



Hampstead Heath, Highgate Wood and Queen's Park Committee (For Information Items)

Date: WEDNESDAY, 17 MAY 2023
Time: 4.00 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

3. **ORDER OF THE COURT OF COMMON COUNCIL**

To receive the Order of the Court of Common Council dated 27 April 2023 appointing the Committee and setting its Terms of Reference.

For Information
(Pages 3 - 4)

6. **MINUTES**

b) Draft minutes of Hampstead Heath Consultative Committee

To note the public minutes of the Hampstead Heath Consultative Committee meeting held on 17 April 2023.
(To Follow)

9. **DIRECTOR'S REPORT**

Report of the Executive Director, Environment.

For Information
(Pages 5 - 10)

10. **ASSISTANT DIRECTOR'S REPORT**

Report of the Executive Director, Environment.

For Information
(Pages 11 - 28)

11. **HAMPSTEAD HEATH ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

Joint report of the Chamberlain and Executive Director, Environment.

For Information
(Pages 29 - 74)

12. **HIGHGATE WOOD AND QUEEN'S PARK KILBURN ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

Joint report of the Chamberlain and Executive Director, Environment.

For Information
(Pages 75 - 112)

14. **HIGHGATE WOOD CONSULTATIVE GROUP ACTION POINTS**

Report of the Executive Director, Environment.
(To Follow).

For Information

15. **QUEEN'S PARK CONSULTATIVE GROUP ACTION POINTS**

Report of the Executive Director, Environment.
(To Follow).

For Information

16. **SPORTS STRATEGY VERBAL UPDATE**

The Executive Director, Environment to be heard.

For Information

Agenda Item 3

LYONS, Mayor	RESOLVED: That the Court of Common Council holden in the Guildhall of the City of London on Thursday 27 th April 2023, doth hereby appoint the following Committee until the first meeting of the Court in April, 2024.
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HAMPSTEAD HEATH, HIGHGATE WOOD & QUEEN'S PARK COMMITTEE

1. **Constitution**

A Non-Ward Committee appointed pursuant to the London Government Reorganisation (Hampstead Heath) Order 1989 consisting of not fewer than 18 Members in the following categories:-

- not fewer than 12 Members elected by the Court of Common Council, at least one of whom shall have fewer than five years' service on the Court at the time of their appointment
- the Chairman and Deputy Chairman of the Natural Environment Board (*ex-officio*)
- plus, for the consideration of business relating to Hampstead Heath only, at least six representatives who must not be Members of the Court of Common Council or employees of the City of London Corporation and at least six of whom are to be appointed as follows:-
 - one after consultation with the London Borough of Barnet
 - one after consultation with the London Borough of Camden
 - one after consultation with the owners of the Kenwood lands
 - three after consultation with bodies representing local, ecological, environmental or sporting interests

The Chairman of the Committee shall be elected from the City Corporation Members.

2. **Quorum**

A. For Hampstead Heath business the quorum consists of seven Members, at least one of whom must be a non-Common Council Member.

B. For Highgate Wood and Queen's Park business the quorum consists of three Members.

3. **Membership 2023/24**

- 7 (3) William Upton, K.C.
- 6 (2) Wendy Mead *for three years*
- 2 (2) Timothy Butcher
- 2 (2) John Ross Foley
- 2 (2) Alethea Melody Silk
- 2 (2) John David Absalom, Deputy
- 8 (1) Michael Hudson
- 2 (1) Jason Groves
- 6 (1) Gregory Percy Jones, K.C., Alderman
- Vacancy*
- Vacancy*
- Vacancy*

Together with the *ex-officio* Members referred to in paragraph 1 above and the following representatives from outside organisations:-

Heath and Hampstead Society	-	John Beyer
English Heritage	-	Emily Hills
London Wildlife Trust	-	Mathew Frith
London Borough of Barnet	-	Councillor Arjun Mittra
London Borough of Camden	-	Councillor Marcus Boyland
Ramblers' Society	-	Pauline Lobo

4. **Terms of Reference**

To be responsible, having regard to the overall policy laid down by the Natural Environment Board, for:-

- (a) expressing views or making recommendations to the Natural Environment Board for that Committee's allocation of grants which relate to Hampstead Heath, Highgate Wood & Queen's Park.

Hampstead Heath

- (b) devising and implementing the City of London Corporation's policies and programmes of work in relation to Hampstead Heath (registered charity no. 803392) (and, in fulfilling those purposes, to have regard to any representations made to it by the Hampstead Heath Consultative Committee) in accordance with the London Government Re-organisation (Hampstead Heath) Order 1989;

(c) exercising all the City of London Corporation's powers and duties relating to Hampstead Heath, including those set out in Regulation 5 of the London Government Re-organisation (Hampstead Heath) Order 1989, or in any Act or Statutory Instrument consolidating, amending or replacing the same;

Highgate Wood & Queen's Park

(d) devising and implementing the City of London Corporation's policies and programmes of work in relation to Highgate Wood and Queen's Park (registered charity no. 232986)) (and, in fulfilling those purposes, to have regard to any representations made to it by the Highgate Wood Joint Consultative Committee and the Queen's Park Joint Consultative Group) in accordance with the provisions of the Highgate Wood and Kilburn Open Spaces Act 1886;

Consultative Committees

(e) appointing such Consultative Committees and Groups as are considered necessary for the better performance of its duties including, but not limited to, a

- Hampstead Heath Consultative Committee
- Highgate Wood Joint Consultative Committee
- Queen's Park Joint Consultative Group

Agenda Item 9

Committee(s): Hampstead Heath, Highgate Wood, and Queens Park Committee	Date(s): 17 th May 2023
Subject: Executive Directors Report	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1, 2, 3, 4, 5, 11 & 12
Does this proposal require extra revenue and/or capital spending?	N/A
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Juliemma McLoughlin, Executive Director, Environment	For information
Report author: Juliemma McLoughlin Executive Director Environment	

Summary

This report provides the Committee Members with an update on matters relating to the work of the Natural Environment Division of the Environment Department since the last Committee in February 2023.

Recommendation

Members are asked to:

- Note the contents of the report.
- Provide feedback on the contents of the report

Main Report

Charity Review

Members will be aware that the Epping Forest and Commons Committee held an Awayday on the 17 February. At the Awayday, there was extensive discussion on the developing Natural Environment Strategy which was presented in draft form. In addition, there was a detailed update on the various on-site projects and challenges at Epping Forest and the Commons. The draft NE Strategy is now brought together in an overarching document which will be used as a basis for consultation with key partners.

Members will also be aware, that the Corporate Charities Review (CCR) secured funding from Finance Committee to continue the CCR and additionally to support the Natural Environment Division in 23/24 with the review of its charities. The Natural Environment Charity Review (NECR) was previously scoped under four broad themes but following a review session with the NECR working group comprising the CCR, the NECR will be rescoped. The scoping exercise, beginning with Epping Forest (232990) and Burnham Beeches & Stoke Common (232987), will focus on each charity in turn to develop charity specific and general recommendations, this approach has been successful with the CCR. A joint CCR/NECR report will be presented to your July Committees.

The initial focus of the NECR was on governance aspects, notably seeking to address the concern over a lack of clarity over the role and remit of the various Committees, which has been a longstanding concern. Following Officer consultation, it is considered these concerns should be incorporated and explored as part of the current scoping exercise. Accordingly, there will be no imminent change to Terms of Reference of the four Natural Environment Committees, though there is to be a name change for the Open Spaces and City Gardens Committee.

Changes to descriptors on the Charity Commission website have now been made, which should provide a clearer understanding of the full range of activities and functions. It is hoped that this will also help in the charities' fundraising efforts.

Key News from our Charities

Epping Forest

The exceptionally dry February, followed by unseasonably wet March, has seen some immediate Forest impacts, including high numbers of Winter Moth species suggesting that there will another spring population irruption event and localised defoliation in the Forest. The rapid rewetting of trees in March also led to some significant branch and trees collapses, more in keeping with the phenomenon of Summer Branch Drop (SBD). The impact of Storm Noa (12 April) passing largely to the south of London did not bring extensive damage, other than some tree plate collapses in areas of super-saturated ground. On 24 March, the Risk Register for tree failure was temporarily increased from a score of 24 to 32 to recognise a continuing risk with tree affecting power lines over the M25, which will be addressed during a forthcoming M25 part closure on 12 May. Heavy rain in February and March has seen the high-water table in the Forest flooding some paths and low-lying areas. The early Easter and continuing ground saturation has seen a postponement of the reopening of the Forest to Open Riding.

Conservation Teams have continued to work on the Countryside Stewardship Forest #2 applications, postponing work on Copped Hall and Wanstead Park applications until 2024 to enable work on the latest carbon sequestration evaluation by external consultants. Work on Wood Pasture restoration has continued alongside a continued

focus on reducing the overall numbers of hazardous trees, ahead of the February/March 2023 assessment of red and amber zone trees

The Commons

A highlight during the reporting period has been to see Burnham Beeches featured in the much-anticipated BBC documentary Wild Isles. In the Woodland episode, the infamous southern wood ants of the Beeches can be seen in a four-and-a-half-minute story which sees the ants' hunting caterpillars and harvesting honeydew from aphids. Farthing Downs featured in a Time Out article reporting on the proposed expansion of the Surrey Hills Area of Outstanding Natural Beauty (AONB) and where Farthing Downs is proposed for inclusion which would give London its first AONB. Farthing Downs along with other City Corporation chalk grassland areas have been identified as one of eleven priority zone in the Mayor of London's 'Rewilding London' report that came out in March.

Arborist staff from Hampstead Heath shared their specialist skills and knowledge to help with installing new props on some of the ancient trees at Burnham Beeches, with the aim of extending the trees' lives for as long as possible, reducing the risk of them collapsing and helping to bridge the gap between the young and ancient pollards. Burnham Beeches played host to arboriculture consultants, university lecturers and tree managers from The Polish Tree Institute who came to study our propping techniques, rootzone management practices and risk management to keep our ancient pollards alive as long as possible.

Volunteers have undertaken 2675 hours of work during Feb and March across the Commons and they have been vital for implementing aspect of our Countryside Stewardship Scheme programme, including hedge laying at Spring Park and chalk downland management. One volunteer also facilitated the planting of two disease resistant elm trees as part of the Elms4London campaign on Spring Park and West Wickham Common. We are hugely grateful to the West Wickham Rotary club who kindly donated and planted an abundance of hazel 'whips' at West Wickham Common in March

Following quite an extensive fly survey of Ashtead Common 431 species have been identified, 26 of which are of conservation concern including some classified as vulnerable, UK Priority and a few new records for the country. This makes Ashtead Common a site important on at least a national level.

West Ham Park – Former Nursery Site

The commercial agreement with the preferred developer of the former nursery site is not yet finalised and pre-application discussion with LB Newham and relevant statutory agencies is on-going.

Learning

The learning programme has engaged 38,034 participants at Epping Forest, Hampstead Heath and West Ham Park (April 2022 – March 2023).

- 17,868 students participated in our school programme, which reached children in London's most deprived boroughs, including Tower Hamlets, Newham, Hackney, Waltham Forest and Haringey. Schools took part in facilitated workshops that support the National Curriculum and boost fusion skills, wellbeing and connection to nature.
- 19,868 people participated in our play programme at Hampstead Heath, with visitors enjoying activities which promoted social skills, physical fitness, confidence and wellbeing.
- 150 people participated in our community programme, including groups from Ambition Aspire Achieve and Chance UK.
- 90 people participated in our youth programme, including a pre-apprenticeship work experience programme for school students at risk of exclusion, careers events, and long-term programmes for pupil referral units.

The learning team hosted a climate education conference at the Guildhall, bringing together teachers and researchers to develop best practice in climate education. The alliance will work together to change today's education for tomorrow's climate, equipping people with the knowledge and skills to take climate action and protect the environment.

Projects Update

Natural Environment Strategy: Previous strategy work across key themes affecting Natural Environment has been combined in a single draft document. The combined document is being cross-referenced with all open space management plans and informed by current research on natural capital.

Monument: A feasibility study in relation to a Monument Visitor Centre, which could be delivered with a development partner through the Planning process, is underway and is due for completion in April 2023.

Wanstead Park: The Wanstead Park Ponds project is progressing towards Gateway 5, whilst a grant application to the GLA to support a prospective SUDs project at the park was rejected. Alternative funding options are now being explored. The activities at the Grotto and Landing Stage have been combined into a single project, with new project governance and documentation in place.

Corporate & Strategic Implications

All projects and works delivered by our Charities contribute towards the achievement of the three aims set out in the City of London Corporate Plan 2018-23: Contribute to a flourishing society, Support a thriving economy and Shape outstanding environments.

A key strategic link is the Climate Action Strategy, and we work with the Departmental and Corporate teams to deliver those elements allocated to the Natural Environment Department,

Financial Implications

Not applicable

Resource Implications

Not directly applicable

Climate Implications

Not directly applicable

Legal Implications

Not applicable at this time but will be reported to Committee as part of the Charity Review

Risk Implications

Not applicable

Equality Implications

No impact.

Security Implications

Not applicable

Appendices

None

Juliemma McLoughlin

Executive Director Environment

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Committee(s): Hampstead Heath, Highgate Wood & Queen's Park Committee	Date(s): 17 May 2023
Subject: Assistant Directors Update	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1, 2, 3, 4, 5, 11 & 12
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Executive Director, Environment	For Decision
Report author: Stefania Horne, Assistant Director	

Summary

This report provides Members with an update on matters relating to Hampstead Heath, Highgate Wood and Queen's Park since February 2023.

Recommendation

Members are asked to:

- Agree the 2023-24 Annual Work Programme for Hampstead Heath, Highgate Wood and Queen's Park (appendix 1).

Main Report

Management Framework

1. The year 22/23 has seen the implementation of the subdivisional plan with the following achievements:
 - Hampstead Heath was recognised as part of the Queen's Green canopy initiative with 33 trees planted at the Heath Extension, Orchard and across the Tumulus field.
 - Restoration of Branch hill pond (John Constables Pond) In collaboration with the Redington and Frognal residents' association, the Heath and Hampstead society and Camden council.
 - Redeveloped three children's play areas on the Heath Extension, East heath, and the Vale of Health on Hampstead Heath. Introduced a new dog walking licence on Hampstead Heath

- Secured £2m for the Athletic track redevelopment at Parliament Hill
 - Secured £243,000 for the restoration of the Roman Kiln at Highgate Woods
 - Over £100,000 was secured for the redevelopment of the sandpit for the Queen's Park playground
 - Improvement works started at the Woodlan Walks at Queen's Park
 - Completed a postcard project, with a large collection of historic postcards of the Heath from the late 1800s and early 1900s published to give a fascinating insight into the history of the Heath.
 - Initiated a blueprint for improvements at Parliament Hill Lido
 - Identified long grass management regimes at Hampstead Heath and Queen's Park supporting the climate action strategy.
2. The Natural Environment Division is consolidating its own strategic framework. A midterm review of the Hampstead Heath Management Strategy is planned during 2023/24.
 3. An annual plan for 2023/24 is attached at appendix 1.
 4. Members are asked to agree the annual plan for Hampstead Heath, Highgate Wood and Queen's Park.

Events

5. The Affordable Art Fair returned to the Heath between 10-14 May.
6. The Night of the 10K Personal Best is planned for the 20 May.
7. On 8 May, in partnership with the London Borough of Barnet, a family friendly event was organised at Golders Hill Park to celebrate the Coronation of King Charles III. The event included a programme of music, and a special coronation light show. VIP hospitality was provided in partnership with The Heath & Hampstead Society and the Hampstead Garden Suburb Residents Association.
8. Other upcoming events include:
 - 21 May, Hampstead 4 Heart walk - British Heart Foundation
 - 4 June Sunday Heath Hands Community Day Heath Hands 1-4pm Parliament Hill Bandstand
 - 10 June Saturday Race for your Life Jubilee Hall Trust 10am-12pm Parliament Hill Bandstand
 - 18 June, Race of Life Cancer Research 11am-2pm, East Heath
 - 25 June, Kites on the Heath (joint event with Heath & Hampstead Society and City of London) 1-4pm, East Heath
 - 16 July Sunday Give It a Go Festival 11am-5pm, Parliament Hill
 - Queens Park Book Festival 2& 3 September.
 - Queens Park Day 17 September

9. We are progressing with the appointment of a contractor who will help to run weddings at the Pergola and we are currently reviewing the premises licence application following an initial refusal from Camden Council.

