



Annual Report and Accounts 2017 - 2018

TUESDAY



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COMPANIES HOUSE

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Company Number: 10016100**

**TRP Trading Company Limited
Company Number: 10555909**

**Royal Parks Foundation Trading Company Limited
Company Number: 07657918**

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THE ROYAL PARKS

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Chairman's Statement

The Royal Parks has just marked its first birthday as a charity and I am very pleased to introduce its Annual Report for 2017-2018.

The organisation's move from a government agency to its new status as a charity finally came to fruition in March last year and was formally launched by its patron, HRH The Prince of Wales on 13 July 2017. This long held ambition is one of the most significant changes to the oversight arrangements of the parks since 1851, when they were brought into the care of government.

The full benefits of the new arrangements will emerge in the coming years, but already the management and financial flexibilities now available are allowing us to plan for the long term and explore new philanthropic opportunities. This will support the organisation's charitable objects for the benefit of the 77 million visitors to the parks each year.

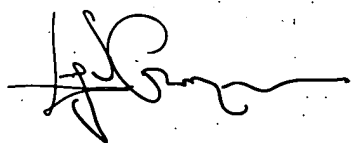
I am delighted that, in its first year, the success of the Charity's income generation and prudent financial management has enabled it to secure a reserve which brings greater stability in deploying the resources needed to manage the parks in its care.

Of course, the pressures on the Charity are not just financial. Environmental challenges such as climate change, new pests and diseases, and pollution present threats that need to be addressed. We also need to be mindful of the impact of a rising population and plan accordingly, to accommodate more visitors in the most sustainable way possible.

Balancing the needs of all of our visitors is crucial, given that serving our visitors is at the very heart of what we do. This report highlights some of the many activities and facilities that we provide, but this is merely a snapshot of the varied and vibrant activities that take place in each park.

I am very grateful to my fellow Trustees, The Royal Parks staff, contractors, partner organisations and our many friends groups and volunteers, without whom we could not offer the service we do.

Thank you all.



LOYD GROSSMAN CBE



Chief Executive's Foreword

When I arrived at The Royal Parks three years ago, the organisation's move from a government agency to an independent charity was still an aspiration with many potential hurdles ahead. We knew the opportunities that the new status could bring were very significant but needed to find the right mechanism to achieve the desired result. I am delighted that the hard work paid off and The Royal Parks finally became an independent charity last year.

This has been a challenging time for the organisation as we have embedded new governance and financial arrangements, but I am pleased that the new charity has achieved a sound financial footing in its first year. We continue to focus on getting best value from our contracts and look at ways to increase our commercial income. As our government funding reduces, we must find ways to do more with less, and seek out opportunities to increase revenue in ways that do not undermine the intrinsic qualities of the parks.

During this period of change we have continued to care for our quality bio-diverse landscapes and fund a programme of capital investment and maintenance improvements. Determining the projects to prioritise, and monitoring their impact is key to ensuring a process of continual improvement, by learning from what has worked, as well as from those things that have not succeeded as intended.

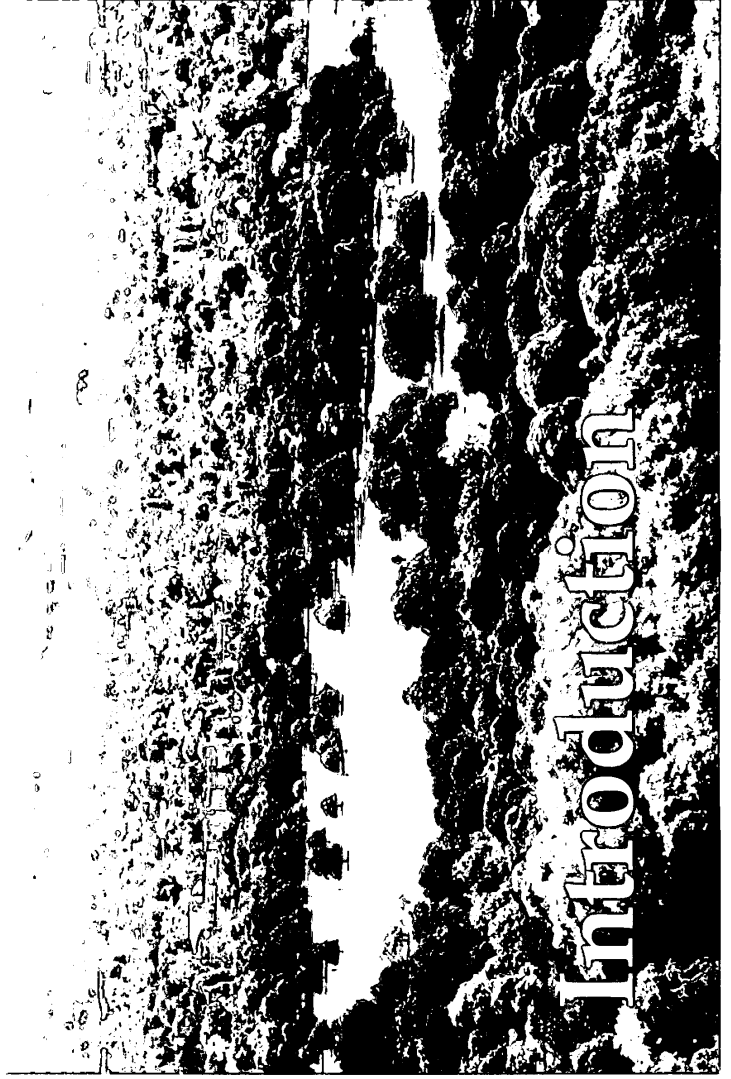
We have also undertaken a senior staff structural review to ensure that we place our resources in the right places as we navigate the new charity landscape. This is now complete and we are delighted to welcome those who have joined us in recent months.

I would like to thank the Board for their support and help in setting strategic priorities for the organisation that seek to secure the parks for future generations. Our Trustees, along with our staff, contractors and volunteers provide an invaluable service in making our parks so special.



ANDREW SCATTERGOOD

Introduction



Annual Report of the Trustees (including Directors' Report)

The Royal Parks charity ("the Charity") was created on 16 March 2017 and formally unveiled by HRH The Prince of Wales on 13 July 2017.

The Charity is a result of the merger between The Royal Parks Agency – a former executive agency of the Department for Digital, Culture, Media and Sport (DCMS) which was previously responsible for managing and preserving the parks - and the Royal Parks Foundation which was responsible for fundraising and education work across the parks.

We manage over 5,000 acres of historic parkland and open spaces across London. This includes eight Royal Parks: Hyde, The Green, St James's, The Regent's and Primrose Hill, Richmond, Greenwich and Bushy Parks, and Kensington Gardens. We also manage other important public spaces including Brompton Cemetery and Victoria Tower Gardens. Our parks are among the most visited attractions in the UK, with a total of over 77 million visitors each year.



Our Aims and Objectives

As guardians of these remarkable spaces, we are committed to achieving the following charitable objects:

- **to protect, conserve, maintain and care for the Royal Parks**, including their natural and designed landscapes and built environment, to a high standard consistent with their historic, horticultural, environmental and architectural importance;
- **to promote the use and enjoyment of the Royal Parks for public recreation, health and wellbeing** including through the provision of sporting and cultural activities and events which effectively advance the objects;
- **to maintain and develop the biodiversity of the Royal Parks**, including the protection of their wildlife and natural environment, together with promoting sustainability in the management and use of the Royal Parks;
- **to support the advancement of education** by promoting public understanding of the history, culture, heritage and natural environment of the Royal Parks and (by way of comparison) elsewhere;
- **to promote national heritage** including by hosting and facilitating ceremonies of state or of national importance within and in the vicinity of the Royal Parks.

Public Benefit

In shaping the objectives for the year and planning the Charity's activities, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The parks are for everyone and are free to visit 365 days of the year. They mean different things to different people at different times. Our parks include **listed landscapes, a World Heritage Site, a Special Area of Conservation, a National Nature Reserve and two Sites of Special Scientific Interest**. It is our responsibility to care for and improve the parks, and to ensure that they are handed on to future generations in the best possible condition. Caring for these remarkable spaces presents challenges - environmental, social and financial - that need to be continually addressed if the parks are to be protected and enhanced. Changes must be sympathetic to the environment, the aesthetic and history of the space, while also accommodating and addressing current needs and pressures.

