supporting three apprentices; posts which have been established as part of the Planning Conditions. These roles will offer opportunities to young people who will be working in a range of areas including conservation, trees and communication.
- Liaise with City Surveyor to implement the agreed programme for additional works for Hampstead Heath
- Work with Heath Hands, RSPB and English Heritage to further develop the Cross Heath Strategic Partnership, which will ensure the legacy from the RSPB/HLF "Wild about Hampstead" Project, which comes to an end in October 2015. A Volunteer Development Manager has been appointed by Heath Hands and the City will work closely with Heath Hands to ensure that the desired outcomes are delivered and the range of volunteering opportunities is developed and grown: KPI's will be developed in order to monitor success.
- Develop opportunities and options for delivery of the City's Service Based Review programme.
- Develop a Learning Strategy which will bring together the range of play and education opportunities offered on the Heath.
- City of London (Open Spaces) Bill – Deposition due in November 2015 with Parliamentary Process estimated at two sessions (two years). Epping Forest is the lead Open Space but provisions will apply to Hampstead Heath and assistance will be given to Epping Forest as required.

# HAMPSTEAD HEATH

## Trustee's report for the year ended 31 March 2015

### 7. The Financial Statements

The Financial statements are prepared on a consolidated basis for Hampstead Heath and the Hampstead Heath Trust Fund. Separate financial statements are prepared for the Hampstead Heath Trust Fund which is a subsidiary of Hampstead Heath.

The financial statements consist of the following and include comparative figures for the previous year.

- **Consolidated Statement of Financial Activities** showing all resources available and all expenditure incurred and reconciling all changes in the funds of the charity and its subsidiary charity.
- **Consolidated Balance Sheet** setting out the assets and liabilities of the charity and its subsidiary charity.
- **Balance Sheet** setting out the assets and liabilities of Hampstead Heath charity only.
- **Consolidated Cash Flow Statement** showing the cash inflows and outflows of the charity and its subsidiary charity for the year.
- **Notes to the Financial Statements** describing the accounting policies adopted and explaining information contained in the financial statements.

The financial statements have been prepared in accordance with statutory requirements and the Statement of Recommended Practice *Accounting and Reporting by Charities (Revised 2005)*.

### 8. Statement of Trustee's Responsibilities

The trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 disclose with reasonable accuracy at any time the financial position of the charity and enables the trustee to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's governing documents. 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 2015**

**9. Adopted and signed for and on behalf of the Trustee on 21 July 2015.**

R.A.H. Chadwick  
Chairman of Finance Committee  
Guildhall, London

J. P. Mayhew  
Deputy Chairman of  
Finance Committee  
Guildhall, London

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

We have audited the financial statements of Hampstead Heath for the year ended 31 March 2015 which are set out on pages 11 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustee's Responsibilities Statement set out on page 7, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015, 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.

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

**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.

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.

