

Hampstead Heath Trust Fund

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

Charity registration number 803392-1

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ORIGINS OF THE CHARITY

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 the charity is to provide a proportion of the running costs for the preservation and enhancement of Hampstead Heath as an open space for the recreation and enjoyment of the public.

TRUSTEE'S ANNUAL REPORT

STRUCTURE AND GOVERNANCE

GOVERNING DOCUMENTS

The governing documents are the Hampstead Heath Act 1871, the London Government Reorganisation (Hampstead Heath) Order 1989 and a Declaration of Trust dated 31 March 1989. The Hampstead Heath Trust Fund is a subsidiary of Hampstead Heath (charity number 803392). 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 Trust Fund. 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.

Members of the Court of Common Council are unpaid and are elected by the electorate of the City of London. The Trustee has delegated the responsibility of management of this charity to its Finance Committee and delegated responsibility in respect of the Trust's investments to its Financial Investment Board (a sub-committee of the Trustee's Investment Committee).

Both Finance Committee and the Financial Investment Board are ultimately responsible to the Court of Common Council of the City of London. Details of the membership of Committees of the City Corporation are available at www.cityoflondon.gov.uk.

The charity is a subsidiary of Hampstead Heath (charity no. 803392), which in turn 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 objective. 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 maximises 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 27.

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 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 Trust Fund. If suitable seminars or other training options are identified that are relevant to the charity, Members are advised of these opportunities.

OBJECTIVES AND ACTIVITIES

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 a segregated portfolio primarily focused on UK equities and also as one of the underlying charities in the City of London Corporation Charities Pool. Both the Trust itself and the Charities Pool are charities registered in the UK with the Charity Commission (charity numbers: 803392-1 and 1021138 respectively). 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 27.

The Charity considers proactive engagement with the companies in which it invests to be the most effective means of understanding and influencing the social, environmental and governance policies of those companies. It expects investment managers to take steps to ensure that these factors are adequately addressed in the selection, retention and realisation of investments as far as such factors may affect investment performance.

Fundraising

Charities subject to the audit requirements of the Charities Act 2011 are required to include a statement in their annual report relating to fundraising activities. The charity is aware of these requirements and, as it does not undertake fundraising activity, has nothing to disclose under the provisions of section 13 of the Charities (Protection and Social Investment) Act 2016.

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 Trust Fund's aims and objectives and in planning future activities. The purpose of the charity is to provide a proportion of the running costs for the preservation and enhancement of Hampstead Heath as an open space for the recreation and enjoyment of the public.

Consequently, the Trustee considers that Hampstead Heath Trust Fund 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 27.

ACHIEVEMENTS AND PERFORMANCE

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

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 Trustees do not consider there to be any material uncertainty around going concern and further detail regarding this is set out on page 18.

FINANCIAL REVIEW

Overview of Financial Performance

Income

In 2021/22 the charity's total income for the year was £2,025,319, an overall increase of £464,834 against the previous year (2020/21 £1,560,485).

All income came from investments in both years.

Expenditure

Total expenditure for the year was £1,675,308 (2020/21: £1,510,429). Charitable activities expenditure in the year totalled £1,482,422 (2020/21: £1,361,163). In 2021/22, the whole amount of investment income received in the year was used to cover these activities. Expenditure on raising funds for the year was £192,886 (2020/21: £149,266), which was mainly due to an increase in investment management expenses during the year.

Funds held

The charity's total funds held increased by £1,977,690 to £35,118,578 or +5.97% as at 31 March 2022 (2020/21: £33,140,888). Funds are represented by permanent and expendable endowment funds and unrestricted income 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).

Details of all funds held, including their purposes, are set out within note 9 to the financial statements.

Investment 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 is 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	755,386	+11.06%	+30.72%	+13.03%	+26.71%
	34,885,339	33,274,439				

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 policy

The reserves policy is to maintain the endowment funds of the charity and use the investment income together with other funds, in accordance with the objectives of the charity. Should the net income from endowment funds held be more than any year's required contribution to the running costs of the Heath, then the surplus is retained as unrestricted funds to be used in future years. In 2021/22 the surplus was £350,011 (2020/21: £50,056).

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 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 unrestricted funds 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:

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.

