



THE
ROYAL
PARKS

The Royal Parks

Annual Report and Accounts 2011-2012



Annual Report and Accounts 2011-2012

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Foreword

I am delighted to introduce The Royal Parks (TRP) Annual Report, my first since becoming Chief Executive of the Agency earlier this year.

In January Mark Camley stood down as Chief Executive and many of the achievements included in this report were delivered under his leadership. I would like to thank him for all he has done for the Agency over the past six and a half years.

It is an enormous privilege to have been appointed to this role and to lead the teams who manage these outstanding assets. I have been impressed by dedication of the wide range of people in the organisation who care about the parks and who are determined that their intrinsic qualities are protected.

This is a challenging time for many of us and the pressure on resources has meant that some difficult decisions have to be made including another reduction in the number of our core staff. We continue to look at opportunities to deliver efficiencies whilst maintaining standards. Not all of these decisions are easy or popular.

In 2011/12, for the first time since the Agency was set up, it has generated more than 50% of its own income. This has helped reduce the impact of the reduction in our government grant, and reduced the burden on the taxpayer. Nevertheless I am well aware that this presents its own difficulties. Large events deliver significant income to the parks but are not popular with everyone. Last year Westminster City Council reviewed the Agency's events licence for Hyde Park and reduced the number of events and their potential capacity. As we move ahead it is vital that we are sympathetic to such concerns about our commercial activity and respond in a positive and practical way.

In January new Governance changes took effect and a new Royal Parks Board (herein referred to as 'the Board') was set up by the Greater London Authority, with the appointments made by the Mayor of London. The Board includes representatives of Local Authorities and The Royal Household and will help shape the strategic direction of the Agency.

Conserving and enhancing the natural and built environment and the biodiversity of the estate is central to what we do and I am pleased that TRP has again retained Green Flag status in all of its parks. Despite resource pressures I am also proud that we have maintained an exceptional standard of horticultural excellence across the estate that is much admired by visitors from across the world. Protecting the biodiversity of London "green lungs" continues to be one of the Agency's main pre-occupations. This is particularly important at a time of new threats to the parks such as sudden oak death and oak processionary moth.

Following the Agency's role in the Royal Wedding last April we have been heavily involved in preparations for two significant events. The first event, HM The Queen's Diamond Jubilee celebrations, focused on The Mall and St James's Park, but TRP also hosted large celebratory events in Hyde Park. Later this year the London 2012 Olympic and Paralympic Games will see eleven events being held in six Royal Parks. It is an enormous honour to be involved in these two iconic occasions.

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I am very grateful to our many supporters, without whom we would have been unable to achieve all we have in the past year. These include the Friends of the Parks, our volunteers, The Royal Parks Guild, The Royal Parks Foundation (RPF) and countless other individuals and organisations.

I look forward to the opportunities and challenges ahead and working with all of those who love and care about these unique landscapes.

A handwritten signature in black ink that reads "Linda Lennon". The script is cursive and fluid, with the first letters of each word being capitalized and slightly larger than the rest of the letters.

Linda Lennon CBE

The Royal Parks Chief Executive

27th June 2012

Introduction

TRP is responsible for managing and preserving over 5,000 acres of historic parkland across London, including valuable conservation areas and important habitats for wildlife.

The Royal Parks are: Bushy Park, The Green Park, Greenwich Park, Hyde Park, Kensington Gardens, The Regent's Park & Primrose Hill, Richmond Park, and St James's Park. The Agency is also responsible for a number of other spaces in London, including Brompton Cemetery, Victoria Tower Gardens, the gardens of 10, 11 and 12 Downing Street, and Grosvenor Square Gardens.

The Agency was established on 1 April 1993 as an Executive Agency of the Department of National Heritage, renamed in July 1997 the Department for Culture, Media and Sport (DCMS). The 1993 Framework Document sets out the powers and responsibilities delegated to the Agency.

Governance structure

TRP is an Executive Agency of DCMS.

The Secretary of State for Culture, Olympics, Media and Sport, is the Minister responsible for TRP, supported by the Minister for Tourism and Heritage. The Secretary of State determines policy objectives, financial framework and allocation of financial resources, including key targets, and also approves the Framework Document and Corporate and Business Plans for TRP. The Permanent Secretary is Accounting Officer for DCMS and has designated the Chief Executive as Accounting Officer for TRP.

The Royal Parks' Board

TRP's Board meets quarterly and provides a strategic overview, guiding and challenging TRP to ensure performance is maintained and improved. Appointments to the Board are made by the Mayor of London.

The current Board members are:

- The Hon Apurv Bagri (Chair) – Group Managing Director, Metdist Ltd
- Ruth Anderson – Non-Executive Director, Ocado Group PLC
- Andrew Fenwick – Vice Chairman, Brunswick Group LLP
- Sue Moore - Marketing Consultant
- Andrew Ford – Comptroller, Lord Chamberlain's Office
- Councillor Nasim Ali OBE – Leader of Camden Council
- Councillor Chris Roberts CBE - Leader of Greenwich Council
- Councillor Philippa Roe (appointed 16 April 2012 replacing Councillor Colin Barrow) - Leaders of Westminster City Council
- Linda Lennon CBE - Chief Executive, TRP
- John Swainson - Director of Resources, TRP
- Roger Bright - Retired Chief Executive of The Crown Estate
- Lord True - Leader of Richmond Borough Council

Further information on directors and changes during the year is set out on page 34.

The Royal Parks' Executive Committee

The Chief Executive is responsible for the operational and strategic management of TRP and is directly accountable to the Secretary of State and the Permanent Secretary for performance against key targets and financial management of the Agency.

The members of the Executive Committee are:

- Linda Lennon CBE - Chief Executive
- Colin Buttery - Director of Parks and Deputy Chief Executive
- Simon Betts - Director of Estates
- Greg McErlean - Director of Programmes, Projects and Information Services
- John Swainson - Director of Resources
- Margaret Harper - Director of Communications and Commercial

During 2011-12 one member of the Executive Committee left TRP. Chris Travers was replaced by Margaret Harper.

Corporate Objectives and Key Performance Targets 2011-12

- Conserve and enhance the natural and built environment, historic landscape and biodiversity of the parks for the benefit of our diverse audiences and future generations.
- Strengthen the organisation and its effectiveness through key transitions and continue to deliver better value for money.

Key Performance Targets 2011-12

- Maintain Green Flag status in all parks.
- Host at least five test events in the Royal Parks in preparation for the London 2012 Olympic and Paralympic Games.

The Key Performance Targets set out above have been met.

Highlights from the eight Royal Parks

Bushy Park

Set to the north of Hampton_Court Palace, Bushy Park is known for the historic Diana Fountain and the grand approach of Chestnut Avenue, designed by Sir Christopher Wren. The park is home to more than 300 deer and has a distinctive landscape shaped by its many ponds and streams; at the heart of which lies the restored Upper Lodge Water Gardens.

The Pheasantry Welcome Centre provides a café, toilet facilities and a small information point, in the Woodland Gardens and the Upper Lodge Water Gardens continue to be very popular. Repairs and renewals this year have included a new sewer connection to the Pheasantry, playground refurbishment, refurbished toilets and the addition of spectacular decorative flax in the Water Gardens, sponsored by the Friends of Bushy Park.

Built by Charles I, the eleven mile long Longford River, which rises from the River Colne near Heathrow, was built to supply water to Hampton Court Palace and its water features. The management of the river is the responsibility of TRP and this year 250m of steel sheeting were replaced along the river's 1km elevated section to ensure the embankments remain watertight.

The annual Chestnut Sunday Parade was attended by more than 15,000 people who enjoyed traditional fairground rides, musical performances and historical re-enactments, as well as many other demonstrations and attractions.

We continue to work with many partners such as the Bushy Park Wildlife Group, who monitor the birds, butterflies and flora, to ensure that the park remains a healthy natural habitat. A new survey revealed the park contains more veteran trees than previously recognised and resources will be focussed on their conservation. An extensive survey of the parks grasslands has also been completed. Further surveys have continued to reveal the exceptional quality of the Park's invertebrate communities; especially species associated with veteran trees, decaying wood habitat and fungi. Among the highlights this year was the discovery of a species of fungus gnat entirely new to science.

The Green Park and St James's Park

With their royal and political associations, The Green Park and St James's Park provide the setting for state and ceremonial events. St James's Park is also famous for its pelicans and horticultural displays, whilst The Green Park offers a more peaceful retreat with areas of mature trees and shaded grasslands.

In St James's Park the central statue of Queen Victoria and the surrounding pedestal at the Queen Victoria Memorial have been cleaned and re-pointed. A new marble statuette of St George was carved to replace the missing piece by the dragon and was fixed on to the top of the orb in Queen Victoria's left hand. Treatment to enhance some previous repairs to Victoria's nose and fingers were also completed together with re-gilding of Victory and the finishing touch of a new cross and orb commissioned for the top of Victoria's crown.

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There have been a number of other refurbishment works throughout the two parks. The Marlborough Gates have been painted and restored; resurfacing has been carried out at Blue Bridge and the light columns restored. All of the lights on the Mall and on Constitution Hill have been replaced with more efficient fittings which has improved safety and made savings of 25% and 40% respectively.

A traditional village fete held at Victoria Tower Gardens in association with Youth Voice proved particularly successful and launched the beginning of a community consultation programme to provide a new playground.

TRP was also involved in helping to inform the landscaping, design, and the look and feel of new step-free access to The Green Park from the London Underground station. This has significantly improved accessibility to The Green Park for all visitors.

Greenwich Park

Offering iconic views across London and the river Thames, Greenwich Park is part of the Greenwich Maritime World Heritage Site and home to the Prime Meridian Line and The Royal Observatory.

The test events for the London 2012 Equestrian and Modern Pentathlon events were held in July 2011 with both proving to be a tremendous success, demonstrating how the park can host a world class sporting event with no lasting damage. Hundreds of local children had the opportunity to watch elite equestrian horses and riders perform in their local park.

In March, a long awaited project to improve Blackheath gate, the main southern entrance to the park, began. Conservation Architects were engaged in a partnership project with English Heritage to relocate and widen the gates improving access and safety for all visitors. The installation of new gates, which will complete the project, will be undertaken once the deconstruction of the London 2012 site has been completed.

Funding from TRP, the London Marathon Trust and the London Organising Committee of the Olympic and Paralympic Games, has paid for the enhancement of the much loved playground in Greenwich Park. The natural play equipment encourages children to explore their environment. One of the cross country jumps will be incorporated into the playground after the Games, leaving a lasting legacy.

TRP worked with wildlife charity 'Froglife' to improve the Flower Garden Lake for wildlife. New floating reed beds and submerged aquatic plants have been installed. The project was funded by a £50,000 grant from Biffa Award with match funding donated by the Friends of Greenwich Park. A new pond has been created near the deer park as part of the project which will provide a home for frogs and toads.

Hyde Park

Perhaps the best known of all the Royal Parks, Hyde Park is host to large-scale events and concerts yet also contains numerous quiet places to relax away from the crowds. With boating, tennis, outdoor swimming and ornamental flower gardens all on offer, the park provides a real retreat in the heart of the capital.

The LookOut has been re-developed as an education centre and the new home of the RPF, more details of which can be found later in the report.

The water quality in the Serpentine has been improved by the installation of a new aeration system, while a new borehole has also been dug which tops up the Serpentine with fresh water from an aquifer reducing the use of mains water.

Water quality improvements in the Serpentine have been accompanied by ecological planting including reed beds which are better for the wildlife. We have also rebalanced fish stocks through the relocation of some of the larger fish, which helps the biodiversity of the Serpentine.

In another major works project on the Serpentine, work has taken place at the Dell Outfall to put in a new connection to the sewer so that the water level can be quickly reduced to avoid the risk of flooding in the local area.

The wide range of events held in Hyde Park continues to be popular. More than seventy thousand people came to celebrate the wedding of The Duke and Duchess of Cambridge and watch the day's events on big screens, while record numbers of approximately 1.6 million people attended the Winter Wonderland – now in its fourth consecutive year and established as a leading winter attraction in London.

Kensington Gardens

Located to the west of Hyde Park, Kensington Gardens combines wide open spaces with elegant tree-lined avenues. Home of fictional hero Peter Pan, the park also houses Kensington Palace, the Albert Memorial and the Serpentine Gallery.

In 2011 The Italian Gardens underwent significant restoration work, which included the repair of severe frost damage; clearance of silt from fountain basins and ancient pipework; and removal of green algae from the Portland stone and marble. The famous Tazza Fountain, which overlooks The Long Water, was also part of the restoration and a new, cleaner, water system was installed.

TRP's ecology and landscape architecture teams complemented the restoration work by installing a display of aquatic plants, anchored in the four perimeter basins, reflecting how the Gardens might originally have appeared.