Projects update

10. A project on a page summary has been prepared in relation to the Ponds improvement works (appendix 2), and the Athletics Track improvements (appendix 3).
11. The implementation of cricket improvement works funded by English Cricket Board is progressing, tendering has been undertaken and a contractor appointed for implementation. Discussions are in place with the relevant planning authorities and feasibility work is in progress, particularly at Highgate Wood where football and cricket facilities are closely located.

Car Parking Enforcement

12. Officers are working with the Comptroller & City Solicitor and City Surveyor to finalise the contract and other management arrangements for the new enforcement regime which will be implemented in summer/autumn 2023.

Partnership Working

13. Our Partnership with Heath Hands continues to be strong. Over 14,300 hours have been contributed by volunteers in the year to date, with over 6,500 participants across all of our public activity programmes.
14. New wellbeing activities include a new walking programme and youth wellbeing project (InYouth) working with young people missing from education.
15. A new Nature's Calendar monitoring programme launched in partnership with the London Natural History Society complementing a successful reptile, butterfly and dragonfly monitoring programme.
16. A three year partnership agreement between City of London and Heath Hands is due for renewal, in August 2023, and it is proposed to extend the agreement until April 2024 to align with the financial year.
17. This will also allow more time to work on the new priorities for the next three years, bearing in mind that both Heath Hands and Hampstead Heath strategic objectives have evolved in recent years and continue to develop in response to national priorities and local needs.
18. In partnership with Butterfly Conservations and their Big City Butterfly Project we are creating two new wildflower meadows. An area of approximately 400sq m. was seeded at two sites on the Heath Extension on the 18th and 19th April. The Heath Extension site is linked to the climate action strategy and the relaxed mowing regime due to be implemented in 2023. Both sites should provide habitat for not only butterfly species but benefit a wide variety of other invertebrates.

Café tendering

19. Eight firms of external agents were approached to progress with the marketing for the tendering of the cafés and a preferred company was appointed.
20. The brief will include advice on likely rental value and a marketing strategy, taking in to account local needs.

Parliament Hill and Queen's Park Development

21. Work is progressing to take on board feedback from stakeholders on the vision for key priorities for Parliament Hill and create a masterplan that will help to focus on needed improvements for the area.
22. Next steps are focused on further feasibility work, with detailed drawing and visuals to inform a draft vision that will be shared with users with a planned engagement during the summer.
23. An engagement exercise is planned for Queen's Park to identify improvement opportunities for the current facilities and a vision for the park that can integrate nature recovery with formal use, particularly focusing on the woodland walk improvements and the play area.
24. Improvement works for the sandpit are in progress, the contractor should be appointed during the spring and works can hopefully commence after the summer.

Nature Conservation

25. All the 33 Queen's Green Canopy Trees have been planted and have benefited from the plentiful rainfall over the last few weeks. A final ceremony to mark the completion of the tree planting took place on the 15 April to coincide with the Hampstead Heath Consultative Committee Walk.
26. The Conservation Team have been busy coppicing hazel on the Heath Extension pond chain, and also managing gorse habitat on Pryors' Field. They have now started a series of works for the upcoming Reservoir Inspection on the 17 April.
27. The Nature Conservation Team has also been working in Queen's Park to improve the woodland walk, with scrub clearance and interventions that will help to improve ground vegetation.

Sport and participation

28. The City of London Corporation is developing a sport strategy for the Square Mile. The Natural Environment is linking to this strategy by developing its strategic framework for sport and participation, considering the wider offer with outdoor sport and the high profile that they offer with regional, national and international events.

Good News

29. HMRC has confirmed that the registration of the new account for Hampstead Heath for gift aid has been approved and we are now in the process of setting up a framework that will allow the collection of gift aid for our campaigns, working with Just Giving. We are aiming for the use of gift aid to be available this spring and will inform Members once the scheme is up and running
30. The applications for Green Flag have been submitted. Judging has taken place and results are expected in late summer.
31. New biodiversity boards have been prepared by the Heath and Hampstead Society in partnership with the City of London Corporation and English Heritage. The boards will be focused on nature recovery and habitat management.
32. The application to the National Lottery Heritage Fund for the restoration of the roman kiln was successful. The £247,000 project includes proposals for the kiln to be displayed in a refurbished Visitor Information Centre, with refreshed interpretation on the natural environment of the woods and the significance of the kiln. The funding application also included a school and community learning programme that will strengthen our outreach work on site. Key milestones for the project are:
 - Recruitment of a project and engagement officer: spring 2023
 - Development and implementation of school outreach programme: academic years 23/24 and 24/25
 - Community event and engagement: autumn 2023
 - Kiln restoration work and information hut improvements with exhibition completed by autumn 2024

Corporate & Strategic Implications

33. The projects and works outlined in this report contribute towards the achievement of the three aims set out in the City of London Corporate Plan: Contribute to a flourishing society, Support a thriving economy and Shape outstanding environment.
34. The projects and works outlined in this report contribute towards the achievement of the Hampstead Heath Management Strategy 2018-2028 Strategic Outcomes A: The Heath is maintained as a flourishing green space and historic landscape, B: Improved quality of life for Heath visitors, C: The Heath is inclusive and welcoming to a diverse range of visitors and D: Greater number of and diversity of People taking care of the Heath.

Financial Implications

35. Donations are currently being sought for the following project:

- Model Boating Pond Island - wildlife sanctuary (£50,000). The project includes works to install additional reed beds and protect the island at the Model Boating Pond. £6,303.00 has currently been raised towards this project.

36. Donations can be made via the City of London website: <https://www.cityoflondon.gov.uk/things-to-do/green-spaces/hampstead-heath/donate-to-hampstead-heath>

Resource Implications

37. No impact.

Climate Implications

38. Included within the annual plan for 2023/24 are a series of projects which contribute towards achieving the City of London's Climate Action Strategy, which was launched in October 2020. A key part of the strategy is conserving and enhancing biodiversity alongside reducing carbon emissions. The Climate Action Strategy will be embedded into future strategies which are currently being drafted within the Natural Environment Division.

Legal Implications

39. No impact.

Risk Implications

40. Risks are monitored and recorded through the Departmental Risk Register which forms part of the meeting agenda pack.

Equality Implications

41. No impact.

Security Implications

42. Security implications are monitored and recorded through the Departmental Risk register which forms part of the meeting agenda pack.

Appendices

- Appendix 1 – Annual plan for 2023/24
- Appendix 2 – Project on a Page (Swimming Capital Project)
- Appendix 3 – Project on a Page (Athletics Track Capital Project)

Stefania Horne

Assistant Director, Natural Environment

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Nature Recovery & Heritage (Protect & Conserve the Heath)

Location	Details of Proposed Work: April 2023 - March 2024	Area of responsibility
QP, HH	Implement relaxed mowing regimes linking to the climate action strategy	Conservation & Local Team
HH	Implement Soil Survey Partnership Project	Tree team
QP	Improve the Woodland Walk at Queen's Park	Local Team
All Sites	Continue the Veteran Tree protection programme	Tree Team
HH	Continue to implement the Ponds and Wetlands Plan	Conservation & Local Teams
All Sites	Continue to manage invasive species	Tree team
HH, HW & QP	Embed the new tree management software	Tree Team
QP	Scope opportunities for sensory garden improvements at Queen's Park	Local Team
All Sites	Continue to work towards achieve the COL Climate Action Strategy, including exploring opportunities for recycling	Conservation & Local Teams
HH	Explore grazing opportunities at Hamstead Heath	Conservation
HH & QP	Work with Butterfly Conservation at Heath Extension and Queens Park to increase biodiversity	Conservation & Local Team
All Sites	Identify other priority projects for habitat and species conservation according to annual plan	Conservation

Community Engagement & Sports (The Heath enriches our lives)

Location	Details of Proposed Work: April 2023 - March 2024	Area of responsibility
HH, HW & QP	Continue to work with Heath Hands and increase awareness through volunteering	Heath Hands
HH	Work with Heath hands and Local Councils and organisations to maximise the value of nature for health and well being	Conservation/Heath Hands
All Sites	Develop and deliver walks to encourage participation and wellbeing	Local Teams & Communications/Heath Hands
All Sites	Work in partnership with local friends groups and local charities etc. to support community events	Local Teams & Events
All Sites	Continue to develop the Corporate volunteering programme	Heath Hands & Local Teams
HH, HW	Implement the Cricket improvement projects	Local Teams
HH	Continue to review the Lido offer	Local Team & Development
All Sites	Review sport provision in line with a proposed new sport strategy	Local Team & Development
All Sites	Identify additional funding opportunities and work with National and regional organization and funders to support the development of sport facilities and infrastructure	Development
All sites	Work together with the learning team to engage with schools and implement the learning programme	Learning team and local teams

Visitor (The Heath is welcoming and inclusive)


Location	Details of Proposed Work: April 2023 - March 2024	Area of responsibility
All Sites	Improve visitor usage data capture	Development
All Sites	Review of events programme and site specific policies	Events
HW	Implement the Highgate Woods Roman Kiln project	Local Team & Heritage
All sites	Review the online presence and social media usage for all sites to improve the visitor experience and improve communication	Development
All Sites	Continue to engage with visitors in relation to behaviors	Constabulary & Local Teams
GHP	Develop a visitor offer for the Zoo at Golders Hill Park	Local Team & Communications
All Sites	Review of Customer Relationship Management systems, customer pathways and booking systems	Development

Infrastructure and Sustainability (Together we care for the Heath)




Location	Details of Proposed Work: April 2023 - March 2024	Area of responsibility
HH	Continue to develop the Parliament Hill Masterplan	Development & Local Team
HH	Mid-term review of the Hampstead Heath Management Strategy 2018-28	Development
HH, HW, QP	Regulate licensing on site	Constabulary and Communications
All Sites	Scope a funding raising plan for North London Open Spaces including sponsorships and donations	Development
HH	Implement the Ponds Safety, Access and Security project.	Swimming
HH	Review provision of Aerator for the Ponds	Conservation/Swimming
All Sites	Implement Ranger maintenance work programme	Operations & Local Teams
All Sites	Review Playground provision and implement improvements as identified	Development & Local Team
HH, HW & QP	Café retendering	Natural Environment with supported outsourcing enabled by the City Surveyor
HH	Implement Athletics Track Resurfacing Project	Development & Local Team
All Sites	Review the memorial bench sponsorship scheme	Operations
All Sites	Develop beneficial relationships with Horticultural education providers	Operations
All sites	Review the Asset Management Plan for Hampstead Heath and work with the surveyors department and the wider Natural Environment division to review build assets and identify a strategic approach for their use.	Development
HW	Review Conservation Plan for Highgate Wood	Development & Local Team
QP	Review Conservation Plan for Queen's Park	Development & Local Team

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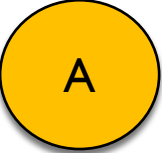
SWIMMING - Access, Safety & Security	Outcome	Lead	Overall status
	Improved safety, access and security across the three Bathing Ponds.	Edwin Birch/Richard Chamberlain (C. Surveyors)	

Date of Report: 28 March 2023	Phase: Procurement
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Highlights	Next Steps	Metrics	Status
<ul style="list-style-type: none"> Gateway 5 formally approved on 28th February Procurement made the formal award to the chosen contractor on 1st March The start on site (SOS) date has been confirmed as 11th April with a Practical Completion (PC) date of 11th August. The programme is 18 weeks, with works commencing on the Ladies and Men's pond at the same time. Work on the Mixed Pond is not due to commence till week 8 (W/C 5th June), when the ladies pond works are due to complete. Aim is to keep ponds open during the majority of the works, this is continuously assessed. <p>Looking ahead:</p> <ul style="list-style-type: none"> Further meetings are being confirmed (contractor Kick off and meet the builder event). 	<p>Mobilisation and commencement of works 11th April 2023</p> <p>Project Completion – August 2023</p> <p>Gateway 6 – November 2023</p>	Budget	
		Schedule	
		Risk	

Risks and Issues	Reasons for RAG Status
<p>Key Risks</p> <ol style="list-style-type: none"> Planning conditions discharge Work sequence & access restrictions changes Construction Environmental Issues Project Programme overruns 	<ol style="list-style-type: none"> RAG status has been re-baselined following the Gateway 5 report Schedule is Amber as there is a risk, this could overrun if issues arise on site.

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PH Athletics Track Surface Reconstruction	Outcome	Lead	Overall status
	Undertake a full re-surfacing of the 8-lane Parliament Hill Athletics Track & associated infrastructure (i.e., LED floodlighting) to obtain UKA “TrackMark” certification.	Stefania Horne / Declan Gallagher (HH)	

Date of Report: 31 March 2023 **Phase: Final Design / Pricing**

Highlights	Next Steps	Metrics	Status
<ul style="list-style-type: none"> Track Surface Option 1: Non-porous Sandwich System approved. Floodlighting Option 1: 10 x 18m masts in new positions elected as preferred option (subject to planning). Main Contractor site investigations and surveys complete i.e., Topo, Core samples. Electrical testing and site inspection anticipated 19th April 2023. Design and specification with main contractor for design finalisation and pricing. Track engagement event – 24/03/23 – well received feedback from locals, track users and stakeholders generally. Due to submit planning application early April-23. 	Submit planning application Gateway 5 approval end April Commence on site early June	Budget	
		Schedule	
		Risk	

Risks and Issues	Reasons for RAG Status
<u>Key Risks/Issues:</u> <ol style="list-style-type: none"> Project Programme and Gateway Process timescales are very tight due to the seasonal nature of the works and scheduled events. Unexpected cost increases (inflation) / unavailability of materials. Unexpected fees / Surveys and or additional works following survey results. 	<ol style="list-style-type: none"> Until we reach Gateway 5, overall risk is Amber. Risk and Programme are Amber due to the tight programme and “weather window” for construction works, planning consent still to be obtained, and awaited survey results which may influence works required and sequencing.

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Committee(s)	Dated:
Hampstead Heath, Highgate Wood and Queen's Park	17 May 2023
Subject: Hampstead Heath Annual Report and Consolidated Financial Statements for the Year Ended 31 March 2022	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: The Chamberlain Executive Director Environment	For Information
Report author: Clem Harcourt, Chamberlain's Department	

Summary

The Trustee's Annual Report and Consolidated Financial Statements for the Year ended 31 March 2022 for Hampstead Heath (charity registration number 803392) are presented for information in the format required by the Charity Commission.

Recommendation(s)

It is recommended that the Trustee's Annual Report and Consolidated Financial Statements for the 2021/22 Financial Year be noted.

Main Report

1. The Trustee's Annual Report and Consolidated Financial Statements are presented for information, having been signed on behalf of the Trust by the Chairman and Deputy Chairman of the Finance Committee and the auditors Crowe U.K LLP. The information contained within the Annual Report and Consolidated Financial Statements has already been presented to your Committee via the outturn report on 15 June 2022.
2. A previous review of the charities for which the City is responsible, (completed in 2010), detailed key reports that should be presented to your Committee. The Trustees Annual Report and Consolidated Financial Statements was one of these reports. Information from these statements will form the Annual Return to the Charity Commission. Since this undertaking, the City Corporation has recently

approved that a further comprehensive review be undertaken across all of its charities, the outcome of which will be reported to this Committee in due course.

3. The Trustee's Annual Report and Consolidated Financial Statements were submitted to the Charity Commission within the regulatory deadline of 31 January 2023.

Appendices

- Appendix 1 – Hampstead Heath Annual Report and Consolidated Financial Statements for the year ended 31 March 2022

Clem Harcourt
Chamberlain's Financial Services Division

E: clem.harcourt@cityoflondon.gov.uk

Hampstead Heath

Annual Report and Consolidated Financial
Statements for the year ended 31 March 2022

Charity registration number 803392

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ORIGINS OF THE CHARITY

Hampstead Heath is the collective name for Parliament Hill and Golders Hill, a total of 791 acres (320 hectares). The original Hampstead Heath was the former lands owned by the Lord of the Manor acquired under the Hampstead Heath Act, 1871. The Heath falls within two London Boroughs, Camden and Barnet.