Information on how we plan for the future can be found on page 22. Administrative details can be found on page 50.



Strategic Report



Flowerbeds outside Buckingham Palace

Highlights

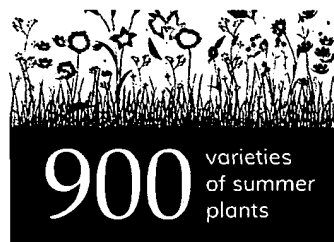
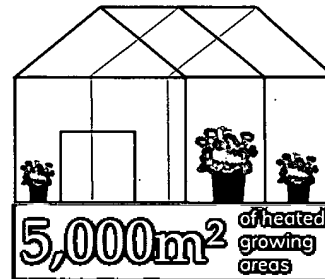
We have focussed on those activities that have had the biggest impact and meet at least one of our charitable objects, as outlined on page 10.

Hyde Park Nursery

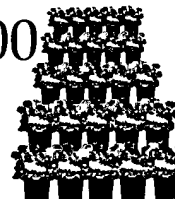
We opened our new state-of-the-art nursery in Hyde Park in early 2018. The high-tech, purpose-built glasshouse is 8,000m² and grows all 450,000 bedding plants and shrubs needed for the world-class flower displays across all of our parks, including those in front of Buckingham Palace. The £5m building replaced the former 1960s nursery and is the UK's first major glasshouse that enables the roof to open and close, depending on the weather.

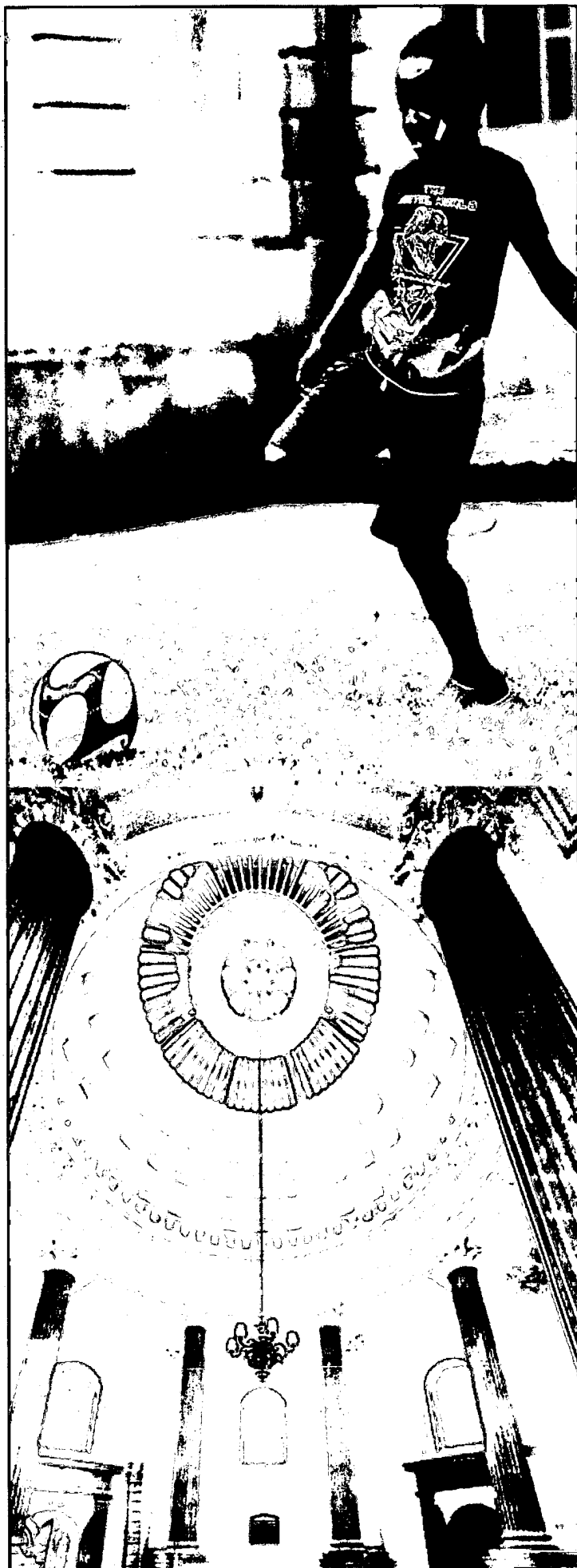
300

varieties of
autumn and
winter plants



450,000
plants
grown
annually





Brompton Cemetery Restoration Project

In 2016 The Royal Parks Agency was awarded a £4.5m grant from the Heritage Lottery Fund (HLF) and BIG Lottery, as part of a £6.2m project, to restore the Victorian architecture and landscape of Brompton Cemetery, and improve visitor facilities. We have continued this project, which was completed in April 2018, with the magnificent Victorian chapel restored and now open to the public, and the building of a new café and visitor and research centre. It has successfully delivered improvements to the cemetery without undermining its intrinsic qualities.

The restoration project has brought a much-loved Victorian cemetery into the 21st century, through bespoke conservation techniques, digital interpretation and a unique calendar of community events.

**The Brompton Cemetery
Restoration Project
won the award for
Best Restoration or
Conservation at the
Museum & Heritage
Awards 2018.**



Pest Mitigation

We have worked hard with our partners to mitigate the impact of pests and diseases that threaten the tree stock across the parks.

For example, staff, volunteers and contractors in Bushy and Richmond Parks have been undertaking the identification and control of oak processionary moth, an invasive, non-native insect pest of oak trees which can pose a threat to human, animal and tree health.