This year also saw the completion of a tree re-planting programme which started in 1988 to restore the North and South Feathers within the Great Bow. The restoration of the Great Bow and the replanting of several main avenues (Silver Jubilee Avenue, Front Walk, Hornbeam Walk, Bayswater Walk, Mount Walk) is part of a TRP tree strategy to repopulate areas where there has been a considerable loss of trees through extreme weather and disease. A total of 34 European Limes were planted this year with 12 more trees planted within the other quarters, fulfilling Charles Bridgeman's original plan from the early 1700s.

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There has also been a range of work to improve a number of features with the park, including the refurbishment of the band stand which has had its floor reinforced and the timber around the structure replaced. The Broad Walk has also been resurfaced.

The Regent's Park and Primrose Hill

Celebrated for its rose gardens with more than 30,000 roses of 400 varieties, The Regent's Park contains central London's largest outdoor sports area and largest wetland area. The park also houses the Open Air Theatre and London Zoo, while neighbouring Primrose Hill offers spectacular views across the capital.

The lake within Queen Mary's Gardens has been the subject of a substantial project following the awarding of funds from a number of partners to supplement a £20,000 investment by TRP. The project has increased the ecological value of the lake, and encouraged diverse and abundant species, through the creation of reed bed habitat and new marginal planting. The lake's ornamental character and charm has been enhanced by the addition of a boardwalk through one of the reed sections. The lake has also been dredged and the recovered silt is being used to create substrates suitable for planting new species.

The summit of Primrose Hill is a much loved London viewpoint, and visitors had previously been served by a hard standing area installed in the 1970s. TRP has redesigned the viewing area adding a 'tar, spray and chip' surface surrounded by Yorkstone which has incorporated improved drainage into it. This reduces the soil erosion the hill suffers from following heavy downpours of rain. Extra seating has also been provided with four new oak timber benches sourced from recycled timber at Richmond Park.

Monkey Gate, in the north west of the park, has benefitted from a number of landscape improvements. The number of hard surfaces has been reduced, while the realigned path has afforded better protection for the roots of mature Plane trees and improved the interest of the pedestrian route.

Richmond Park

The largest of all the Royal Parks at 2,500 acres, and a Site of Special Scientific Interest (SSSI), Richmond Park is home to around 650 free-roaming deer as well as a number of protected species such as stag beetles and skylarks. The park has over 1,500 veteran trees and includes the most important area of lowland acid grassland in the Greater London region.

Funding from our successful bid to the Heritage Lottery Fund (HLF) has been used to plan for improved access to the much visited Isabella Plantation and a second stage application to the HLF has now been submitted. TRP was able to bring forward planned works to the existing toilet block to include disabled toilet facilities, while fencing around the Plantation has been renewed.

We continue to work with an array of partners to ensure the park remains a vibrant and healthy natural habitat. Grant aid from The Forestry Commission has been targeted on the removal of the invasive shrub *Rhododendron ponticum* from Sidmouth Wood and the Isabella Plantation. The Father Thames Trust generously sponsored the construction of a Sand Martin

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nest bank at Pen Ponds which should do much to enhance the survival of this threatened species.

We have also continued our efforts to monitor and control the presence of Oak Processionary Moth in the park, while elsewhere improvements to playgrounds and horse riding paths have been carried out.

Members of the park's team contributed significantly to the content of a guide book of family trails which was produced by The Friends of Richmond Park. The book has proved popular locally and the money generated by sales is being invested back into conservation projects in the park, including the preparation of a campaign to improve many of the ponds and streams, as well as creating new ponds for the future.

Preparing for the London 2012 Olympic and Paralympic Games

Plans for TRP to host 11 Olympic and Paralympic events as part of the greatest show on earth made considerable progress during the year, with our Parks successfully hosting a number of test events as part of the London Organising Committee of the Olympic and Paralympic Games' (LOCOG) testing programme

Greenwich Park hosted both the Equestrian Eventing International competition and the Modern Pentathlon World Cup final in July. In August, St James's Park welcomed the FIVB Beach Volleyball International. Both iconic venues received praise from the competitors, spectators and the media. The Mall provided the finish line for a marathon, race walk events and a cycling road race, the London to Surrey Classic, which also travelled through Richmond and Bushy Parks. With the London Marathon Swimming event held in the Serpentine in August, the summer also tested the operational challenges of hosting multiple events simultaneously. All the events also acted as LOCOG test events for the Games. In addition, and for the third year running, Hyde Park hosted part of the Triathlon World Championship series. This year the cycling leg followed the London 2012 course.

In October, Kensington Gardens was announced as the location of the National Olympic Committee House, 'Africa House'. High profile headline acts will perform at the opening and closing ceremony celebration concerts in Hyde Park, bookending an entertainment programme of live screening of London 2012 events, music, interactive sports zones, cultural and sponsor activation at BT London Live – a partnership between TRP, Live Nation, Tower Hamlets and the Mayor of London. This launched in February and Hyde Park is its largest venue.

We continue to apply the following guiding principles throughout our planning:

- To protect and conserve the parks for current and future generations and minimise the impact of events;
- To maximise safe access for park visitors;
- To ensure the parks are returned to their pre-Games condition.

The restoration of Greenwich Park after the test event went to plan, with most of the park reopened within 24 hours and affected grass areas fully recovered in less than four months. The habitat enhancement works at Greenwich Park continued, providing a longer-term legacy of improvement to acid grassland areas. Greenwich Park also saw the return of the Henry Moore 'Knife Edge' sculpture, made possible through funding from The Friends of Greenwich Park, LOCOG and TRP, and extensive refurbishment of the Playground was undertaken, funded through a partnership between The London Marathon Trust, LOCOG and TRP.

Work has continued across all parks that are to host events as part of the Games to identify reinstatement activities that will be undertaken by TRP's' contractors after the Games. Reinstatement works will be funded by LOCOG. Each developing plan reflects the specific requirements of each park and will ensure that the parks are fully returned to their pre-Games condition or better.

The Wedding of Their Royal Highnesses the Duke and Duchess of Cambridge

The wedding of the Duke and Duchess of Cambridge in April last year involved an intense period of planning and organisation by TRP. The wedding footprint incorporated Green, St James's – including part of the ceremonial route through Horse Guards Parade and along The Mall - and Hyde Parks.

In our capacity as host for some of the official aspects of the day, and as a vital component of the plans to accommodate the anticipated crowds of approximately 1 million people, the Agency worked with approximately 50 partners, including the Royal Household, DCMS, Westminster City Council, Transport for London and the Metropolitan Police, to plan for the day.

A crowd management model was developed with the delivery partners so all aspects of the wedding were coordinated, with the parks designated a key role in ensuring the day was enjoyable and safe for all. This included identifying viewing areas for the public in the parks and the most appropriate access routes into and out of our venues.

In order to ensure those who lined the ceremonial route - or who were in St James's, The Green or Hyde Parks - were entertained throughout with day, big screens, confetti canons and live music. Temporary food, drinks and gift concessions were brought into the parks as well as amenities such as extra toilets and first aid provision.

Working with our contractors Enterprise, there was a cleaning programme that started at 5.30am on the day to ensure the parks were kept clean. This included cleaning The Mall, after the crowds came to the front of Buckingham Palace, to allow the Duke and Duchess to take their drive along the historic road.

Supporting the Parks

The Royal Parks Foundation

The RPF is the charity that helps support London's eight Royal Parks. The Foundation helps protect and enhance the parks; raises funds for a wide variety of projects; and increases awareness so the Parks are widely recognised as a cause worth supporting. In 2011/12, the RPF made grants of circa £1.8m to TRP in support of a variety of large and small projects.

The Isis Education Centre at The LookOut in Hyde Park was completed this year. This new, sustainably built, £2.2m environmental education centre is the result of a partnership between the RPF and TRP. The building was funded by plaques dedicated at the Isis sculpture on the shores of the Serpentine, together with additional funding from TRP and corporate and private donations. It opened in September 2011 for a wide range of school and community activities and has been shortlisted for a Greenbuild Award. The RPF is committed to delivering education, community and volunteer programmes, plus guided walks, in Hyde Park & Kensington Gardens for the next 20 years through the facility.

'Tiffany – Across the Water' is a programme focused on restoring water features across the eight Royal Parks. This year, the programme recreated a 20-foot water plume in St James's Park lake; restored The Italian Gardens in Kensington Gardens; and improved the provision of drinking fountains and troughs in Hyde Park, Kensington Gardens, Richmond Park, Greenwich Park, Regent's Park, St James's Park and The Green Park. The project is generously supported by the Tiffany & Co. Foundation (USA), who celebrated their 10th anniversary with a \$1.25m gift to the Royal Parks Foundation (USA).

The Royal Parks Foundation Half Marathon, part of the Foundation's health & wellbeing programme, continues to go from strength to strength with 12,500 runners on the start line in October 2011. The event includes a youth coaching programme and Pulse3K, a race for 11-16 year olds. The Half Marathon won Best Outdoor Event at the 2011 Event Awards and to date has raised an estimated £11m for more than 365 charities across the UK, including the RPF. Other elements of the Foundation's health & wellbeing programme include new guided walks, meditation and mindfulness, and yoga in Kensington Gardens.

Partners, Volunteers and Friends

The work of TRP would not be possible without the valuable and varied contribution of its many partners, volunteer groups and individuals.

People of all abilities are able to enjoy the parks through partner organisations such as Liberty Drives in Hyde Park and Kensington Gardens, Companion Cycling and the Horse Rangers Association in Bushy Park and the Holly Lodge Centre in Richmond Park.

The Friends Groups provide a range of support to each park which includes arranging walks and talks, managing information points and running adoption or membership schemes.

Volunteers undertake conservation work and wildlife recording, as well as providing support to education activities and community projects. Over 70 wildlife volunteers help conserve and

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enhance the parks' biodiversity and carry out surveys of birds, butterflies, beetles, flora and fungi.

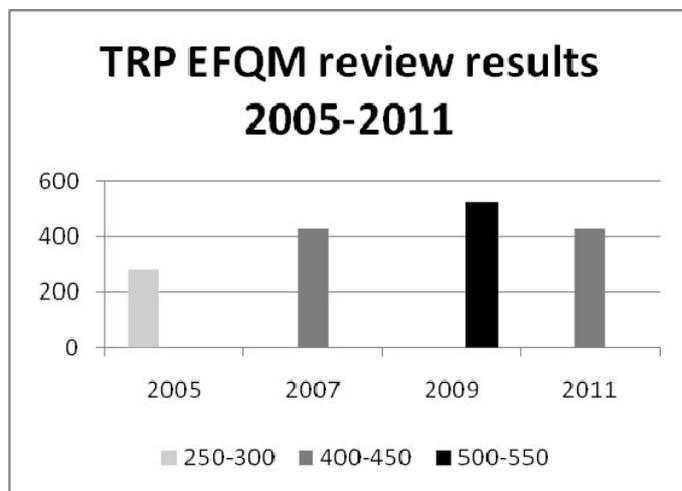
The Royal Parks Guild brings together people who have worked for or who have been associated with the parks.

Education Partnership

In September 2011 TRP began a seven year partnership with the Field Studies Council (FSC) to develop environmental education activities in three of London's Royal Parks - Bushy Park, Greenwich Park and Regent's Park. The FSC is a national environmental education charity with 17 centres throughout the UK and is recognised as a national leader in developing outdoor education in urban areas.

Behind the Scenes

European Foundation for Quality Management (EFQM)



As part of a fresh approach to embedding excellence in the organisation by proactively involving staff in the process, the 2011 review was carried out by a team of 11 newly trained in-house assessors facilitated by D&D Excellence. While there was a dip in overall score, this should be viewed within the context of the actions taken following the Comprehensive Spending Review and changes to the EFQM methodology.

The new EFQM Working Group will take forward an action plan to monitor and update EFQM regularly. In 2011 TRP was recognised as a Silver Ambassador by London Excellence and was a finalist in their *Succeeding Through People Awards 2011*. Neither of these awards would have been possible without the direction and structure EFQM has given TRP in continuing to strive to be an ‘Excellent’ organisation.

Diversity

TRP’s Diversity Network continues to meet quarterly and has delivered the action plan. The group is now focused on sharing good practice and information about diversity across the organisation. Over the last year the group has invited guest speakers from Mind, the Metropolitan Police Service and Guide Dogs for the Blind, and the Head of Education led a workshop on community engagement.

An Equality Impact Assessment Toolkit was developed and implemented to ensure consistent standards are reached in all TRP projects. As part of the London 2012 legacy, all host venues have been audited by Direct Enquiries and detailed accessibility information is available on the Inclusive London website.

Additional external funding will enable us to carry out an audit of Regent’s Park as well as a number of local audits using the Direct Enquiries self-assessment toolkit.