The Heath was transferred to the London Residuary Body on 1st April 1986 on the abolition of the Greater London Council and was transferred to the City of London Corporation on 31 March 1989 under provisions of the London Government Reorganisation (Hampstead Heath) Order 1989. This Order covered the transfer of the Heath and the related rights and liabilities, the functions of the Corporation, the financial arrangements, the establishment of the Hampstead Heath Trust Fund for future revenue funding and the Hampstead Heath Works Fund for defraying capital works. It also set up a Hampstead Heath Management Committee for the purposes of advising on and implementing the City of London Corporation's policies and programmes of work and considering any representations from the statutory Consultative Committee. The Consultative Committee was established to make such representations and consists of representatives of local organisations, sporting interests, nature conservation, the disabled and those concerned with the Heath.

The City of London Corporation is committed to conserving the Heath and its wildlife and vegetation and provide recreational facilities for the public appropriate to such an important London open space.

The first detailed management plan for Hampstead Heath was produced in 1995. The plan sets out a framework and policies for the management of the Heath, by identifying management objectives, describing how these are to be achieved and defining procedures for monitoring progress against these objectives. A wide range of public consultation has taken place in order to develop a Vision which provides strategic direction for the site for 2018/28.

TRUSTEE'S ANNUAL REPORT

STRUCTURE AND GOVERNANCE

GOVERNING DOCUMENTS

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.

GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the trustee of Hampstead Heath. The City Corporation is trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills. 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 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.

Members of the Court of Common Council are elected by the electorate of the City of London. The Key Committees which had responsibility for directly managing matters related to the charity during 2021/22 were as follows:

- **Policy and Resources Committee** – responsible for allocating resources and administering the charity.
- **Finance Committee** – responsible for controlling budgets, support costs and other central charges that affect the charity as a whole.
- **Audit and Risk Management Committee** – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.
- **Investment Committee** – responsible for the strategic oversight and monitoring of the performance of the charity's investments which are managed

by three separate sub-committees, namely the Financial Investment Board, the Property Investment Board and the Social Investment Board.

- **Financial Investment Board** - oversees all aspects of the non-property investment arrangements of the City of London's major funds and monitors the Chamberlain's Treasury Management operations.
- **Hampstead Heath, Highgate Wood and Queen's Park Committee** – responsible for the activities undertaken at Hampstead Heath, Highgate Wood and Queen's Park, approving budget allocations for the forthcoming year and acting as Trustees of the charity.
- **Hampstead Heath Consultative Committee** – provides forum for local residents and users of the Heath to comment upon the management of the Heath.
- **Corporate Services Committee** – responsible for personnel and establishment matters throughout the City of London, including negotiations with the recognised trade unions.

All of the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held in public, enabling the decision-making process to be clear, transparent and publicly accountable. Details of the membership of Committees of the City Corporation are available at www.cityoflondon.gov.uk

The Hampstead Heath Trust Fund (HHTF) is a subsidiary controlled by this charity. HHTF was established under the Local Government Reorganisation (Hampstead Heath) Order 1989 with an endowment of £15 million. Its purpose is to contribute towards the running costs of the Heath. Separate accounts are prepared for the subsidiary, which are consolidated with these accounts. A copy of these is available from the email address stated on page 41.

The charity and subsidiary are consolidated within City's Cash as the City of London Corporation exercises operational control over their activities. City's Cash is a fund of the City Corporation that can be traced back to the 15th century and has been built up from a combination of properties, land, bequests and transfers under statute since that time. Investments in properties, stocks and shares are managed to provide a total return that:

- Allows City's Cash to use the income for the provision of services that are of importance nationally and internationally as well as to the City and Greater London;
- Maintains the asset base so that income will be available to fund services for the benefit of future generations.

The trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance is ongoing to ensure that the charity is effective in fulfilling its objectives. Reference is being made to the good practices recommended within the Charity Governance Code throughout this review. Focus is being placed on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 41.

Each Member by virtue of their membership of the Court of Common Council, its relevant committees and sub-committees, has a duty to support the City Corporation in the proper exercise of its functions and in meeting its duties as trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City of Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

As part of the City of London Corporation's restructure, the Open Spaces Department has merged with Planning & Transportation and Port Health & Environmental Services to form a new Environment Department, and Hampstead Heath became part of the Environment Department from 1 April 2022.

INDUCTION AND TRAINING OF MEMBERS

The City Corporation makes available to its Members, seminars and briefings on various aspects of its activities, including those concerning the charity, to enable Members to carry out their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of Hampstead Heath. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

OBJECTIVES AND ACTIVITIES

The objective of the charity is the preservation and maintenance of Hampstead Heath in perpetuity, as an open space for the recreation and enjoyment of the public.

In support of these objectives the Hampstead Heath Management Strategy sets out the themes which are underpinned by the Heath Vision; developed in collaboration with stakeholders. The themes are:

- We protect and conserve the Heath
- The Heath enriches our lives
- The Heath is inclusive and welcoming
- Together we care for the Heath

By means of these outcomes the management of the Heath can be focussed to ensure that the elements vital to the maintenance, care and management of the open space are delivering the objectives of the charity.

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 £15 million. Its purpose was to contribute towards the running costs of the Heath. Separate accounts are prepared for the subsidiary, which are consolidated within these accounts.

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 the preservation and enhancement of Hampstead Heath as an open space for recreation and enjoyment of the general public.

Contributions towards the running cost of the Heath are assessed on a triennial basis and increased annually in accordance with the average earnings index. The aim for the Trust Fund is to meet a proportion of the maintenance cost of the Heath. In doing so, it is anticipated that the resulting upkeep and improvements will enhance the use made of the Heath by all of those who visit it.

Investment Policy

The investments are held within both the Hampstead Heath Trust segregated portfolio and the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number: 1021138). The investment policy is to provide a real increase in annual income in the long term whilst preserving the value of the capital base. The annual report and financial statements of the Charities Pool (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London, at the email address stated on page 41.

Volunteers

Hampstead Heath is particularly successful in providing volunteer opportunities. Working in partnership with a dedicated charity, Heath Hands, Hampstead Heath has in excess of 16,900 hours of volunteer input for 2021/22.

Remuneration Policy

The charity's senior staff are employees of the City Corporation and, alongside all staff, pay is reviewed annually. The City 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 the payment of recognition awards.

The above policy applies to staff within the charity's key management personnel, as defined within note 9 to the financial statements.

The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established to actively promote equality, diversity and inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan and progress against the Equality Objectives. This also includes addressing the City Corporation's gender, ethnicity and disability pay gaps.

Owing to the COVID 19 pandemic and the recommendations from the Tackling Racism Taskforce, which was set up last year to identify the actions that the City Corporation could implement to tackle racism in all its forms, the Corporate Equality and Inclusion Plan will be updated in the autumn. There is work ongoing relating the new Equalities and Inclusion objectives, that will include internal and external consultation. This is expected to take place at the end of April 2023, with publication of the revised Equalities and Inclusion objectives by September 2023.

Senior staff posts of the City Corporation are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”. Donations are presented in the financial statements as “voluntary income” including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

There is a donations page on the Hampstead Heath webpage, inviting and enabling the public to make on-line donations to either Hampstead Heath Bird and Mammal Shelters campaign or Hampstead Heath Model Boating Pond Island – Wildlife Sanctuary campaign.

The charity has received no complaints in relation to fundraising activities in 2021/22 (2020/21: nil). Individuals are not approached for funds, hence the charity does not consider it necessary to design specific procedures to monitor such activities.

Public benefit statement

The Trustee confirms that it has referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing Hampstead Heath’s aims and objectives and in planning future activities. The purpose of the charity is the preservation in perpetuity of Hampstead Heath as an open space for the recreation and enjoyment of the public.

Consequently, the Trustee considers that Hampstead Heath operates to benefit the general public and satisfies the public benefit test.

REFERENCE AND ADMINISTRATIVE DETAILS

The administrative details of the charity are stated on page 41.

ACHIEVEMENTS AND PERFORMANCE

Staffing, along with the availability of specialist contractors and materials, continued to be impacted by the Coronavirus pandemic during 2021/22. This has impacted on the delivery of some of the projects planned for 2021/22 which will roll over into 2022/23.

Hampstead Heath's 2021/22 aims together with their outcomes were:

COVID-19 Impact Recovery Programme – Works to address compaction and erosion have continued during 2021/22. A number of veteran trees have been fenced to aid recovery. Path maintenance, waymarking and signage improvements will continue into 2022/23. Restoration works support Strategic Outcome A: the Heath is maintained as a flourishing green space and historic landscape.

Hampstead Heath Bathing Ponds review – The capital project to deliver a programme of safety, access and security improvements across the Bathing Ponds has progressed to RIBA stage 2. Works on site are expected to commence in late 2022. The project supports Strategic Outcome C: the Heath is inclusive and welcoming to a diverse range of visitors.

East Heath car park – Works on site have been completed and the car park has re-opened for public use. A Gateway 6 report will be drafted in summer/autumn 2022. These works support Strategic Outcome A: the Heath is maintained as a flourishing green space and historic landscape.

Celebrate the 150th Anniversary of the Hampstead Heath Act (1871) - A programme of events to celebrate the passing of the Act was successfully delivered during 2021. The programme of tailored events supports Strategic Outcome D: greater number and diversity of people taking care of the Heath.

Ultra Low Emissions Zone (ULEZ) - Three electric and hybrid vehicles have been leased in line with the vehicle replacement programme. Vehicle replacements will continue during 2022/23.

Playground Improvements – Works at the Parliament Hill Adventure Playground and East Heath Playground have been completed. The Heath Extension playground planning application has been submitted and the Project Board will continue to meet regularly during 2022. This project supports Strategic Outcome C: the Heath is inclusive and welcoming to a diverse range of visitors.

Licencing – The Professional Dog Walking Licence Scheme was approved by the Hampstead Heath, Highgate Wood & Queen's Park Committee in 2021 for launch on 1 April 2022. Arrangements have been put in place to support the launch of the Licencing Scheme. Development of the licencing scheme for professional dog walkers will support Strategic Outcome A: the Heath is maintained as a flourishing green space and historic landscape.

Budget management – The financial savings identified for 2021/22 have been achieved through a combination of reducing expenditure and appropriate income generation activities.

Corporate Restructure - The implementation of the City of London's corporate restructure is ongoing. The new Environment Department (within which the charity sits) has been formed. Phase 2 of the corporate restructure will be designed and implemented during 2022/23.

Hampstead Heath Trust

The aim for the Hampstead Heath Trust Fund is to meet a proportion of the maintenance cost of the Heath. In doing so, it is anticipated that the resulting upkeep and improvements will enhance the use made of the Heath by all of those who visit it. In 2021/22, the Trust has contributed £1,482,422 towards the preservation and enhancement of Hampstead Heath as an open space for recreation and enjoyment of the general public.

PLANS FOR FUTURE PERIODS

There is uncertainty around the continued impacts of the Coronavirus pandemic in relation to income generation and project delivery over the coming 12 months.

Key projects for 2022/23 include:

Hampstead Heath

Hampstead Heath Bathing Ponds Capital Project – Undertake a programme of works in relation to safety, access and security improvements across the Bathing Ponds.

Parliament Hill Athletics Track Capital Project – Form a project board to scope and enable works on site to be completed during 2022/23.

Golders Hill Park Accessible Car Park – Undertake works on site to improve waymarking and signage to enable the car park to open safely on weekends and bank holidays.

Parliament Hill Master Plan – Undertake a review of facilities and buildings at Parliament Hill to inform provision of a visitor centre, maintain suitable accommodation for staff and volunteers, as well as improved sports facilities and improved learning facilities.

Golders Hill Park Zoo – Undertake an options appraisal to inform discussions in relation to the long-term sustainability of the zoo.

Ultra Low Emissions Zone (ULEZ) - Continued implementation and delivery of the vehicle replacement programme to minimise the impact upon the environment and meet ULEZ requirements.

A Sustainable Fleet and Plant Management Plan - Undertake a review of plant and equipment.

Playground Improvements – Undertake improvements at the Heath Extension Playground, to increase opportunities for accessible and natural play.

Licencing – Launch the Professional Dog Walking Licence Scheme on 1 April 2022 and implement on site through monitoring and engagement with Heath users, in line with the provision of the 2018 Open Spaces Act.

Budget management – Deliver a balanced budget, and achieve financial savings as required through a combination of reducing expenditure and appropriate income generation activities.

Corporate Restructure - Progress and implement phase 2 changes to staffing structures.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 24.

The Trustee is monitoring the situation and will continue with its purpose to preserve and maintain Hampstead Heath, as an Open Space for the recreation and enjoyment of the public.

Hampstead Heath Trust

The charity continues to be affected by the global economic downturn from the global pandemic of Coronavirus. There has been a significant recovery in the market value of the investments held by the charity, and although investment income has increased compared to 2020/21, the downturn continues to affect the income generating of the charity's investments, and may impact upon the future level of distributable income available to meet the grant-making objectives of the charity.

The Trustee is monitoring the situation and will continue with its operating model of only committing grants from available income funds. Where deemed necessary, future grant programmes may be placed on hold until adequate investment income has been received.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 24.

FINANCIAL REVIEW

Overview of Financial Performance

Income

In 2021/22 the charity's total income for the year was £9,888,663 an overall increase of £428,248 against the previous year (£9,460,415). The principal source of income was from City of London Corporation's City's Cash fund (see below).

Income from Charitable Activities comprised £2,179,284 from fees charged (2020/21: £1,196,096), £279,830 from rents (2020/21: £133,125) and £2,110 from sales of goods, products and materials (2020/21: £960). A busy 2021 summer caused a general increase in use of facilities. The increase in rent income was due to COVID restrictions impacting the rents on commercial tenants, including a rent free period, in the previous year.

Donations of £3,901 were received from the public at the ponds and paddling pool (2020/21: £14,024). Donations can also be made on the Hampstead Heath webpage, to either Hampstead Heath Bird and Mammal Shelters campaign or Hampstead Heath Model Boating Pond Island – Wildlife Sanctuary campaign. In total, £7,352 was received during the year (2020/21: £nil). The full amount was held at 31 March 2022 in a restricted fund for 'Campaign Donations'.

Investment income of £2,025,319 (2020/21: £1,560,485) was received during the year from the Hampstead Heath Trust Fund.

Other income of £34,836 was received in relation to Coronavirus Job Retention Scheme (2020/21: £104,420). There are no unfulfilled conditions or other contingencies relating to this grant income and no other forms of government assistance have been received in the year.

An amount of £5,356,031 (2020/21: £6,451,305) was received from the City of London Corporation's City's Cash as a contribution towards the running costs of the charity.

Expenditure

Total expenditure for the year was £9,312,262 (2020/21: £9,469,987) with charitable activities expenditure in the year totalling £9,119,376 (2020/21: £9,320,721). The decrease in expenditure is owing to a lower number of cyclical building works taking place during the year. Expenditure on raising funds for the year was £192,886 (2020/21: £149,266).

Funds held

The charity's total funds held increased by £2,204,080 to £54,740,897 as at 31 March 2022 (2020/21: £52,536,817). The net gain on investments represents the difference in the market value of investments between 1 April 2021 and 31 March 2022 after taking account of any purchases and sales which were made during 2021/22.

Within the total funds held, £34,358,804 (2020/21: £32,924,011) represent permanent and expendable endowment funds.

The permanent endowment is held in perpetuity as a capital fund to generate income for the activities of the charity, with income arising from this capital being available to contribute to the running costs of the Heath.

The expendable endowment funds are used for the primary objectives of the charity.

Should net income from the endowment funds be greater than the required contribution towards the running costs of the Heath, then the surplus is retained within unrestricted funds held for use in future years in accordance with the objectives of the charity. A surplus of £350,011 was generated in the year (2020/21: £50,056).

Unrestricted income funds (General funds)– these funds can be used in accordance with the charitable object at the discretion of the Trustee and include both income generated by assets representing unrestricted funds. Specifically, this represents any surplus of income of £761,509 (2020/21: £216,877) over expenditure of the Trust distributed annually towards the running costs of the Heath, as well as surplus unrestricted donation income of £1,735 received in 2021/22 (2020/21: £nil).

The charity’s designated funds consist of unrestricted income funds which the Trustee has chosen to set aside for specific purposes. Such designations are not legally binding, and the Trustee can decide to “undesignate” these funds at any time. Designations as at 31 March 2022 totalled £19,610,999 (2020/21: £19,393,696). These represent designated funds within the unrestricted income fund which represents the Capital fund and the net book value of fixed assets held.

Restricted funds of £9,585 (2020/21: £2,233) was held at year-end for the Parliament Hill Outdoor Gym project and from campaign donations.