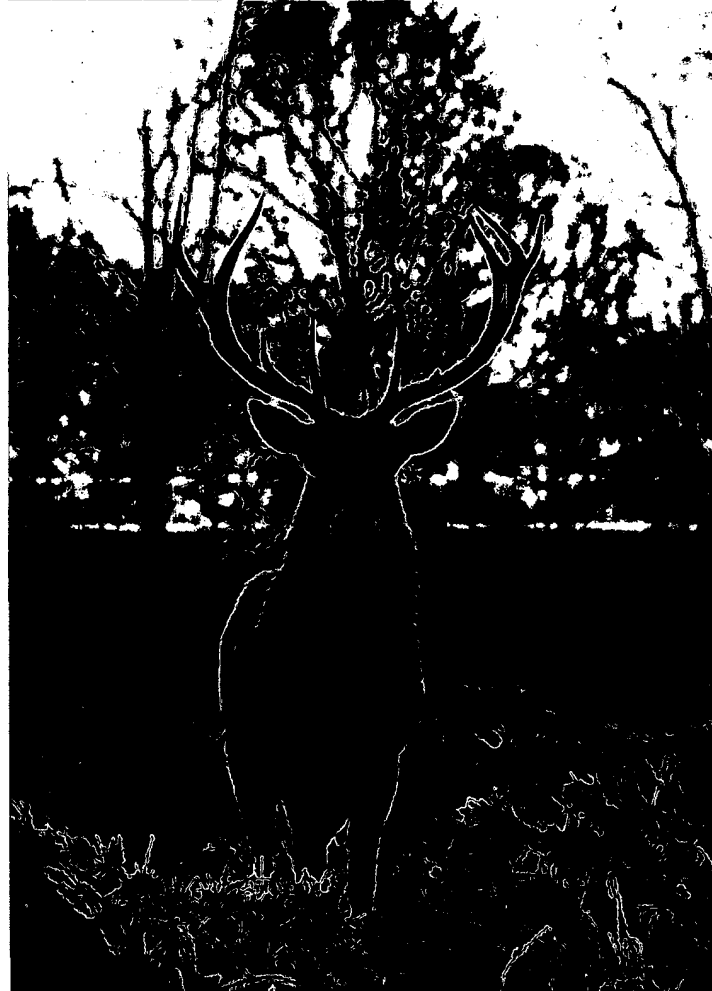


Photo: Max Ellis

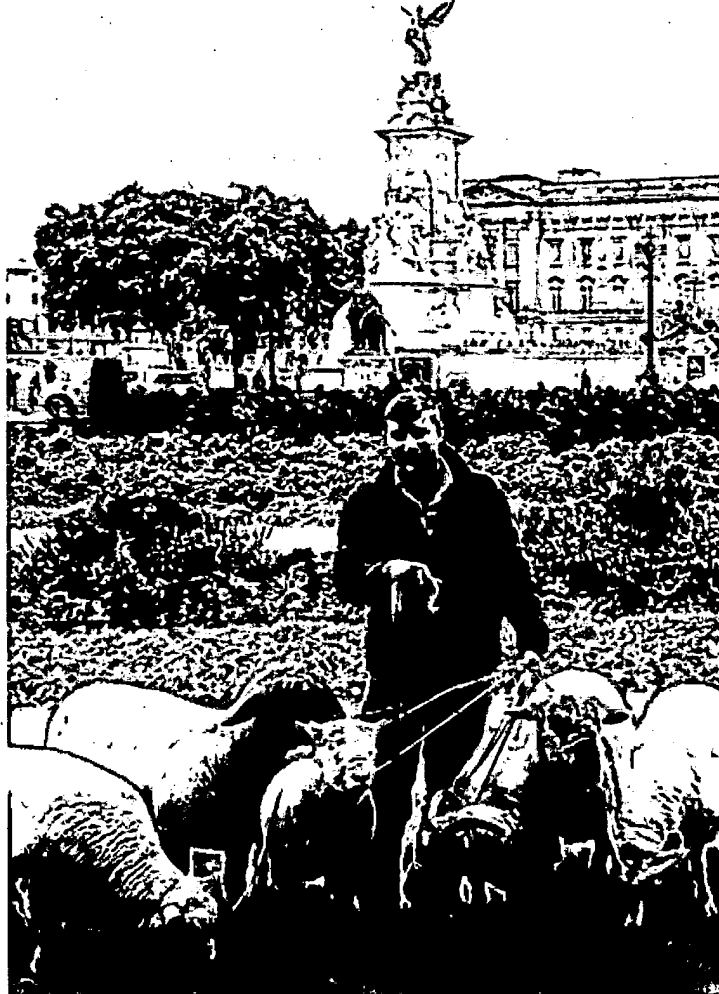
Habitat Improvement

Throughout the year, we have maintained our programme of habitat improvement. This included extending existing reed beds and creating new habitats on the lake margins in St James's Park. In Bushy Park, the invasive rhododendron ponticum was cleared, we increased planting in the Bog Garden and improved both landscape and habitation in the Pheasantry Plantation's Keepers Wood area.



Horse-Drawn Mowers

In Kensington Gardens, we continued to improve the biodiversity on Buck Hill, and this is the third year that the wildflower meadow was cut using a horse-drawn mower. One of the advantages of using shire horses is that the meadow takes on a more authentic appearance, as the grass is cut more roughly. The traditional method also helps germinate wild flower seeds and the lighter tread of the horses' hooves is easier on the soil.



Grassland Grazing

During Summer 2017 we introduced sheep into the meadows of The Green Park. Grazing improves the grassland and creates a more diverse habitat, encouraging nectar-rich plants to flourish.

Hosting Commemorative Events

We continued our long tradition of hosting commemorative events in St James's Park and The Green Park, such as the state visit for the King and Queen of Spain, State Opening of Parliament, and gun salutes.

Horse Guards Parade hosted a drumhead service attended by HM The Queen and the Duke of Edinburgh prior to the unveiling of the Iraq and Afghanistan Memorial at Embankment Gardens.

Photo © Paul Keene



Greenwich Park Revealed

We made a successful grant application to the HLF and BIG Lottery Fund under the 'Parks for People' grant programme, for the Greenwich Park Revealed project. In December 2017, we were awarded development funding for 18 months to work up the detail of the project, which aims to restore the historic landscape, improve visitor facilities, and provide more opportunities for volunteering, learning and work experience.



Events

We hosted a wide range of events across the parks, from small community events to those in line with our Major Events strategy. These included Winter Wonderland in Hyde Park, the UK's number one Christmas destination enjoyed by over three million people; the Chestnut Sunday fair in Bushy Park; and the free bandstand concerts in Greenwich Park organised by the Friends of Greenwich Park.

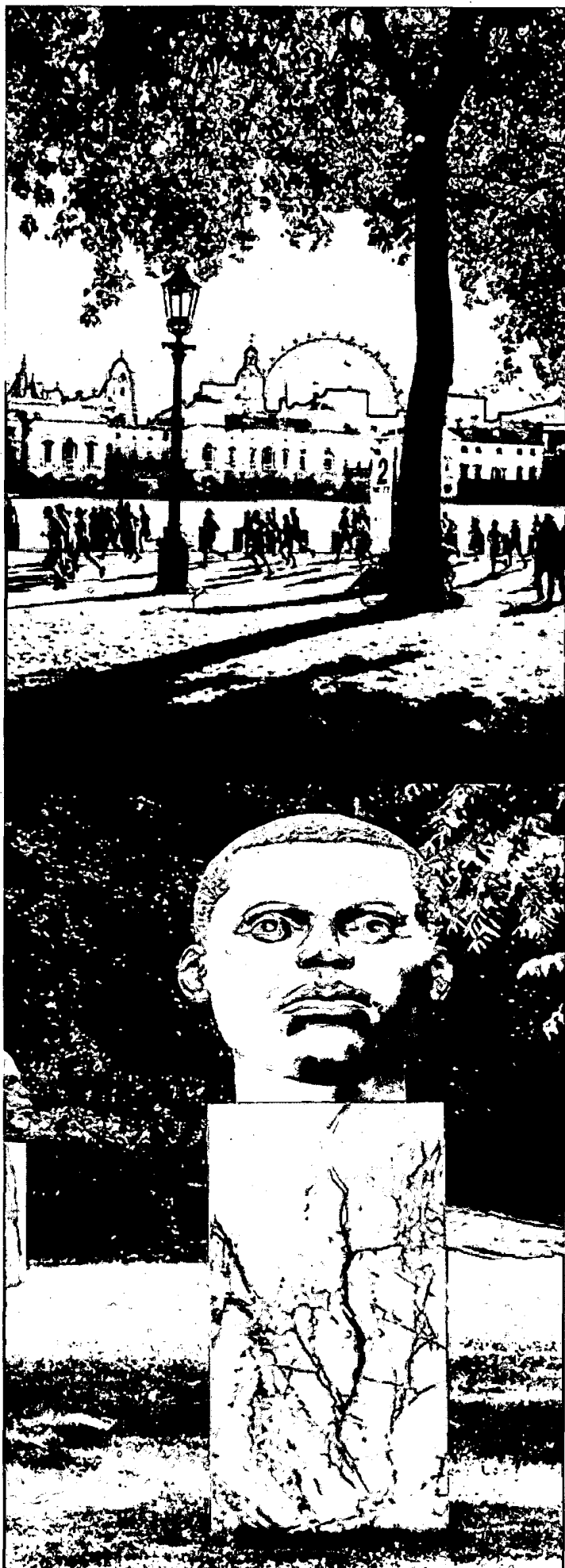
In October 2017, the Royal Parks Half Marathon celebrated its tenth anniversary with its most successful year yet. A new headline partner, Royal Bank of Canada, joined us in supporting a capacity field of 16,000 runners and tens of thousands of supporters. As well as raising significant funds for The Royal Parks, more than £6m was raised for over 530 UK charities.

Frieze Sculpture 2017 ran from July to October in The Regent's Park.

A stunning, free outdoor exhibition showcasing 25 works by some of the world's most famous sculptors, it featured an eclectic mix of globally significant pieces from antiquity to specially commissioned works.

March 2018 saw a new event, the London Marathon BIG Half Marathon. Despite snow and ice in the week before, Sunday 4 March saw 14,000 people complete the 13 mile run and relax with the BIG Half Festival in the grounds of Greenwich Park.