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Recruitment

| Grade | Appointments (number) | Women (per cent) | *Minorities (per cent) |
|-------------------|-----------------------|------------------|------------------------|
| I | 6 | 17 | |
| II | 3 | 67 | |
| III | 3 | 67 | |
| IV | | | |
| IV (Board Member) | | | |
| Total | 12 | 42 | 25 |

The above posts were recruited in Fair and Open Competition in accordance with The Civil Service Commission Recruitment Principles based on appointment to the Civil Service on merit and on the basis of fair and open competition. In addition because of the requirement for additional short term resource in the lead up to and during the London 2012 Games, 19 fixed term appointments were made, all of which were permitted exceptions.

Sustainability

WASTE

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|-------------------------------------|---------|---------|---------|---------|
| TOTAL Non Hazardous Waste (tonnes) | - | 2,247 | 2,343 | 2,447 |
| Landfill | - | 1,918 | 1,908 | 1,875 |
| Reused/recycled | - | 85 | 180 | 343 |
| Composted | - | 90%+ | 93.25%* | 90%+ |
| Incinerated without energy recovery | - | 0 | 0 | 0 |
| Incinerated with energy recovery | - | 109 | 114 | 100 |
| | | | | |
| Hazardous Waste (tonnes) | - | - | - | - |
| Landfill | - | - | - | - |
| Reused/recycled | - | - | - | - |
| Composted | - | - | - | - |
| Incinerated with energy recovery | - | - | - | - |
| Incinerated without energy recovery | - | - | - | - |

*Greenwaste Audit 2010/11 indicated that of the 6662 cu.m of greenwaste produced 6222 cu.m is processed and recycled. A further 71000 cu.m is estimated to be left to biodegrade insitu.

WATER CONSUMPTION

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|---|---------|---------|---------|---------|
| Water Consumption (Office Estate & Non-Office) | | | | |
| Supplied | 267,464 | 199,476 | 248,393 | 268,378 |
| Abstracted | 460,137 | 569,457 | 600,315 | 728,949 |
| Per FTE | - | - | - | - |
| | | | | |
| Water Consumption (Non-Office) | - | - | - | - |
| Supplied | - | - | - | - |
| Abstracted | - | - | - | - |

It is not possible with the current metering arrangements to separate office and non-office consumption. Figures above as reported back to DCMS as part of the sustainability monitoring annually.

ENERGY

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|---|---------|---------|---------|---------|
| Gross Emissions (1,000 tonnes CO2) | | | | |
| Electricity: Non-Renewable | 0 | 0 | 0 | 0 |
| Electricity: Renewable | - | 1,202 | 1,515 | 1,528 |
| Electricity: Renewable Office | - | 417 | 498 | 473 |
| Electricity: Renewable Non- Office | - | 784 | 1,017 | 1,055 |
| Gas | | | | |
| Gas: Total | - | 38 | 72 | 26 |
| Gas: Office | - | 31 | 39 | 21 |
| Gas: Non-Office | - | 7 | 33 | 5 |
| Fleet Fuel (LPG, Diesel and Petrol)* | 0.044 | 0.042 | 0.048 | 0.041 |
| Other | | | | |

Figures above as reported back to DCMS as part of the sustainability monitoring each month.

* Not reported to DCMS in the same way.

General waste:

TRP has a waste management hierarchy which seeks to reduce, reuse, recycle, or recover. Although some on site segregation of recyclable material is undertaken by the public, the majority of general waste goes off site for segregation and the small volumes that cannot be separated are used to generate energy rather than go to landfill.

Fixed Penalty Notices:

Fixed Penalty Notice's (FPN) for littering, dog fouling and cycling off designated cycle routes have been sought, with the possibility this will help positively influence the behaviour of park users. Following work with the Ministry of Justice, the proposed powers are now progressing through parliament. It is anticipated that a decision on the use of FPNs in the parks will be made in the summer of 2012.

Joint project with Keep Britain Tidy:

In August 2011 the Agency worked with Keep Britain Tidy to highlight behavioural change around littering through a time-lapse study of an area of Hyde Park where its cleansing

routine was suspended. The initiative helped to highlight that the Agency spends valuable resources on cleaning up, for example approximately 25% - 30% of park maintenance budgets are spent on litter collection.

Green Waste:

The TRP aim to compost in excess of 90% of green waste where possible is consistently achieved. The green waste that cannot be recycled falls in to the category of being mixed with other waste or in rare cases contaminated, meaning that it has to go into another waste stream.

Shared use of buildings:

A number of TRP buildings are shared with other organisations, such as the Metropolitan Police. In buildings where there are no separate metered supplies, energy consumption figures are split on the basis of proportions of occupancy of the building.

Events:

Energy use at events hosted by a Royal Park is provided through the use of mobile generators and bottled gas supplies. Events are managed by third parties and their energy consumption is not included in the tables above. Water consumption of both mains water and grey water is separately metered and is contained within the organisation's overall water consumption data.

Park Lighting:

The energy consumption for electrical lighting on paths and roads is calculated based on hours of operation and the wattage of the lighting units. For gas lighting supplies are metered.

Metering variations:

As some accounts have been based on estimated readings, the year to year metering figures can be misleading where these accounts are in dispute or awaiting resolution. The overall energy consumption during an extended period provides a better indication of energy efficiencies.

Energy Saving Measures:

TRP has installed energy efficient boilers at the Old Police House (Hyde Park) and Holly Lodge (Richmond Park). It is anticipated they will achieve a 10% reduction on the amount of gas used. TRP installs energy efficient street lighting when updating the estate, for example in 2011-12 in St James's Park and along The Mall.

Health and Safety

TRP remains committed to the health, safety and welfare of its staff. All those involved in its activities operate to an effective health and safety (H&S) system based on the requirement of HSG65 - the relevant Health and Safety Executive Guidance.

This year TRP recruited a new Health and Safety Manager to ensure that we continuously improve our management of H&S and the role was expanded to include Environmental Management. This individual is now the person within TRP, with strategic and practical support also available from our retained specialists Caldiston Ltd.

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During 2011-12 the focus of our risk management activity has been on reviewing and learning from the Olympic and Paralympic Games test events, to ensure high standards of employee and public safety during the Diamond Jubilee and London 2012. Our HSE Manager and Caldston are working together to complete a strategic review of risk control documents for events and parks to ensure we deliver the best possible service to London 2012.

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MANAGEMENT COMMENTARY

Accounts Direction

The accounts have been prepared under a direction issued by HM Treasury in accordance with section 7(2) of the Government Resources and Accounts Act 2000.

Description of the Business

History of The Royal Parks

On 1 April 1993, TRP was established as an Executive Agency of the Department of National Heritage, now the Department for Culture, Media and Sport (DCMS), and is accountable to Parliament through the Secretary of State for Culture, Olympics, Media and Sport who sets the Agency's policy framework and key performance targets and determines its level of resource each year. In January 2012, a new Board was established to oversee the Agency's activities. The Mayor of London is responsible for appointing the new TRP Board.

Statutory Background

There are eight Royal Parks in London - St James's, The Green, Hyde, The Regent's and Primrose Hill, Greenwich, Richmond, Bushy and Hampton Court Parks and Kensington Gardens - managed by the Secretary of State for Culture, Olympics, Media and Sport on behalf of the Queen. The Royal Parks form part of the hereditary lands owned by the Sovereign in right of the Crown. Various monarchs enclosed the parks during the fourteenth to seventeenth centuries, primarily for hunting or as parkland gardens. By virtue of the 1851 Crown Lands Act the Crown transferred the duties and the parks to the Commission of Works and Buildings and the Royal Parks are now the responsibility of DCMS. TRP has responsibility for all London's Royal Parks except Hampton Court Park, which is the responsibility of the Historic Royal Palaces.

TRP is also responsible for managing and policing (in conjunction with the Metropolitan Police Service) Brompton Cemetery, Victoria Tower Gardens, and Grosvenor Square Gardens, Canning Green, Poets' Green and the Longford River (except in Hampton Court Home Park) and maintaining nos. 10, 11 and 12 Downing Street gardens.

Corporate Objectives and Performance Targets

TRP's objectives and performance targets are set by DCMS and are formally reviewed quarterly by the Executive Committee. Details of performance targets and achievements are noted on page 7 of this report. Further information on the role of the Board is set out in the Governance Statement on page 33.

Development and Performance in the Current Year

Review of Activities

The Chief Executive's foreword on page 4 and the review of the year on pages 8 to 21 of this report, examine activities for the year ended 31 March 2012. Further details of plans are contained in TRP Corporate Plan.

Financial Position of The Royal Parks

The Agency is funded via the DCMS Supply Estimate. TRP's' allocation for 2011-12 (including supplemental allocations re preparation for London 2012) was a Total Resource budget of

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£17.383m (of which £2.100m was non-cash) plus £1.114m Capital. £11.304m of grant in aid was actually received in year. It is anticipated that the balance of funding to pay creditors of £5.093m will be received from DCMS in 2012-13 subject to Parliamentary approval, of which £ 3.596m is included in the 2012-13 funding letter. In 2011-12 £18.669m (£13.828m in 2010-11) was generated as income, including donated assets.

Strategic Risks

The aim of risk management is to understand the risks that will impact on our ability to deliver the Corporate Plan and ensure that the necessary mitigating actions are taken to limit risk and optimise our ability to deliver.

The Executive Committee (ExCom) has identified key areas of risk and has in place reports and processes to underpin effective risk management. This is embedded at all levels within the organisation. Our risk management reports contain risk assessment (impact and probability) and highlight mitigation actions and management of residual risk. Long-term strategic risks will be reviewed alongside short-term operational risks, prioritising appropriately to ensure that risks are captured and managed effectively to reduce the likelihood and if triggered minimise impact. The key corporate risks are contained in TRP's Corporate Plan.

Key Relationships with Partners That May Affect The Royal Parks Long Term Position

The RPF, a separate legal entity and charity, fundraises for improvements to The Royal Parks, particularly for matched funding for major projects. Without continuing support from the Foundation such projects may not proceed. As a registered charity, The RPF can reclaim, from HMRC, an extra 25p for every £1 given by income tax payers under the Gift Aid scheme. The RPF is not consolidated in TRP's' accounts as it is an independent organisation

Policy and Achievement of Policy on Social and Community Issues

TRP's polices and activities seek to engage a wide range of communities and social groups. A full range of programmes and activities can be found at www.royalparks.org.uk.

Policy and Achievement of Policy on Employees

TRP's policy states that all eligible persons shall have an equal opportunity for employment and advancement within the Agency on the basis of their ability, performance and aptitude for the work. There shall be no discrimination on the grounds of an individual's nationality, sex, race, colour, ethnic origin, religion, sexual orientation, marital status or disability.

The Diversity Network has continued to meet quarterly and has used the meetings to focus on particular themes, for example, Mental Health, Customer Focus and Diversity and, the Police and Diversity. Guest speakers were invited from organisations such as the Mental Health Foundation and the Guide Dogs for the Blind Association. There was an open invitation to staff to attend the meetings as observers. In addition the Network did some work with Direct Enquiries on an Inclusive London website commissioned specifically for the London 2012. Training packs were purchased from Direct Enquiries for self assessed access audits and this will enable staff volunteers to participate in access audits across the parks. More generally the Network has used this year to embed the aims and objectives identified in TRP's Diversity Strategy and to reflect on how best to concentrate their efforts in the future.

Page 18 of the Report provides further information on recruitment during the year.

TRP considers it very important that employees understand the operations, aims and objectives of the Agency. ExCom meets ten times each year, and Directors disseminate key decisions to staff. Staff are welcome to observe at the meetings. The Chief Executive visits all Park locations on a regular basis and there is an annual staff conference. All staff have access to the Framework Document and have the opportunity to input to the Corporate Plan.

Information Technology and Health and Safety and Marketing newsletters are produced to advise staff of developments and best practice in these areas. Staff are encouraged to contribute articles for these publications.

Pensions

Details of pension arrangements are provided in the Remuneration Report.

Sick and Absence

TRP operates a sick absence policy with similar provisions to those offered in the Civil Service.

Employees who are absent due to sickness are paid for a defined period providing they have complied with TRP sickness reporting and notification rules. Staff are paid at their normal rate of pay for periods of sickness absence up to a maximum of six months in aggregate in any calendar year and thereafter half normal pay for six months' sickness absence provided that they have not had more than 12 months' sickness absence on half-pay in any four-year period. For the year ending 31 March 2012 there were four long term sick absence cases within TRP (2010-11 4). The average rate of sick absence for TRP staff is 3 days per member of staff excluding the long term sickness (2010-11 2 days).

Policy and Achievement regarding Environmental Matters

Excellent environmental practices are at the heart of TRP's work and the Agency has followed the aims of ISO 14001 and retained green flag status for all eight Royal Parks. A full range of programmes and activities can be found at www.royalparks.org.uk.

Executive Committee (ExCom)

The Executive Committee is responsible for the operational management of the Agency and ensuring that the Senior Management Team is achieving organisational objectives. The names and roles of the ExCom members are shown in the Remuneration Report.