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

XX January 2023

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF HAMPSTEAD HEATH TRUST FUND

Opinion

We have audited the financial statements of Hampstead Heath Trust Fund ('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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are 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 trustees' 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 trustees

As explained more fully in the trustees' responsibilities statement set out on page 11 and 12, the trustees are 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 trustees determine 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 trustees are 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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 Trustees 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 trustees, 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

[This report has not yet been signed]

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill, London, EC4M 7JW

XX 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 £	Endowment Funds £	2021/22 Total Funds £	2020/21 Total Funds £
Income and endowments from:					
Investment income	2	2,025,319	-	2,025,319	1,560,485
Total income		2,025,319	-	2,025,319	1,560,485
Expenditure on:					
Raising funds	3	192,886	-	192,886	149,266
Charitable activities	3	1,482,422	-	1,482,422	1,361,163
Total expenditure		1,675,308	-	1,675,308	1,510,429
Net (losses) on investments	6	-	1,627,679	1,627,679	6,680,006
Net income/ (expenditure)		350,011	1,627,679	1,977,690	6,730,062
Transfers between funds	10	-	-	-	-
Net movement in funds		350,011	1,627,679	1,977,690	6,730,062
Reconciliation of funds:					
Total funds brought forward	10	216,877	32,924,011	33,140,888	26,410,826
Total funds carried forward	10	566,888	34,551,690	35,118,578	33,140,888

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 18 to 26 form part of these financial statements.

BALANCE SHEET**AS AT 31 MARCH 2022**

	Notes	2022 Total £	2021 Total £
Fixed assets:			
Investments	6	34,547,175	32,841,486
Total fixed assets		34,547,175	32,841,486
Current assets			
Debtors	7	353,061	273,449
Investments	6	160,856	255,645
Cash at bank and in hand		177,308	177,308
Total current assets		691,225	706,402
Creditors: Amounts falling due within one year	8	(119,822)	(407,000)
Net current assets		571,403	299,402
Total net assets		35,118,578	33,140,888
The funds of the charity:			
Endowment funds	10	34,551,690	32,924,011
Unrestricted funds	10	566,888	216,877
Total funds		35,118,578	33,140,888

The notes on pages 18 to 26 form part of these financial statements

Approved and signed on behalf of the Trustee.

Caroline Al-Beyerty

Chamberlain of London

XX 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 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) 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 only spends the income that is generated from its investments, so maintaining its capital base. Due regard is given to the protection of the expendable endowment funds when determining the level of contribution to the running costs of Hampstead Heath. The latest forecast anticipates that adequate funds will be available in the next five years to enable the charity to continue to fulfil its obligations.

(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.

(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 investment income and interest.

(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.

The charity does not employ any staff. Officers of the City Corporation provide financial and governance administrative assistance to the charity when required. 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.

(g) 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.

(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) Investments

Investments are held within a segregated portfolio, primarily invested in UK shares, and 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.

To ensure compliance with FRS102, investments are valued at bid-price. The difference in valuation as a result in the year is considered immaterial. Gains and losses for the year on investments held as fixed assets are included in the Statement of Financial Activities.

(j) 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. 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.

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 within the endowment funds and from those representing unrestricted funds. Specifically, this represents any surplus of income over expenditure of the Trust distributed annually towards the running costs of the Heath.

(k) Indemnity insurance

The charity, elected Members and staff supporting the charity's administration are indemnity the City Corporation provides to Members and staff, funded from City's Cash.

2. 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

3. EXPENDITURE

Expenditure on raising funds:

	Unrestricted funds			Unrestricted funds		
	Direct costs	Support costs	Total	Direct costs	Support costs	Total
	£	£	2021/22 £	£	£	2020/21 £
Managed investment fees	185,922	6,224	192,146	146,417	-	146,417
Interest payable	-	740	740	-	2,848	2,848
Total	185,922	6,964	192,886	146,417	2,848	149,265

Expenditure on charitable activities:

	Unrestricted funds			Unrestricted Funds		
	Direct costs	Support costs	Total	Direct costs	Support costs	Total
	£	£	2021/22 £	£	£	2020/21 £
Contribution to preservation and enhancement of Hampstead Heath as an open space	1,482,422	-	1,482,422	1,361,163	-	1,361,163

4. AUDITOR'S REMUNERATION

Crowe LLP are the auditors of the City of London City's Cash. 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 no audit fee was recharged (2020/21: £nil). No other services were provided to the charity by its auditors during the year (2020/21: £nil).

