

Hampstead Heath

Annual Report and Consolidated Financial
Statements for the year ended 31 March 2021

Charity registration number 803392

CONTENTS

Origins of the charity	1
Structure and governance.....	2
Achievements and performance	7
Financial review	10
Trustee responsibilities	16
Independent auditor's report	18
Consolidated statement of financial activities.....	21
Consolidated balance sheet.....	22
Balance sheet	23
Notes to the financial statements	24
Reference and administration details	40

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 unpaid and 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 2020/21 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.

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 40.

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 commenced during 2019/20 and 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 40.

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.

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 40.

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 13,000 hours of volunteer input per year.

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 bonuses and 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 for 2016-20. This also includes addressing the City Corporation's gender pay gap.

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 is currently being updated. There is work ongoing relating the new Equalities and Inclusion objectives, that will include internal and external consultation. This is expected to take place in the summer, with publication of the revised Equalities and Inclusion objectives by the end of 2021.

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 the Hampstead Heath 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 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.

The charity has received no complaints in relation to fundraising activities in 2020/21 (2019/20: 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 40.

ACHIEVEMENTS AND PERFORMANCE

Hampstead Heath Teams have ensured that the site remained open and accessible throughout the COVID-19 pandemic. However, with the focus on keeping the Heath open, tidy and safe, this did impact on the delivery of some of the projects planned for 2020/21 which will roll over into 2021/22.

Hampstead Heath's 2020/21 aims together with their outcomes were:

A review of the Hampstead Heath Bathing Ponds - was completed and a range of outcomes were identified, which were implemented during 2020/21 together with additional Covid-19 related operational changes.

Hampstead Heath waste and recycling strategy - has been developed and is being implemented, which will assist with managing these elements sustainability. Due to Covid-19 the planned education and outreach activity with partners and stakeholders to improve recycling take up had to be postponed. The increased levels of waste that have been left on Hampstead Heath has been challenging. However, the strategy has assisted with managing this effectively.

A Sustainable Fleet & Plant Management Plan - to comply with the requirements of the Ultra-Low Emissions Zone has been developed and a plan to replace vehicles in accordance and to comply with this has been developed. This will enable us to ensure the long-term viability of the Charity's vehicles and equipment.

East Heath Car Park improvements – this work has been delayed as the car park was provided exclusively for key hospital workers at the start of the pandemic. The work will commence in early 2021/22.

Improvements to the Adventure Playground at Parliament Hill – work on the implementation of the planned improvements to support the aspiration to deliver natural play and develop clear links to exploring the wider Heath has been delayed due to Covid-19 and will commence in early 2021/22.

The Hampstead Heath Management Strategy 2018-2028 - has been developed to enable a long-term vision and outcomes to be identified and delivered. As part of this process a Measurement Framework is being developed and this will enable outcomes and impacts to be measured and shared. Reporting on annual progress has been completed, and the outcomes and impacts will be reviewed, in light of the issues of the past year, and its impact upon the Heath.

Asset Management Plan - A Masterplan to manage a range of Divisions built assets, including Heathfield House, Parliament Hill and Kenwood Yard has been developed, working in partnership with the City Surveyors Department. This document will assist with understanding changing needs and will support the way in which assets will be used in the future to deliver services to our visitors.

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 2020/21, the Trust has contributed £1,361,163 towards the preservation and enhancement of Hampstead Heath as an open space for recreation and enjoyment of the general public.

PLANS FOR FUTURE PERIODS

The global pandemic of Coronavirus is still very much part of operations at the start of the 2021/22. This may have an impact on income and ability to deliver some projects in the next 12 months.

Key projects for 2021/22 include:

Hampstead Heath

COVID-19 Impact Recovery Programme - has been developed in order to continue to respond to Government Guidance and maintain COVID secure workplaces and facilities. A range of interventions to address impacts on wildlife, erosion, compaction, path maintenance, waymarking and signage improvements will be carried out.

Hampstead Heath Bathing Ponds review - continued implementation of the identified outcomes which include delivery of a capital project to carry out a programme of safety, access and security improvements across the Bathing Ponds and Lido.