Thomas J Price,
Numen (Shifting Votive One,
Two and Three) (2016)
at Frieze Sculpture 2017



Sports

London Marathon Charitable Trust provided a substantial grant to support the refurbishment of the tennis facilities at Hyde Park and The Regent's Park, as part of their mission to get more people active.

We made some much needed changes to the tennis centres, including the installation of floodlights, an additional tennis court, a new Padel court, new MUGA (multi-use games area) courts and soft landscaping (including changes to the planting in the parterre beds, turfing and further native shrub planting).

We were awarded a grant by Sport England for a pilot scheme to install cutting edge technology on one of our existing football pitches in The Regent's Park. Innovative hybrid carpet was laid over an upgraded drainage system and grass sown into the carpet. The carpet allows grass to grow through it while helping to maintain the condition of the pitch throughout the year. It was the first time a pitch of this type was installed in an outdoor public sports facility in the UK.

Our natural all-grass sports pitches are designed for eight hours play a week and the new hybrid area proved to be able to take 30 hours. We have been able to provide two new nine-a-side pitches which means The Regent's Park can now offer the correct size football pitch for all age groups.

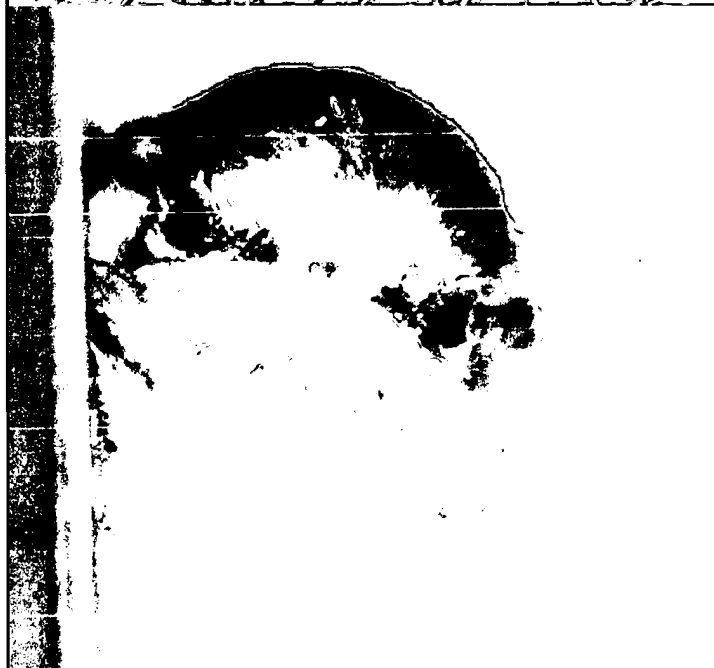


Wildlife in the Parks

Many animals live in our parks. Ensuring their survival and the balanced co-existence with other wildlife requires careful management.

The Regent's Park has one of the last surviving communities of hedgehogs in central London and we carry out an annual survey which helps inform park management plans. In September 2017, there were 36 individual hedgehogs living in The Regent's Park, 17 of which were born that year, reflecting a reassuringly successful breeding season.

Mission: Invertebrate and the hedgehog surveys are both great examples of citizen science in the park. These projects helped hundreds of people to engage in a meaningful and rewarding way with nature in the parks, while delivering important scientific information and helping us to manage the biodiversity of the parks.



Mission: Invertebrate

Following the successful application for £600,000 funding from People's Postcode Lottery, Mission: Invertebrate was launched in January 2017 to discover, celebrate and protect the invertebrates living in the Royal Parks. This year we developed new curriculum-linked school sessions, delivered to over 3,300 students across London, with 80% of visiting teachers giving us a 5/5 rating. Our programme of family activity days welcomed almost 7,000 visitors across the parks; and works to improve and provide new habitats for invertebrates included the establishment of new wildflower meadows, and conservation grazing trials to improve grassland biodiversity.

Learning in the Parks

A record 28,000 people learned about the parks' wildlife and heritage, thanks to our in-house learning team and our partners, the Field Studies Council and The Holly Lodge Centre. 16,000 primary and secondary students benefitted from year round ecology, geography and history sessions linked to the curriculum, with teachers rating their experience as 'excellent' or 'very good'. A wider 12,000 families, adults and community groups took part in free discovery days, nature play, guided walks, and engagement sessions for special educational needs groups and other hard to reach communities.

We planted in-fill trees on Lancaster Walk, a prominent north-south avenue of London plane trees in Kensington Gardens, to meet our Tree Strategy action plan for Winter 2017/18. Projects like this help us attain and retain our Green Flag and Green Heritage awards. Our efforts garnered good feedback from visitors who felt the replanting of some 60 large specimen trees reinvigorated this historic avenue.



Thanks to the success of our first year, Mission: Invertebrate received repeat funding of £600,000 for 2018. We were awarded an additional £100,000 for an educational vehicle to enable us to reach as many communities as possible.

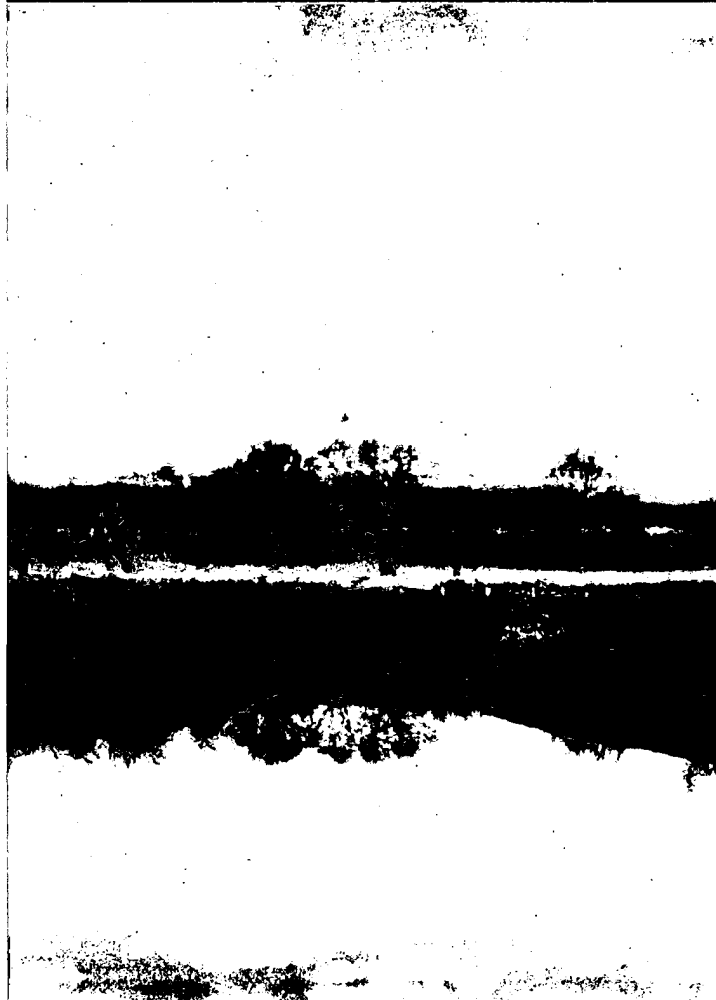
Partnership Projects

As part of an ongoing partnership project between The Royal Parks, the Friends of Richmond Park, the South East Rivers Trust and the Environment Agency, we put in a large pollutant interceptor on the storm drain that takes run-off from the public highway to the Beverley Brook in Richmond Park. This prevents contaminated road sediment from reaching the brook and improves the quality of water for species that rely on this watercourse.

In St James's Park we completed Phase II of the restoration of the wall behind Queen's Gardens, part of the original Aston Webb design. This was a complicated and painstaking project to dismantle every piece of the wall, install steel supports and place it all back together again to preserve it for the next 100 years.

Beautiful Backdrops

The Royal Parks provided stunning backdrops to many feature films and television programmes last year and was an important source of income for the Charity. St James's Park featured as a location for the feature film, *Peter Rabbit*; Hyde Park and Kensington Gardens featured as locations in the BBC hit drama, *McMafia*; Richmond Park appeared in Netflix's *The Crown*; and The Regent's Park was the location for Channel 5's special, *Meet the Hedgehogs*.