## HAMPSTEAD HEATH

### Consolidated Statement of Financial Activities for the year ended 31 March 2015

	Notes	Unrestricted Funds		Restricted Fund	Endowment Fund	2014/15	2013/14 (Restated - Note 20)
		General Fund	Designated Fund				
		£	£	£	£	£	£
<b>Incoming resources</b>							
<b>Incoming resources from generated funds</b>							
Investment Income		1,309,460	-	-	21,576	<b>1,331,036</b>	1,347,171
Voluntary Income		3,381	-	211,000	-	<b>214,381</b>	485,040
Grant from City of London Corporation		5,913,296	2,697,789	-	-	<b>8,611,085</b>	6,366,234
Incoming resources from charitable activities		1,161,393	-	-	-	<b>1,161,393</b>	1,171,233
<b>Total incoming resources</b>	4	<b>8,387,530</b>	<b>2,697,789</b>	<b>211,000</b>	<b>21,576</b>	<b>11,317,895</b>	<b>9,369,678</b>
<b>Resources expended</b>							
Costs of generating funds							
Managed investment expenses	5	166,418	-	-	-	<b>166,418</b>	179,332
Performance measurement service	5	3,973	-	-	-	<b>3,973</b>	4,592
Interest payable		2,800	-	-	-	<b>2,800</b>	4,538
Charitable activities	5	7,329,345	87,929	214,198	358,423	<b>7,989,895</b>	7,809,333
Governance costs	5,6	568,878	-	-	-	<b>568,878</b>	424,572
<b>Total resources expended</b>		<b>8,071,414</b>	<b>87,929</b>	<b>214,198</b>	<b>358,423</b>	<b>8,731,964</b>	<b>8,422,367</b>
<b>Net (outgoing)/incoming resources</b>		316,116	2,609,860	(3,198)	(336,847)	<b>2,585,931</b>	947,311
<b>Net movement in funds before other recognised gains</b>		316,116	2,609,860	(3,198)	(336,847)	<b>2,585,931</b>	947,311
<b>Other recognised gains</b>							
Net gain on investment assets	10	12,548	-	-	1,812,641	<b>1,825,189</b>	2,044,374
<b>Net movement in funds</b>		<b>328,664</b>	<b>2,609,860</b>	<b>(3,198)</b>	<b>1,475,794</b>	<b>4,411,120</b>	<b>2,991,685</b>
<b>Reconciliation of funds</b>							
Total funds brought forward	14	(328,664)	2,001,969	29,234	29,248,130	<b>30,950,669</b>	27,958,984
<b>Total funds carried forward</b>	14	<b>-</b>	<b>4,611,829</b>	<b>26,036</b>	<b>30,723,924</b>	<b>35,361,789</b>	<b>30,950,669</b>

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

All incoming resources and resources expended derive from continuing activities.

**HAMPSTEAD HEATH**  
**Consolidated Balance Sheet as at 31 March 2015**

	Notes	2015	2014
		£	Restated (Note 20) £
<b>Fixed Assets</b>			
Tangible Fixed Assets	9	<b>4,611,829</b>	2,001,969
Fixed Asset Investments	10	<b>31,180,662</b>	28,319,785
		<u><b>35,792,491</b></u>	<u>30,321,754</u>
<b>Current Assets</b>			
Debtors	11	<b>147,005</b>	238,384
Investments	10	<b>4,126</b>	752,071
Cash at bank and in hand		<b>714,590</b>	436,858
		<u><b>865,721</b></u>	<u>1,427,313</u>
<b>Creditors: amounts falling due within one year</b>	12	<u><b>(1,296,423)</b></u>	<u>(798,398)</u>
<b>Net Current Assets (Liabilities)</b>		<u><b>(430,702)</b></u>	<u>628,915</u>
<b>Total Assets Less Current Liabilities</b>		<u><b>35,361,789</b></u>	<u>30,950,669</u>
<b>The funds of the charity:</b>			
<i>Unrestricted Fund</i>			
General Fund	13,14	-	(328,664)
Designated Fund	13,14	<b>4,611,829</b>	2,001,969
<i>Restricted Funds</i>	13,14	<b>26,036</b>	29,234
<i>Endowment Funds</i>	13,14	<b>30,723,924</b>	29,248,130
<b>Total charity funds</b>		<u><b>35,361,789</b></u>	<u>30,950,669</u>

Approved and signed for and on behalf of the  
Trustee.

The notes at pages 16 to 35 form part of these  
accounts.

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Dr Peter Kane  
Chamberlain of London  
21 July 2015

**HAMPSTEAD HEATH**  
**Balance Sheet as at 31 March 2015**

	Notes	2015	2014
		£	£
<b>Fixed Assets</b>			
Tangible Fixed Assets	9	<u>4,611,829</u>	<u>2,001,969</u>
<b>Current Assets</b>			
Debtors	11	137,459	79,731
Cash at bank and in hand		<u>537,282</u>	<u>259,550</u>
		<b>674,741</b>	<b>339,281</b>
<b>Creditors: Amounts falling due within one year</b>	12	<b>(648,705)</b>	<b>(310,047)</b>
<b>Net Current Assets</b>		<u><b>26,036</b></u>	<u>29,234</u>
<b>Total Assets less Current Liabilities</b>		<u><b>4,637,865</b></u>	<u>2,031,203</u>
<b>The funds of the charity</b>			
<i>Unrestricted Funds</i>			
Designated Fund	13,14	4,611,829	2,001,969
<i>Restricted Funds</i>	13,14	<u>26,036</u>	<u>29,234</u>
<b>Total charity funds</b>		<u><b>4,637,865</b></u>	<u>2,031,203</u>