East Heath car park - implementation of delayed capital improvements which will ensure that the car park is safe, accessible and equipped with electric charging points for the future.

Celebrate the 150th Anniversary of the Hampstead Heath Act (1871) - developing outcomes for learning, volunteering and wider participation and support. Working in partnership with the Heath & Hampstead Society to design and install a series of information panels.

Ultra Low Emissions Zone (ULEZ) - compliance with requirements. Managing the financial implications and delivering the vehicle replacement programme to minimise the impact upon the environment.

Playground Improvements - at Parliament Hill Adventure, Vale of Health, East Heath and Heath Extension Playgrounds. To provide more natural play and develop further links to the Heath.

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

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

Target Operating Model (TOM) - Support the development of the City of London's new Target Operating Model and the creation of a new Department within which will sit this charity.

The Trustees do 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 2019/20, 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 Trustees do 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 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.

FINANCIAL REVIEW

Overview of Financial Performance

Income

In 2020/21 the charity's total income for the year was £9,460,415, an overall decrease of £167,930 against the previous year (£9,628,345). The principal source of income was from City of London Corporation's City's Cash fund (see below).

Income from Charitable Activities comprised £1,465,733 from fees charged (2019/20: £1,624,310), £133,125 from rents (2019/20: £232,163) and £960 from sales of goods, products and materials (2019/20: £40,337). The drop in income is due to the COVID-19 pandemic and Government restrictions.

Donations – being amount received from the public at the ponds and paddling pool. In total £14,024 was received during the year (2019/20: £7,255). 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.

Investment income of £1,560,485 (2019/20: £1,494,596) was received during the year from the Hampstead Heath Trust Fund.

Other income of £104,420 was received in relation to Coronavirus Job Retention Scheme (2019/20: £nil). 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 £6,181,668 (2019/20: £6,229,684) 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 £9,469,987, with charitable activities expenditure in the year totalling £9,320,721 (2019/20: £9,641,825). The decrease in expenditure is owing to a lower number of cyclical building works taking place during the year. This is due to the economic impact of COVID-19 and subsequent reduced income revenue generation, with the City Surveyor tasked by the Chamberlain to review current programmes of work to level the expenditure, smoothing some of the spend into a 'fourth' year to reduce the impact of committed expenditure within the next two years. The City's programme of cyclical repairs and maintenance works to maintain its operational properties in fair to good condition is usually delivered in a number of overlapping three year programmes of works. The programme is monitored by the Corporate Asset Sub Committee of the City of London Corporation. Expenditure on raising funds for the year was £149,266 (2019/20: £209,487).

Funds held

The charity's total funds held increased by £6,670,434 to £52,536,817 as at 31 March 2021 (2019/20: £45,866,383). The net gain on investments represents the difference in the market value of investments between 1 April 2020 and 31 March 2021 after taking account of any purchases and sales which were made during 2020/21.

Within the total funds held, £32,924,011 (2019/20: £26,244,005) 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 £50,056 was generated in the year (2019/20: £nil).

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 over expenditure of the Trust distributed annually towards the running costs of the Heath. £216,877 was held at year-end (2019/20: £166,821).

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 2021 totalled £19,393,696 (2019/20: £19,453,324). These represent designated funds within the unrestricted income fund which represents the Capital fund and the net book value of fixed assets held.

A restricted fund of £2,233 (2019/20: £2,233) was held at year-end for the Parliament Hill Outdoor Gym project.

Details of all funds held, including their purposes, is set out within note 16 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	
	2020/21 £	2019/20 £	2020/21 %	2019/20 %	2020/21 %	2019/20 %
Hampstead Heath Trust	32,519,052	25,953,270	+30.63%	-14.61%	+26.71%	-18.45%
City of London Charities Pool (part of)	578,078	463,855	+30.72%	-14.78%	+26.71%	-18.45%
	33,097,131	26,417,125				

2) Hampstead Heath Trust Fund

As at 31 March 2021, the investments held in the Hampstead Heath Trust Fund achieved a return of +30.63% (2019/20: -14.61%) compared to the FTSE All Share Index return of +26.71% (2019/20: -18.45%). Over three years this fund achieved a return of +5.16% (2019/20: -2.29%) compared to the FTSE All Share Index return of +3.19% (2019/20: -4.24%). Over five years, the fund achieved a return of +7.22% (2019/20: +1.36%) compared to the FTSE All Share Index return of +6.29% (2019/20: +0.57%).