Details of all funds held, including their purposes, is set out within note 15 to the financial statements.

Investments performance

The investments are held within both a segregated portfolio primarily invested in UK shares and the City of London Corporation Charities Pool. The performance of these investments are analysed as follows:

1) Segregated portfolio

The funds of the charity are managed by Artemis Investment Management LLP. Market values and performance against benchmarks for the year was as follows:

	Market Value		Returns		Benchmark	
	2021/22 £	2020/21 £	2021/22 %	2020/21 %	2021/22 %	2020/21 %
Hampstead Heath Trust	34,102,513	32,519,053	+11.10%	+30.63%	+13.03%	+26.71%
City of London Charities Pool (part of)	782,826	578,078	+11.06%	+30.72%	+13.03%	+26.71%
	34,885,339	33,097,131				

2) Hampstead Heath Trust Fund

As at 31 March 2022, the investments held in the Hampstead Heath Trust Fund achieved a return of +11.10% (2020/21: +30.63%) compared to the FTSE All Share Index return of +13.03% (2020/21: +26.71%). Over three years this fund achieved a return of +7.41% (2020/21: +5.16%) compared to the FTSE All Share Index return of +5.31% (2020/21: +3.19%). Over five years, the fund achieved a return of +6.25% (2020/21: +7.22%) compared to the FTSE All Share Index return of +4.69% (2020/21: +6.29%).

	2021/22		2020/21	
	3 years	5 years	3 years	5 years
Fund	+7.41%	+6.25%	+5.16%	+7.22%
FTSE All Share	+5.31%	+4.69%	+3.19%	+6.29%
Fund outperformance	+2.10%	+1.56%	+1.97%	+0.93%

3) City of London Corporation Charities Pool

As at 31 March 2022, the investments held in the Charities Pool achieved a return of +11.06% (2020/21: +30.72%) compared to the FTSE All Share Index return of +13.03% (2020/21: +26.71%). Over three years this fund achieved a return of +7.35% (2020/21: +5.04%) compared to the FTSE All Share Index return of +5.31% (2020/21: +3.19%). Over five years, the fund achieved a return of +6.16% (2020/21: +7.19%) compared to the FTSE All Share Index return of +4.69% (2020/21: +6.29%).

	2021/22		2020/21	
	3 years	5 years	3 years	5 years
Fund	+7.35%	+6.16%	+5.04%	+7.19%
FTSE All Share	+5.31%	+4.69%	+3.19%	+6.29%
Fund outperformance	+2.04%	+1.47%	+1.85%	+0.90%

Reserves

The charity is supported by the City of London Corporation out of its City's Cash Funds. 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. Due to the governance arrangements in place, a reserves policy is considered by the trustee to be inappropriate.

Donations are now being sought and that these may be carried forward but there is currently no intention to hold them as a minimum amount owing to the deficit funded status of the Charity.

Spending Policy

The reserves policy of the charity is that the original endowment of £15 million (now worth £ 34.5 million) should produce income to cover a proportion of the running costs of Hampstead Heath. The contribution for 2021/22 of £1,482,422 (2020/21:

£1,361,163) consists of £1,450,000 from the permanent endowment (2020/21: £1,336,000), and income arising from the former T.J. Barratt Trust, which was transferred to the Hampstead Heath Trust Fund in November 2011, of £32,422 (2020/21: £25,163).

Should the actual income earned in any specific year, added to the surpluses from previous years, be less than the contribution based on the funds from 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 Trust Fund. This is within the terms of the Transfer Order for the original endowment. The contribution of £1,482,422 for 2021/22 from the permanent endowment was met entirely from net income and no further allocation from the permanent endowment reserves was required.

Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risks which are specific to Hampstead Heath:

Risk	Actions to manage risks
Impact of Covid-19 accelerating long term damage to sites	<ul style="list-style-type: none"> • Additional monitoring and ecological assessments required. • Messaging via social media asking visitors to be considerate. • Increased Ranger and Constabulary activity.
Maintenance of buildings and equipment	<ul style="list-style-type: none"> • Cyclical review of assets carried out. • Regular client liaison meetings to discuss issues and raise concerns about Building Repairs and Maintenance Projects.
Impact of housing and population and transport increase	<ul style="list-style-type: none"> • Maintain a close partnership with Planning Authorities. • Review local planning applications which may impact on the Open Spaces. • Respond to consultation on local plans to help influence the content of the documents.
Outbreak of fire in woodland/heathland	<ul style="list-style-type: none"> • Managers and Supervisors receive weather and 'trigger event' warnings and this information is shared with staff. • Emergency Action Plan. Review carried out annually or following incident if appropriate.

Risk	Actions to manage risks
Plant and Tree Disease	<ul style="list-style-type: none"> • Fire safety audits are carried out. • Tree provenance is considered, and planting stock is sourced in accordance with best practice guidance. • Trained arboricultural contractors carry out spraying and nest removal of Oak Processionary Moth. • Continue to monitor pest and tree disease across the charity.
Ensuring the Health and Safety of staff, contractors, visitors and volunteers	<ul style="list-style-type: none"> • Annual Health & Safety site Audits with peer review. • Hold local Health & Safety meetings. Staff updated in toolbox / team talks. • Online e-learning and training sessions undertaken by staff e.g. Mental Health Awareness and Fire Safety.
Hampstead Heath Water bodies including Bathing Ponds	<ul style="list-style-type: none"> • Training for lifeguards. • Safety equipment accessible at ponds; regular checks are undertaken and defects reported for repair or replacement. • Appropriate signage at ponds is regularly checked and defects reported for repair or replacement.
Extreme Weather Events	<ul style="list-style-type: none"> • Alerts issued to staff via Met Office. • Trigger Event Policy embedded into way of working. • Review process 6 monthly or following an extreme weather event. • Site plans are reviewed annually or following an incident, if appropriate.

Risks which are specific to Hampstead Heath Trust Fund:

Risk	Actions to manage risks
Decline in income	<ul style="list-style-type: none"> • Implementing strict controls. • The charity's funds are invested by a professional fund manager. • The Financial Investment Board regularly monitors the performance of this fund manager.
Where the Trustee has a conflict of interest	<ul style="list-style-type: none"> • Those concerned having a specific understanding of trust law. • Adopting the protocol for disclosing any potential conflict.
Losing directly employed staff and/or the support staff	<ul style="list-style-type: none"> • Documenting systems, plans and projects • Having any necessary training programmes

TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.



Henry Nicholas Almroth Colthurst, Deputy
Chairman of Finance Committee of
The City of London Corporation
Guildhall, London
31 January 2023



Randall Keith Anderson, Deputy
Chairman of Finance Committee
of The City of London Corporation

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF HAMPSTEAD HEATH

Opinion

We have audited the financial statements of Hampstead Heath ('the Parent charity') and its subsidiaries ('the Group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 March 2022 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 Group and the Parent Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient and proper accounting records have not been kept by the Parent Charity; 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 Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 15 and 16, 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 Group and the Parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Group and the Parent Charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group and the Parent Charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group and the Parent Charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even

though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill, London, EC4M 7JW

31 January 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021/22 Total Funds £	2020/21 Total Funds £
Income and endowments from:						
Voluntary activities	2	3,901	7,352	-	11,253	14,024
Charitable activities	3	2,461,224	-	-	2,461,224	1,330,181
Grant from City of London Corporation	4	5,356,031	-	-	5,356,031	6,451,305
Investments	5	2,025,319	-	-	2,025,319	1,560,485
Other income	6	34,836	-	-	34,836	104,420
Total income and endowments		9,881,311	7,352	-	9,888,663	9,460,415
Expenditure on:						
Raising funds	7	192,886	-	-	192,886	149,266
Charitable activities:						
Preservation of Hampstead Heath	7	9,119,376	-	-	9,119,376	9,320,721
Total expenditure		9,312,262	-	-	9,312,262	9,469,987
Net gains on investments	12	-	-	1,627,679	1,627,679	6,680,006
Net income		569,049	7,352	1,627,679	2,204,080	6,670,434
Net movement in funds		569,049	7,352	1,627,679	2,204,080	6,670,434
Reconciliation of funds:						
Total funds brought forward	16	19,610,573	2,233	32,924,011	52,536,817	45,866,383
Total funds carried forward	16	20,179,622	9,585	34,551,690	54,740,897	52,536,817

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 24 to 40 form part of these financial statements.

CONSOLIDATED BALANCE SHEET**AS AT 31 MARCH 2022**

	Notes	2022 Total £	2021 Total £
Fixed assets:			
Tangible assets	11	19,607,668	19,390,365
Fixed asset investments	12	34,547,175	32,841,486
Total fixed assets		54,154,843	52,231,851
Current assets			
Debtors	13	538,603	345,883
Investments	12	160,856	255,645
Cash at bank and in hand		747,505	894,812
Total current assets		1,446,964	1,496,340
Creditors: Amounts falling due within one year	14	(860,910)	(1,191,374)
Net current assets		586,054	304,966
Total assets less current liabilities		54,740,897	52,536,817
The funds of the charity:			
Endowment funds	16	34,551,690	32,924,011
Restricted income funds	16	9,585	2,233
Unrestricted income funds	16	20,179,622	19,610,573
Total funds		54,740,897	52,536,817

The notes on pages 24 to 40 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

31 January 2023

HAMPSTEAD HEATH**BALANCE SHEET****AS AT 31 MARCH 2022**

	Notes	2022 Total £	2021 Total £
Fixed assets:			
Tangible assets	11	19,607,668	19,390,365
Current assets			
Debtors	13	185,542	72,434
Cash at bank and in hand		570,197	717,504
Total current assets		755,739	789,938
Creditors: Amounts falling due within one year	14	(741,088)	(784,374)
Net current assets		14,651	5,564
Total assets less current liabilities		19,622,319	19,395,929
The funds of the charity:			
Restricted income funds	16	9,585	2,233
Unrestricted income funds	16	19,612,734	19,393,696
Total funds		19,622,319	19,395,929

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

31 January 2023

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of the charities, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

(b) Group Financial Statements

The consolidated financial statements for the Hampstead Heath Group comprise Hampstead Heath and the Hampstead Heath Trust Fund. The consolidation is produced on a line by line basis. Separate financial statements are also produced for the Hampstead Heath Trust Fund, which is a subsidiary of Hampstead Heath. This was established by the Local Government Reorganisation (Hampstead Heath) Order 1989, with an endowment valued at £15 million at that time, the purpose of which was to contribute to the running costs of the Heath.

(c) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity's governing documents place an obligation on the City of London Corporation to preserve the open spaces for the benefit of the public. Funding is provided from the City of London Corporation's City's Cash. On an annual basis, a medium-term financial forecast is prepared for City's Cash, covering the next 5 years from the period covered by these financial statements. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of these accounts being signed to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered the potential ongoing impact of the Covid-19 pandemic and current high inflationary pressures on the financial position, including future income levels and planned expenditure and the liquidity of the charity over the next 12-month period. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

(d) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily

apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

In preparing the financial statements, management has made the following key judgements: useful economic life of fixed assets and the recovery of debts.

As one of the key judgements, the Trustee will include fixed investments and their market valuations as key accounting estimates in their consideration of the operating of the charity. The Trustee will be aware that the market valuations included in the financial statements are taken at one single point in time and that the movements on general UK and global stock markets, and the likely impact of them upon the running costs of the Hampstead Heath, will affect their decision making.

(e) Statement of Cash Flows

As per section 14.1 of the Charities SORP the Charity is not required to produce a statement of cash flows on the grounds that it is a qualifying entity.

A Statement of Cash Flows is included within the City's Cash Annual Report and Financial Statements 2022 which is publicly available at www.cityoflondon.gov.uk.

(f) Income

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, charges for use of facilities, contributions, grants (including government grants), investment income, interest, sales and rental income.

The City of London Corporation's City's Cash meets the deficit on running expenses of the charity and also provides funding for certain capital works. This income is considered due each year end once the deficit on running expenses and capital works funding has been confirmed, and is recognised in the SOFA at this point.

(g) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. 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.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management of functions inherent in the activities undertaken. These include the costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in note 8.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid. From 2021/22, the City Corporation, as Trustee, has taken a decision to seek reimbursement for the administration fees incurred from each of its charities, and these costs are included within support costs.

(h) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are valued at the year-end rate exchange. All gains or losses on translation are taken to Statement of Financial Activities in the year in which they occur.

(i) 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 benefit 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 £832.7m as at 31 March 2022 (£919.7m as at 31 March 2021). Since any net deficit is apportioned between the financial statements of the City of London's three main funds, the charity's Trustee does 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 these financial statements.

Barnett Waddingham, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2019, using the projected unit method. The 31 March 2022 valuation is being carried out in 2022/23 and must be finalised before 31 March 2023, which will set contribution rates for the period 01 April 2023 to 31 March 2026. Contribution rates adopted for the financial years 2020/21, 2021/22 and 2022/23 have been set at 21% (2019/20: 21%).

(j) Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(k) 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 object of the charity is 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).

Land and the original 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 amounts are not included in these financial statements 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 and other assets would be included as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured.

Tangible fixed assets

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged from the year following that of acquisition, on a straight-line basis, in order to write off each asset over its estimated useful life as follows. Land is not depreciated.

	Years
Operational buildings	30 to 50
Improvements and refurbishments to buildings	up to 30
Equipment	5 to 25
Infrastructure	up to 20*

* With the exception of certain ponds infrastructure whose useful life has been determined at 120 years. The Hampstead Heath Ponds Project major Civil Engineering earthworks/structures (such as the foundations, sheet piling and earth bunds) fall into design working Life category 5 which is set out in the BS EN 1990:2002+A1:2005, Eurocode — Basis of structural design, with Indicative design working Life being 120 years.

(l) Investments

The major part of the investments are in a segregated mandate externally managed by Artemis Investment Management LLP. Hampstead Heath Trust Fund also holds investments in the City of London Charities Pool (charity number 1021138) which is an investment mechanism operating in a similar way to a unit trust. This enables the City of London Corporation to “pool” small charitable investments together and

consequently obtain better returns than would be the case if investments were made individually.

Investments are valued at bid-price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

(m) Stocks

Stocks are valued at the lower of cost or net realisable value. All stocks are finished goods and are held for resale as part of the charity operation.

(n) Cash

Cash and cash equivalents include cash in hand, overdrafts (if any) and short term deposits and other instruments held as part of the Corporation's treasury management activities with original maturities of three months or less.

(o) Funds structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

Permanent endowment fund – this fund consists of funds which are held in perpetuity for the benefit of the charity as a result of conditions imposed by the original donors and trusts. Income generated from the investments which represent these funds can be spent on the charitable purpose of the charity, hence is allocated to the unrestricted income fund. Gains/losses on the underlying assets remain as part of the endowment.

Expendable endowment fund – the purpose of this fund is to provide income for the benefit of the charity as a result of conditions imposed by the original donors and trusts.

Restricted funds – these include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

Unrestricted income funds – these funds can be used in accordance with the charitable object at the discretion of the Trustee and include both income generated by assets representing unrestricted funds. Specifically, this represents any surplus of income over expenditure of the Trust distributed annually towards the running costs of the Heath as well as surplus unrestricted donation income.

Designated funds – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

(p) Insurance

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Cash.

2. INCOME FROM VOLUNTARY ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds 2021/22	Unrestricted funds 2020/21
	£	£	£	£
Donations and legacies	3,901	7,352	11,253	14,024

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021/22	Unrestricted funds 2020/21
	£	£
Charges for use of facilities	2,179,284	1,196,096
Sales	2,110	960
Rental income	279,830	133,125
Total	2,461,224	1,330,181

4. INCOME FROM THE CITY OF LONDON CORPORATION

	Unrestricted funds 2021/22	Unrestricted funds 2020/21
	£	£
Revenue and capital grants from City of London Corporation	5,356,031	6,451,305

5. INCOME FROM INVESTMENTS

	Unrestricted funds 2021/22	Unrestricted funds 2020/21
	£	£
Investment income	2,024,417	1,560,485
Interest	902	-
Total	2,025,319	1,560,485

6. OTHER INCOME

	Unrestricted funds 2021/22 £	Unrestricted funds 2020/21 £
Other income	<u>34,836</u>	<u>104,420</u>

Income for the year included:

Donations – being amount received from the public at the ponds and paddling pool. From March 2021 a donations page has been created on the Hampstead Heath webpage, inviting and enabling the public to make on-line donations to either Hampstead Heath Bird and Mammal Shelters campaign or Hampstead Heath Model Boating Pond Island – Wildlife Sanctuary campaign.