Planning for the Future

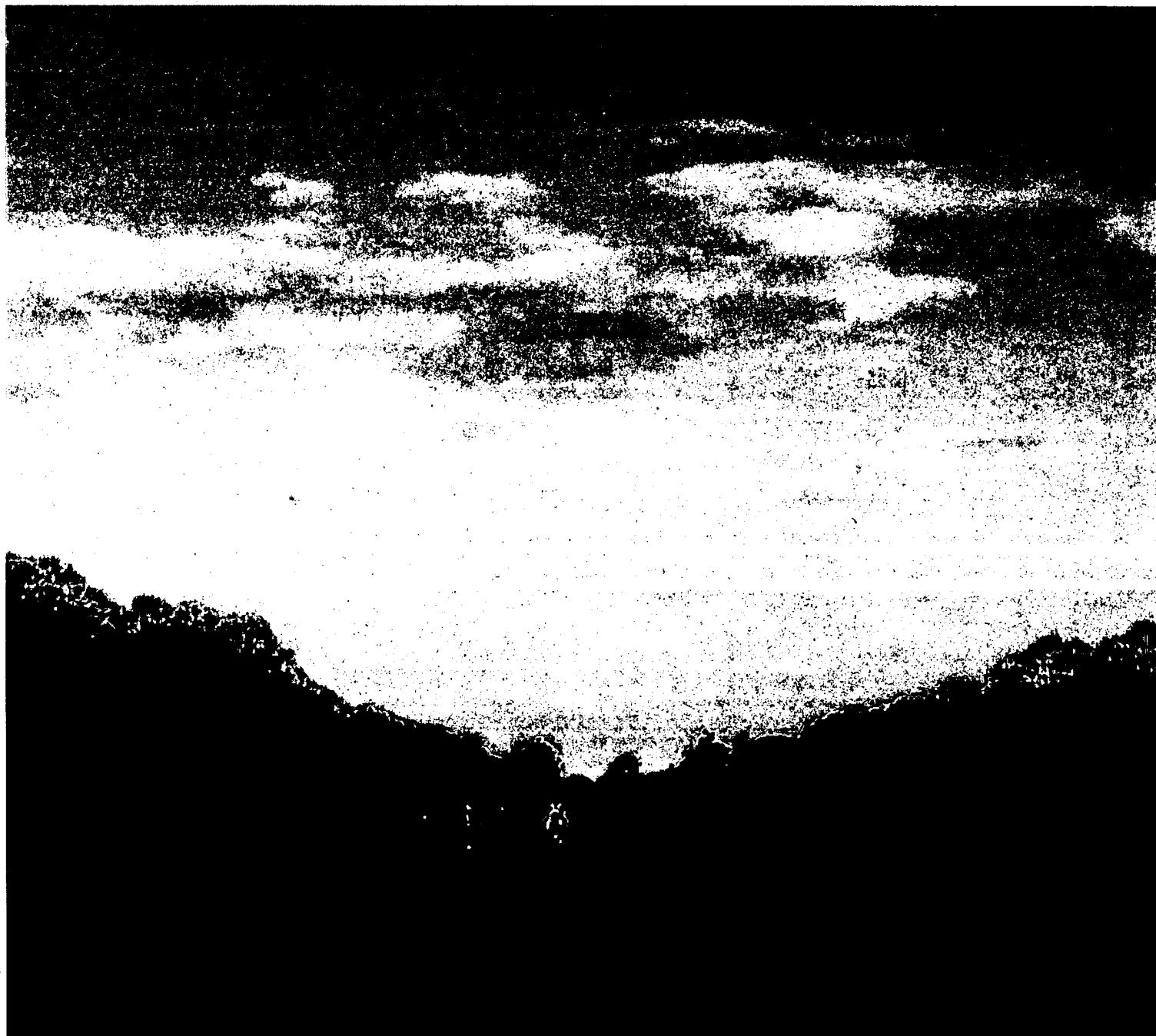
Our Priorities

The Board's priority during its first year was to set a clear direction for the new Charity to ensure it had the necessary financial, policy and operational foundations to underpin its long-term viability.

In the context of the Charity's purpose to 'care for the parks for everyone to enjoy now and in the future', the Board agreed a Strategic Plan covering the next three years (2018-21).

The plan identified four key areas of activity:

- Protecting and Conserving;
- Welcoming and Improving;
- Building a Secure Future; and
- People and Partnership.

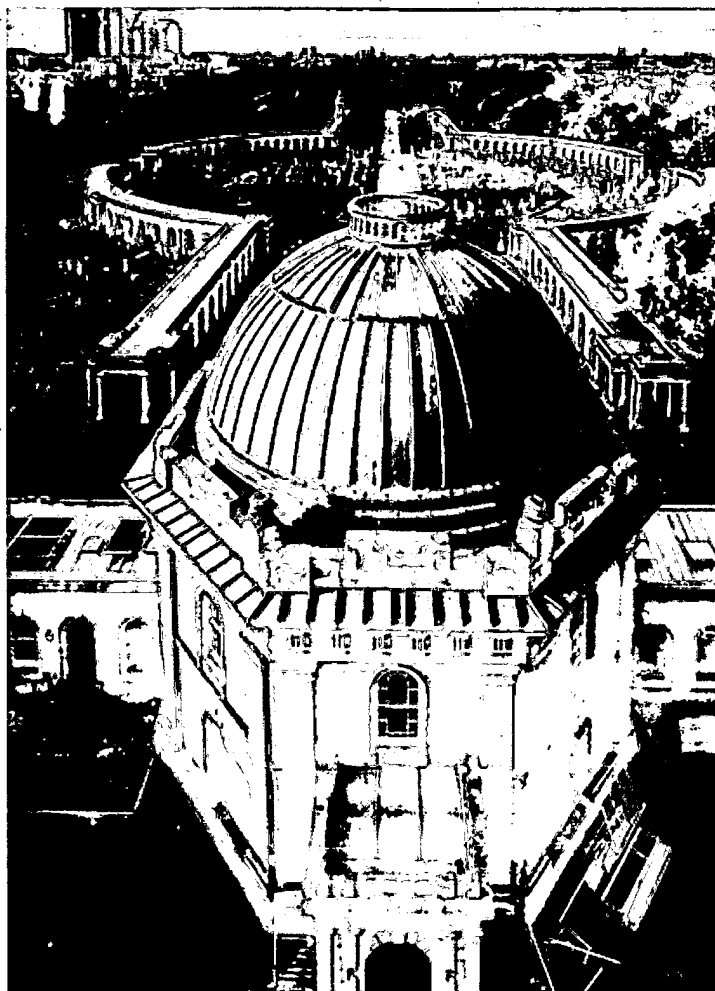


1. Protecting and Conserving

Our parks include listed landscapes, a World Heritage Site, a Special Area of Conservation, a National Nature Reserve, and two Sites of Special Scientific Interest.

Managing the parks is not about preserving them in aspic, but gradual renewal and improvement. Changes must be sympathetic to the environment, the aesthetic and the history of the space, while accommodating and addressing current needs and pressures.

We must be alive to the new challenges and find appropriate ways to respond and innovate.



2. Welcoming and Improving

Our open spaces remain free and accessible for everyone to enjoy. Visitor numbers continue to increase, which is a testament to the quality of parks, the enjoyment they bring and the popularity of London; but this also brings significant challenges for the park landscape and services.

We have undertaken research to understand what visitors value about our parks and what facilities they need. It is crucial that we manage increasing visitor numbers in a sustainable way that ensures they continue to enjoy our parks.



3. Building a Secure Future

Looking after the land and buildings in our care costs around £40m a year. We must raise at least 70% of this money, with the remainder coming from government. We have been successful in growing our income without compromising the intrinsic qualities of the parks. As our government funding continues to decrease each year, we will need to raise more income ourselves.

Our aim is to be a financially sustainable organisation. We benefit from a range of diverse sources of income, including fundraising, events, catering, grants, lottery funding, licences, rental income, filming and photography. We aim to continue to increase revenue from these sources, while exploring new opportunities.