	2020/21		2019/20	
	3 year	5 year	3 year	5 year
Fund	+5.16%	+7.22%	-2.29%	+1.36%
FTSE All Share	+3.19%	+6.29%	-4.24%	+0.57%
Fund Outperformance	+1.97%	+0.93%	+1.95%	+0.79%

3) City of London Corporation Charities Pool

Financial markets recovered strongly over the twelve months to 31 March 2021 following the decline in asset prices in early 2020 during the emergence of the global pandemic. Under these conditions investments held in the Charities Pool performed very well, generating a gross return of +30.72% for 2020/21 (2019/20: -14.78%) which compares favourably against the FTSE All Share Index benchmark return of +26.71% (2019/20: -18.45%). As a result the longer term performance of the Charities Pool investments, as displayed in the table below, has significantly improved compared to the position reported twelve months ago.

	2020/21		2019/20	
	3 year	5 year	3 year	5 year
Fund	+5.04%	+7.19%	-2.44%	+1.37%
FTSE All Share	+3.19%	+6.29%	-4.24%	+0.57%
Fund outperformance	+1.85%	+0.90%	+1.80%	+0.80%

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.

Spending Policy

The reserves policy of the charity is that the original endowment of £15 million (now worth £ 32.5 million) should produce income to cover a proportion of the running costs of Hampstead Heath. The contribution for 2020/21 of £1,361,163 (2019/20: £1,285,109) consists of £1,336,000 from the permanent endowment (2019/20: £1,262,119), and income arising from the former T.J. Barratt Trust, which was transferred to the Hampstead Heath Trust Fund in November 2011, of £25,163 (2019/20: £22,990).

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 £1,361,163 for 2020/21 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 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.
Plant and Tree Disease	<ul style="list-style-type: none"> • Sourcing of plants / trees through approved suppliers.

Risk	Actions to manage risks
	<ul style="list-style-type: none"> • Trained arboricultural contractors carrying 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.
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.
Hampstead Heath Water bodies including Bathing Ponds	<ul style="list-style-type: none"> • Training for lifeguards. • Safety equipment accessible at ponds and regular checks undertaken and defects reported for repair or replacement. • Appropriate signage at ponds is regularly checked and defects reported for repair or replacement.
Impact of Covid-19 on income generation and financial management	<ul style="list-style-type: none"> • Working closely with Chamberlain to monitor budget lines and keep them informed as financial situation develops. • Predictions on loss of income being worked up to aid longer term decision making, including rental, sports provision, catering and retail.
Impact of Covid-19 on health and safety of visitors and staff	<ul style="list-style-type: none"> • Public health and safety works continues. • Staff are working an emergency roster. Staff deliver the four 'Es' and are working in partnership with other Local Authority officers and the MPS delivering Covid-19 advice. • Staff continue to carry out weekly health and safety checks and these are recorded. • Risk Assessments and Safe Systems of Work have been reviewed and shared with staff across the Division. Staff have access to Personal Protective Equipment (PPE) including masks, gloves and cleaning materials. Signage and social media is being used effectively to promote Covid-19 guidance and regulations.
Impact of Covid-19 accelerating long term damage to sites	<ul style="list-style-type: none"> • Development of Annual Work Programme interventions to address impacts on wildlife, erosion, compaction and path maintenance.

Risk	Actions to manage risks
	<ul style="list-style-type: none"> • Drone surveys to review impacts and assist with intervention. • Planting of wildflower meadows and fencing of areas of high impact to assist with recovery.
Open Spaces workforce wellbeing	<ul style="list-style-type: none"> • Support offered to staff directly and indirectly affected by changing Covid conditions, including those dealing with greater operational demands, as well as those coping with challenging work-from-home environments.