Charitable activities – being amounts generated from the sales of leaflets, books, maps cards and other publications relating to Hampstead Heath; charges made to the public for the use of facilities, admissions and services and from rental income.

Grants from the City of London Corporation – being the amount received from the City of London Corporation’s City’s Cash to meet the deficit on running expenses of the charity, alongside funding for capital purchases.

Investment income – being the amount received from the Charities Pool and interest receivable on cash balances held on behalf of the Trust.

Other income - included in Other Income on the Statement of Financial Activities is Coronavirus Job Retention Scheme income. There are no unfulfilled conditions or other contingencies relating to this grant income and no other forms of government assistance have been received in the year.

7. EXPENDITURE

Expenditure on raising funds

	Direct costs £	Support costs £	Total 2021/22 £	Direct costs £	Support costs £	Total 2020/21 £
Investment management fees	185,922	6,224	192,146	146,418	-	146,418
Interest payable	-	740	740	-	2,848	2,848
Total	185,922	6,964	192,886	146,418	2,848	149,266

Expenditure on charitable activities

	Direct costs £	Support costs £	Total 2021/22 £	Direct costs £	Support costs £	Total 2020/21 £
Preservation of Hampstead Heath	7,808,845	1,310,531	9,119,376	8,053,940	1,266,781	9,320,721
Grand total	7,994,767	1,317,495	9,312,262	8,200,358	1,269,629	9,469,987

Charitable activity

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

Auditor's remuneration and fees for other services

Crowe U.K. LLP are the auditors of the City of London's City's Cash Fund and all of the different charities of which it is Trustee. The City of London Corporation charges the audit fee to its City's Cash Fund. From 2021/22, the City Corporation, as Trustee, has taken a decision to seek reimbursement for the audit fee incurred from each of its charities. In 2021/22 an audit fee of £5,000 was recharged (2020/21: £nil). No other services were provided to the charity by its auditors during the year (2020/21: £nil).

8. SUPPORT COSTS

Support costs include activities undertaken by the City of London Corporation on behalf of the Charity, such as human resources, digital services, legal support, accounting services, committee administration and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity based on time spent, with associated office accommodation charged proportionately to the space occupied by the respective activities, with the split of costs as follows:

	Charitable activities £	Governance £	2021/22 £	2020/21 £
Department:				
Chamberlain	192,066	-	192,066	145,104
Comptroller & City Solicitor	41,914	-	41,914	-
Town Clerk	-	132,607	132,607	204,801
City Surveyor	293,103	-	293,103	312,271
Open Spaces directorate	301,461	-	301,461	211,788
Other governance & support costs	93,937	5,000	98,937	88,248
Digital Services	250,443	-	250,443	304,569
Sub-total	1,172,924	137,607	1,310,531	1,266,781
Reallocation of governance costs	137,607	(137,607)	-	-
Total	1,310,531	-	1,310,531	1,266,781

All support costs are undertaken from unrestricted funds. Governance costs are allocated based on a proportion of officer time spent on the administration of Trustee and Committee related meetings.

9. DETAILS OF STAFF COSTS

All staff that work on behalf of the charity and group are employed by the City Corporation. The average number of people directly undertaking activities on behalf of the charity during the year was 100 (2020/21: 97).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	2021/22	2020/21
	£	£
Salaries and wages	4,101,764	3,906,477
National Insurance costs	395,949	378,165
Employer's pension contributions	684,607	659,693
Total emoluments of employees	5,182,320	4,944,335

The number of directly charged employees whose emoluments (excluding employer's pension contribution and national insurance contribution) for the year were over £60,000 was 1.0 (2020/21: 2.0).

	2021/22	2020/21
£60,000 - £69,999	1.0	2.0

Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, and the Director of Open Spaces who manages the seven open spaces funded by the City of London Corporation. A proportion of the Directors' employment benefits are allocated to this charity.

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 amount of employee benefits received by key management personnel totalled £56,121 (2020/21: £36,312). The members of the Finance Committee of the City of London Corporation are not remunerated and expenses are not reimbursed for acting on behalf of the Trustee during 2021/22 (2020/21: nil).

10. HERITAGE ASSETS – CHARITY AND GROUP

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(k), 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. Records of heritage assets owned and maintained by Hampstead Heath can be obtained from the Executive Director Environment at the principal address as stated on page 41.

11. TANGIBLE FIXED ASSETS – CHARITY AND GROUP

	Buildings £	Infrastructure £	Infrastructure (WIP) £	Equipment £	Total £
Cost					
At 1 April 2021	1,257,724	19,558,712	64,528	272,479	21,153,443
Additions	-	429,457	-	-	429,457
Transfer	-	64,528	(64,528)	-	-
At 31 March 2022	1,257,724	20,052,697	-	272,479	21,582,900
Depreciation					
At 1 April 2021	180,306	1,378,311	-	204,461	1,763,078
Charge for the year	31,641	174,302	-	6,211	212,154
At 31 March 2022	211,947	1,552,613	-	210,672	1,975,232
Net book value					
At 31 March 2022	1,045,777	18,500,084	-	61,807	19,607,668
At 31 March 2021	1,077,418	18,180,401	64,528	68,018	19,390,365

12. FIXED ASSET INVESTMENTS – GROUP ONLY

The investments are held within both the Hampstead Heath Trust segregated portfolio and the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number: 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	Total 2022 £	Total 2021 £
Long Term Fixed Investments		
Market value 1 April	32,841,486	26,012,892
Additions	8,338,780	8,100,985
Disposals	(8,260,770)	(7,952,397)
(Loss)/gain for the year	1,627,679	6,680,006
Market value 31 March	34,547,175	32,841,486
Short Term Investments		
Cash held by fund managers	160,856	255,645
Other Cash Balances	177,308	177,308
Short Term Investments	338,164	432,953
Total investments 31 March	34,885,339	33,274,439
Cost 31 March	31,010,233	29,983,729

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

	2022 £	2021 £
Long term	34,547,175	32,841,486
Short term	338,164	432,953
Total	34,885,339	33,274,439

The geographical spread of listed investments as at 31 March was as follows:

		Unit trusts	Equities	Cash	Total
Held in the UK	£	2,066,264	28,233,753	338,164	30,638,181
Held outside the UK	£	-	4,247,158	-	4,247,158
Total at 31 March 2022	£	2,066,264	32,480,911	338,164	34,885,339
Held in the UK	£	1,798,162	27,136,442	432,953	29,367,557
Held outside the UK	£	-	3,906,882	-	3,906,882
Total at 31 March 2021	£	1,798,162	31,043,324	432,953	33,274,439

13. DEBTORS – AMOUNTS DUE WITHIN ONE YEAR

Hampstead Heath consolidated	2022 £	2021 £
Rental debtors	15,590	8,155
Prepayments and accrued income	46,352	42,513
Recoverable VAT	780	-
Other debtors	475,881	295,215
Total	538,603	345,883

Other debtors consist of non-property related debtors of £122,820 (2020/21: £21,766) and dividends of £353,061 receivable from the fund manager (2020/21: £266,635). 2020/21 other debtors included a sundry debtor of £6,814 in relation to the Hampstead Heath Trust.

Hampstead Heath	2022	2021
	£	£
Rental debtors	15,590	8,155
Prepayments and accrued income	46,352	42,513
Recoverable VAT	780	-
Other debtors	122,820	21,766
Total	185,542	72,434

Other debtors comprised of non-property related debtors.

14. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

Hampstead Heath consolidated	2022	2021
	£	£
Bank overdraft	77,476	368,822
Trade creditors	53,497	117,581
Accruals	90,703	223,617
Deferred income	121,368	72,531
Rent deposits	15,425	51,925
VAT liability	379,727	192,091
Other creditors	122,714	164,807
Total	860,910	1,191,374

	2022	2021
	£	£
Deferred income analysis within creditors:		
Balance at 1 April	72,531	54,459
Amounts released to income	(72,531)	(54,459)
Amounts deferred in the year	121,368	72,531
Balance at 31 March	121,368	72,531

Deferred income relates to rental income received in advance for periods after the year-end.

Hampstead Heath	2022	2021
	£	£
Trade creditors	53,497	117,581
Accruals	90,703	223,617
Deferred income	121,368	72,531
Rent deposits	15,425	51,925
VAT liability	379,727	192,091
Other creditors	80,368	126,629
Total	741,088	784,374

Other creditors consist of sundry creditors.

15. ANALYSIS OF CONSOLIDATED NET ASSETS BY FUND

At 31 March 2022	Unrestricted Funds		Restricted Funds	Endowment Funds	Total at 31 March 2022	Total at 31 March 2021
	General Funds	Designated Funds				
	£	£				
Tangible Assets	-	19,607,668	-	-	19,607,668	19,390,365
Fixed Asset Investments	-	-	-	34,547,175	34,547,175	32,841,486
Current Assets	1,309,711	3,331	9,585	124,337	1,446,964	1,496,340
Current Liabilities	(741,088)	-	-	(119,822)	(860,910)	(1,191,374)
Total	568,623	19,610,999	9,585	34,551,690	54,740,897	52,536,817

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At 31 March 2021	Unrestricted Funds		Restricted Funds	Endowment Funds	Total at 31 March 2021	Total at 31 March 2020
	General Funds	Designated Funds				
	£	£				
Tangible Assets	-	19,390,365	-	-	19,390,365	19,672,960
Fixed Asset Investments	-	-	-	32,841,486	32,841,486	32,148,008
Current Assets	1,001,251	3,331	2,233	489,525	1,496,340	1,761,531
Current Liabilities	(784,374)	-	-	(407,000)	(1,191,374)	(1,195,759)
Total	216,877	19,393,696	2,233	32,924,011	52,536,817	52,386,740

Expendable endowment movements 2011-2022

	Balance at 1 April	Revaluation of investments	Balance at 31 March	Cash	Expendable endowment
	£	£	£	£	£
Opening	393,461	8,497	401,958	177,308	579,266
2011-2012	401,958	11,764	413,722	177,308	591,030
2012-2013	413,722	58,823	472,545	177,308	649,853
2013-2014	472,545	34,640	507,185	177,308	684,493
2014-2015	507,185	32,680	539,865	177,308	717,173
2015-2016	539,865	(30,719)	509,146	177,308	686,454
2016-2017	509,146	60,784	569,930	177,308	747,238
2017-2018	569,930	5,229	575,159	177,308	752,467
2018-2019	575,159	(5,229)	569,930	177,308	747,238
2019-2020	569,930	(106,075)	463,855	177,308	641,163
2020-2021	463,855	114,223	578,078	177,308	755,386
2021-2022	578,078	27,440	605,518	177,308	782,826

Hampstead Heath charity only net assets by fund

At 31 March 2022	Unrestricted Funds		Restricted Funds	Total at 31 March 2022	Total at 31 March 2021
	General Funds	Designated Funds			
	£	£			
Tangible Assets	-	19,607,668	-	19,607,668	19,390,365
Current Assets	742,823	3,331	9,585	755,739	789,938
Current Liabilities	(741,088)	-	-	(741,088)	(784,374)
Total	1,735	19,610,999	9,585	19,622,319	19,395,929

At 31 March 2021	Unrestricted Funds		Restricted Funds	Total at 31 March 2021	Total at 31 March 2020
	General Funds	Designated Funds			
	£	£			
Tangible Assets	-	19,390,365	-	19,390,365	19,449,993
Current Assets	784,374	3,331	2,233	789,938	610,330
Current Liabilities	(784,374)	-	-	(784,374)	(604,766)
Total	-	19,393,696	2,233	19,395,929	19,455,557

16. CONSOLIDATED MOVEMENT IN FUNDS

At 31 March 2022	Total as at 1 April 2021	Income	Expenditure	Gains	Total as at 31 March 2022
	£	£	£	£	£
Endowment funds:					
Permanent endowment funds	32,168,625	-	-	1,600,239	33,768,864
Expendable endowment funds	755,386	-	-	27,440	782,826
Total endowment funds	32,924,011	-	-	1,627,679	34,551,690
Restricted funds:					
Campaign Donations	-	7,352	-	-	7,352
Parliament Hill Outdoor Gym	2,233	-	-	-	2,233
Total restricted funds	2,233	7,352	-	-	9,585
Unrestricted funds:					
General funds	216,877	9,451,854	(9,100,108)	-	568,623
Designated funds:					
Tangible fixed assets	19,390,365	429,457	(212,154)	-	19,607,668
Capital fund	3,331	-	-	-	3,331
Total unrestricted funds	19,610,573	9,881,311	(9,312,262)	-	20,179,622
Total funds	52,536,817	9,888,663	(9,312,262)	1,627,679	54,740,897

At 31 March 2021	Total as at 1 April 2020 £	Income £	Expenditure £	Gains £	Total as at 31 March 2021 £
Endowment funds:					
Permanent endowment funds	25,602,842	-	-	6,565,783	32,168,625
Expendable endowment funds	641,163	-	-	114,223	755,386
Total endowment funds	26,244,005	-	-	6,680,006	32,924,011
Restricted funds:					
Parliament Hill Outdoor Gym	2,233	-	-	-	2,233
Unrestricted funds:					
General funds	166,821	9,308,076	(9,258,020)	-	216,877
Designated funds:					
Tangible fixed assets	19,449,993	152,339	(211,967)	-	19,390,365
Capital fund	3,331	-	-	-	3,331
Total unrestricted funds	19,620,145	9,460,415	(9,469,987)	-	19,610,573
Total funds	45,866,383	9,460,415	(9,469,987)	6,680,006	52,536,817

Purpose of the endowment funds

The expendable endowment fund is invested as a capital fund to generate income for the activities of the charity. Any income generated is used in accordance with the objectives of the trust. The purpose of this fund is to provide net income to be used to contribute towards the running costs of the Heath, transferred from the former T J Barratt bequest in December 2011.

The permanent endowment fund is held in perpetuity as a capital fund to generate income for the activities of the charity. Before any potential gains on investments are considered, should net income be more than any year's contribution to the running costs of the Heath, then the surplus funds are retained as unrestricted funds to be used in future years. During 2021/22 the surplus was £350,011 (2020/21: £50,056). Should the actual income earned in any specific year, added to the surpluses from previous years, be less than the contribution based on the funds from 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 Trust Fund. This is within the terms of the Transfer Order for the original endowment.

Purposes of restricted funds

The restricted fund represents funds received from London Borough of Camden (Sports and Physical Activity Service) for creation of a new outdoor gym at Parliament Hill.

Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:

- i. *Fixed Assets* – 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. As at 31 March 2022 the net book value of fixed assets

relating to direct charitable purposes amounted to £19,607,668 (2020/21: £19,390,365). There was an addition of £429,457 during the year relating to the Playground project and the East Heath Car Parking Resurfacing project.

- ii. *Capital Fund* - as part of an Open Spaces wide Fleet Management project a disposal exercise of redundant fleet and equipment was undertaken. It was agreed to use the income raised to fund energy efficiency improvement works. The installation of photovoltaic energy panels at the Lido, Hampstead Heath was completed.

Hampstead Heath movement in funds

At 31 March 2022	Total as at 1 April 2021 £	Income £	Expenditure £	Transfers £	Total as at 31 March 2022 £
Restricted funds:					
Campaign Donations	-	7,352	-	-	7,352
Parliament Hill Outdoor Gym	2,233	-	-	-	2,233
Total restricted funds	2,233	7,352	-	-	9,585
Unrestricted funds:					
General funds	-	7,426,535	(7,424,800)	-	1,735
Designated funds:					
Tangible fixed assets	19,390,365	429,457	(212,154)	-	19,607,668
Capital fund	3,331	-	-	-	3,331
Total unrestricted funds	19,393,696	7,855,992	(7,636,954)	-	19,612,734
Total funds	19,395,929	7,863,344	(7,636,954)	-	19,622,319

At 31 March 2021	Total as at 1 April 2020 £	Income £	Expenditure £	Transfers £	Total as at 31 March 2021 £
Restricted funds:					
Parliament Hill Outdoor Gym	2,233	-	-	-	2,233
Unrestricted funds:					
General funds	-	7,747,591	(7,747,591)	-	-
Designated funds:					
Tangible fixed assets	19,449,993	152,339	(211,967)	-	19,390,365
Capital fund	3,331	-	-	-	3,331
Total unrestricted funds	19,453,324	7,899,930	(7,959,558)	-	19,393,696
Total funds	19,455,557	7,899,930	(7,959,558)	-	19,395,929

17. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2. The City Corporation provides various services to the charity, the costs of which are recharged to the charity. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in note 8.