Approved and signed for an on behalf of the Trustee

Dr Peter Kane  
Chamberlain of London  
21 July 2015

# HAMPSTEAD HEATH

## Consolidated Cash Flow Statement for the year ended 31 March 2015

	Notes	2014/15	2013/14 Restated (Note 20)
		£	£
Net cash inflow/(outflow) from operating activities	1	417,369	1,181,291
Returns on investments and servicing of finance	2	1,331,036	1,349,228
Capital expenditure		<u>(2,697,789)</u>	<u>(1,058,232)</u>
<b>Net cash inflow/(outflow) before management of liquid resources</b>		<b>(949,384)</b>	<b>1,472,287</b>
Management of liquid resources	3	<u>1,035,689</u>	<u>(677,554)</u>
<b>Increase/(decrease) in cash in the year</b>		<b><u>86,305</u></b>	<b><u>794,733</u></b>

### Notes to the Cash Flow Statement

#### **Note 1: Reconciliation of net outgoing resources to net cash outflow from operating activities**

	£	£
Net incoming (outgoing) resources before other recognised gains	2,585,931	947,311
Depreciation	87,929	87,929
Investment income	(1,331,036)	(1,349,228)
(Increase)/decrease in debtors	(196,621)	1,153,929
(Decrease)/increase in creditors	(729,090)	341,026
Provisions	256	324
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>417,369</u></b>	<b><u>1,181,291</u></b>

#### **Note 2: Returns on investments and servicing of finance**

Investment income received	<u>1,331,036</u>	<u>1,349,228</u>
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#### **Note 3: Management of liquid resources**

Decrease/(increase) in short term investments	<u>1,035,689</u>	<u>(677,554)</u>
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# HAMPSTEAD HEATH

## Consolidated Cash Flow Statement for the year ended 31 March 2015 (continued)

	1 April 2014 Restated (Note 20)	Cash Flow	31 March 2015
	£	£	£
<b>Note 4: Analysis of changes in net funds</b>			
Cash at bank and in hand	436,858	277,732	<b>714,590</b>
Bank overdraft	(414,045)	(191,426)	<b>(605,471)</b>
Short term investments	752,071	(1,035,689)	<b>(283,618)</b>
<b>Change in net funds</b>	<b>774,884</b>	<b>(949,383)</b>	<b>(174,499)</b>

	2014/15	2013/14 Restated (Note 20)
	£	£
<b>Note 5: Reconciliation of net cash flow to movement in net funds</b>		
Increase/(decrease) in cash in the year	277,732	(325,980)
(Increase)/decrease in Bank overdraft	(191,426)	1,120,713
Short term investments	(1,035,689)	677,554
<b>Change in net funds</b>	<b>(949,383)</b>	1,472,287
Net funds balance brought forward	774,884	(697,403)
<b>Net funds balance carried forward</b>	<b>(174,499)</b>	774,884



# HAMPSTEAD HEATH

## Notes to the financial Statements for the year ended 31 March 2015

### 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. The financial statements have been prepared in accordance with the Charities Act 2011 and Statement of Recommended Practice *Accounting and Reporting by Charities (Revised 2005)* and under the historical cost accounting rules (except for investments recorded at valuation), and in accordance with applicable United Kingdom accounting standards.

Activity is accounted for in the year that it takes place on an accruals basis, not simply when cash payments are made or received. In particular, where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

#### *(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 2018/19 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) 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).

## HAMPSTEAD HEATH

### Notes to the financial Statements for the year ended 31 March 2015

#### 1. Accounting Policies (continued)

##### (d) Fixed Assets (continued)

###### *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	up to 20

##### (e) *Recognition*

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.

##### (f) *Incoming Resources*

###### *Recognition of incoming resources*

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

## **HAMPSTEAD HEATH**

### **Notes to the financial Statements for the year ended 31 March 2015**

#### **1. Accounting Policies (continued)**

##### *(f) Incoming Resources (continued)*

###### ***Voluntary income***

Voluntary income comprises a one year grant from the City Bridge Trust to provide educational and biodiversity services to support communities within the Greater London area, public donations and government grants.