ExCom are paid employees of TRP, appointed under Civil Service Management Code conditions, and all Parks and sections are represented on the ExCom.

The Board

The Board is responsible for overseeing the activities of the organisation. The names of The Board members are set out on page 6 of the Report. Non Executive Board members are not remunerated. The non-executive Board Members in office on 1 April 2011 were appointed by the Minister for Tourism and Heritage, the non-executive Board Members appointed from 1 January 2012 were appointed by the Mayor of London (after confirmation by the Secretary of State). The Board meets quarterly. Further details are also given in the Governance Statement.

Register of Interests

TRP maintains a Registers of Interests for The Board, ExCom and the Audit Committee members, which is made available on request.

Payment of Creditors

The Agency aimed to settle all valid invoices within 30 days of receipt (as specified in the CBI code) until December 2008 when the Cabinet Office issued instructions for the payment target to be set at 10 days, excluding disputed invoices. TRP achieved an average payment target of 19 days (2010-11 15 days) which includes disputed invoices, which cannot be separated in the statistics.

Prior Period Adjustment

A donated asset reserve was previously maintained equivalent to the net book value of donated assets. The 2011-12 HM Treasury FReM requires donated asset funding to be taken direct to the Statement of Comprehensive Net Expenditure, and a prior year adjustment has been made to the prior year's Statement of Comprehensive Net Expenditure and the Donated Asset Reserve has been consolidated into general funds. See Note 17.

External Auditor

The accounts are audited by the Comptroller and Auditor General in accordance with the Government Resources and Accounts Act 2000.

Disclosure of Information to Auditors

- (a) So far as I, the Accounting Officer, am aware, there is no relevant audit information of which the entity's auditors are unaware, and
- (b) I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. 'Relevant audit information' means information needed by the entity's auditor in connection with preparing the audit report.



Linda Lennon CBE

Chief Executive
27th June 2012

REMUNERATION REPORT

TRP does not have a Remuneration Committee. Pay for the Chief Executive and Deputy Chief Executive is determined by the arrangements for Senior Civil Service (SCS), whilst other senior managers' (including Non SCS directors) pay and bonuses are determined as part of the annual pay remit process. Settlement of the latter is negotiated with the Trade Unions.

The Chairman of The Board and the Chief Executive meet annually to discuss the performance of Directors.

DCMS is responsible for recruitment and employment of the Chief Executive and Deputy Chief Executive, taking advice from the Mayor of London and Chair of The Board as appropriate. All matters relating to their salaries are dealt with in accordance with DCMS policies and procedures. The Chief Executive's and Deputy Chief Executive's bonuses are determined by DCMS.

Other senior managers, below SCS, are paid employees of TRP, under the Civil Service Management Code conditions. The Director of Marketing Communications and Commercial is appointed on a fixed term from 7/11/11 to 30/12/12.

Contracts of appointment are open-ended and the notice period is between one and three months. There are no special terms for early termination of contracts, although the terms and conditions of the Principal Civil Service Pension Scheme (PCSPS) apply in respect of early retirement and severance. Details can be found at www.civilservice-pensions.gov.uk.

The performance appraisal system, called the Appraisal Development Report (ADR), is based on the assessment of individual achievements against current objectives. Appraisals are carried out at 6 monthly intervals with other meetings as required, and an annual performance assessment is used as a basis for awarding performance-related pay.

TRP is subject to public sector pay policy and takes into account the directives on pay and related matters issued by HM Treasury. We currently set aside approx 1.2% of total salary for non-consolidated awards.

During the year a pay freeze was implemented for all staff except for those earning under £21,000 per annum.

The following sections provide details of the remuneration and pension interests of the Chief Executive, Executive Board members and ExCom members of TRP except for Chris Travers who has been excluded under data protection exemption. The figures in this Remuneration Report have been audited.

Remuneration of Senior Managers

| | 2011-12 | 2011-12 | 2010-11 | 2010-11 |
|---|------------------------------------|----------------|--------------|----------------|
| | Remuneration | Bonus payments | Remuneration | Bonus payments |
| | £000 | £000 | £000 | £000 |
| Linda Lennon <i>Chief Executive (from 5 March 2012)</i> | 5-10 (full year equivalent 80-85) | 0-5 | | |
| Mark Camley <i>Chief Executive (to 2 January 2012)</i> | 70-75 (full year equivalent 90-95) | 0-5 | 90-95 | 5-10 |
| Colin Buttery <i>Deputy Chief Executive and Director of Parks (interim CEO from 3 January 2012-4 March 2012)</i> | 70-75 | 0-5 | 70-75 | 0-5 |
| Simon Betts <i>Director of Estates</i> | 60-65 | 0-5 | 60-65 | 0-5 |
| Greg McErlean <i>Director of Programmes, Projects and IS</i> | 60-65 | 0-5 | 65-70 | 0-5 |
| John Swainson <i>Director of Resources</i> | 55-60 | 0-5 | 55-60 | 0-5 |
| Margaret Harper <i>Director of Communications and Commercial (from 7 November 2011)</i> | 25-30 (full year equivalent 60-65) | 0-5 | | |

Remuneration

Salary includes gross salary, reserved rights to London weighting or London allowances. This report is based on accrued payments made by the Agency and thus recorded in these accounts.

Bonuses relate to the year in which they become payable.

None of the above staff received benefits in kind.

Pay Ratio

| | 2011-12 | 2011-12 | 2010-11 | 2010-11 |
|--|--------------|----------------|--------------|----------------|
| | Remuneration | Bonus payments | Remuneration | Bonus payments |
| | £000 | £000 | £000 | £000 |
| <i>Band of Highest Paid Director's Total Remuneration £000</i> | 80-85 | | 95-100 | |
| <i>Median Total Remuneration £000</i> | 32 | | 31 | |
| <i>Ratio</i> | 2.60 | | 3.11 | |

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

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The banded remuneration of the highest-paid director in TRP in the financial year 2011-12 was £80,000-85,000 (2010-11, £95,000-100,000). This was 2.6 times (2010-11 3.11) the median remuneration of the workforce, which was £31,790 (2010-11, £31,390).

No employees received remuneration in excess of the highest-paid director during 2011-12 or 2010-11.

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The ratio is calculated by dividing the midpoint of the highest paid director's remuneration band by the median of the total annualised March 2012 remuneration of all staff (permanently employed and others). The latter is reported to the nearest £1,000 although the calculation of the ratio uses the exact number. The ratio has changed because of the appointment of a new CEO (The highest paid director).

b) Pension benefits

| | Accrued Pension at age at 31-3-12 and related lump sum £000 | Real increase in Pension and related lump sum at pension age £000 | CETV at 31-3-12 £000 | CETV at 31-3-11 £000 | Real increase in CETV £000 | Employee contributions and transfers in £000 |
|---|--|--|-------------------------|-------------------------|-------------------------------|---|
| Linda Lennon <i>Chief Executive</i> | 25 – 30 lump sum 80 – 85 | 0 – 2.5 lump sum 0 – 2.5 | 468 | 451 | 2 | 0 – 2.5 |
| Mark Camley <i>Chief Executive</i> | 25 – 30 lump sum 85 – 90 | 0 – 2.5 lump sum 0 – 2.5 | 468 | 441 | 0 | 0 – 2.5 |
| Colin Buttery <i>Deputy Chief Executive and Director of Parks</i> | 30 – 35 lump sum 0-2.5 | 0 – 2.5 lump sum 0-2.5 | 498 | 439 | 12 | 10 – 12.5 |
| Simon Betts <i>Director of Estates</i> | 10 – 15 lump sum 35 – 40 | 0 – 2.5 lump sum 0 – 2.5 | 270 | 256 | 4 | 0 – 2.5 |
| Greg McErlean <i>Director of Major Projects</i> | 5 – 10 lump sum 0-2.5 | 0 – 2.5 lump sum 0 – 2.5 | 124 | 101 | 12 | 0 – 2.5 |
| Margaret Harper <i>Director of Communications and Commercial</i> | 0 – 2.5 lump sum 0 – 2.5 | 0 – 2.5 lump sum 0-2.5 | 3 | 0 | 2 | 0 – 2.5 |
| John Swainson <i>Director of Resources</i> | 30 – 35 lump sum 0-2.5 | 0 – 2.5 lump sum 0-2.5 | 383 | 356 | 2 | 0 – 2.5 |

The actuarial factors used in the calculation of Cash Equivalent Transfer Values (CETVs) were changed in 2011-12. The CETVs at 31/3/11 and 31/3/12 have both been calculated using the new factors, for consistency. The CETV at 31/3/11 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium**, or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with Pensions increase legislation. Members who joined from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Increases to employee contributions will apply from 1 April 2012. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted, is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension

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figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values)(Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Reporting of Civil Service and other compensation schemes – exit packages

| 1 | Exit package cost band | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|---|-------------------------------|-----------------------------------|-----------------------------------|--|
| 2 | £10,000 - £25,000 | 0 | 1 | 1 |
| 3 | £25,000 - £50,000 | 5 | 2 | 7 |
| 4 | Total number of exit packages | 5 | 3 | 8 |
| 5 | Total cost /£ | 164,818 | 95,925 | 260,743 |

There were no exit package payments in 2010-11.

Linda Lennon

Linda Lennon CBE

Accounting Officer

27th June 2012

STATEMENT OF CHIEF EXECUTIVE'S RESPONSIBILITIES

Under Section 7(2) of the Government Resources and Accounts Act 2000, the Secretary of State for Culture, Olympics, Media and Sport with the consent of Treasury has directed TRP to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of TRP and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the accounts direction issued by the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that TRP will continue in operation.

The Accounting Officer for DCMS has designated the Chief Executive of TRP as the Accounting Officer for the Agency. Her relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding TRP's assets, are set out in Managing Public Money published by the HM Treasury.



Linda Lennon CBE

Chief Executive

27th June 2012

Governance Statement

Scope of Responsibility

As Accounting Officer for TRP, I am responsible to the Secretary of State for Culture, Olympics, Media and Sport and accountable to Parliament for TRP's operations and performance. I have responsibility for the development, implementation, and maintenance of a sound system of internal control, and for reviewing its effectiveness. This supports the achievement of DCMS and TRP's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

Governance Structure

TRP was managed, to 31 March 2012, by the Executive Committee, which I and my predecessors chaired. Until 31 December 2011 The Board had a non-executive Chair, three other non executive directors and four executive directors, including the Chief Executive - it met quarterly. The Board was reconstituted during the reporting period. Under new Governance arrangements that took effect on 1 January 2012, The Board became the responsibility of the Greater London Authority and accountable to the Mayor of London. Board appointments are made by the Mayor. In the period up to 31 December 2011 the Board reported to DCMS. The membership constitution of the new Board was agreed between DCMS and the Mayor of London.

The new board consists of a non executive chair, nine other non executives and two executive directors, including the Chief Executive. Three non executives are appointed by the London Councils, and are Leaders of their respective councils. One member is appointed by The Royal Household, and six members are appointed through a selection process. The previous four non executive board members, including the Chair, were appointed to the new board. These changes introduce more formal representation with stakeholders. It has been agreed that the deputy CEO will be invited to attend future board meetings as a nonvoting attendee. Other expert attendees are called upon when required to provide information and to aid policy making. Appointments are for a period of four years, excepting three of the previous board non executives who were appointed for two years.

The Board is consulted on and helps develop the Agency's overall strategies and policies.

The Board held meetings during 2011-12 on the following dates:

20th April 2011, 6th July 2011, 20th September 2011, and 3rd February 2012.

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Attendance at meetings was as follows:

| Old Board | Attendance | GLA Appointed Board | Attendance |
|---------------------|------------|--------------------------|------------|
| Mark Camley TRP | 3/3 | *Colin Buttery TRP | 1/1 |
| Colin Buttery TRP | 2/3 | John Swainson TRP | 1/1 |
| Chris Travers TRP | 3/3 | The Hon Apurv Bagri | 1/1 |
| John Swainson TRP | 2/3 | Ruth Anderson | 1/1 |
| The Hon Apurv Bagri | 3/3 | Sue Moore | 1/1 |
| Ruth Anderson | 3/3 | Andrew Fenwick | 1/1 |
| Sue Moore | 3/3 | Lt Col Andrew Ford | 1/1 |
| Andrew Fenwick | 3/3 | Cllr Nasim Ali | 1/1 |
| | | Roger Bright | 1/1 |
| | | Cllr Colin Barrow | 0/1 |
| | | Councillor Chris Roberts | 0/1 |
| | | Lord True | 0/1 |

*In capacity as acting Chief Executive Jan – Mar 2012

The non executive Board roles are unremunerated but reasonable expenses are paid.