The charity is consolidated within the accounts of City's Cash, a fund of the City of London Corporation (the City Corporation, the Corporate Trustee of the charity), by virtue of the deemed control arising from the provision of the shortfall between the charity's income and expenditure by City's Cash, whose place of business is Guildhall, London EC2P 2EJ. The principal purpose of City's Cash is to manage its investments in properties, stocks and shares to provide returns which allows the City Corporation to use the income for the provision of services that are of importance to the City and Greater London as well as nationally and internationally, and to maintain the asset base so that income will be available to fund services for the benefit of future generations. The financial statements of City's Cash can be obtained from the address provided above.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at www.cityoflondon.gov.uk.

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent the amounts due at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2021/22 £	2020/21 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	5,356,031 (nil)	6,451,305 (nil)	The City of London Corporation's City's Cash meets the deficit on running expenses of the charity
		1,310,531 (nil)	1,266,781 (nil)	Administrative services provided for the charity
		31,536 (nil)	23,833 (nil)	Distribution from the Charities Pool and interest receivable on cash balances
Hampstead Heath Trust Fund	The Hampstead Heath Trust Fund is included within the Hampstead Heath consolidated financial statements	1,482,422 (nil)	1,361,163 (nil)	Contribution to preservation and enhancement of Hampstead Heath as an open space

REFERENCE AND ADMINISTRATION DETAILS

CHARITY NAME: Hampstead Heath

Registered charity number: 803392

PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:

Guildhall, London, EC2P 2EJ

TRUSTEE:

The Mayor and Commonalty & Citizens of the City of London

SENIOR MANAGEMENT:

Chief Executive

John Barradell OBE - The Town Clerk and Chief Executive of the City of London Corporation

Treasurer

Caroline Al-Beyerty - The Chamberlain and Chief Financial Officer of the City of London Corporation

Solicitor

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

Environment Department

Juliemma McLoughlin – Executive Director of Environment (appointed 2 August 2021)

Colin BATTERY – Director of Open Spaces (retired 31 October 2021)

AUDITORS:

Crowe U.K. LLP, 55 Ludgate Hill, London, EM4M 7JW

BANKERS:

Lloyds Bank Plc., P.O.Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

INVESTMENT ADVISORS:

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain, to request copies of governance documents & of the Annual Report of City's Cash:

PA-DeputyChamberlain@cityoflondon.gov.uk

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Committee(s)	Dated:
Hampstead Heath, Highgate Wood and Queen's Park	17 May 2023
Subject: Highgate Wood and Queen's Park Kilburn Annual Report and Financial Statements for the Year Ended 31 March 2022	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	n/a
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain's Department?	n/a
Report of: The Chamberlain Executive Director Environment	For Information
Report author: Clem Harcourt, Chamberlain's Department	

Summary

The Trustee's Annual Report and Financial Statements for the Year ended 31 March 2022 for Highgate Wood and Queen's Park Kilburn (charity registration number 232986) are presented for information in the format required by the Charity Commission.

Recommendation(s)

It is recommended that the Trustee's Annual Report and Financial Statements for the 2021/22 Financial Year be noted.

Main Report

1. The Trustee's Annual Report and Financial Statements are presented for information, having been signed on behalf of the Trust by the Chairman and Deputy Chairman of the Finance Committee and the auditors Crowe U.K LLP. The information contained within the Annual Report and Financial Statements has already been presented to your Committee via the outturn report on 15 June 2022.
2. A previous review of the charities for which the City is responsible, (completed in 2010), detailed key reports that should be presented to your Committee. The Trustees Annual Report and Financial Statements was one of these reports. Information from these statements will form the Annual Return to the Charity Commission. Since this undertaking, the City Corporation has recently approved

that a further comprehensive review be undertaken across all of its charities, the outcome of which will be reported to this Committee in due course.

3. The Trustee's Annual Report and Financial Statements were submitted to the Charity Commission within the regulatory deadline of 31 January 2023.

Appendices

- Appendix 1 – Highgate Wood and Queen's Park Kilburn Annual Report and Financial Statements for the year ended 31 March 2022

Clem Harcourt
Chamberlain's Financial Services Division

E: clem.harcourt@cityoflondon.gov.uk

Highgate Wood and Queen's Park Kilburn

Annual Report and Financial Statements for the
year ended 31 March 2022

Charity registration number 232986

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ORIGINS OF THE CHARITY

Queen's Park and Highgate Wood were acquired by the City of London Corporation from the Ecclesiastical Commissioners under the Highgate and Kilburn Open Spaces Act 1886 on condition that the City of London Corporation maintained them in perpetuity for the benefit of Londoners, for exercise and recreation. The Court of Chancery agreed at that time that the late William Ward's bequest should be used towards the maintenance of Queen's Park and this capital fund is still used for this purpose. From April 2002 the Superintendent of Hampstead Heath has had overall responsibility for both sites.

TRUSTEE'S ANNUAL REPORT

STRUCTURE AND GOVERNANCE

GOVERNING DOCUMENTS

The governing document is the Highgate and Kilburn Open Spaces Act 1886. The charity is constituted as a charitable trust.

GOVERNANCE ARRANGEMENTS

The Mayor and Commonalty and Citizens of the City of London (also referred to as 'the City Corporation' or 'the City of London Corporation'), a body corporate and politic, is the trustee of Highgate Wood and Queen's Park Kilburn. The City Corporation is trustee acting by the Court of Common Council of the City of London in its general corporate capacity and that executive body has delegated responsibility in respect of the administration and management of this charity to various committees and sub-committees of the Common Council, membership of which is drawn from 125 elected Members of the Common Council and external appointees to those committees. In making appointments to committees, the Court of Common Council will take into consideration any particular expertise and knowledge of the elected Members, and where relevant, external appointees. External appointments are made after due advertisement and rigorous selection to fill gaps in skills. Elected Aldermen and Members of the City of London Corporation are appointed to the Hampstead Heath, Highgate Wood and Queen's Park Committee governing Highgate Wood and Queen's Park Kilburn by the Court of Common Council of the City of London Corporation.

Members of the Court of Common Council are elected by the electorate of the City of London. The Key Committees which had responsibility for directly managing matters related to the charity during 2021/22 were as follows:

- **Policy and Resources Committee** – responsible for allocating resources and administering the charity.
- **Investment Committee** – responsible for the strategic oversight and monitoring of the performance of the charity's investments which are managed by three separate sub-committees, namely the Financial Investment Board, the Property Investment Board and the Social Investment Board.
- **Finance Committee** – responsible for controlling budgets, support costs and other central charges that affect the charity as a whole.
- **Audit and Risk Management Committee** – responsible for overseeing systems of internal control and making recommendations to the Finance Committee relating to the approval of the Annual Report and Financial Statements of the charity.
- **Hampstead Heath, Highgate Wood and Queen's Park Committee** - responsible for the activities undertaken at Highgate wood and Queen's Park Kilburn, approving budget allocations for the forthcoming year and acting as Trustee of the charity.

All of the above committees are ultimately responsible to the Court of Common Council of the City of London. Committee meetings are held in public, enabling the decision-making process to be clear, transparent and publicly accountable. Details of the membership of Committees of the City Corporation are available at www.cityoflondon.gov.uk

The charity is consolidated within City's Cash as the City of London Corporation exercises operational control over their activities. City's Cash is a fund of the City Corporation that can be traced back to the 15th century and has been built up from a combination of properties, land, bequests and transfers under statute since that time. Investments in properties, stocks and shares are managed to provide a total return that:

- Allows City's Cash to use the income for the provision of services that are of importance nationally and internationally as well as to the City and Greater London;
- Maintains the asset base so that income will be available to fund services for the benefit of future generations.

The trustee believes that good governance is fundamental to the success of the charity. A comprehensive review of governance is ongoing to ensure that the charity is effective in fulfilling its objectives. Reference is being made to the good practices recommended within the Charity Governance Code throughout this review. Focus is being placed on ensuring regulatory compliance and the ongoing maintenance of an efficient and effective portfolio of charities that maximise impact for beneficiaries.

ORGANISATIONAL STRUCTURE AND DECISION-MAKING PROCESS

The charity is administered in accordance with its governing instruments and the City Corporation's own corporate governance and administration framework, including Committee Terms of Reference, Standing Orders, Financial Regulations and Officer Scheme of Delegations. These governance documents can be obtained via a request to the email address stated on page 33.

Each Member by virtue of their membership of the Court of Common Council, its relevant committees and sub-committees, has a duty to support the City Corporation in the proper exercise of its functions and in meeting its duties as trustee of the charity by faithfully acting in accordance with charity law, the Terms of Reference of the relevant committee or sub-committee, and the City of London Corporation's agreed corporate governance framework as noted above, backed up by its standards regime.

As part of the City of London Corporation's restructure, the Open Spaces Department has merged with Planning & Transportation and Port Health & Environmental Services to form a new Environment Department. Highgate Wood and Queen's Park became part of the Environment Department from 1 April 2022. During the year, the former Superintendent retired with a permanent replacement taking over in January 2022.

INDUCTION AND TRAINING OF MEMBERS

The City Corporation makes available to its Members, seminars and briefings on various aspects of its activities, including those concerning the charity, to enable Members to carry out their duties efficiently and effectively. Induction meetings are provided on specific aspects of the work of Highgate Wood and Queen's Park Kilburn. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

OBJECTIVES AND ACTIVITIES

The objective of the charity is the maintenance and preservation in perpetuity of the open spaces known as Highgate Wood and Queen's Park Kilburn, as public parks or open spaces for use by the public for exercise and recreation.

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

Lands were transferred to the City of London Corporation under the powers conferred by the Highgate and Kilburn Open Spaces Act 1886. The purpose of the charity is the maintenance and preservation in perpetuity by the City of London Corporation of the open spaces known as Highgate wood, Highgate and Queen's Park Kilburn as Public Parks or Open spaces, for the use by the public for exercise and recreation.

This charity is operated as a separate legal entity consolidated into the City of London Corporation's City's Cash. The City of London Corporation is committed to funding the ongoing net operational costs of the charity in accordance with the purpose, as stated above.

Investment Policy

The charity's investments are held in units of the City of London Charities Pool (registered charity 1021138). The investment policy is to provide a real increase in annual income in the long term whilst preserving the value of the capital base. The annual report and financial statements of the Charities Pool (which include an analysis of investment performance against objectives set) are available from the Chamberlain of London, at the email address stated on page 33.

Remuneration Policy

The charity's senior staff are employees of the City Corporation, and alongside all staff, pay is reviewed annually. The City 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 the payment of recognition awards.

The above policy applies to staff within the charity's key management personnel, as defined within note 9 to the financial statements.

The charity is committed to equal opportunities for all employees. An Equality and Inclusion Board has been established to actively promote equality, diversity and

inclusion in service delivery and employment practices. The Board is responsible for monitoring the delivery of the Equality and Inclusion Action Plan and progress against the Equality Objectives. This also includes addressing the City Corporation's gender, ethnicity and disability pay gaps.

Owing to the COVID 19 pandemic and the recommendations from the Tackling Racism Taskforce, which was set up last year to identify the actions that the City Corporation could implement to tackle racism in all its forms, the Corporate Equality and Inclusion Plan will be updated in the autumn. There is work ongoing relating to the new Equalities and Inclusion objectives, that will include internal and external consultation. This is expected to take place at the end of April 2023, with publication of the revised Equalities and Inclusion objectives by September 2023.

Senior staff posts of the City Corporation are individually evaluated and assessed independently against the external market allowing each post to be allocated an individual salary range within the relevant grade, which incorporates market factors as well as corporate importance.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". Although Highgate Wood and Queen's Park Kilburn charity does not undertake widespread fundraising from the general public, any such amounts receivable are presented in the financial statements as "voluntary income" including grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the executive team, who are accountable to the trustee. The charity is not bound by any regulatory scheme and does not consider it necessary to comply with any voluntary code of practice.

From December 2020 a donations page has been created on the Queen's Park webpage, inviting and enabling the public to make on-line donations to the Queen's Park Sandpit and Playground Improvements campaign.

The charity has received nil complaints in relation to fundraising activities in the current year (2020/21: nil). Individuals are not approached for funds, hence the charity does not consider it necessary to design specific procedures to monitor such activities.

Public benefit statement

The Trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Highgate Wood and Queen's Park Kilburn's aims and objectives and in planning future activities. The purpose of the charity is the maintenance and preservation in perpetuity by the City of London Corporation as open spaces known as Highgate Wood and Queen's Park Kilburn for the recreation and enjoyment of the public.

Consequently, the Trustee considers that Highgate Wood and Queen's Park Kilburn operates to benefit the general public and satisfies the public benefit test.

REFERENCE AND ADMINISTRATIVE DETAILS

The administrative details of the charity are stated on page 33.

ACHIEVEMENTS AND PERFORMANCE

The aims for 2021/22 for Highgate Wood were:

Restoration Work linked to the COVID-19 pandemic and increased visitor numbers. This involves the continuation of the works for green recovery and restoration of woodland erosion and compaction; the creation of the 2021/22 Conservation Area next to the Play Area will form a major area of recovery after intensive usage and a review of the policy of conservation area creation and the timescales of enclosure

Nature recovery activities were focused on closing off new desire lines created during the pandemic and reinforcing protection to the currently closed conservation areas. Heath Hands volunteers played a critical part in these works. A number of on-site meetings took place during 2021 to discuss the best approach to creating the new conservation area to the north of the play area. The Highgate Wood Team consulted with Haringey's Woodland Officer, the Hampstead Heath Tree team and the Ecologist. The management approach will be to install the stock fencing first then carry out tree work later this year.

Deliver the tender for the Pavilion Café

The Pavilion Café Tender has been rescheduled for 2022/23. The current Tenancy at Will is to be retained over the summer to ensure income.

To Develop an ecological monitoring methodology to measure visitor pressure on sensitive areas within the woodland and build on the data provided by the oak decline survey.

Background work has been initiated by the Highgate Wood Manager who is working with the Ecologist and members of the Highgate Wood Team to draft an ecological monitoring survey with assistance from Heath Hands volunteers. The plan is to have a monitoring system in place for 2023

Forest Schools activity review

A Forest School policy has been introduced and a regular review of this policy will continue to be undertaken. The Wood currently has two licenced Forest Schools

Increase volunteering including ecological monitoring

The Highgate Wood Manager is working with the Ecologist and members of the Highgate wood Team to recruit a small group of volunteers from Heath Hands to assist with habitat and species monitoring.

Additional achievements in 2021/22 were:

- The Friends of Highgate Roman Kiln have had a successful year raising funding towards a Heritage Lottery bid to enable the return of the Roman Kiln artifact to Highgate Wood. They are now starting the process of drafting an application having spoken to a representative from the Heritage Lottery Fund.
- Carried out drainage improvement works on the sports field which should hopefully improve playing conditions for the forthcoming cricket and football fixtures.
- In 2021/22 Highgate Wood hosted activities for 6,554 children ranging from pre-school nursery sessions to weekend football training.

The aims for 2021/22 for Queen's Park were:

COVID19 Impact Recovery Programme. The Woodland Walk has been closed and during the Spring 2021, the Queen's Park Team will be undertaking works to promote the recovery of this area from the impacts of increased visitor numbers

The Woodland Walk reopened in March 2021. The re-opening was supported by the continuing work of the Woodland Walk Working Group. During late winter of 2021, the Queen's Park Team undertook works to relay the pathway to reduce visitors causing further compaction off the made path. These works were completed to support the recovery of this area from the impacts of increased visitor numbers

Refurbishment of the Queen's Park Children's Sandpit and improve provision of equipment in the Children's Play Area, linked to raising donations from the local community and increased awareness of the donations pages on the Queen's Park webpages.