###### ***Volunteers***

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

###### ***Grants received***

Grants are included in the Statement of Financial Activities in the financial year in which they are receivable.

###### ***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.

###### ***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.

###### ***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.

##### *(g) Resources Expended*

###### ***Allocation of costs between different activities***

The City of London Corporation charges staff costs to the charitable activity and governance costs 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.

##### *(h) Pension Costs*

The City of London's Pension Scheme is a funded defined benefits scheme. City of London Corporation staff are eligible for membership of the pension scheme and may be employed in relation to the activities of any of the City Corporation's three main funds, or any combination of them (i.e. City Fund, City's Cash and Bridge House Estates). As the charity is unable to identify its share of the Pension Scheme assets and liabilities, this scheme is accounted for as a defined contribution scheme in the accounts.

## HAMPSTEAD HEATH

### Notes to the financial Statements for the year ended 31 March 2015

#### 1. Accounting Policies (continued)

##### *(i) 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 2015.

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 2014 and 31 March 2015 after taking account of any purchases and sales which were made during 2014/15. Both realized and unrealized gains on investments at the balance sheet date are included in the funds of the Hampstead Heath Trust Fund.

##### *(j) 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.

##### *(k) 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 Athlone House (see Note 18), 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.

##### *(l) Governance Costs*

The nature of costs allocated to Governance are detailed in Note 6.

#### 2. Tax Status of the Charity

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

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 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.

#### 4. Incoming Resources

Incoming resources are comprised as follows:

	Unrestricted Funds		Restricted Funds		2014/15 £	2013/14 Restated (Note 20) £
	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Endowment Fund £		
<b>Incoming resources from generated funds</b>						
Investment Income	1,309,460	-	-	21,576	<b>1,331,036</b>	1,347,171
Voluntary Income	3,381	-	211,000	-	<b>214,381</b>	485,040
Grant from City of London Corporation	5,913,296	2,697,789	-	-	<b>8,611,085</b>	6,366,234
	7,226,137	2,697,789	211,000	21,576	<b>10,156,502</b>	8,198,445
<b>Incoming resources from charitable activities</b>						
Fees and charges	966,493	-	-	-	<b>966,493</b>	937,341
Sales	27,689	-	-	-	<b>27,689</b>	35,349
Rental income	167,211	-	-	-	<b>167,211</b>	198,543
	1,161,393	-	-	-	<b>1,161,393</b>	1,171,233
<b>Total incoming resources</b>	<b>8,387,530</b>	<b>2,697,789</b>	<b>211,000</b>	<b>21,576</b>	<b>11,317,895</b>	<b>9,369,678</b>

#### Investment Income

Incoming resources from generated funds consist of investment income and interest received on average cash balances for the year. Income for the year amounted to £1,331,036 (Restated 2013/14: £1,347,171).

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 4. Incoming Resources (continued)

##### Voluntary Income

The voluntary income relates to donations and sponsorship income of £3,381 (2013/14 £3,058) and grant funding from the City Bridge Trust of £211,000 (2013/14 £479,925) to provide educational and biodiversity projects that support communities across Greater London.

##### 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.

#### 5. Resources Expended

Resources expended are analysed between activities undertaken directly and support costs as follows:

	Activities undertaken directly £	Support costs £	2014/15 £	2013/14 £
Charitable activities	7,387,558	775,528	8,163,086	7,997,795
Governance costs	-	568,878	568,878	424,572
<b>Total resources expended</b>	7,387,558	1,344,406	<b>8,731,964</b>	8,422,367

No resources are expended 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

Consists of Fund managers fees of £166,418 (2013/14 £179,332), performance measurement fees of £3,973 (2013/14 £4,592) and interest payable of £2,800 (2013/14 £4,538).

##### Governance costs

###### General

Governance costs relate to the general running of the charity, rather than specific activities within the charity, including strategic planning and costs associated with trustee meetings. These costs are initially borne by the City of London Corporation and then charged to individual charities on the basis of time spent, as part of support costs, where appropriate.