Board's performance

The Hon Apurv Bagri, Chair of both Boards throughout reporting period, has reviewed the operation of the Board and considers the performance of both during the period to have been strong and in line with their terms of reference. The Board reviewed financial and risk reports each meeting, which were presented in advance of each meeting. The Board was satisfied that the information presented was sufficient in quantity and quality to enable it to discharge its responsibilities. One of the key issues is that the Agency manages to deliver its activities within the reduced grant allocated by central government. In 2011-12 the net cash expenditure was within 0.3% of the grant in aid allowed, a creditable performance.

Highlights of board committee meetings

Key issues for the Board during 2011-12 were the future governance arrangements and constitution of the new Board, the impact of Comprehensive Spending Review cuts on activities and upon staff, the preparations for the Queen's Jubilee celebrations and Olympic and Paralympic Games in 2012 and measures to improve resilience of delivery, environmental diseases such as Massaria and the Oak Processionary Moth, and the potential impact on revenues from an event licence review by Westminster City Council governing major events in Hyde Park. The Board approved the creation of a detailed 100 day operational plan to resource for the events during the summer of 2012.

The Board identified the key risk as being the preparation for London 2012. Regular updates were given about TRP's preparedness covering operational, environmental and financial risks

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together with mitigations. Independent Gate-way reviews were conducted over the year. Business continuity plans were updated to take account of London 2012 related resource and management issues.

The Board is supported by two sub committees - The Audit Committee (AC) and the Better Building Programme Board (BBPB). Both Committees are chaired by non executive members of the Board. The Audit Committee, which met four times in the year, comprises four non executive members with financial expertise and the chair is also a non executive director.

Attendance and membership of the Audit Committee was as follows:

| | |
|---------------------------------|-----|
| Andrew Fenwick, Chair, Non Exec | 4/4 |
| Rod Giddins, Non Exec | 4/4 |
| Emir Feisal, Non Exec | 4/4 |
| John Collier, Non Exec | 4/4 |

The AC reviews the effectiveness of the systems of internal control. The AC reviewed regular reports from Internal Audit, reviewed the progress of actions taken to implement recommended changes, reviewed the annual report and accounts and the annual report from External Audit. They also reviewed and challenged management upon the matters reported within the corporate risk register and the mitigations taken by management to reduce risk.

Internal Audit provides a total of 50 days resource for the Audit Committee. The Head of Internal Audit provides the Accounting Officer with an annual report on internal audit activity and an opinion on the adequacy and effectiveness of the systems of internal control. The National Audit Office representatives attend the AC meetings, advise on technical issues relating to accounting matters and examine the Agency's financial accounts and financial procedures at the end of each financial year.

Attendance and membership of the BBPB was as follows:

| | |
|--------------------------------|-----|
| Ruth Anderson, Chair, Non Exec | 3/4 |
| Terry Eccles, Non Exec | 1/4 |
| Mark Camley, TRP | 3/4 |
| Colin Buttery, TRP | 4/4 |
| John Swainson, TRP | 4/4 |
| Greg McErlean, TRP | 4/4 |

The Better Buildings Programme Board is composed of the CEO, three directors and two non executive directors, one of whom is the chair. The aim of the Better Buildings Programme is to deliver contracts that increase the quality of key property assets in order to produce an additional net income from these assets of £1m (currently £0.6m) per annum by the end of the 2014/2015 financial year and £2.5m by the end of 2019/20. The Better Buildings Programme Board oversees all of the projects which comprise the programme. Its purpose is to provide challenge, support and oversight in order that the desired outcomes and planned benefits of the programme may be achieved. The Better Buildings Programme Board met four times in the year.

Board's assessment of compliance with the Corporate Governance Code

The Board aims to ensure that its governance arrangements follow best practice and follow the Corporate Governance Code to the extent that its size and status allows. The Board has established the following material departures from the provisions of the Code:

- The Board has not established a nominations and governance committee as it was considered that the size of the organization did not warrant it.
- There has been no formal evaluation of the Board and its sub-committees in 2011/12.

Localism

The Board is locally accountable through appointments made by the Mayor of London. In addition London Councils nominates three Council Leaders to sit on TRP's Board. Stakeholder groups are well established, cover all of the parks and focus on policy and operational issues. They include a wide range of organisations including elected representatives, visitor groups, concessionaires, the police and others.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental and TRP's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in TRP for the year ended 31 March 2012 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to Handle Risk

The Board approves the risk management policy, which clearly states that responsibility for adequate risk management arrangements rests with the Board and the Chief Executive. All 'business units' (i.e. Parks and HQ sections) are required to produce and monitor risk registers as part of the annual business planning process and throughout the year. TRP has a Business Continuity Plan in conjunction with DCMS. This will ensure that if IT systems fail or there are other major incidents, TRP will be in a position to continue to operate effectively.

The Risk and Control Framework

The risk management framework is aligned to the corporate aims, objectives and priorities as outlined above. For 2011-12 there were two corporate objectives and two key targets. Risk analysis forms part of the strategic planning, business planning and investment/project appraisal procedures. Managers and staff at all levels have a responsibility to identify, evaluate and manage risks, and are equipped to do so through ongoing risk training and relevant guidance.

Based on an analysis of the identified risks, a summary risk register is produced, which is monitored and reviewed by the Board. A broad range of risks are identified including financial and business risks and those which are caused by natural events in the environment such as global warming, diseases to wildlife and fauna and flora. We also assess the risks of being a host to eleven events for the Olympic and Paralympic Games in 2012.

We have clear financial delegations in place covering all staff in the agency.

Information Risk

Information security risk is managed through the Information Assurance Policy, which all staff must comply with. During the year we reassessed our data security and adopted a prioritised action plan to ensure procedures were compliant with Cabinet Office mandatory requirements. Information Assurance training was provided to all staff. Our policies and processes were measured against the annual Security Policy Framework and Information Risk return which was completed and reported compliance with Cabinet Office requirements.

There were no data loss incidents reported in 2011-12.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control, including the risk management framework. There was a clear handover of responsibility from the previous Accounting Officer, Mark Camley (CEO until January 2, 2012), to the interim CEO, Colin Buttery, (from 3 January 2012 to March 4 2012), through to me, from March 5 2012. There were briefing meetings between us and I attended briefing sessions with executive directors before my official start date.

I have placed reliance on the previous CEO and the Interim CEO as to the accuracy of the statements made about the period before my appointment. My review is also informed by the work of the internal auditors and the executive managers within TRP who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. The Board and the Audit Committee have advised me on the implications of the result of my review and a plan to ensure continuous improvement of the system is in place. Training was given to all staff on information assurance.

Each Director and Budget Holder has completed an Assurance Report confirming that they have carried out a range of responsibilities, which provides comfort that policies and procedures are being adhered to. These reports cover risk management and controls, actions on audit reports and effective management of financial and non-financial resources, incorporating specific guidelines issued by Finance, Personnel, Procurement, Health and Safety, IT and Policy and Strategy (including Records Management). Performance against Corporate Plan targets is measured and reviewed quarterly by the Board. In addition, I, and my predecessor, have regular meetings with each Director to review progress in their areas of responsibility against their business plan targets, and following Internal Audit recommendations, additional assurance will be included in Directors' reports. TRP adopted in 2005 the business tool EFQM (c) Excellence model to set and monitor achievement of management objectives and to measure improvements over time. I receive quarterly reports on progress against objectives set through this process and this enables me to benchmark the agency with other organisations.

The Annual Civil Service wide employee engagement survey provides assurance on our leadership, management and communication with staff. In 2011-12 we were 12th of 97 organisations surveyed.

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I am satisfied from the results of my review of the effectiveness of the system of internal control that systems are in place to give me reasonable assurance of their effectiveness. There are no significant internal control issues to report.

Linda Lennon

Linda Lennon CBE
Accounting Officer
27th June 2012

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the financial statements of the Royal Parks Agency for the year ended 31 March 2012 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of Chief Executive's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Royal Parks Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Royal Parks Agency; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Royal Parks Agency's affairs as at 31 March 2012 and of the net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given on the details of directors in the Introduction to the Annual Report, management commentary included in the Annual Report and progress against key performance objectives in the overview section of the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General

3 July 2012

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2012

| | Note | Staff Costs | Other Cost | 2011-12 £000 Income | 2010-11 £000 |
|------------------------------|------|----------------|---------------|---------------------------|-----------------|
| Administration costs: | | | | | |
| Staff Costs | 2 | 1,453 | | | 1,475 |
| Other Administrative Costs | 3 | | 1,667 | | 1,548 |
| Operating Income | 4 | | | (859) | (706) |
| Programme costs: | | | | | |
| Staff Costs | 2 | 4,276 | | | 3,925 |
| Programme Costs | 3 | | 26,581 | | 23,291 |
| Income | 4 | | | (17,810) | (13,122) |
| Totals | | 5,729 | 28,248 | (18,669) | 16,411 |
| Net Operating Cost | | | | 15,308 | 16,411 |

OTHER COMPREHENSIVE EXPENDITURE

| | Note | 2011-12 £000 | 2010-11 £000 |
|--|------|-----------------|-----------------|
| Net gain/(loss) on revaluation of Heritage Assets & Property, Plant & Equipment | 5, 6 | 1,001 | (781) |
| Total Comprehensive Expenditure for the year ended 31 March 2012 | | 14,307 | 17,192 |

The notes on pages 45 to 64 form part of these accounts

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

| | | RESTATED | | |
|--|------|----------------|----------------|----------------|
| | Note | 2012 £000 | 2011 £000 | 2010 £000 |
| Non-current assets: | | | | |
| Tangible Assets: | | | | |
| Heritage assets | 5,6 | 25,102 | 24,223 | 24,301 |
| Property, plant and equipment | 5 | 24,210 | 22,881 | 22,640 |
| | 5 | 49,312 | 47,104 | 46,941 |
| Intangible Assets | 7 | 239 | 244 | 287 |
| Total non-current assets | | 49,551 | 47,348 | 47,228 |
| Current assets: | | | | |
| Inventory | 1.1d | 0 | 8 | 0 |
| Trade and other receivables | 9 | 2,577 | 2,991 | 3,315 |
| Cash and cash equivalents | 10 | (316) | 2,614 | 4,570 |
| Total current assets | | 2,261 | 5,613 | 7,885 |
| Total assets | | 51,812 | 52,961 | 55,113 |
| Current Liabilities: | | | | |
| Trade and other payables | 11 | (8,729) | (7,022) | (9,143) |
| Current Provisions | 12 | (450) | (331) | (289) |
| Total current liabilities | | (9,179) | (7,353) | (9,432) |
| Total assets less current liabilities | | 42,633 | 45,608 | 45,681 |
| Non-current liabilities: | | | | |
| Provisions | 12 | (148) | (161) | (177) |
| Total non-current liabilities | | (148) | (161) | (177) |
| Assets less liabilities | | 42,485 | 45,447 | 45,504 |
| Taxpayers' equity | | | | |
| General fund | | 28,477 | 31,977 | 30,721 |
| Revaluation reserve | | 14,008 | 13,470 | 14,783 |
| Total taxpayers' equity | | 42,485 | 45,447 | 45,504 |

The notes on pages 45 to 64 form part of these accounts

Linda Lennon

Linda Lennon CBE
Accounting Officer
27th June 2012

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2012

| | | 2011-12 £000 | 2010-11 £000 |
|---|-------------|-----------------|-----------------|
| | Note | | |
| Cash flows from operating activities | | | |
| Net operating cost | | (15,308) | (16,411) |
| Adjustments for non-cash transactions | 3 | 2,354 | 2,166 |
| Decrease in trade and other receivables | 9 | 414 | 324 |
| (Increase)/Decrease in Inventories | 1.1d | 8 | (8) |
| Increase/(Decrease) in trade payables | 11 | 1,707 | (2,121) |
| Use of provisions | 12 | (98) | (153) |
| Net cash outflow from operating activities | | (10,923) | (16,203) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 5 | (3,299) | (2,826) |
| Purchase of Intangibles | 7 | (12) | (21) |
| Net cash outflow from investing activities | | (3,311) | (2,847) |
| Cash flows from financing activities | | | |
| Net Parliamentary cash funding received | | 11,304 | 17,094 |
| Net financing | | 11,304 | 17,094 |
| Net Decrease in cash and cash equivalents in the period | | (2,930) | (1,956) |
| Cash and cash equivalents at the beginning of the period | 10 | 2,614 | 4,570 |
| Cash and cash equivalents at the end of the period | 10 | (316) | 2,614 |

The notes on pages 45 to 64 form part of these accounts

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2012

| | Note | General Fund £000 | Revaluation Reserve £000 | Total Reserves £000 |
|---|------|-------------------------|--------------------------------|---------------------------|
| Balance at 31 March 2010 | | 30,721 | 14,783 | 45,504 |
| Changes in taxpayers' equity for 2010-11 | | | | |
| Net gain/(loss) on revaluation of property, plant & equipment | 5 | | (781) | (781) |
| Non-cash charges – auditors remuneration | 3 | 41 | | 41 |
| Transfers between reserves, in relation to depreciation | | 431 | (431) | 0 |
| Intra reserve transfer – Non-current assets | | 101 | (101) | 0 |
| Net operating cost for the year | | (16,411) | | (16,411) |
| Total recognised income and expenses for 2010-11 | | 14,883 | 13,470 | 28,353 |
| Funding from DCMS | | 17,094 | | 17,094 |
| Balance at 31 March 2011 | | 31,977 | 13,470 | 45,447 |
| Changes in taxpayers' equity for 2011-12 | | | | |
| Net gain/(loss) on revaluation of property, plant & equipment | 5 | | 1,001 | 1,001 |
| Non-cash charges – auditors remuneration | 3 | 41 | | 41 |
| Transfers between reserves, in relation to depreciation | | 408 | (408) | 0 |
| Intra reserve transfer – Non-current assets | | 55 | (55) | 0 |
| Net operating cost for the year | | (15,308) | | (15,308) |
| Total recognised income and expenses for 2011-12 | | 17,173 | 14,008 | 31,181 |
| Funding from DCMS | | 11,304 | | 11,304 |
| Balance at 31 March 2012 | | 28,477 | 14,008 | 42,485 |

The notes on pages 45 to 64 form part of these accounts

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

I. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2011-12 Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of TRP for the purpose of giving a true and fair view has been selected. The particular policies adopted by TRP are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

I.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

I.1a Administration and programme expenditure

The Statement of Comprehensive Net Expenditure reports all expenditure and income as programme. This classification of expenditure and income follows the definitions set out in the 2011-12 Financial Reporting Manual (FReM) provided by HM Treasury.