The City Corporation continue to fundraise for the refurbishment of the Queen's Park Children's Sandpit and improve provision of equipment in the Children's Play Area. Funding through donations reached £13,629 at 31st March 2022, with the City Corporation implying that the organisation would support a further £55,000. Funding opportunities, including Neighbourhood Community Infrastructure Levy, will be applied for. The redevelopment project and donations are promoted locally through signage and via social media and web presence raising awareness of the donations page

Consult on finalise and commence implementation of the Queen's Park Woodland Walk Management Plan

In order to consider how to restore the nature conservation interest Queen's Park Area Residents' Association has formed a Woodland Walk Working Group with the Park Manager. Discussion has taken place to double the size of the Walk area by adding the wooded area to the east beginning from the gate into the north end of Kingswood Avenue. A further smaller addition could be made at the west end using an unused north-west corner of the pitch and putt course up to the fence that separates it from the regular park. In order to avoid the impact of walkers and joggers who are simply going round the park the expanded Woodland Walk would have to be self-contained, with an alternative path provided around the edge of the pitch and putt or within the existing Woodland Walk. Although a path round the edge of the pitch and putt would in effect revert to the circular path provided when the park opened in 1887 it would also cut across two of the nine holes of the pitch and putt course.

Successfully tender for the Queen's Park Café

The café tenants remain on a Tenancy At Will. The City Surveyor Department will be engaged to assist with an asset condition survey. Further analysis will be carried out to assess the market rent value of the café prior to any tender process taking place.

Consult on the Cyclical Works Programme for the Queen's Park Toilets

The City Surveyors Department have commenced a schedule of works at the public toilets. This has necessitated in the first instance, repairs to a collapsed drain. Further cyclical works programmes are planned to complete maintenance works of this busy public toilet

Review of the Queen's Park Conservation Management plan

The Conservation Management Plan will be reviewed and updated at the end of its current cycle in 2023. It is suggested that the document should be reduced in length, enabling the document to be more accessible for staff and stakeholders.

Develop a Part Activity Plan to gain understanding of who currently visits the park

This has not been progressed as a priority and it is considered that this should be included in a review of the Park Conservation Management Plan.

Additional achievements in 2021/22 were:

- The Paddling Pool was re-opened on 28 August 2021 and remained open during September/October. The re-opening of this facility was impacted by repairs and maintenance works, linked to the ageing equipment.
- Maintained Green Flag Award and Green Heritage Accreditation for 2021
- Tennis participation was maintained during the year, with 12,881 hours of tennis played on the courts.

Aims for 2021/22 for both Highgate Wood and Queen's Park were:

Obtain approval and implement new licensing schemes in line with the provision of the 2018 Open Spaces Act

A licensing scheme for Professional Dog Walkers has been successfully introduced and this will be rolled out to Queen's Park and Highgate Wood in 2022/23.

Consult on finalise and commence implementation of the Queen's Park Woodland Walk Management Plan

Further consultation and engagement with the Woodland Walk Working Group will continue with the further development of the Plan. This engagement and consultation will lead to the plans implementation during 2022/23. This is an ongoing project.

Achieve financial savings as required through a combination of reducing expenditure and appropriate income generation activities

Queen's Park and Highgate Wood achieved financial savings in 2021/22. These were achieved through efficiencies and income generation.

Support the development of the City of London's restructure and the creation of a new Department within which will sit this charity

Highgate Wood and Queen's Park have continued to support the development of the restructure. Implementation is expected during 2022/23.

Additional achievements for both Highgate Wood and Queen's Park in 2021/22 were:

- Green Flag and Green Heritage awards were achieved

PLANS FOR FUTURE PERIODS

The proposed overarching priorities which will guide all of our objectives and activities from April 2022 are:

Highgate Wood

- Continue to work on an ecological monitoring programme of the impact of visitors through the Heath Hands volunteers.
- Continue to work collaboratively with the Friends of Highgate Roman Kiln and support their future Heritage Lottery Bid.
- Continue the notice board replacement programme.
- Implement the Woodland Management Plan.

Queen's Park

- Work together with partners to promote health and wellbeing connections.
- Undertake consultation and engagement to inform the development of a licencing scheme for fitness training, and professional dog walking.
- Develop heritage outcomes and incorporate preservation and interpretation actions into the Conservation Management Plan and Annual Work Programme
- Deliver Biosecurity Management across the Natural Environment, preventing the introduction of pests and diseases.
- Regular monitoring of development and planning applications through engagement with stakeholders and a planning specialist.
- Contribute towards the City Corporation Climate Action Strategy by achieving Net zero by 2027.
- Reduce reliance on external contracts for litter, waste and recycling. Undertake public engagement to encourage responsible disposal of waste and recycling.
- Undertake surveys on visitor engagement and capture data to understand visitor trends and satisfaction.
- Review and implement site specific Asset Management Plans.
- Maximise volunteering opportunities by offering a range of activities.
- Maintain a London in Bloom Award
- Redevelop the Children's Sandpit via an agreed project through the City Corporation Gateway process. Seek capital funding through external and internal sources to enable the delivery of this project.
- Consult on, finalise, and implement the Queen's Park Woodland Walk Management Plan through engagement with the local community represented on the Woodland Walk Working Group.
- Develop an updated Draft Conservation Management Plan.

Both Highgate Wood and Queen's Park

- Achieve budgeted income and expenditure targets for Highgate Wood and Queen's Park Kilburn Charity.
- Support the implementation of the restructure involving a review of operational arrangements
- Review the Café retendering programme with a review of income generation and market values.
- Maintain Green Flag Award and Green Heritage Accreditation for 2022/23.

The Trustee does not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 20.

FINANCIAL REVIEW

Overview of Financial Performance

Income

In 2021/22 the charity's total income for the year was £1,353,890, an overall decrease of £162,822 against the previous year (£1,516,712) This variation was largely due to a reduction in expenditure compared to the previous year and therefore a smaller grant was received from the City of London to fund the deficit.

Income from Charitable Activities comprised £226,363 from fees charged (2020/21: £96,741) and £66,546 from rents (2020/21: £41,020). A busy 2021 summer caused a general increase in use of facilities on the previous year. The increase in rent income was due COVID restrictions impacting the rents on commercial tenants, including a rent free period, in the previous year.

From December 2020 the public were able to donate via the Queen Park website towards the Sandpit and Playground Improvements Campaign resulting in £12,083 of donations (2020/21 £1,546). Sponsorship generated £5,798 of income (2020/21 £nil)

An amount of £1,033,348 (2020/21: £1,364,066) was received from the City of London Corporation's City's Cash as a contribution towards the running costs of the charity.

Expenditure

Total expenditure for the year was £1,358,294 (2020/21: £1,531,654) all of which related to charitable activities. Reduction in expenditure in the year largely arose through vacancies being held at Queen's Park whilst the department went through its restructure and cyclical works being deferred into 2022/23.

Funds held

The charity's total funds held increased by £3,499 to £323,672 as at 31 March 2022 (2020/21: £320,173).

The charity's designated funds consist of unrestricted income funds which the Trustee has chosen to set aside for specific purposes. Such designations are not legally

binding, and the Trustee can decide to “undesignate” these funds at any time. Designations as at 31 March 2022 totalled £136,547 (2020/21: £153,034). These represent the net book value of fixed assets held.

A restricted fund of £13,629 (2020/21 £1,546) was held at year-end. This relates to campaign donations. From December 2020 a donations page has been created on the Queen's Park webpage, inviting and enabling the public to make on-line donations to the Queen's Park Sandpit and Playgrounds Improvement Campaign.

Details of all funds held, including their purposes, is set out within note 16 to the financial statements.

Investments performance

Over the course of 2021/22 the Charities Pool investment strategy delivered an absolute return (gross of fees) of 11.1% which was below the FTSE All Share Index benchmark return of 13.0%, although this followed a period of outperformance in the prior year (the investment strategy gained 30.7% in 2020/21 versus 26.7% from the benchmark). The Charities Pool invests in an actively managed, high conviction strategy where performance is expected to be volatile over the short term. Over the longer term three and five year horizon, the Charities Pool continues to outperform the FTSE All Share Index as shown below.

Fund	2021/22		2020/21	
	3 year	5 year	3 year	5 year
FTSE All Share	7.3%	6.2%	5.0%	7.2%
Fund outperformance	5.3%	4.7%	3.2%	6.3%
	2.0%	1.5%	1.8%	0.9%

Reserves

The charity is wholly supported by the City of London Corporation which is committed to maintain and preserve Highgate Wood and Queen's Park Kilburn out of its City's Cash Funds. These Funds are used to meet the deficit on running expenses on a year by year basis. Consequently, a reserves policy is considered by the trustee to be inappropriate. The charity held free reserves of £173,496 at 31 March 2022, funds which will be used by the charity to further its objects, and which will be factored into financial plans.

Principal Risks and Uncertainties

The charity is committed to a programme of risk management as an element of its strategy to preserve the charity's assets. In order to embed sound practice the senior leadership team ensures that risk management policies are applied, that there is an on-going review of activity and that appropriate advice and support is provided. A key risk register has been prepared for the charity, which has been reviewed by the Trustee. This identifies the potential impact of key risks and the measures which are in place to mitigate such risks.

The principal risks faced by the charity, and actions taken to manage them are as follows:

Risk	Actions to manage risks
Impact of housing and population and transport increase	Maintain a close partnership with Planning Authorities and review local planning applications which may impact on the Open Spaces. Respond to consultation on local plans to help influence the content of documents
Maintenance of buildings and equipment	A reduction in the Cyclical Works Programme and maintenance Budget may impact on the maintenance of buildings. Staff have regular client liaison meetings to ensure that serious concerns, for example that Health and Safety issues are addressed as soon as practicable.
Plant and tree diseases	Tree provenance is considered, and planting stock is sourced in accordance with best practice guidance. Trained arboricultural contractors carry out spraying and nest removal of Oak Processionary Moth. Continue to monitor pest and tree disease across the charity
Ensuring the health and safety of staff, contractors, visitors and volunteers	Annual health and safety site audits with peer review. Hold local health and safety meetings. Staff updated in toolbox/team talks. Online e-learning and training sessions undertaken by staff such as Mental Health Awareness and Fire Safety
Extreme weather events	Alerts issues to staff via Met Office. Trigger Event Policy embedded into way of working. Review process six monthly or following an extreme weather event. Site plans are reviewed annually or following an incident, if appropriate.
Outbreak of fire in Woodland/Heathland	Managers and Supervisors receive weather and 'trigger event' warnings and this information is shared with staff. Emergency Action Plan Review carried out annually or following incident, if appropriate. Fire safety audits are carried out. Staff remain vigilant and have access to firefighting equipment to douse burning embers if necessary.
Budget Reduction & Income Loss	A number of posts are being held vacant and most appointments are on fixed term contracts. Regular reviewing and forecasting of year end budget position. Savings associated with the restructure will be met. New Executive Director commenced in post and Environment Department Project Board established to progress the restructure.
Impact of Covid-19 accelerating long term damage to sites	Monitoring and ecological assessments are carried out. Messaging via social media asking visitors to be considerate. Increased Ranger and Constabulary activity.

TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustee must not approve the financial statements unless the Trustee is satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

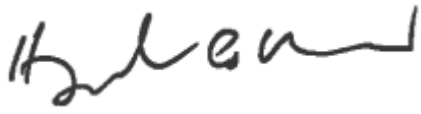
The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011. The 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.

In so far as the Trustee is aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustee has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Trustee's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Trustee's website is the responsibility of the Trustee. The Trustee's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Adopted and signed for on behalf of the Trustee.



Henry Nicholas Almroth Colthurst, Deputy
Chairman of Finance Committee of
The City of London Corporation
Guildhall, London



Randall Keith Anderson, Deputy
Deputy Chairman of Finance
Committee of The City of London
Corporation, Guildhall, London

Guildhall, London

31 January 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF HIGHGATE WOOD AND QUEEN'S PARK KILBURN

Opinion

We have audited the financial statements of Highgate Wood and Queen's Park Kilburn ('the charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The Trustee is responsible for the other information contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If,

based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustee's report; or
- sufficient and proper accounting records have not been kept by the Charity; 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 Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 13 and 14, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity operates, focusing on those laws and regulations that have a direct effect on the

determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustee and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

55 Ludgate Hill, London, EC4M 7JW

31 January 2023

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted Funds £	Restricted Funds £	2021/22 Total Funds £	2020/21 Total Funds £
Income from:					
Voluntary activities	2	5,798	12,083	17,881	1,546
Charitable activities	3	292,909	-	292,909	137,761
Grant from City of London Corporation	4	1,033,348	-	1,033,348	1,364,066
Investments	5	9,036	-	9,036	6,829
Other Income	6	716	-	716	6,510
Total income		1,341,807	12,083	1,353,890	1,516,712
Expenditure on:					
Charitable activities:					
Maintenance and preservation of Highgate Wood and Queen's Park Kilburn	7	1,358,294	-	1,358,294	1,531,654
Total expenditure		1,358,294	-	1,358,294	1,531,654
Net gain on investments	12	7,903	-	7,903	32,680
Net (expenditure)/income and net movement in funds		(8,584)	12,083	3,499	17,738
Reconciliation of funds:					
Total funds brought forward	16	318,627	1,546	320,173	302,435
Total funds carried forward	16	310,043	13,629	323,672	320,173

All of the above results are derived from continuing activities.

There were no other recognised gains and losses other than those shown above.

The notes on pages 20 to 33 form part of these financial statements.

BALANCE SHEET**AS AT 31 MARCH 2022**

	Notes	2022 Total £	2021 Total £
Fixed assets:			
Tangible assets	11	136,547	153,034
Investments	12	173,496	165,593
Total fixed assets		310,043	318,627
Current assets			
Debtors	13	15,578	19,819
Cash at bank and in hand		30,781	50,572
Total current assets		46,359	70,391
Creditors: Amounts falling due within one year	14	(32,730)	(68,845)
Net current assets/(liabilities)		13,629	1,546
Total assets less current liabilities		323,672	320,173
Total net assets		323,672	320,173
The funds of the charity:			
Restricted income funds	16	13,629	1,546
Unrestricted income funds	16	310,043	318,627
Total funds		323,672	320,173

The notes on pages 20 to 33 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London

31 January 2023

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) (second edition effective 1 January 2019) and the Charities Act 2011.

(b) Going concern

The financial statements have been prepared on a going concern basis as the Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The charity's governing documents place an obligation on the City of London Corporation to preserve the open spaces for the benefit of the public. Funding is provided from the City of London Corporation's City's Cash. On an annual basis, a medium-term financial forecast is prepared for City's Cash, covering the next 5 years from the period covered by these financial statements. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of these financial statements being signed to enable the charity to continue to fulfil its obligations.

In making this assessment, the Trustee has considered the financial position, including future income levels, planned expenditure and the liquidity of the charity over the next 12-month period. This assessment helps to provide assurances that the charity can continue to keep operating over the next 12-month period. For this reason, the Trustee continues to adopt a going concern basis for the preparation of the financial statements.

(c) Key management judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of decisions about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Management do not consider there to be any material revisions requiring disclosure.

In preparing the financial statements, management has made the following key judgements: useful economic life of fixed assets.

(d) Statement of Cash Flows

The charity 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.

A Statement of Cash Flows is included within the City's Cash Annual Report and Financial Statements 2021 which is publicly available at www.cityoflondon.gov.uk.

(e) Income

All income is included in the Statements of Financial Activities (SOFA) when the charity is legally entitled to the income; it is more likely than not that economic benefit associated with the transaction will come to the charity and the amount can be quantified with reasonable certainty. Income consists of donations, charges for use of facilities, grants (including government grants), investment income, interest, sales and rental income.

The City of London Corporation's City's Cash meets the deficit on running expenses of the charity and also provides funding for certain capital works. This income is considered due each year end once the deficit on running expenses and capital works funding has been confirmed, and is recognised in the SOFA at this point.

(f) Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. 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.

Governance costs include the costs of governance arrangements which relate to the general running of the charity as opposed to the direct management of functions inherent in the activities undertaken. These include the costs associated with constitutional and statutory requirements such as the cost of Trustee meetings.

Support costs (including governance costs) include activities undertaken by the City Corporation on behalf of the charity, such as human resources, digital services, legal support, accounting services, committee administration, public relations and premises costs. The basis of the cost allocation is set out in note 8.

The Trustee, the City Corporation, accounts centrally for all payroll related deductions. As a result, the charity accounts for all such sums due as having been paid. From 2021/22, the City Corporation, as Trustee, has taken a decision to seek reimbursement for the administration fees incurred from each of its charities, and these costs are included within support costs.

(g) 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 benefit 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 £832.7m as at 31 March 2022 (£919.7m as at 31 March 2021). Since any net deficit is apportioned between the financial statements of the City of London's three main funds, the charity's Trustee does 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 these financial statements.