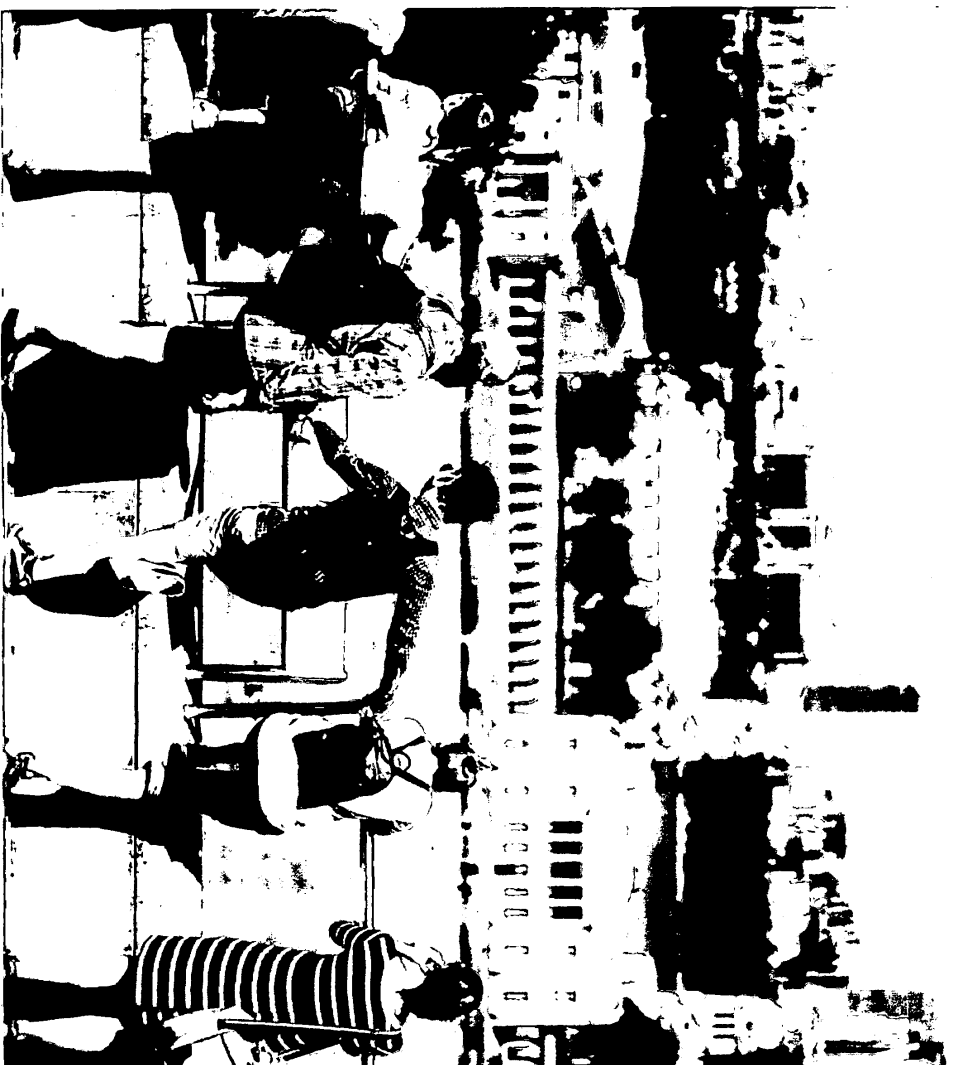
4. People and Partnership

The parks are cared for by a small team of dedicated staff. We work with contractors and concessionaires who help to maintain the fabric of the parks and provide services for visitors. Many volunteers support our work in a variety of ways, including fundraising, conservation work, assisting with our education programmes, and acting as great advocates for the parks.

We value our partnerships with other organisations, which help us to carry out our work. These include the Metropolitan Police, the friends groups, Royal Parks Guild, amenity societies, public authorities and private organisations.



Key priorities by strategic area (2018-2021)





1. Protecting and Conserving

1. Developing an over-arching landscape management plan. The aim is to achieve a coherent and integrated approach to the management of the landscape across the parks.
2. Continuing our programme of developing new ten year management plans for our parks, setting out our 100-year vision and the broad objectives to guide management.
3. Refreshing the tree strategy, considering the scale of new tree diseases and other environmental challenges, and participating in research groups looking at reducing the impacts of tree disease.
4. Seeking to be an exemplar in effective and sustainable park management through achieving the objectives and targets set out in our sustainability strategy.

2. Welcoming and Improving

1. Building on our visitor research programme, undertaking research into our audiences.
2. Developing our digital communications so we can bring the rich heritage and environment of our parks to life, as well as providing better key practical information for visitors.
3. Growing the range of learning activities and opportunities across nature, heritage, and wellbeing in the parks, working collectively with educational partners.
4. Developing a health and wellbeing strategy that supports The Royal Parks in improving people's physical, mental and social wellbeing.

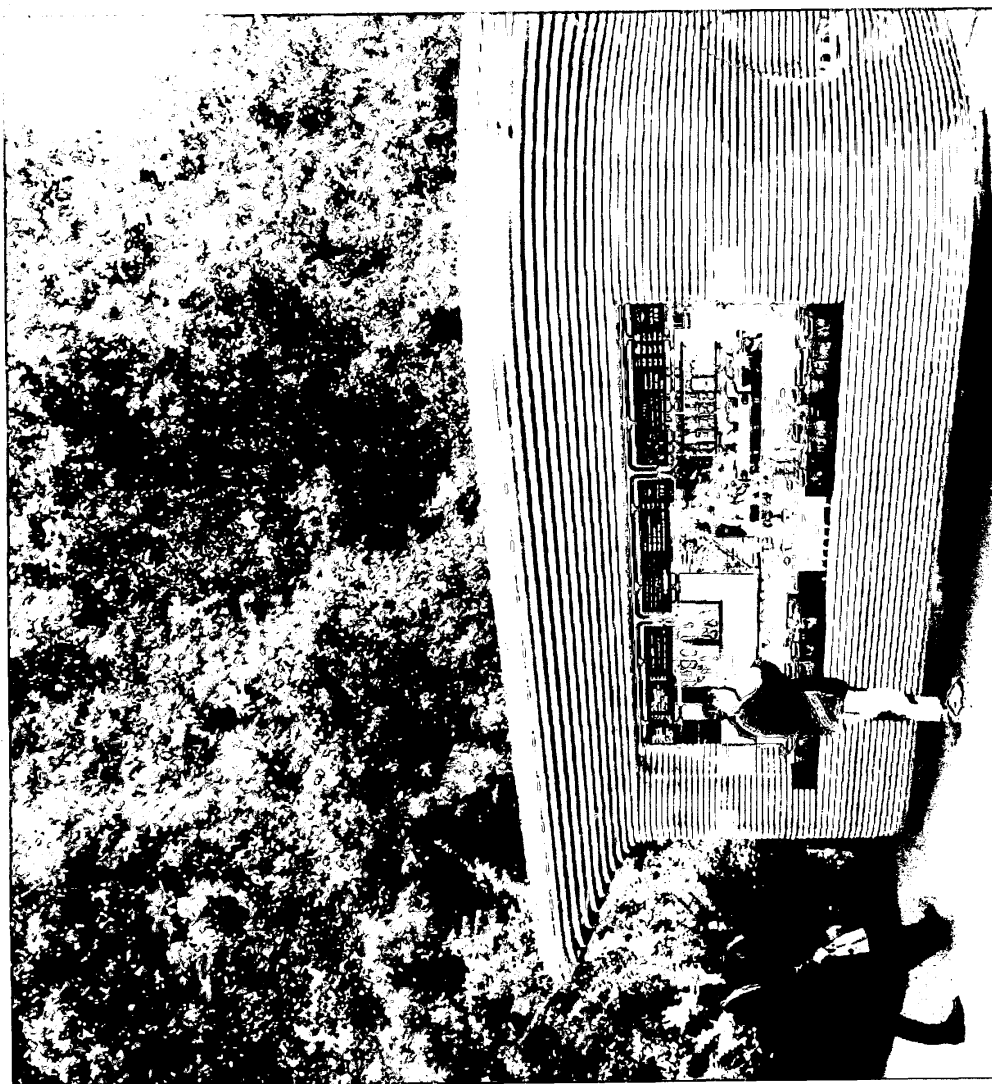


3. Building a Secure Future

1. Securing best value from our contracts, including considering different models for the provision of services and activities, as well as seeking innovation and continuous improvement over contract terms.
2. Developing new income streams that reflect the intrinsic qualities of the parks.
3. Developing projects and programmes that deliver impact and inspire grant-giving trusts, corporate partners and philanthropists to support our cause for improving nature, supporting health and wellbeing, and celebrating our heritage.
4. Improving our IT capability and management information to better support our business and visitors.