5. TRUSTEE EXPENSES

The members of the City of London Corporation acting on behalf of the Trustee did not receive any remuneration or reimbursement of expenses during 2021/22 (2020/21: £nil).

6. FIXED ASSET INVESTMENTS

The investments are held within both a segregated portfolio primarily invested in UK shares 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	8,338,779	8,100,986
Disposals	(8,260,770)	(7,952,397)
(Loss)/gain for the year	1,627,680	6,680,005
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	33,097,131

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

7. DEBTORS – AMOUNTS DUE WITHIN ONE YEAR

	2022 £	2021 £
Sundry debtors	-	6,814
Other debtors	353,061	266,635
Total	353,061	273,449

Other debtors comprised of dividends receivable from fund manager.

8. CREDITORS – AMOUNTS DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank overdraft	77,476	368,822
Other creditors	42,346	38,178
Total	119,822	407,000

9. ANALYSIS OF NET ASSETS BY FUND

At 31 March 2022	Unrestricted funds £	Endowment funds £	Total at 31 March 2022 £	Total at 31 March 2021 £
Fixed assets - investments	-	34,547,175	34,547,175	32,841,486
Current assets	566,888	124,337	691,225	706,402
Current liabilities	-	(119,822)	(119,822)	(407,000))
Total	566,888	34,551,690	35,118,578	33,410,826

At 31 March 2021	Unrestricted funds £	Endowment funds £	Total at 31 March 2021 £	Total at 31 March 2020 £
Fixed assets - investments	-	32,841,486	32,841,486	26,012,892
Current assets	216,877	489,525	706,402	831,118
Current liabilities	-	(407,000)	(407,000)	(433,184)
Total	216,877	32,924,011	33,140,888	26,410,826

10. MOVEMENT IN FUNDS

At 31 March 2022	Total as at 1 April 2021	Income	Expenditure	Gains & (losses)	Transfers	Total as at 31 March 2022
	£	£	£	£	£	£
Endowment funds:						
Expendable endowment	755,386	-	-	27,440	-	782,826
Permanent endowment	32,168,625	-	-	1,600,239	-	33,768,864
Total endowment funds	32,924,011	-	-	1,627,679	-	34,551,690
Unrestricted funds:						
General funds	216,877	2,025,319	(1,675,308)	-	-	566,888
Total funds	33,140,888	2,025,319	(1,675,308)	1,627,679	-	35,118,578

At 31 March 2021	Total as at 1 April 2020	Income	Expenditure	Gains & (losses)	Transfers	Total as at 31 March 2021
	£	£	£	£	£	£
Endowment funds:						
Expendable endowment	641,163	-	-	114,223	-	755,386
Permanent endowment	25,602,842	-	-	6,565,783	-	32,168,625
Total endowment funds	26,244,005	-	-	6,680,006	-	32,924,011
Unrestricted funds:						
General funds	166,821	1,560,485	(1,510,429)	-	-	216,877
Total funds	26,410,826	1,560,485	(1,510,429)	6,680,006	-	33,140,888

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 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.

Purpose of unrestricted funds

The general fund comprises the accumulation of income surpluses as a result of unspent endowment fund income after the contribution towards the running costs of the Heath. Any undistributed annual income is held for use in future years in accordance with the objectives of the trust.

11. EXPENDABLE ENDOWMENT MOVEMENTS

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

12. RELATED PARTY TRANSACTIONS

The City Corporation is the sole Trustee of the charity, as described on page 4.

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	31,536 (nil)	23,833 (nil)	Distribution from the Charities Pool
Hampstead Heath	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
		1,513,958	1,384,996	

REFERENCE AND ADMINISTRATION DETAILS

CHARITY NAME: Hampstead Heath Trust Fund

Registered charity number: 803392-1

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 (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

AUDITORS:

Crowe 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 Hampstead Heath (charity no: 803392) and City's Cash:

PA-DeputyChamberlain@cityoflondon.gov.uk