I.1b Non-current Assets

Recognition

Land and buildings owned by, or in the guardianship of, TRP are treated as Non-Current Assets in accordance with the FReM.

Expenditure on assets, which became an integral part of the land, is written off in the year of expenditure. However, buildings, the legal title of which remains with the Sovereign, are treated as owned by TRP and are included in non-current assets. Lodges, within the Parks, which are used as dwelling places, are valued based on the terms of occupation, or replacement cost, if this is lower.

Some of TRP's properties were acquired subsequent to the 1851 Act and are held in the name of the Secretary of State. These properties are included in the Accounts at their 'open market value for existing use'.

Classification

The land and buildings are classified under the FReM as either:

- Pure heritage assets (non-operational heritage assets);
- Operational heritage assets;
- Operational (non-heritage) assets.

Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations and include listed buildings or buildings which directors consider have special significance in the

landscape and will be required to be kept substantially in their current form due to planning restrictions.

In accordance with FRS30, pure heritage land and buildings held by TRP in pursuit of its overall objectives, are included as Non Current Assets in the Statement of Financial Position where a reliable valuation is possible, otherwise they are held at nil value. The directors consider that the costs of ascertaining current values of these unique and varied assets cannot be justified.

Pure heritage assets include monuments, statues, fountains, bridges, walls, band stands and historic gates and includes both historic and recent monuments such as the Albert Memorial in Kensington Gardens and the 7-7 Memorial in Hyde Park. TRP has 97 of such assets which have not been included in the Statement of Financial Position, excluding bridges and walls, which are not individually recorded. Most of TRP's land and heritage assets, other than buildings, are not valued. Expenditure on creating new heritage assets is capitalised at cost, expenditure on maintaining them is expensed.

Examples of the pure heritage assets, which are not included in the Statement of Financial Position, are given in the appendices. Further examples appear on TRP website as factsheets – Monument facts. A more detailed study of these and buildings in the Royal Parks is published by TRP entitled "Buildings & Monuments in the Royal Parks" ISBN 1-898506-09-04.

Transactions and policies of acquisition and disposal of off Statement of Financial Position heritage assets

TRP has no disposal policy, its heritage assets being inalienable, nor has it disposed of any heritage assets since it was formed in 1993. Where third parties seek to erect a new monument or heritage asset upon land under TRP guardianship, TRP seeks assurances of funding for such asset, including full provision for future maintenance liabilities. Some monuments of note erected within the parks, which have been funded by third parties, remain in their ownership. There was no other acquisition of off balance sheet heritage assets in the past two years.

Maintenance and preservation policies of heritage assets

TRP has a programme of maintenance works undertaken which is informed by the Quadrennial Conservation report of all listed buildings and structures and condition surveys. We have adopted the "Protocol for the Care of the Historic Estate" appointed a Conservation Officer and use specialist consultants and contractors where appropriate. Priorities are assessed each year, and the cost is expensed through the Statement of Comprehensive Net Expenditure. A schedule of backlog maintenance requirements is maintained and this is used to assess priorities. The work undertaken each year will include repair and preventative maintenance.

Operational heritage land and buildings, comprising of buildings in use by TRP, tenants or concessionaires which, in addition to being held by TRP in pursuit of its overall objectives, are also used for revenue generating or other non-heritage purposes. They are professionally valued and held on the Statement of Financial Position. The valuation method used depends upon the type of the building and its use.

Operational (non-heritage) land and buildings are professionally valued and held on the Statement of Financial Position.

Property, plant and equipment

Buildings are subject to revaluation under a rolling 5-year programme, the values are the lower of depreciated replacement cost and recoverable amount, which for TRP is the value in use based on actual rents, rather than market rents.

Assets are capitalised at and above the threshold of £5,000 on an individual value basis. Plant & Machinery, IT and Fixtures & Fittings are not re-valued as management consider any adjustment to be immaterial.

Assets in the course of construction are included in the Statement of Financial Position at cost to TRP. On completion of works assets are transferred to the appropriate category on the Statement of Financial Position and reflected at fair value.

Intangible assets

Intangible assets comprise IT software which is amortised in line with other IT assets.

Donated assets (including those funded by capital grants) see also note 1(c) below

Assets donated by third parties, either by gift of the asset or by way of funds to buy the asset are capitalised at current value on receipt. Donated assets are revalued, depreciated and subject to impairment in the same way as other assets. A change in accounting policy regarding donated asset funding was adopted this year as explained in note 17.

Depreciation

Depreciation is provided on all non-current assets, other than freehold land and non operational heritage assets, at rates calculated to write-off the cost or valuation, to the estimated residual value, of each asset on a straight line method over its estimated useful life. Lives are normally as follows:

- Buildings including dwellings - up to 100 years
- Plant and machinery - 5 to 10 years
- Fixtures, Fittings - 3 to 20 years.
- IT - up to 5 years

Contractor's assets

Property, plant and equipment excludes vehicles and equipment provided by the contractor responsible for grounds maintenance in the Royal Parks. The service contracts do not specify the assets required and the Board considers the value to be not material to the total contract value.

1.1c Donated Assets

In accordance with the 2011-12 FReM donated asset funding is taken direct to the Statement of Net Expenditure as income. Previously donated asset funding was credited direct to the donated asset reserve, and a notional credit for depreciation was transferred from the donated asset reserve to Income in the Statement of Net Expenditure.

The preceding years credit has been eliminated as a prior year adjustment arising from the change in policy, in accordance with HM Treasury guidance (see note 17) and the donated asset reserve has been consolidated into the General Fund.

1.1d Inventory

Publication costs are expensed as we cannot provide a guarantee of sale. Stocks held for resale are valued at the lower of cost or net realisable value.

1.1e Income

All Income is shown net of VAT. All income is accounted for in the period(s) to which it relates.

1.1f Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Agency recognises the contributions payable for the year.

1.1g Provisions

Early Departure Costs

TRP is required to meet the additional cost of benefits beyond the normal Principal Civil Service Pension Scheme benefits in respect of employees who retire early or are made redundant. TRP provides in full for these costs when the early retirement or redundancy programme has been announced and is binding on the Agency.

Contingent Liabilities

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed only by uncertain future events or present obligations arising from past events that are not recognised because either an outflow of economic benefits is not probable or the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognised but information about them is disclosed unless the possibility of any outflow of economic benefits in settlement is remote.

1.1h Value Added Tax

Where VAT is irrecoverable then costs include VAT. TRP elected to waive the exemption from charging VAT in respect of a right or interest in land or a licence to occupy land with effect from 1 October 2008.

1.1i Financing and Grants

Cash received through the Estimate process is treated as financing and credited to the General Fund.

Grants used to acquire specific capital items are credited to income in the Statement of Comprehensive Net Expenditure. This is a change in policy adopted during the current year which is explained in note 17.

1.1j Use of Estimate

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent liabilities at 31 March each year. Actual outcomes could differ from those estimates. Estimates have been made in arriving at impairment provisions for bad and doubtful debts based on the age of debt. Estimates have been made against injury claims made against the agency based on legal advice, but often incomplete information is available of the extent and cause of injury.

1.1k Impact of new International Financial Reporting Standards

Early Application of IFRS Before Compulsory Introduction

No IFRS was adopted early.

There are no other standards and interpretations in issue but not yet adopted that TRP anticipate will have a material effect on the reported income or net assets of TRP

1.11 Segmental Reporting- IFRS 8

TRP is managed as a single entity by the Board and ExCom and as such financial and management reports are produced upon one segment.

2. STAFF NUMBERS AND RELATED COSTS

2.1 Staff costs comprise:

| | | 2011-12 £000 | | 2010-11 £000 | |
|------------------------|------|-----------------|----------------------------------|-----------------|--------------|
| | Note | Total | Permanently employed staff | Others | Total |
| Wages and salaries | | 4,424 | 3,465 | 959 | 4,327 |
| Social security costs | | 363 | 289 | 74 | 335 |
| Other pension costs | | 693 | 649 | 44 | 737 |
| Early departure costs | 1.1g | 249 | 249 | 0 | 1 |
| Total net costs | | 5,729 | 4,652 | 1,077 | 5,400 |

Of which:

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but TRP is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

THE ROYAL PARKS – ANNUAL REPORT AND ACCOUNTS 2011-12

For 2011-12 employers contributions of £699,140, were payable to the PCSPS (2010-11 £729,887) at one of four rates in the range 16.7 to 24.3 per cent (2010-11 16.7 to 24.3 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2012-13, the rates are in the range 16.7 per cent to 24.3 per cent. The contribution rates are set to meet the cost of benefits accruing during 2011-12 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions of £8,511 (2010-11 £12,203) were paid to one or more of a panel of 3 appointed stakeholder pension providers. Employer contributions are age-related and range from 3.0 to 12.5 per cent (2010-11 3.0 to 12.5 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £486 (0.8 per cent; 2010-11; £933, 0.8 per cent) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £837 (2010-11 £610). Contributions prepaid at that date were £0 (2010-11 £0).

2.2 Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows.

| | 2011-12 Total | Permanently employed staff | Others | 2010-11 Total |
|-------------------|------------------|----------------------------------|-----------|------------------|
| Directly employed | 110 | 95 | 15 | 115 |
| Other | 11 | 0 | 11 | 9 |
| Total | 121 | 95 | 26 | 124 |

2.3.a Salary and pension entitlements

Details of the remuneration and pension interests of the Chief Executive, Executive Board members and Executive Committee members of TRP are contained in the Remuneration Report.

2.3.b The Board

TRP has not made payments to Board members. Any claims made by the Board are borne by the Department for Culture, Media and Sport.

3. OTHER ADMINISTRATIVE AND PROGRAMME COSTS

| | Note | 2011-12 £000 | 2010-11 £000 |
|---|---------|-----------------|-----------------|
| Grounds Maintenance | 3.a | 7,461 | 7,475 |
| Works Maintenance | 3.b | 9,730 | 6,880 |
| Landscape Development | 3.c | 550 | 375 |
| Programme Management | 3.d | 25 | 257 |
| Nursery | | 1,106 | 1,274 |
| Utilities | 3.e | 940 | 905 |
| Cleaning Contracts | | 1,077 | 1,129 |
| Service Contracts | | 962 | 1,122 |
| Advisory Consultancy | 3.f | 52 | 21 |
| Implementation Support | 3.g | 481 | 251 |
| Trees | 3.h | 593 | 259 |
| Marketing & Communications | 3.i | 275 | 303 |
| IT Equipment & Consumables | | 229 | 129 |
| Furniture & Equipment | | 259 | 178 |
| Telecommunications | | 291 | 253 |
| Entertainment & Licences | 3.j | 254 | 459 |
| Horticulture | 3.k | 289 | 187 |
| Rentals under operating lease | | 116 | 150 |
| Training | | 53 | 77 |
| Animal Feed & Welfare | | 84 | 75 |
| Other Programme costs | 3.l | 1,072 | 915 |
| Programme cash costs | | 25,899 | 22,674 |
| Non Cash Items | | | |
| Depreciation and Amortisation | 5, 6, 7 | 1,546 | 1,438 |
| Loss on disposal of non-current assets | 5, 6, 7 | 3 | 62 |
| Fixed Asset impairment | 5, 6, 7 | 560 | 446 |
| Auditors remuneration & expenses | 3.m | 41 | 41 |
| Increase in provisions | 12 | 199 | 178 |
| Total | | 28,248 | 24,839 |
| Administrative/Programme Analysis: | | | |
| Administrative element of above costs | | 1,667 | 1,548 |
| Programme element of above costs | | 26,581 | 23,291 |
| Total | | 28,248 | 24,839 |

3.a Grounds Maintenance

Similar to last year, consolidating the increased maintenance requirement in Bushy Park, as well as further reinstatement work in Hyde Park required after major events.