4. People and Partnership

1. Building a strong, resilient team, focused on areas of most need; and developing a culture that reflects the purpose and priorities of the new charity.
2. Exploring partnerships with other organisations (corporate, charity, communities) to improve the visitor experience.
3. Building a positive association with The Royal Parks brand.
4. Considering how we can most effectively harness and develop a diverse range of volunteers, now and in the future, to support the delivery of our strategic objectives in new ways.



Specific Major Future Projects



Catering across the Parks

We have awarded a new ten year contract for the kiosks serving visitors in three central London parks, starting in October 2018. We have also received planning permission for a new catering hub on the nursery site in Hyde Park, to support the operation in maintaining a quality service for a growing number of visitors.

This contract also includes converting the ground floor of the former police station at Storey's Gate into a café in St James's Park.



Greenwich Park Revealed

The second-phase bid of the Greenwich Park Revealed project will be submitted by The Royal Parks in August 2019 and, if successful, will see a £7.5 million investment into the park, the most since the time of the Stuart kings when James I built the boundary walls and Charles II laid out the restoration landscape.



Gloucester Gate Playground

Located close to London Zoo in The Regent's Park, Gloucester Gate playground is popular with local families and those from further afield alike, but the much-loved facility is now in need of a revamp after decades of enthusiastic play by youngsters.

We are fundraising £1 million to build a state-of-the-art, fully accessible playground that will enable children of all ages and abilities to play together, and we are appealing to local residents, visitors and businesses to raise £100,000 of the total, so we can start work in winter 2018.

Other projects are prioritised on a rolling basis through an executive-led project approval group. Projects are considered in detail against corporate priorities agreed by the Board and by assessing developing risks and opportunities.

Fundraising Practices

Fundraising plays an important role in creating a sustainable future for The Royal Parks. Communicating the benefit that fundraising achieves for the parks is important in raising awareness of The Royal Parks as a charity.

The Royal Parks currently raises funds in a variety of ways, including securing major gifts from trusts and foundations, corporate partnerships, major donors and fundraising events such as the annual Royal Parks Half Marathon.

As per the guidance of the Fundraising Regulator, The Royal Parks abides by the key principles of fundraising in a legal, open, honest and respectful way. We believe that giving to the Charity should be a positive and rewarding experience and we constantly strive for the highest standards to ensure our supporters and the wider public are treated fairly and with respect. We focus on building strong, lasting relationships with funders and partners at every level.

The Royal Parks regularly communicates with supporters by email. Supporter data is held on a central customer relationship management (CRM) system with the necessary technical measures to ensure adequate security. We operate in accordance with the General Data Protection Regulation (GDPR); the CRM holds details of consent information to enable us to meet our obligations under the legislation. The Royal Parks does not exchange or sell its data to any third parties, when engaging third parties to work on our behalf. We do appropriate due diligence and ensure that all our third party processors are undertaking adequate technical and organisational measures to comply with relevant legislation.

We do not currently have a regular giving or membership scheme and we do not use professional fundraisers or third parties to fundraise on our behalf. We have not received any complaints regarding our fundraising activity over the past year.

Contribution of Volunteers

Volunteers are important to The Royal Parks and we are grateful to the 2,300 people who commit 127,000 hours of volunteering activity each year.

With over 50 different volunteer opportunities across the parks, it was clear that we needed to provide a common purpose, direction and ambition to the volunteering programme and demonstrate our long-term commitment to volunteering. This has resulted in the development of a three-year Volunteering Strategy (2018-2021).



Structure,

Governance and Management



Establishing The Royal Parks Charity

The Royal Parks was established as an independent charity with effect from 16 March 2017, underpinned by the contract for the provision of services between The Royal Parks and the Department for Digital, Culture, Media and Sport. Under this contract, The Royal Parks has been given a licence for 10 years to manage the parks, with the freedom to pursue its own strategy as an independent body. The parks are owned by the Monarch in right of the Crown, but the Secretary of State for Digital, Culture, Media and Sport has management powers for them under the Crown Lands Act 1851. The contract with the Secretary of State provides for The Royal Parks being paid a Fee for Service and having the ability to raise funds using operational assets in the parks. The Charity also secures funding through bids to grant-giving organisations, philanthropic donations, corporate partnerships and a range of commercial income streams.

The Charity may also make bids to government for capital funds to enhance the landscape and the assets within the parks. Under this arrangement, the operational risk of running the parks is transferred to The Royal Parks.

The structure of our new charity

The Charity is governed by its Articles of Association which sets out the objects of the Charity, within which it must operate.

The Charity has two wholly owned trading subsidiaries, TRP Trading Company Limited and the Royal Parks Foundation Trading Company Limited. The subsidiaries are mostly used for commercial trading activities. All available profits are distributed to the Charity under a Deed of Covenant.

How we manage the Charity

The Royal Parks is led by a Board of Trustees, which determines how the Charity is run, how we spend money, sets the strategy for the organisation and ensures that what we do is for the benefit of the parks and our visitors. There should be more than five but no more than 14 trustees. Six are appointed by the Secretary of State for Digital, Culture, Media and Sport and five by the Mayor of London. There is one ex-officio appointee representing The Royal Household.

The Trustees are appointed for their skills and experience. Their roles are all non-executive. Training opportunities are available for all Trustees and a bespoke induction package is offered to each new appointee.

Formal Board meetings were held during 2017-18 on the following dates: 21 April 2017, 16 June 2017, 13 July 2017, 6 September 2017, 8 November 2017, 13 December 2017, and 7 February 2018. A Board strategy meeting took place on 6 October 2017.

Attendance at The Royal Parks Board Meetings: 2017/18

Lloyd Grossman CBE (Chair)	7/7
Ruth Anderson	6/7
Wesley Kerr OBE	7/7
Bronwyn Hill CBE	6/7
Lt Col Sir Andrew Ford KCVO	5/7
Cllr Nickie Aiken	5/7
Cllr Denise Hyland	5/7
Heather Blackman	5/7
Cllr Georgia Gould (First meeting 8 November 2017)	1/3
Jeff Jacobs (Joined Board 6 September 2017)	3/4

The Trustees delegate day-to-day management of The Royal Parks to the senior management team.

The Board has established two subcommittees. These committees have advisory powers and decision-making is retained by the Board.

The Audit and Risk Committee supports the Board and Chief Executive in their responsibilities for maintaining sound risk management, control and governance arrangements. In particular, the committee reviews the financial accounting and external reporting processes, and external audit; the effectiveness of risk management and control systems and internal audit; and the effectiveness of anti-fraud and whistle-blowing arrangements. The Committee meets at least three times a year. Trustee members of the Audit and Risk Committee are Ruth Anderson (chairman), Bronwyn Hill CBE, Richard Hamilton and John Collier (ex-officio member) is a co-opted member of the Committee.

The Nominations and Remuneration Committee has been established to determine matters of senior management appointments, pay and performance bonus arrangements. The three Trustee members of the Committee are Lloyd Grossman CBE (chairman), Bronwyn Hill CBE and Heather Blackman.

When determining the level of pay awards and performance related bonuses for senior managers, the Committee takes into account:

- The budget for pay awards as approved by The Board of Trustees;
- Any market rate pay pressures as benchmarked against comparator posts across the charity sector;
- Individual senior management performance as measured through the review of annual objectives.