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 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.

Jamie Ingham Clark FCA
Chairman of Finance Committee of
The City of London Corporation
Guildhall, London

7 December 2021

Jeremy Paul Mayhew MA MBA, Deputy
Chairman of Finance Committee
of The City of London Corporation

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF HAMPSTEAD HEATH

To be provided by BDO

To be provided by BDO

To be provided by BDO

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2020/21 Total Funds £	2019/20 Total Funds £
Income and endowments from:						
Voluntary activities	2	14,024	-	-	14,024	7,255
Charitable activities	3	1,599,818	-	-	1,599,818	1,896,810
Grant from City of London Corporation	4	6,181,668	-	-	6,181,668	6,229,684
Investments	5	1,560,485	-	-	1,560,485	1,494,596
Other income	6	104,420	-	-	104,420	-
Total income and endowments		9,460,415	-	-	9,460,415	9,628,345
Expenditure on:						
Raising funds	7	149,266	-	-	149,266	209,487
Charitable activities:						
Preservation of Hampstead Heath	7	9,320,721	-	-	9,320,721	9,641,825
Total expenditure		9,469,987	-	-	9,469,987	9,851,312
Net gains/(losses) on investments	12	-	-	6,680,006	6,680,006	(6,297,390)
Net expenditure		(9,572)	-	6,680,006	6,670,434	(6,520,357)
Transfers between funds	16	-	-	-	-	-
Net movement in funds		(9,572)	-	6,680,006	6,670,434	(6,520,357)
Reconciliation of funds:						
Total funds brought forward	16	19,620,145	2,233	26,244,005	45,866,383	52,386,740
Total funds carried forward	16	19,610,573	2,233	32,924,011	52,536,817	45,866,383

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 39 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 Total £	2020 Total £
Fixed assets:			
Tangible assets	11	19,390,365	19,449,993
Fixed asset investments	12	32,841,486	26,012,892
Total fixed assets		52,231,851	45,462,885
Current assets			
Debtors	13	423,429	439,566
Investments	12	255,645	404,233
Cash at bank and in hand		625,175	597,649
Total current assets		1,304,249	1,441,448
Creditors: Amounts falling due within one year	14	(999,283)	(1,037,950)
Net current assets		304,966	403,498
Total assets less current liabilities		52,536,817	45,866,383
The funds of the charity:			
Endowment funds	16	32,924,011	26,244,005
Restricted income funds	16	2,233	2,233
Unrestricted income funds	16	19,610,573	19,620,145
Total funds		52,536,817	45,866,383

The notes on pages 24 to 39 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London and Chief Financial Officer

XX December 2021

HAMPSTEAD HEATH

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 Total £	2020 Total £
Fixed assets:			
Tangible assets	11	19,390,365	19,449,993
Current assets			
Debtors	13	149,980	189,989
Cash at bank and in hand		447,867	420,341
Total current assets		597,847	610,330
Creditors: Amounts falling due within one year	14	(592,283)	(604,766)
Net current assets		5,564	5,564
Total assets less current liabilities		19,395,929	19,455,557
The funds of the charity:			
Restricted income funds	16	2,233	2,233
Unrestricted income funds	16	19,393,696	19,453,324
Total funds		19,395,929	19,455,557

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London

XX Month 2021

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 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. The latest forecast anticipates that adequate funds will be available in the 12 months from the date of these financial statements 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 and the liquidity of the charity in light of the ongoing impact of Covid-19 over the next 12-month period. The 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.

(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.

(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 2021 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 recognised in the SOFA when it is due from City's Cash.

(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.

(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 £918.2m as at 31 March 2021 (£630.4m as at 31 March 2020). 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 actuary will carry out the next assessment of the scheme as at 31 March 2022, which will set contributions for the period from 1 April 2022 to 31 March 2024. Contribution rates adopted for the financial years 2019/20, 2020/21 and 2021/22 have been set at 21% (2018/19: 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 (such as sheet piling and foundation slabs) whose useful life has been determined at 120 years.

(l) 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.

(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) 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.