3.b Works Maintenance

Included major costs for St James's Park street lighting, restoration of the Italian Gardens and other fountains, renovation of the Albert Memorial railings, renewal of revetments to the Longford River, conservation work to the stonework at Brompton Cemetery, resurfacing sections of road in various parks and improvements to the Serpentine water quality in Hyde Park.

3.c Landscape Development

Significant increase on last year and includes TFL funded cycling projects, Playbuilder and other playground development works, Blackheath Gates alteration works and Queen Mary's Garden Lake improvements.

3.d Programme Management

Much reduced programme management costs reflects lower level of activity on the ICT, Bushy Restoration, TFL, Playbuilder and Hyde Park Parade Ground projects.

3.e Utilities

Have decreased slightly as a result of credits received against old incorrect electricity bills.

3.f Advisory Consultancy

Again reduced from previous years in line with government spend controls, costs being classified as implementation support or incurred for a variety of projects.

3.g Implementation Support

Relates to professional fees incurred in supporting the delivery of our detailed business objectives. Costs which are advisory in nature (e.g. appraisal of project options) are included in advisory consultancy.

3.h Trees

Safety inspections are based on zoned risk assessment leading to a prioritised programme for each year. Annual expenditure is based on strategic and cyclical work requirements.

3.i Marketing & Communications

Lower as a result of government spending controls and a reduced marketing budget. There is now a greater focus on marketing for income generation and online activity.

3.j Entertainment & Licences

Significantly reduced as 2010-11 included the hosting of Anish Kapoor's free outdoor exhibition of stainless steel sculptures, which was not repeated, and a reduction in free events.

3.k Horticulture

Increased expenditure on new plants or trees in a number of parks, the highest being Hyde Park.

3.l Other Programme costs

These include costs such as legal advice, recruitment, external printing, bad debts and office rates.

3.m Auditors Remuneration

This represents audit fee only. No non audit work was carried out by the auditors during the year.

4. INCOME

| | | 2011-12 £000 | 2010-11 £000 |
|------------------------------|-------------|-----------------|-----------------|
| | Note | | |
| Concessions: Catering | 4.a | 3,203 | 2,574 |
| Car parking | | 1,622 | 1,659 |
| Other | | 366 | 281 |
| Licences and rents | 4.b | 3,190 | 3,236 |
| Fees from events | 4.c | 4,856 | 3,287 |
| Other fees and permits | | 1,117 | 800 |
| Lottery and other grants | 4.d | 1,057 | 320 |
| Services | | 101 | 60 |
| Fundraising | 4.e | 1,806 | 10 |
| Contributions to Works Costs | 4.f | 63 | 558 |
| Other | 4.g | 1,288 | 1,043 |
| Total | | 18,669 | 13,828 |

4.a Concessions

Catering has increased in all parks, benefiting from the improved facilities and product offer at our restaurants. Hyde Park and St James's Park have done especially well. The Pheasantry Cafe, Bushy Park continues to grow in popularity. Car parking has reduced slightly in all three parks.

4.b Licences and rents

Licences and rents are little changed in total with an increase in income resulting from additional properties becoming available for rental under our Better Buildings programme. This was offset by a reduction in income from commercial licences and the cessation of fees from the No 1 Hyde Park development.

4.c Fees from Events

The substantial increase from last year is due to much higher income from the Winter Wonderland event and improved fees from the Live Nation series of summer concerts in Hyde Park. Fees also include recharges for event related costs.

4.d Lottery and other grants

Grants were higher than last year as we received the final instalment of Heritage Lottery Fund funding for the Bushy Restoration project. Additionally we also claimed lottery funding for the development phase of the Isabella Plantation Access project.

4.e Fundraising

Fundraising relates to monies received from the RPF. The vast majority of income was to fund the construction of a new centre for education at the Look Out in Hyde Park, which also includes office accommodation for the Foundation.

4.f Contributions to Works Costs

Much reduced following the completion of the Hyde Park Parade Ground restoration programme and its associated funding.

4.g Other

The increase is due to a higher value of event bonds utilised for reinstatement, continuing growth in sport related income, increased donations, partly offset by a reduction in charges to the Metropolitan Police Service.

5. PROPERTY, PLANT AND EQUIPMENT (including Heritage Assets)

| | Land & Buildings excluding Dwellings £000 | Dwellings £000 | Heritage £000 | Info Tech £000 | Plant & Machinery £000 | Furn & Fittings £000 | Pmts on Account & Assets under construction £000 | Total £000 |
|--|--|-------------------|------------------|-------------------|---------------------------|-------------------------|---|----------------|
| Cost or valuation | | | | | | | | |
| At 1 April 2010 | 41,408 | 3,647 | 52,834 | 61 | 699 | 4,134 | 132 | 102,915 |
| Additions | 344 | 103 | 366 | 72 | 112 | 148 | 1,681 | 2,826 |
| Disposals | (394) | | | (11) | | (23) | | (428) |
| Reclassifications | 132 | | | | | | (132) | 0 |
| Revaluation | (6) | 3 | (314) | | | | | (317) |
| At 31 March 2011 | 41,484 | 3,753 | 52,886 | 122 | 811 | 4,259 | 1,681 | 104,996 |
| Depreciation | | | | | | | | |
| At 1 April 2010 | 21,990 | 2,298 | 28,533 | 32 | 303 | 2,818 | 0 | 55,974 |
| Charged in year | 802 | 42 | 248 | 13 | 67 | 202 | 0 | 1,374 |
| Disposals | (333) | | | (11) | | (22) | | (366) |
| Reclassifications | | | | | | | | |
| Revaluation | 914 | 114 | (118) | | | | | 910 |
| At 31 March 2011 | 23,373 | 2,454 | 28,663 | 34 | 370 | 2,998 | 0 | 57,892 |
| Net book value at 31 March 2011 | 18,111 | 1,299 | 24,223 | 88 | 441 | 1,261 | 1,681 | 47,104 |
| Cost or valuation | | | | | | | | |
| At 1 April 2011 | 41,484 | 3,753 | 52,886 | 122 | 811 | 4,259 | 1,681 | 104,996 |
| Additions | 525 | 66 | 715 | 74 | 1,401 | 18 | 500 | 3,299 |
| Disposals | 0 | 0 | 0 | 0 | 0 | (16) | 0 | (16) |
| Reclassifications | 1,285 | 0 | 0 | 0 | 256 | 19 | (1,611) | (51) |
| Revaluation | (1,714) | 0 | (752) | 0 | 0 | 0 | 0 | (2,466) |
| At 31 March 2012 | 41,580 | 3,819 | 52,849 | 196 | 2,468 | 4,280 | 570 | 105,762 |
| Depreciation | | | | | | | | |
| At 1 April 2011 | 23,373 | 2,454 | 28,663 | 34 | 370 | 2,998 | 0 | 57,892 |
| Charged in year | 831 | 41 | 279 | 26 | 100 | 201 | 0 | 1,478 |
| Disposals | 0 | 0 | 0 | 0 | 0 | (13) | 0 | (13) |
| Reclassifications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation | (1,712) | 0 | (1,195) | 0 | 0 | 0 | 0 | (2,907) |
| At 31 March 2012 | 22,492 | 2,495 | 27,747 | 60 | 470 | 3,186 | 0 | 56,450 |
| Net book value at 31 March 2012 | 19,088 | 1,324 | 25,102 | 136 | 1,998 | 1,094 | 570 | 49,312 |

Land and buildings are valued in accordance with the accounting policy described at Note 1.1b. Drivers Jonas Deloitte, a member of the Royal Institute of Chartered Surveyors, undertook the professional valuation of property for 2011-12 as at 31 March 2012. Property usage dictates whether VAT should be included in the valuation of a property. TRP has reviewed property usage and taken the valuation accordingly.

Depreciation has not been charged on freehold land, which is stated at its 1999 valuation of £20,000 plus £3,000 for land purchased in 1999-2000. The table above includes Freehold buildings as shown below:

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| Freehold Buildings | 2011-12 | 2010-11 |
|-----------------------------------|----------------|----------------|
| | £000 | £000 |
| Opening valuation | | |
| At 1 April | 2,608 | 2,421 |
| Revaluation increase | 0 | 187 |
| At 31 March | <u>2,608</u> | <u>2,608</u> |
| Depreciation | | |
| At 1 April | 1,946 | 1,617 |
| Charged in year | 9 | 10 |
| Revaluation | 0 | 319 |
| At 31 March | <u>1,955</u> | <u>1,946</u> |
| Net book value at 31 March | <u>653</u> | <u>662</u> |

Depreciation is not charged on pure heritage non operational assets.

Pembroke Lodge in Richmond Park is leased out to a concessionaire on a 97 year lease of which 79 years remained unexpired at 31 March 2012. The property is included in heritage assets at a gross current replacement cost of £3.677m (2010-11 £3.677m).

During 2011-12 the 5-year rolling revaluation programme, for buildings, was continued with 20 per cent of properties subject to physical revaluation, in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The net result of this was a decrease in Gross Current Replacement Cost of £2.466m and an increase in Net Current Replacement Cost of £0.441m of which £0.559m was charged through the SOCNE, and £1.001m was accounted for through reserves. In the prior year the proportion of the net revaluation (2010-11 £0.446m) which took net current replacement cost below historic net book value was charged to the SOCNE while the remainder (2010-11 £0.781m) was accounted for through the reserves.

Dwellings and heritage assets include residential lodges which are being refurbished under the Better Buildings Program (see page 35). Assets under construction include costs of refurbishment of some residential dwellings.

6. Heritage Assets

Details of Heritage Assets and asset movements over the current and previous year are set out below:

| | Non operational | | Operational | | Heritage Assets |
|--|-----------------|----------------------|-----------------|----------------------|-----------------|
| | At cost £000 | At Valuation £000 | At cost £000 | At Valuation £000 | Total £000 |
| Cost or valuation | | | | | |
| At 1 April 2010 | 2,868 | 3,390 | 1,665 | 44,911 | 52,834 |
| Additions | | | 366 | | 366 |
| Revaluation | | | | (314) | (314) |
| At 31 March 2011 | 2,868 | 3,390 | 2,031 | 44,597 | 52,886 |
| Depreciation | | | | | |
| At 1 April 2010 | 0 | 70 | 85 | 28,378 | 28,533 |
| Charged in year | | | 81 | 167 | 248 |
| Revaluation | | | | (118) | (118) |
| At 31 March 2011 | | 70 | 166 | 28,427 | 28,663 |
| Net book value at 31 March 2011 | 2,868 | 3,320 | 1,865 | 16,170 | 24,223 |
| Cost or valuation | | | | | |
| At 1 April 2011 | 2,868 | 3,390 | 2,031 | 44,597 | 52,886 |
| Additions | | | 715 | | 715 |
| Reclassifications | | | (126) | 126 | 0 |
| Revaluation | | | | (752) | (752) |
| At 31 March 2012 | 2,868 | 3,390 | 2,620 | 43,971 | 52,849 |
| Depreciation | | | | | |
| At 1 April 2011 | | 70 | 166 | 28,427 | 28,663 |
| Charged in year | | | 103 | 176 | 279 |
| Reclassifications | | | (11) | 11 | 0 |
| Revaluation | | | | (1,195) | (1,195) |
| At 31 March 2012 | | 70 | 258 | 27,419 | 27,747 |
| Net book value at 31 March 2012 | 2,868 | 3,320 | 2,362 | 16,552 | 25,102 |

The net book value of Non Operational Heritage Assets at 31st March 2012 included in above and in note 5 is £6.188m and the net book value of Operational Heritage assets included in above and in note 5 is £18.914m.

Revaluation of heritage assets included in the above table was as follows: 2011-12, £0.443m, 2010-11 £0.098m.

The table below sets out a breakdown of off balance sheet heritage assets by number:-

| | | | |
|-----------|----|-------------|---|
| Monuments | 35 | Band stands | 3 |
| Statues | 35 | Fountains | 9 |
| Other | 15 | | |

7. INTANGIBLE ASSETS

Intangible assets comprise software.

| | 2011-12 £000 | 2010-11 £000 |
|-----------------------------------|-----------------|-----------------|
| Cost or valuation | | |
| At 1 April | 498 | 484 |
| Additions | 12 | 21 |
| Disposals | (63) | (7) |
| Reclassifications | 51 | 0 |
| At 31 March | 498 | 498 |
| Depreciation | | |
| At 1 April | 254 | 197 |
| Charged in year | 68 | 64 |
| Disposals | (63) | (7) |
| At 31 March | 259 | 254 |
| Net book value at 31 March | 239 | 244 |

8. FINANCIAL INSTRUMENTS

As the cash requirements of the Agency are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements and the Agency is therefore exposed to little credit, liquidity or market risk.