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 5. Resources Expended (continued)

##### *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 (2013/14 £nil).

#### 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 £	Governance £	2014/15 £	2013/14 £
<b>Department</b>				
Chamberlain	-	154,490	<b>154,490</b>	116,652
Comptroller & City Solicitor	-	88,596	<b>88,596</b>	64,507
Open Spaces Directorate	290,757	-	<b>290,757</b>	288,201
Town Clerk	-	217,795	<b>217,795</b>	120,743
City Surveyor	244,906	107,997	<b>352,903</b>	322,488
Information Systems	122,159	-	<b>122,159</b>	118,707
Other governance and support costs	117,706	-	<b>117,706</b>	105,793
<b>Total support costs</b>	<b>775,528</b>	<b>568,878</b>	<b>1,344,406</b>	<b>1,137,091</b>

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 6. Support Costs (continued)

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.
<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.



## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 7. Staff Numbers and Costs

The full time equivalent number of staff employed by the City of London Corporation charged to Hampstead Heath in 2014/15 is 120 (2013/14 127) at a cost of £4,830,731 (2013/14 £4,921,167). The table below sets out the employment costs and the number of full time equivalent staff charged directly to the charity.

	No of employees	Gross Pay	Employers' National Insurance	Employers' Pension Contribution	Total
		£	£	£	£
2014/15 Charitable activities	120	3,941,711	308,131	580,889	<b>4,830,731</b>
2013/14 Charitable activities	127	4,044,846	328,788	547,533	<b>4,921,167</b>

No employees earned more than £60,000 during the year (2013/14 nil).

#### 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 accounting policy 1(d), 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 (d).

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 9. Tangible Fixed Assets

At 31 March 2015 the net book value of tangible fixed assets relating to direct charitable purposes amounts to £4,611,829 (31 March 2014: £2,001,969) as set out below. All tangible fixed assets are held by Hampstead Heath.

	Land and Buildings £	Infrastructure £	Infrastructure (WIP) £	Equipment £	<b>Total</b> £
<b><u>Cost</u></b>					
At 1 April 2014	169,101	743,984	1,598,434	197,810	<b>2,709,329</b>
Additions	-	-	2,697,789	-	<b>2,697,789</b>
<b>At 31 March 2015</b>	<b>169,101</b>	<b>743,984</b>	<b>4,296,223</b>	<b>197,810</b>	<b>5,407,118</b>
<b><u>Accumulated depreciation</u></b>					
At 1 April 2014	54,190	560,739	-	92,431	<b>707,360</b>
Charge for year	6,760	67,997	-	13,172	<b>87,929</b>
<b>At 31 March 2015</b>	<b>60,950</b>	<b>628,736</b>	<b>-</b>	<b>105,603</b>	<b>795,289</b>
<b><u>Net book values</u></b>					
<b>At 31 March 2015</b>	<b>108,151</b>	<b>115,248</b>	<b>4,296,223</b>	<b>92,207</b>	<b>4,611,829</b>
At 31 March 2014	114,911	183,245	1,598,434	105,379	<b>2,001,969</b>

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 10. Investments

The value and cost of investments comprises:

	Endowment Fund	
	2014/15 £	2013/14 £
Market Value at 1st April	28,319,785	28,076,857
Add: Additions to investments at cost	8,044,350	11,036,845
Less: Disposals at market value	(7,008,662)	(12,838,291)
Add: Net Gain on Revaluation	1,825,189	2,044,374
<b>Market Value at 31st March</b>	<b>31,180,662</b>	28,319,785
Cash held by the Fund Manager	4,126	752,071
<b>Total investments at 31st March</b>	<b>31,184,788</b>	29,071,856
Cost at 31st March	26,021,209	26,150,103

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

	2015 £	2014 £
Long term	31,180,662	28,319,785
Cash held by the Fund Manager	4,126	752,071
<b>Total</b>	<b>31,184,788</b>	29,071,856

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 10. Investments (continued)