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

(o) 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 2020/21 £	Unrestricted funds 2019/20 £
Donations and legacies	<u>14,024</u>	<u>7,255</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020/21 £	Unrestricted funds 2019/20 £
Charges for use of facilities	1,465,733	1,624,310
Sales	960	40,337
Rental income	133,125	232,163
Total	<u>1,599,818</u>	<u>1,896,810</u>

4. INCOME FROM THE CITY OF LONDON CORPORATION

	Unrestricted funds 2020/21 £	Unrestricted funds 2019/20 £
Revenue and capital grants from City of London Corporation	6,181,668	6,229,684

5. INCOME FROM INVESTMENTS

	Unrestricted funds 2020/21 £	Unrestricted funds 2019/20 £
Investment income	1,560,485	1,494,147
Interest	-	449
Total	1,560,485	1,494,596

6. OTHER INCOME

	Unrestricted funds 2020/21 £	Unrestricted funds 2019/20 £
Other income	104,420	-

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 of £104,420 (2020: £nil). 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 2020/21 £	Direct costs £	Support costs £	Total 2019/20 £
Investment management fees	146,418	-	146,418	207,344	-	207,344
Interest payable	-	2,848	2,848	-	2,143	2,143
Total	146,418	2,848	149,266	207,344	2,143	209,487

Expenditure on charitable activities

	Direct costs £	Support costs £	Total 2020/21 £	Direct costs £	Support costs £	Total 2019/20 £
Preservation of Hampstead Heath	8,053,940	1,266,781	9,320,721	8,368,775	1,273,050	9,641,825
Total	8,053,940	1,266,781	9,320,721	8,368,775	1,273,050	9,641,825

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

BDO 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 2020/21 no audit fee was recharged (2019/20: £nil). No other services were provided to the charity by its auditors during the year (2019/20: £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 £	2020/21 £	2019/20 £
Department:				
Chamberlain	145,103	-	145,103	137,828
Comptroller & City Solicitor	-	-	-	-
Town Clerk	-	204,801	204,801	242,869
City Surveyor	312,271	-	312,271	369,277
Open Spaces directorate	211,788	-	211,788	178,413
Other governance & support costs	88,248	-	88,248	86,648
Digital Services	304,569	-	304,569	258,015
Sub-total	1,061,979	204,801	1,266,781	1,273,050
Reallocation of governance costs	204,801	(204,801)	-	-
Total	1,266,780	-	1,266,781	1,273,050

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 97 (2019/20: 98).

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

	2020/21 £	2019/20 £
Salaries and wages	3,906,477	3,787,348
National Insurance costs	378,165	371,744
Employer's pension contributions	659,693	672,405
Total emoluments of employees	4,944,335	4,831,497

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 2.0 (2019/20: 2.0).

	2020/21	2019/20
£60,000 - £69,999	2.0	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 £36,312 (2019/20: £32,724). No members received any remuneration, with directly incurred expenses reimbursed, if claimed. No expenses were claimed in 2020/21 (2019/20: £nil).

10. HERITAGE ASSETS

Since 1880 the primary purpose of the charity has been the preservation of Hampstead Heath for the recreation and enjoyment of the public. As set out in Note 1(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 Director of Open Spaces at the principal address as stated on page 40.

11. TANGIBLE FIXED ASSETS

	Land and Buildings £	Infrastructure £	Equipment (WIP) £	Equipment £	Total £
Cost					
At 1 April 2020	1,154,101	19,558,712	15,812	272,479	21,001,104
Additions	103,623	-	48,716	-	152,339
At 31 March 2021	1,257,724	19,558,712	64,528	272,479	21,153,443
Depreciation					
At 1 April 2020	153,847	1,212,187	-	185,077	1,551,111
Charge for the year	26,459	166,124	-	19,384	211,967
Disposals	-	-	-	-	-
At 31 March 2021	180,306	1,378,311	-	204,461	1,763,078
Net book value					
At 31 March 2021	1,077,418	18,180,401	64,528	68,018	19,390,365
At 31 March 2020	1,000,254	18,346,525	15,812	87,402	19,449,993