The majority of funding from DCMS is taken directly to Reserves (See Statement of Changes in Taxpayers' Equity). Given that 55% (2010-11: 55%, 2009-10: 57%) of income is from the Estimates process the Agency is not subject to a material liquidity risk.

TRP has a Government Banking Service bank account and does not hold any other significant cash balances. It does not have any finance leases or loans, and as a result it is not subject to interest rate risk. TRP has no dealings with foreign currency and is not subject to currency fluctuation risk.

Provision has been made against certain specific receivables where the collectability is uncertain, having regard to the payment history of the receivable and specific knowledge of any dispute of the amount owed.

9. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

| | 2011-12 £000 | 2010-11 £000 |
|---|-----------------|-----------------|
| Amounts falling due within one year: | | |
| Trade receivables | 1,258 | 2,244 |
| Impairment of Receivables | (117) | (257) |
| Other receivables | 34 | 26 |
| Value Added Tax | 378 | 544 |
| Prepayments & accrued income | 1,024 | 434 |
| | 2,577 | 2,991 |

Contained within Trade receivables are amounts due from Other Central Government Departments (£0.450m) and Local Authorities (£0.249m). TRP is not materially exposed to concentrations of credit risk to a single trade receivable or group of receivables.

10. CASH AND CASH EQUIVALENTS

| | 2011-12 £000 | 2010-11 £000 |
|---|-----------------|-----------------|
| Balance at 1 April | 2,614 | 4,570 |
| Net change in cash and cash equivalent balances | (2,930) | (1,956) |
| Balance at 31 March | (316) | 2,614 |

The following balances at 31 March were held at:

| | | |
|-----------------------------------|--------------|--------------|
| Government Banking Service | (374) | 674 |
| Commercial banks and cash in hand | 58 | 1,940 |
| Balance at 31 March | (316) | 2,614 |

TRP forms part of the Department for Culture, Media and Sport cash management group. Cash was made available to fund the payments in transit at year end that resulted in the negative cash balance.

11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

| | 2011-12 £000 | 2010-11 £000 |
|---|-----------------|-----------------|
| Amounts falling due within one year: | | |
| Trade payables | 624 | 828 |
| Accruals | 7,553 | 5,516 |
| Deferred Income | 552 | 678 |
| | 8,729 | 7,022 |

Contained with Trade payables are amounts payable to Other Central Government Departments (£0.194m), Public Corporations and Trading Funds (£0.177m) and Local Authorities (£0.136m). TRP is not materially exposed to concentrations of liquidity risk to a single trade creditors or group of creditors.

12. PROVISIONS FOR LIABILITIES AND CHARGES

| | Early departure costs £000 | Outstanding claims £000 | Total £000 |
|--------------------------------------|-------------------------------------|-------------------------------|---------------|
| 2010-11 | | | |
| Balance at 31 March 2010 | 198 | 268 | 466 |
| Provided in the year | 1 | 242 | 243 |
| Provisions not required written back | | (64) | (64) |
| Provisions utilised in the year | (21) | (132) | (153) |
| Balance at 31 March 2011 | 178 | 314 | 492 |
| 2011-12 | | | |
| Provided in the year | 5 | 228 | 233 |
| Provisions not required written back | | (29) | (29) |
| Provisions utilised in the year | (17) | (81) | (98) |
| Balance at 31 March 2012 | 166 | 432 | 598 |

Analysis of expected timing of discounted flows

| | Early departure costs £000 | Outstanding claims £000 | Total £000 |
|---------------------------------|-------------------------------------|-------------------------------|---------------|
| In the year to 2013 | 18 | 432 | 450 |
| Between 2014 and 2018 | 38 | | 38 |
| Between 2019 and 2023 | 19 | | 19 |
| Thereafter | 91 | | 91 |
| Balance at 31 March 2012 | 166 | 432 | 598 |

12.1 Early departure costs

The agency meets the additional costs of benefits beyond the normal Principal Civil Service Pension Scheme (PCSPS) benefits in respect of employees who retire early by paying the required amounts monthly to the PCSPS over the period between early departure and normal retirement date. The agency provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments. Where material discount rates provided by HM Treasury are used when arriving at the provision included in the statement of financial position.

12.2 Outstanding Claims

TRP has a number of outstanding claims for compensation for personal injury. Where management judge that there is likely to be a settlement a provision has been made, but no provision has been made where the outcomes are unlikely or uncertain. Management judge that the claims included in the provision will be settled within the next year.

13. CAPITAL COMMITMENTS

| | 2011-12 £000 | 2010-11 £000 |
|---|-----------------|-----------------|
| Contracted capital commitments at 31 March 2012 for which no provision has been made: | | |
| Property, plant and equipment | 289 | 849 |

14. COMMITMENTS UNDER OPERATING LEASES

Total commitments under operating leases to pay rentals during the years following the year of these accounts are given in the table below, analysed according to the period in which payments fall due.

| | 2011-12 £000 | 2010-11 £000 |
|---|-----------------|-----------------|
| Obligations under operating leases comprise: | | |
| Other: | | |
| Not later than 1 year | 83 | 78 |
| Later than 1 year and not later than 5 years | 34 | 92 |
| Later than 5 years | 0 | 0 |
| | 117 | 170 |

15. RELATED PARTY TRANSACTIONS

TRP is an agency of DCMS. DCMS is regarded as a related party. During the year, the Agency has had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent Department: Sports England, the Heritage Lottery Fund, and Historic Royal Palaces.

In addition, TRP has had various material transactions with the Crown Estate and the RPF. TRP Non-Executive Directors, the Hon Apurv Bagri and Andrew Fenwick are trustees of the Foundation and from 3rd June 2011, its date of incorporation, Mr Fenwick became one of the directors of the Royal Parks Foundation Trading Company Limited, a wholly owned subsidiary of the Foundation.

During the year the RPF assumed responsibility for the new LookOut Education Centre and delivery of education in Hyde Park and Kensington Gardens. An agreement was entered into for a licence of 20 years duration, with an option to extend for a further 5 years, at a peppercorn rent. TRP commenced construction of the LookOut building in 2010-11 and completed the project in late summer 2011.

Under the agreement the Foundation provides education and community engagement programmes to schools and the public and occupies the LookOut, with a team of education volunteers. TRP contributed £150,000 in the year towards the setting up costs incurred, and has undertaken to underwrite further amounts of £150,000 and £100,000 in the following two years dependant on the success of fundraising undertaken by the Foundation.

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The Foundation has raised and is holding restricted reserves and pledges amounting to £948k, including £622k towards the restoration of the Italian Gardens, installation of a new fountain in St James's Park and drinking fountains across the estate. During the year TRP received £1.806m from the Foundation (2010-11 £0.01m, 2009-10 £0.657m, 2008-9 £0.044m), of which £1.727m was used to fund the construction of the Look Out building.

During the year, no Board member, key manager or other related parties has undertaken any material transactions with TRP.

16. EVENTS AFTER REPORTING DATE

The Accounting Officer authorised these financial statements for issue on the Comptroller and Auditor General certification date. There were no events after the reporting date.

17. CHANGE IN ACCOUNTING POLICY – DONATED ASSET FUNDING

Under IAS 20 and as interpreted by the FReM paragraph 6.2.71 the funding element of donated assets is now recognised as income in the Statement of Comprehensive Expenditure. In prior years this income had been used to create a donated assets reserve which was written off to the Statement of Comprehensive Net Expenditure as notional income in direct proportion to the years donated asset depreciation.

The adjustments to prior year's figures are shown below:

| Restatement of Reserves | General Fund | Revaluation Reserve | Donated Asset Reserve | Total Reserves |
|---|---------------|---------------------|-----------------------|----------------|
| | £000 | £000 | £000 | £000 |
| Balance at 31st March 2010 | 23,768 | 14,783 | 6,953 | 45,504 |
| Donated Assets reserve written off to General Fund | 6,953 | | (6,953) | 0 |
| Adjusted Balance at 31st March 2010 | 30,721 | 14,783 | 0 | 45,504 |
| | | | | |
| Balance at 31st March 2011 | 25,849 | 13,308 | 6,290 | 45,447 |
| Increase in Revaluation Reserve relating to donated asset revaluations previously held in the Donated Asset Reserve | | 162 | (162) | 0 |
| Donated Assets reserve written off to General Fund | 6,128 | | (6,128) | 0 |
| Adjusted Balance at 31st March 2011 | 31,977 | 13,470 | 0 | 45,447 |

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Restatement of Comprehensive Net Expenditure

| | £000 |
|---|---------------|
| Total Comprehensive Expenditure for the year ended 31 March 2011 | 16,063 |
| Remove notional income re depreciation and impairments on donated assets | 663 |
| Donated asset impairments which are now written off against the revaluation reserve rather than the SOCNE | <u>(315)</u> |
| Restated Total Comprehensive Expenditure for the year ended 31 March 2011 | <u>16,411</u> |

Appendices – Heritage assets – examples of Monuments not included in the Statement of Financial Position

| | |
|---------------------------|---|
| Name of monument | Albert Memorial – Kensington Gardens |
| Description | One of London’s most ornate monuments. Includes: a gilded statue of Prince Albert, husband of Queen Victoria; groups of sculptures representing industrial arts and sciences and the continents of Europe, Asia, African and America; and a frieze of 169 leading musicians, poets, painters, sculptors and architects. |
| Location | Albert Memorial Road, opposite the Royal Albert Hall. |
| History\background | Commemorates the death of Prince Albert in 1861 from typhoid. |
| Designer | George Gilbert Scott. |
| Dates | Unveiled 1872 |
| Name of monument | Diana Fountain – Bushy Park |
| Description | Bronze statue of goddess (sometimes described as Arethusa) on a marble and stone fountain, surrounded by bronzes of four boys, four water nymphs and four shells. |
| Location | Centre of the round basin at the junction of Chestnut and Lime Avenues. |
| History\background | Designed for Henrietta Maria, wife of King Charles I and originally set in her garden at Somerset House. It was moved to the Privy Garden of Hampton Court in 1656. In 1712 the fountain and statue were moved to Bushy Park to the middle of Chestnut Avenue, designed by Sir Christopher Wren. The fountain was restored in 2009 as part of the Bushy Park Restoration Project. |
| Designer | Hubert Le Sueur. |
| Dates | Statue designed in 1637 |
| Name of monument | Duke of York statue – St James’s Park |
| Description | Bronze statue of the Duke of York on a 124ft column. |
| Location | At the top of the Duke of York Steps, on the north side of The Mall. |
| History\background | Installed in memory of Frederick William (1763-1827), Commander in Chief of the British Army and second son of King George III. He is probably <i>The Grand Old Duke of York</i> of the nursery rhyme. |
| Designer | Statue by Sir Richard Westmacott; column by Benjamin Wyatt. |
| Dates | 1834 |

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| | |
|---------------------------|--|
| Name of monument | Hylas and the Nymph statue – Regent’s Park |
| Description | Grade II listed bronze statue of a boy and a mermaid on a stone pedestal, set in a stone-rimmed pond. |
| Location | St John’s Lodge Garden, north east of Inner Circle. |
| History\background | Donated by the Royal Academy of Arts. |
| Designer | Henry Pegram. |
| Dates | 1933 |
| Name of monument | Queen Victoria Memorial – Green Park |
| Description | Comprises the Dominion Gates (see above), Memorial Gardens and the vast central monument to Queen Victoria. The monument is 25m (82ft) high and uses 2,300 tonnes of white Carrara marble. As well as Victoria, there are statues representing courage, constancy, victory, charity, truth and motherhood. |
| Location | At the south west end of The Mall, opposite Buckingham Palace. |
| History\background | Commemorates the death of Queen Victoria in 1901. |
| Designer | Central monument by Sir Thomas Brock; overall design by Sir Aston Webb. |
| Dates | Assembled 1906-24. Formal unveiling in 1911 by King George V. |
| Name of monument | General James Wolfe (1727-1759) – Greenwich Park |
| Description | |
| Location | Viewpoint near the Royal Observatory Greenwich, overlooking the north section of Greenwich Park. |
| History\background | The statue commemorates Wolfe’s victory against the French at Quebec which secured Canada for the British. Wolfe, whose parents lived in Macartney House on the edge of the park, died in the battle. The monument, a Grade II listed structure, was a gift of the Canadian people. |
| Designer | Dr Tait Mackenzie. |
| Dates | 1930. |



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