Barnett Waddingham, an independent actuary, carried out the latest triennial actuarial assessment of the scheme as at 31 March 2019, using the projected unit method. The 31 March 2022 valuation is being carried out in 2022/23 and must be finalised before 31 March 2023, which will set contribution rates for the period 01 April 2023 to 31 March 2026. Contribution rates adopted for the financial years 2020/21, 2021/22 and 2022/23 have been set at 21% (2019/20: 21%).

(h) Taxation

The charity meets the definition of a charitable trust for UK income tax purposes, as set out in Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the charity is exempt from UK taxation in respect of income or capital gains under part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(i) Fixed Assets**Heritage Land and Associated Buildings**

Highgate Wood and Queen's Park comprises 315 hectares (780 acres) of land, together with associated buildings, located in the North London boroughs of Haringey and Brent respectively. The object of the charity is the preservation in perpetuity of Highgate Wood and Queen's Park Kilburn as open spaces for the recreation and enjoyment of the public. Highgate Wood and Queen's Park are considered to be inalienable (i.e. may not be disposed of without specific statutory powers).

Land and the original associated buildings are considered to be heritage assets. In respect of the original land and buildings, cost or valuation amounts are not included in these financial statements 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 and other assets would be included as fixed assets at historic cost, less provision for depreciation and any impairment, where this cost can be reliably measured.

Tangible fixed assets

Assets that are capable of being used for more than one year and have a cost greater than £50,000 are capitalised. Such assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged from the year following that of acquisition, on a straight-line basis, in order to write off each asset over its estimated useful life as follows:

	Years
Operational buildings	30 to 50
Improvements and refurbishments to buildings	up to 30
Infrastructure	up to 20

(j) Investments

Investments are made in the City of London Charities Pool (charity number: 1021138) which is an investment mechanism operating in a similar way to a unit trust. This enables the City of London Corporation to "pool" small charitable investments together and consequently obtain better returns than would be the case if investments were made individually.

Investments are valued at bid price. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

(k) Cash

Cash and cash equivalents include cash in hand, overdrafts (if any) and short term deposits and other instruments held as part of the Corporation's treasury management activities with original maturities of three months or less.

(l) Funds structure

Income, expenditure and gains/losses are allocated to particular funds according to their purpose:

Restricted Funds – These include income that is subject to specific restrictions imposed by donors, with related expenditure deducted when incurred.

Unrestricted income funds – these funds can be used in accordance with the charitable object at the discretion of the Trustee and include both income generated by assets held representing unrestricted funds. Specifically, this represents any surplus of income over expenditure for the charity which is carried forward to meet the requirements of future years, known as free reserves.

Designated funds – these are funds set aside by the Trustee out of unrestricted funds for a specific purpose.

(m) Insurance

The charity, elected Members and staff supporting the charity's administration are covered by the City Corporation's insurance liability policies, and otherwise under the indemnity the City Corporation provides to Members and staff, funded from City's Cash.

2. INCOME FROM VOLUNTARY ACTIVITIES

	Unrestricted funds	Restricted income funds	Total 2021/22	Unrestricted funds	Restricted income funds	Total 2020/21
	£	£	£	£	£	£
Donations and legacies		12,083	12,083	-	1,546	1,546
Sponsorship	5,798	-	5,798	-	-	-
Total	5,798	12,083	17,881	-	1,546	1,546

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021/22	Unrestricted funds 2020/21
	£	£
Charges for use of facilities	226,363	96,741
Rental income	66,546	41,020
Total	292,909	137,761

4. INCOME FROM THE CITY OF LONDON CORPORATION

	Unrestricted funds 2021/22	Unrestricted funds 2020/21
	£	£
Revenue and capital grant from City of London Corporation	1,033,348	1,364,066

5. INCOME FROM INVESTMENTS

	Unrestricted funds 2021/22	Unrestricted funds 2020/21
	£	£
Interest	9,036	6,829

6. OTHER INCOME

	Unrestricted funds 2021/22 £	Unrestricted funds 2020/21 £
Other income	<u>716</u>	<u>6,510</u>

Income for the year included:

Voluntary activities – relating to sponsorship of events and benches plus donations received from the public. From December 2020 a donations page has been available on the Queen's Park webpage, inviting and enabling the public to make on-line donations to the Queen's Park Sandpit and Playground Improvements campaign.

Grants from the City of London Corporation – being the amount received from the City of London Corporation's City's Cash to meet the deficit on running expenses of the charity, alongside funding for capital purchases.

Charitable activities – being amounts generated from charges made for the use of facilities, such as for filming and sports bookings and from the rental of catering facilities and wayleave licenses.

Other income - included in Other Income on the Statement of Financial Activities is a government grant from the Coronavirus Job Retention Scheme of £716 (2021: £6,510). There are no unfulfilled conditions or other contingencies relating to this grant income and no other forms of government assistance have been received in the year.

7. EXPENDITURE

	Direct costs £	Support costs £	Total 2021/22 £	Direct costs £	Support costs £	Total 2020/21 £
Maintenance and preservation of Highgate Wood and Queen's Park Kilburn	<u>1,145,636</u>	<u>212,658</u>	<u>1,358,294</u>	<u>1,331,048</u>	<u>200,606</u>	<u>1,531,654</u>

Charitable activity

Expenditure on the charitable activities includes labour, premises costs, equipment, materials and other supplies and services incurred in the running of Highgate Wood and Queen's Park Kilburn.

Auditor's remuneration and fees for other services

Crowe U.K. LLP are the auditors of the City of London's City's Cash Fund and provide assurance services to all of the different charities of which it is Trustee. From 2021/22,

the City Corporation, as Trustee, has taken a decision to seek reimbursement for the audit fees incurred from each of its charities. In 2021/22 an audit fee of £5,000 was recharged (2020/21: £nil). No other services were provided to the charity by its auditors during the year (2020/21: £nil).

8. SUPPORT COSTS

Support costs include activities undertaken by the City of London Corporation on behalf of the Charity, such as human resources, digital services, legal support, accounting services, committee administration and premises costs. Such costs are determined on a departmental basis, and are allocated on a cost recovery basis to the charity based on time spent, with associated office accommodation charged proportionately to the space occupied by the respective activities, with the split of costs as follows:

	Charitable activities £	Governance £	2021/22 £	2020/21 £
Department:				
Chamberlain	38,085	-	38,085	31,051
Comptroller & City Solicitor	7,816	-	7,816	-
Town Clerk	-	24,730	24,730	38,078
City Surveyor	27,728	-	27,728	31,420
Open Spaces directorate	52,342	-	52,342	35,736
Other governance & support costs	14,173	5,000	19,173	12,738
Digital Services	42,784	-	42,784	51,583
Sub-total	182,928	29,730	212,658	200,606
Reallocation of governance costs	29,730	(29,730)	-	-
Total	212,658	-	212,658	200,606

All support costs are undertaken from unrestricted funds. Governance costs are allocated based on a proportion of officer time spent on the administration of Trustee and Committee related meetings.

9. DETAILS OF STAFF COSTS

All staff that work on behalf of the charity are employed by the City Corporation. The average number of people directly undertaking activities on behalf of the charity during the year was 16 (2020/21: 17).

Amounts paid in respect of employees directly undertaking activities on behalf of the charity were as follows:

	2021/22	2020/21
	£	£
Salaries and wages	562,975	656,236
National Insurance costs	53,731	65,845
Employer's pension contributions	101,845	127,546
Total emoluments of employees	718,551	849,627

The number of directly charged employees whose emoluments (excluding employer's pension contribution and national insurance contribution) for the year were over £60,000 was nil (2020/21: nil):

Remuneration of Key Management Personnel

The charity considers its key management personnel to comprise the Members of the City of London Corporation, acting collectively for the City Corporation in its capacity as the Trustee, and the Director of Open Spaces who manages the seven open spaces funded by the City of London Corporation. A proportion of the Directors' employment benefits are allocated to this charity.

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 amount of employee benefits received by key management personnel totalled £9,470 (2020/21: £6190). No members received any remuneration, with directly incurred expenses reimbursed, if claimed. Expenses totalling £nil were claimed in 2021/22 (2020/21: £nil).

10. HERITAGE ASSETS

Since 1886 the primary purpose of the charity has been the preservation of Highgate Wood and Queen's Park Kilburn for the recreation and enjoyment of the public. As set out in Note 1(j), the original heritage land and buildings are not recognised in the Financial Statements. Policies for the preservation and management of Highgate Wood and Queen's Park Kilburn are contained in the Highgate Wood Conservation Management Plan 2013-2023 and Queen's Park Kilburn Conservation Management Plan 2014-2024. Records of heritage assets owned and maintained by Highgate Wood and Queen's Park Kilburn can be obtained from the Executive Director of Environment at the principal address as stated on page 33.

11. TANGIBLE FIXED ASSETS

	Land and Buildings £	Infrastructure £	Total £
Cost			
At 1 April 2021	166,388	257,130	423,518
At 31 March 2022	166,388	257,130	423,518
Depreciation			
At 1 April 2021	52,793	217,691	270,484
Charge for the year	3,341	13,146	16,487
At 31 March 2022	56,134	230,837	286,971
Net book value			
At 31 March 2022	110,254	26,293	136,547
At 31 March 2021	113,595	39,439	153,034

12. FIXED ASSET INVESTMENTS

The investments are held in the City of London Corporation Charities Pool, a charity registered in the UK with the Charity Commission (charity number: 1021138). The Charities Pool is a UK registered unit trust.

The value of investments held by the charity are as follows:

	2022 £	2021 £
Market value 1 April	165,593	132,913
Gain / (loss) for the year	7,903	32,680
Market value 31 March	173,496	165,593
Cost 31 March	107,254	107,254
Units held in Charities Pool	18,728	18,728

The geographical spread of listed investments as at 31 March was as follows:

	Held in the UK £	Held outside the UK £	Total at 31 March 2022 £	Held in the UK £	Held outside the UK £	Total at 31 March 2021 £
Equities	141,072	19,701	160,773	135,237	19,244	154,481
Pooled Units	10,186	-	10,186	8,858	-	8,858
Cash held by Fund Manager	2,537	-	2,537	2,254	-	2,254
Total	153,795	19,701	173,496	146,349	19,244	165,593

13. DEBTORS – AMOUNTS DUE WITHIN ONE YEAR

	2022	2021
	£	£
Rental debtors	514	-
Prepayments and accrued income	6,834	6,158
Recoverable VAT	2,326	12,336
Other debtors	5,904	1,325
Total	15,578	19,819

14. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	8,858	22,246
Accruals	12,315	15,058
Deferred income	4,502	3,502
Rent Deposits	-	6,193
Other creditors	7,055	21,846
Total	32,730	68,845

Deferred income relates to rental income received in advance for periods after the year-end.

	2022	2021
	£	£
Deferred income analysis within creditors:		
Balance at 1 April	3,502	3,502
Amounts released to income	(3,502)	(3,502)
Amounts deferred in the year	4,502	3,502
Balance at 31 March	4,502	3,502

15. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2022	Unrestricted income funds		Restricted funds	Total at 31 March 2022	Total at 31 March 2021
	General funds	Designated funds			
	£	£			
Tangible assets	-	136,547	-	136,547	153,034
Investments	173,496	-	-	173,496	165,593
Current assets	32,730	-	13,629	46,359	70,391
Current liabilities	(32,730)	-	-	(32,730)	(68,845)
Total	173,496	136,547	13,629	323,672	320,173

At 31 March 2021	Unrestricted income funds		Restricted funds	Total at 31 March 2021	Total at 31 March 2020
	General funds	Designated funds			
	£	£			
Tangible assets	-	153,034	-	153,034	169,522
Investments	165,593	-	-	165,593	132,913
Current assets	68,845	-	1,546	70,391	132,063
Current liabilities	(68,845)	-	-	(68,845)	(132,063)
Total	165,593	153,034	1,546	320,173	302,435

16. MOVEMENT IN FUNDS

At 31 March 2022	Total as at 1 April 2021		Expenditure	Gains & (losses)	Total as at 31 March 2022
	£	Income £			
Restricted funds					
Campaign donations	1,546	12,083	-	-	13,629
Total Restricted Funds	1,546	12,083	-	-	13,629
Unrestricted funds:					
General funds	165,593	1,341,807	(1,341,807)	7,903	173,496
Designated funds:					
Tangible fixed assets	153,034	-	(16,487)	-	136,547
Total unrestricted funds	318,627	1,341,807	(1,358,294)	7,903	310,043
Total funds	320,173	1,353,890	(1,358,294)	7,903	323,672

At 31 March 2021	Total as at 1 April 2020 £	Income £	Expenditure £	Gains & (losses) £	Total as at 31 March 2021 £
Restricted Funds					
Campaign donations	-	1,546	-	-	1,546
Total Restricted Funds	-	1,546	-	-	1,546
Unrestricted funds:					
General funds	132,913	1,515,166	(1,515,166)	32,680	165,593
Designated funds:					
Tangible fixed assets	169,522	-	(16,488)	-	153,034
Total	302,435	1,515,166	(1,531,654)	32,680	318,627
Total funds	302,435	1,516,712	(1,531,654)	32,680	320,173

Purposes of restricted funds

The restricted fund for 'Campaign Donations' represents funds received from the public through donations. From December 2020 a donations page has been created on the Queen's Park webpage, inviting and enabling the public to make on-line donations to the Queen's Park Sandpit and Playground Improvements project. In total £12,083 was received during the year (2020/21: £1,546).

Purposes of designated funds

Designated funds have been set aside by the Trustee for the following purposes:

Fixed Assets – these are included at historic cost less accumulated depreciation in accordance with Note 1 (j). At 31 March 2022 the net book value of fixed assets amounted to £136,547 (2020/21 £153,034)

17. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 2. The City Corporation provides various services to the charity, the costs of which are recharged to the charity. This includes the provision of banking services, charging all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is included within expenditure, as set out in note 8.

The charity is consolidated within the accounts of City's Cash, a fund of the City of London Corporation (the City Corporation, the Corporate Trustee of the charity), by virtue of the deemed control arising from the provision of the shortfall between the charity's income and expenditure by City's Cash, whose place of business is Guildhall, London EC2P 2EJ. The principal purpose of City's Cash is to manage its investments in properties, stocks and shares to provide returns which allows the City Corporation to use the income for the provision of services that are of importance to the City and Greater London as well as nationally and internationally, and to maintain the asset base so that income will be available to fund services for the benefit of future

generations. The financial statements of City's Cash can be obtained from the address provided above.

The charity is required to disclose information on related party transactions with bodies or individuals that have the potential to control or influence the charity. Members are required to disclose their interests, and these can be viewed online at www.cityoflondon.gov.uk.

Members and senior staff are requested to disclose all related party transactions, including instances where their close family has made such transactions.

Figures in brackets represent amounts due to or from another entity at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2021/22 £	2020/21 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	1,033,348	1,364,066	The City of London Corporation's City's Cash meets the deficit on running expenses of the charity
		(nil)	(nil)	
		212,658	200,606	Administrative services provided for the charity
		(nil)	(nil)	
		9,036	6,829	Distribution from the Charities Pool
		(nil)	(nil)	

REFERENCE AND ADMINISTRATION DETAILS

CHARITY NAME: Highgate Wood and Queen's Park Kilburn

Registered charity number: 232986

PRINCIPAL OFFICE OF THE CHARITY & THE CITY CORPORATION:

Guildhall, London, EC2P 2EJ

TRUSTEE:

The Mayor and Commonalty & Citizens of the City of London

SENIOR MANAGEMENT:

Chief Executive

John Barradell OBE - The Town Clerk and Chief Executive of the City of London Corporation (retired 31 December 2022)

Treasurer

Caroline Al-Beyerty - The Chamberlain of the City of London Corporation

Solicitor

Michael Cogher - The Comptroller and City Solicitor of the City of London Corporation

Environment Department

Juliemma McLoughlin – Executive Director of Environment (appointed 2 August 2021)

Colin Buttery – Director of Open Spaces (retired 31 October 2021)

AUDITORS:

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

BANKERS:

Lloyds Bank Plc., P.O. Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

INVESTMENT ADVISORS:

Artemis Investment Management Limited, Cassini House, 57 St. James's Street, London, SW1A 1LD

Contact for The Chamberlain, to request copies of governance documents & of the Annual Report of City's Cash:

PA-DeputyChamberlain@cityoflondon.gov.uk

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