12. FIXED ASSET INVESTMENTS

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:

	2021 £	2020 £
Market value 1 April	26,012,892	32,148,008
Additions	8,100,985	7,394,653
Disposals	(7,952,397)	(7,232,379)
(Loss)/gain for the year	6,680,006	(6,297,390)
Market value 31 March	32,841,486	26,012,892
Cash held by fund managers	255,645	404,233
Total investments 31 March	33,097,131	26,417,125
Cost 31 March	29,806,421	30,284,595

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

	2021 £	2020 £
Long term	32,841,486	26,012,892
Cash held by fund managers	255,645	404,233
Total	33,097,131	26,417,125

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 2021 £	Held in the UK £	Held outside the UK £	Total at 31 March 2020 £
Unit trusts	1,798,162	-	1,798,162	1,963,403	-	1,963,403
Equities	27,136,442	3,906,882	31,043,324	21,158,443	2,891,046	24,049,489
Cash held by fund manager	255,645	-	255,645	404,233	-	404,233
Total	29,190,249	3,906,882	33,097,131	23,526,079	2,891,046	26,417,125

13. DEBTORS – AMOUNTS DUE WITHIN ONE YEAR

Hampstead Heath consolidated	2021	2020
	£	£
Rental debtors	8,155	35,667
Prepayments and accrued income	42,513	41,856
Recoverable VAT	77,546	103,753
Other debtors	295,215	258,290
Total	423,429	439,566

Other debtors consist of non-property related debtors of £21,766 (2019/20: £8,713), sundry debtors of £6,814 (2019/20: £7,371) and dividends of £266,635 receivable from the fund manager (2019/20: £242,206).

Hampstead Heath	2021	2020
	£	£
Rental debtors	8,155	35,667
Prepayments and accrued income	42,513	41,856
Recoverable VAT	77,546	103,753
Other debtors	21,766	8,713
Total	149,980	189,989

Other debtors comprised of non-property related debtors.

14. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

Hampstead Heath consolidated	2021	2020
	£	£
Bank overdraft	368,822	395,160
Trade creditors	117,581	140,527
Accruals	223,617	239,884
Deferred income	72,531	54,459
Rent deposits	51,925	51,925
Other creditors	164,807	155,995
Total	999,283	1,037,950

	2021	2020
Deferred income analysis within creditors:	£	£
Balance at 1 April	54,459	49,916
Amounts released to income	(54,459)	(49,916)
Amounts deferred in the year	72,531	54,459
Balance at 31 March	72,531	54,459

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

Hampstead Heath	2021	2020
	£	£
Trade creditors	117,581	140,527
Accruals	223,617	239,884
Deferred income	72,531	54,459
Rent deposits	51,925	51,925
Other creditors	126,629	117,971
Total	592,283	604,766

Other creditors consist of sundry creditors.

15. ANALYSIS OF CONSOLIDATED NET ASSETS BY FUND

At 31 March 2021	Unrestricted Funds		Restricted Funds	Endowment Funds	Total at 31 March 2021	Total at 31 March 2020
	General Funds	Designated Funds	Funds	Funds		
	£	£	£	£	£	£
Tangible Assets	-	19,390,365	-	-	19,390,365	19,449,993
Fixed Asset Investments	-	-	-	32,841,486	32,841,486	26,012,892
Current Assets	809,160	3,331	2,233	489,525	1,304,249	1,441,448
Current Liabilities	(592,283)	-	-	(407,000)	(999,283)	(1,037,950)
Total	216,877	19,393,696	2,233	32,924,011	52,536,817	45,866,383
check	216,877.0	19,393,696	2,233.0	32,924,011.0	52,536,817	

At 31 March 2020	Unrestricted Funds		Restricted Funds	Endowment Funds	Total at 31 March 2020	Total at 31 March 2019
	General Funds	Designated Funds	Funds	Funds		
	£	£	£	£	£	£
Tangible Assets	-	19,449,993	-	-	19,449,993	19,672,960
Fixed Asset Investments	-	-	-	26,012,892	26,012,892	32,148,008
Current Assets	771,587	3,331	2,233	664,297	1,441,448	1,761,531
Current Liabilities	(604,766)	-	-	(433,184)	(1,037,950)	(1,195,759)
Total	166,821	19,453,324	2,233	26,244,005	45,866,383	52,386,740