The Geographical Spread of Investments at 31 March 2015

	2015 £	2014 £
Fixed Interest Securities		
- UK	571,711	591,298
	<b>571,711</b>	591,298
Unit Trusts		
- UK	888,979	388,519
	<b>888,979</b>	388,519
Equities		
-UK	24,965,442	21,771,829
-European	4,364,416	5,540,573
-United States	382,246	-
-Pacific Basin	7,868	27,565
	<b>29,719,972</b>	27,339,967
Cash held by the Fund Manager	4,126	752,071
<b>Market Value 31 March</b>	<b>31,184,788</b>	29,071,855

#### 11. Debtors

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

##### Hampstead Heath Consolidated

	2015 £	2014 £
Rental Debtors	12,728	(1,727)
Other Debtors	26,456	177,415
Payments in Advance	54,729	38,187
Recoverable VAT	53,092	24,509
<b>Total</b>	<b>147,005</b>	238,384

##### Hampstead Heath

	2015 £	2014 £
Rental Debtors	12,728	(1,727)
Other Debtors	16,910	18,762
Payments in Advance	54,729	38,187
Recoverable VAT	53,092	24,509
<b>Total</b>	<b>137,459</b>	79,731

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 12. Creditors

Creditors consist of amounts due within one year.

##### Hampstead Heath Consolidated

	2015 £	2014 £ Restated (Note 20)
Bank Overdraft	605,470	414,045
Trade Creditors	90,678	46,130
Accruals	280,373	202,418
Other Creditors	319,902	135,805
<b>Total</b>	<b>1,296,423</b>	<b>798,398</b>

##### Hampstead Heath

	2015 £	2014 £
Trade Creditors	90,678	46,130
Accruals	227,807	132,840
Other Creditors	229,917	13,762
Other Deposits	47,737	47,737
Receipts In Advance	52,566	69,578
<b>Total</b>	<b>648,705</b>	<b>310,047</b>

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 13. Analysis of Consolidated Net Assets by Fund at 31 March 2015

	Unrestricted Funds		Restricted Fund	Endowment Fund	2015	2014 Restated (Note 20)
	General Fund	Designated Fund				
	£	£	£	£	£	£
<b>Fixed Assets</b>						
Tangible Fixed Assets	-	4,611,829	-	-	<b>4,611,829</b>	2,001,969
Investments	214,514	-	-	30,966,148	<b>31,180,662</b>	28,319,785
<b>Total Fixed Assets</b>	<b>214,514</b>	<b>4,611,829</b>	-	<b>30,966,148</b>	<b>35,792,491</b>	30,321,754
Current Assets	945,995	-	26,036	181,434	<b>1,153,465</b>	1,427,313
Current Liabilities	(1,160,509)	-	-	(423,658)	<b>(1,584,167)</b>	(798,398)
<b>Total Net Assets</b>	-	<b>4,611,829</b>	<b>26,036</b>	<b>30,723,924</b>	<b>35,361,789</b>	30,950,669

#### Expendable Endowment Movements 2010 – 2015

	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>

#### Hampstead Heath Analysis of Net Assets by Fund at 31 March 2015

	Unrestricted Funds		Restricted Fund	2015	2014
	General Fund	Designated Fund			
	£	£	£	£	£
<b>Fixed Assets</b>					
Tangible Fixed Assets	-	4,611,829	-	<b>4,611,829</b>	2,001,969
<b>Total Fixed Assets</b>	-	4,611,829	-	<b>4,611,829</b>	2,001,969
Current Assets	648,705	-	26,036	<b>674,741</b>	339,281
Current Liabilities	(648,705)	-	-	<b>(648,705)</b>	(310,047)
<b>Total Net Assets</b>	-	4,611,829	26,036	<b>4,637,865</b>	2,031,203

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 14. Consolidated Movement of Funds during the year to 31 March 2015

	Balance at 1 April 2014 Restated (Note 20)	Net (outgoing)/ incoming resources	Revaluation of Investments	Balance at 31 March 2015
	£	£	£	£
<b>Unrestricted Funds</b>				
General Fund	(328,664)	316,116	12,548	-
<i>Designated Funds</i>				
Tangible Fixed Assets	2,001,969	2,609,860	-	<b>4,611,829</b>
<b>Restricted Funds (Note 18)</b>	29,234	(3,198)	-	<b>26,036</b>
<b>Permanent Endowment</b>	28,563,637	(336,847)	1,779,961	<b>30,006,751</b>
<b>Expendable Endowment</b>	684,493	-	32,680	<b>717,173</b>
<b>Total Funds</b>	30,950,669	2,585,931	1,825,189	<b>35,361,789</b>