Expendable endowment movements 2011-2021

At 31 March 2021

	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

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	592,283	3,331	2,233	597,847	610,330
Current Liabilities	(592,283)	-	-	(592,283)	(604,766)
Total	-	19,393,696	2,233	19,395,929	19,455,557

At 31 March 2020	Unrestricted Funds		Restricted Funds	Total at 31 March 2020	Total at 31 March 2019
	General Funds	Designated Funds			
	£	£	£	£	£
Tangible Assets	-	19,449,993	-	19,449,993	19,672,960
Current Assets	604,766	3,331	2,233	610,330	640,106
Current Liabilities	(604,766)	-	-	(604,766)	(634,542)
Total	-	19,453,324	2,233	19,455,557	19,678,524

16. CONSOLIDATED MOVEMENT IN FUNDS

Hampstead Heath consolidated

At 31 March 2021	Total as at 1 April 2020	Income	Expenditure	Gains	Transfers	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

At 31 March 2020	Total as at 1 April 2019 £	Income £	Expenditure £	Losses £	Transfers £	Total as at 31 March 2020 £
Endowment funds:						
Permanent endowment funds	31,794,157	-	-	(6,191,315)	-	25,602,842
Expendable endowment funds	747,238	-	-	(106,075)	-	641,163
Total endowment funds	32,541,395	-	-	(6,297,390)	-	26,244,005
Restricted funds:						
Parliament Hill Outdoor Gym	2,233	-	-	-	-	2,233
Unrestricted funds:						
General funds	166,821	9,628,345	(9,628,345)	-	-	166,821
Designated funds:						
Tangible fixed assets	19,672,960	-	(222,967)	-	-	19,449,993
Capital fund	3,331	-	-	-	-	3,331
Total unrestricted funds	19,843,112	9,628,345	(9,851,312)	-	-	19,620,145
Total funds	52,386,740	9,628,345	(9,851,312)	(6,297,390)	-	45,866,383

Purpose of the endowment funds

The expendable endowment fund is held in perpetuity 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 2020/21 the surplus was £50,056 (2019/20: £nil).

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 2021 the net book value of fixed assets relating to direct charitable purposes amounted to £19,390,365 (2019/20: £19,449,993).
- 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 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

At 31 March 2020	Total as at 1 April 2019 £	Income £	Expenditure £	Transfers £	Total as at 31 March 2020 £
Restricted funds:					
Parliament Hill Outdoor Gym	2,233	-	-	-	2,233
Unrestricted funds:					
General funds	-	8,133,749	(8,133,749)	-	-
Designated funds:					
Tangible fixed assets	19,672,960	-	(222,967)	-	19,449,993
Capital fund	3,331	-	-	-	3,331
Total unrestricted funds	19,676,291	8,133,749	(8,356,716)	-	19,453,324
Total funds	19,678,524	8,133,749	(8,356,716)	-	19,455,557

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 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.

The amounts shown below represent amounts due (to)/from another entity at the balance sheet date. Other figures represent the value of the transactions during the year.

Related party	Connected party	2020/21 £	2019/20 £	Detail of transaction
City of London Corporation	The City of London Corporation is the Trustee for the charity	6,181,668	6,229,684	The City of London Corporation's City's Cash meets the deficit on running expenses of the charity
		(nil)	(nil)	
		1,266,781	1,273,050	Administrative services provided for the charity
		(nil)	(nil)	
		1,560,485	1,494,596	Distribution from the Charities Pool and interest receivable on cash balances
		(nil)	(nil)	

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 (appointed 1 May 2021)

Dr Peter Kane - The Chamberlain of the City of London Corporation (retired 30 April 2021)

Solicitor

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

Open Spaces

Colin Buttery – Director of Open Spaces

AUDITORS:

BDO LLP, 55 Baker Street, London, W1U 7EU

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