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### Hampstead Heath Movement of Funds during the year to 31 March 2015

	Balance at 1 April 2014	Net incoming /(outgoing) resources	Transfers /Adjustments	Balance at 31 March 2015
	£	£	£	£
<b>Unrestricted Funds</b>				
General Fund	-	(5,000)	5,000	-
<b>Designated Funds</b>				
Tangible Fixed Assets	2,001,969	2,609,860	-	<b>4,611,829</b>
<b>Restricted Funds (Note 18)</b>	29,234	1,802	(5,000)	<b>26,036</b>
<b>Total Funds</b>	2,031,203	2,606,662	-	<b>4,637,865</b>

#### Designated funds

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

#### Restricted Fund

- *Athlone House*

The sum of £50,000 was received in 2006/07 from a property company for the ongoing maintenance of one hectare of land transferred to the Heath as part of an agreement for the development of Athlone House, Highgate Lane, N6. The receipt is being applied in equal instalments over ten years towards the maintenance costs of the transferred land. This balance of £10,000 is held as cash.

- *City Bridge Trust*

One year grant of £211,000 was given by the City Bridge Trust in 2014/15 to provide educational and biodiversity services to support communities within the Greater London area. 2013/14 was the final year of a previous three year grant funding of £479,925 being given each year. The balance as at 31 March 2015 is £16,036.

## 15. Pensions

Following the statutory triennial valuation of the pension fund as at 31st March 2013, completed by independent consulting actuaries, an employer's contribution rate of 17.5% has been applied for 2014/15, 2015/16 and 2016/17.

In 2014/15, employer's contributions to the scheme for staff engaged on City's Cash activities was £9.1m (2013/14 £8.6m). There are no outstanding or pre-paid contributions at the balance sheet date.

The deficit of the scheme at 31 March 2015 is £516m (2013/14 £401m) as calculated in accordance with FRS17 disclosures.



## **HAMPSTEAD HEATH**

### **Notes to the Financial Statements for the year ended 31 March 2015**

#### **16. Contingent Liabilities**

No disclosable contingent liabilities have been identified.

#### **17. Related Party Transactions**

The following disclosures are made in recognition of the principles underlying Financial Reporting Standard 8 concerning 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 "Resources expended" and an explanation of these services is set out in Note 6 for support costs of £1,344,406 (2013/14: £1,137,091). The City of London Corporation's City's Cash meets the deficit on running expenses of the charity. This amounted to £8,611,085 (2013/14: £6,366,234) 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 and the City Bridge Trust (charity number 1035628). Hampstead Heath benefits from the income from the Hampstead Heath Trust (charity 803392-1). 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 £1,331,036 was earned during the year (2013/14: £1,349,228).

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.

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 18. Restricted Fund

• *Athlone House*

The sum of £50,000 was received in 2006/07 from a property company for the ongoing maintenance of one hectare of land transferred to the Heath as part of an agreement for the development of Athlone House, Highgate Lane, N6. The receipt is being applied in equal instalments over ten years towards the maintenance costs of the transferred land. This balance of £10,000 is held as cash.

• *City Bridge Trust*

One year grant of £211,000 was given by the City Bridge Trust in 2014/15 to provide educational and biodiversity services to support communities within the Greater London area. 2013/14 was the final year of a previous three year grant funding of £479,925 being given each year. The balance as at 31 March 2015 is £16,036.

#### 19. Subsequent Event

The commencement agreement for the final Hampstead Heath Ponds Project construction contract was signed on 17th April 2015. The works are due to last 18 months with an estimated completion date of 3rd October 2016. The approximate value of the works is £13.178m with an additional £1.515m in provisional sums (£14.693m in total). Nothing has been recognised in the financial statements for this contract.

#### 20. Restatement

In November 2011, the Trust received £393,461 of units in the City of London Corporation Charities Pool and £177,308 in cash from the closure of the Thomas James Barratt Will Trust. The market value of the Charities Pool units has increased since, with a market value of £507,185 as at 31 March 2014. The value of the Charities Pool units and cash should have been recorded as a separate Expendable Endowment Fund, thereby reflecting the value of the Expendable Fund as £684,493 as at 31 March 2014. The Statement of Financial Activities, Balance Sheet for the year ended 31 March 2015 show a re-stated balance at 1 April 2014 to reflect this adjustment.

## HAMPSTEAD HEATH

### Notes to the Financial Statements for the year ended 31 March 2015

#### 21. Restated Statement of Financial Activities for the year ended 31 March 2015 Hampstead Heath Trust Fund

	Notes	<b>Total 2014/15</b>	Total 2013/14	Movement	<b>Total 2013/14 Restated (Note 20)</b>
		£	£	£	£
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Investment income		1,329,460	1,349,228	(2,057)	1,347,171
Interest receivable		1,576	-	2,057	2,057
<b>Total incoming resources</b>	4	<u>1,331,036</u>	<u>1,349,228</u>	<u>-</u>	<u>1,349,228</u>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
Managed investment fees	5	166,418	179,332	-	179,332
Performance measurement service	5	3,973	4,592	-	4,592
Interest payable		2,800	4,538	-	4,538
<b>Charitable activities</b>					
Contribution to running costs of Hampstead Heath		1,178,576	1,192,992	-	1,192,992
<b>Total resources expended</b>		<u>1,351,767</u>	<u>1,381,454</u>	<u>-</u>	<u>1,381,454</u>
<b>Net (outgoing)/incoming resources before other recognised gains</b>		<b>(20,731)</b>	<b>(32,226)</b>	<b>-</b>	<b>(32,226)</b>
<b>Other recognised gains</b>					
Net gains on investment assets	10	1,825,189	2,044,374	-	2,044,374
<b>Net movement in funds</b>		<u>1,804,458</u>	<u>2,012,148</u>	<u>-</u>	<u>2,012,148</u>
<b>Reconciliation of funds</b>					
Total funds brought forward	14	28,919,466	26,907,318	-	26,907,318
<b>Total funds carried forward</b>	14	<u>30,723,924</u>	<u>28,919,466</u>	<u>-</u>	<u>28,919,466</u>

**HAMPSTEAD HEATH**  
**Notes to the Financial Statements for the year ended 31 March 2015**

**22. Restated Balance Sheet as at 31 March 2015**

**Hampstead Heath Trust Fund**

	Notes	2015	2014	Movement	2014 Restated (Note 20)
		£	£	£	£
<b>Fixed Assets</b>					
Listed Investments	10	<u>31,180,662</u>	<u>28,319,785</u>	-	<u>28,319,785</u>
<b>Current Assets</b>					
Debtors		297,290	158,653	-	158,653
Investments	10	4,126	752,071	-	752,071
Cash		<u>177,308</u>	-	177,308	<u>177,308</u>
		<u>478,724</u>	<u>910,724</u>	<u>177,308</u>	<u>1,088,032</u>
<b>Creditors: amounts falling due within one year</b>					
Sundry Creditors		(42,248)	(74,306)	-	(74,306)
Investments		(287,744)	-	-	-
Bank Overdraft		<u>(605,470)</u>	<u>(236,737)</u>	<u>(177,308)</u>	<u>(414,045)</u>
		<u>(935,462)</u>	<u>(311,043)</u>	<u>(177,308)</u>	<u>(488,351)</u>
<b>Net Current (Liabilities) Assets</b>		<u>(456,738)</u>	<u>599,681</u>	<u>-</u>	<u>599,681</u>
<b>Total Assets Less Current Liabilities</b>		<u>30,723,924</u>	<u>28,919,466</u>	<u>-</u>	<u>28,919,466</u>
<b>The funds of the charity:</b>					
Permanent Endowment	13,14	30,006,751	28,874,280	(310,643)	28,563,637
Expendable Endowment	13,14	717,173	-	684,493	684,493
Unrestricted Fund	13,14	-	45,186	(373,850)	(328,664)
<b>Total charity funds</b>		<u>30,723,924</u>	<u>28,919,466</u>	<u>-</u>	<u>28,919,466</u>