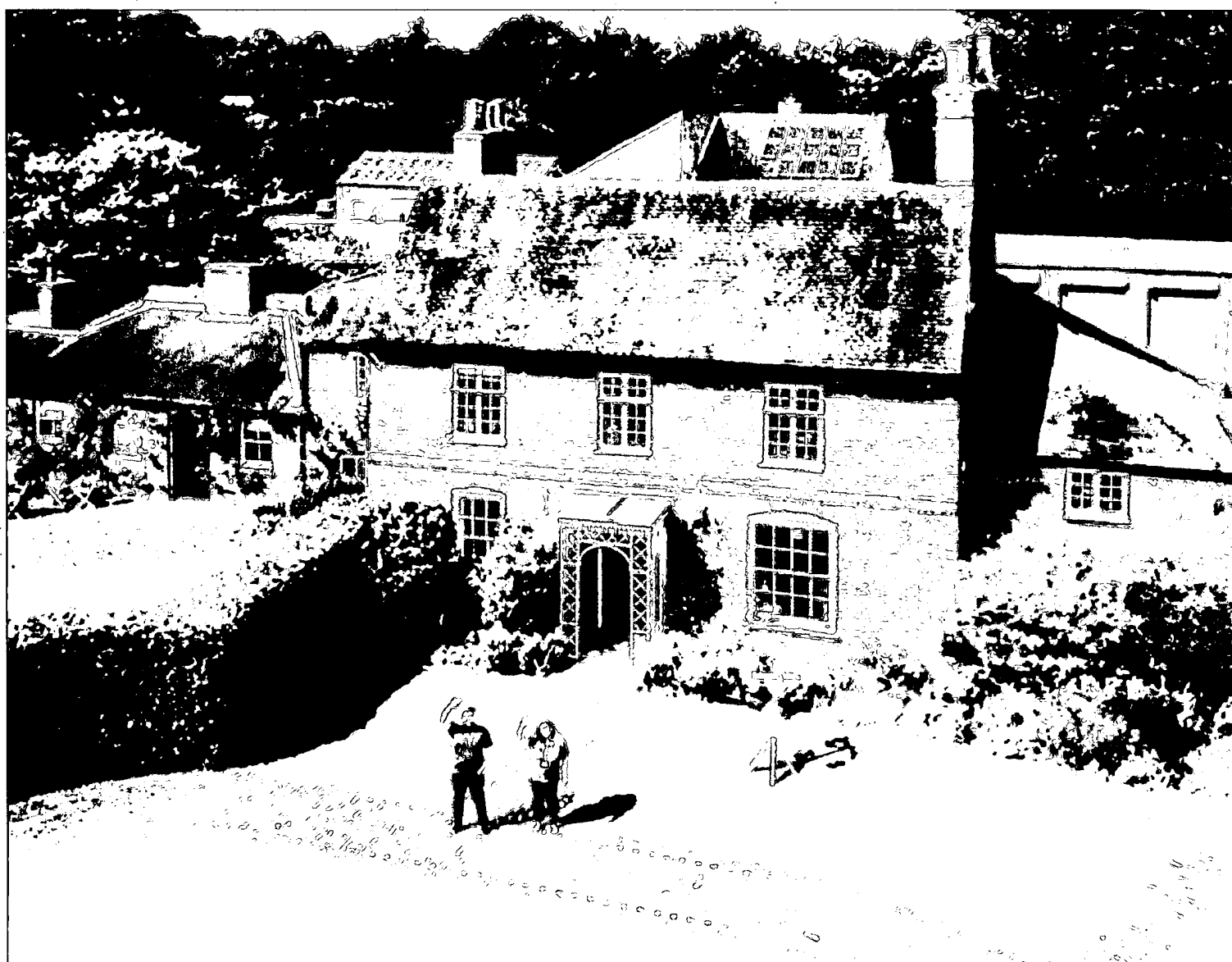
To qualify for a performance related bonus, senior managers must be able to demonstrate that performance has exceeded expectations.

How the changes in structure have affected our staff and partners

The merger of The Royal Parks Agency and Royal Parks Foundation has necessitated a structural review and a change in terms and conditions of employment for new staff. The structural changes are in the process of being rolled out. The Charity's formal consultation and negotiation arrangements with the trade unions represented in The Royal Parks Agency have continued. In addition, the organisation has set up arrangements for employees who are not trade union members, to participate in its consultation mechanisms through employee representatives.

The Royal Parks works hard to understand the needs of its visitors, partner organisations and local communities. Stakeholder groups have been established across the parks and attendees include Friends groups, elected representatives, the police, concessionaires and others.

We hold regular meetings with our partners to consult them on issues and update them on developments. These meetings also help us to understand their concerns and ambitions for The Royal Parks, and help shape projects such as the Brompton Cemetery Restoration Project.



Key performance targets 2017 - 2022

The Department for Digital, Culture, Media and Sport (DCMS) has set out key performance targets for the Charity until 2022. The table below shows our performance to date.

Target		Status at 31st March 2018	Progress
Landscape asset condition	Maintain a minimum average Green Flag score for all of the eight Royal Parks of 75%	MET	
	Maintain the designation of Bushy Park and Richmond Park as Sites of Special Scientific Interest	MET	
	Maintain the existing Grade II* designation of Green Park, the Grade I designations of Brompton Cemetery and the remaining Royal Parks in the Register of Parks and Gardens of Special Historic Interest in England	MET	
Condition of buildings and structures	Increase the number of listed buildings/ structures assessed as being in Good or Fair condition to 179 by the end of March 2018 and increase further by at least one per annum, achieving a minimum of 183 by the end of March 2022	MET	
	Increase the number of unlisted buildings, memorials, statues, sculptures, structures and fountains assessed as being in Good or Fair condition to 362 by the end of March 2018 and increase further by at least three per annum, achieving a minimum of 380 by the end of March 2022	MET	
Visitor satisfaction	To engage with stakeholders in accordance with The Royal Parks Stakeholder Engagement Strategy (March 2014), and to report annually against the key principles of stakeholder engagement, including key metrics around numbers of stakeholders attending bi-annual meetings, numbers of donors engaged, numbers of social media followers and website hits	MET	
	Maintain above 90% the number of visitors to the Royal Parks who assess the quality of the parks overall as being Excellent or Good	MET	
Commercial activities	To deliver all major events in line with the Hosting Major Events in The Royal Parks - May 2015 strategy document	MET	
	Increase year on year the net income generated by The Royal Parks' commercial activities from the 2016/17 baseline until the end of the year 2019/20	MET	

Managing Risk



Managing Risk

Effective risk management is key to successfully delivering our strategy and developing a sustainable charity. Risks are identified in each of the business areas' operating plans and are reviewed by the Chief Executive and executive directors. The key risks are subject to regular review to identify new and changing risks, and are reported at meetings of the Audit and Risk Committee.

There is an annual review by the full Board of Trustees, as well as a high-level review of the top three risks at other Board meetings. This is supplemented by on-going risk assessments in each business area. The Charity's operations and risk management processes are also reviewed periodically by Internal Audit.

The system of risk management and internal control is designed to manage rather than eliminate the risk of failure to achieve the Charity's objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

We carry out sensitivity analysis on our operating model to understand how the Charity could cope in the event that such a major risk materialises and seek to maintain a safe level of free reserves to mitigate its effect.

We have assessed the principal risks facing The Royal Parks and the measures to mitigate them are considered to be:

Financial sustainability

The sustainable generation of funds for the Charity is a risk that we manage by developing a diversification of income sources. The main sources of income are the DCMS Fee for Service, events across the park, catering concessions and car parking. While around 50% of the commercial income is committed in advance to The Royal Parks, around 50% is seasonal and directly weather dependent.

To mitigate this risk, financial projections over the medium term are regularly reviewed and updated. Income diversification, notably to increase fundraising and commercial revenues, and cost control and efficiency savings are a priority.

Behavioural issues

We are conscious of the impact that factors beyond our direct control, such as increasing crime, antisocial behaviour and fear of terrorism, could have on our parks. To mitigate these risks we have close working arrangements and regular dialogue with the Metropolitan Police.

Health and safety

The Royal Parks takes its responsibilities with respect to the safety of visitors, contractors, employees and volunteers in the parks seriously. To mitigate risk we have disaster recovery plans and health and safety policies that are regularly reviewed and tested.

Disease and climate change

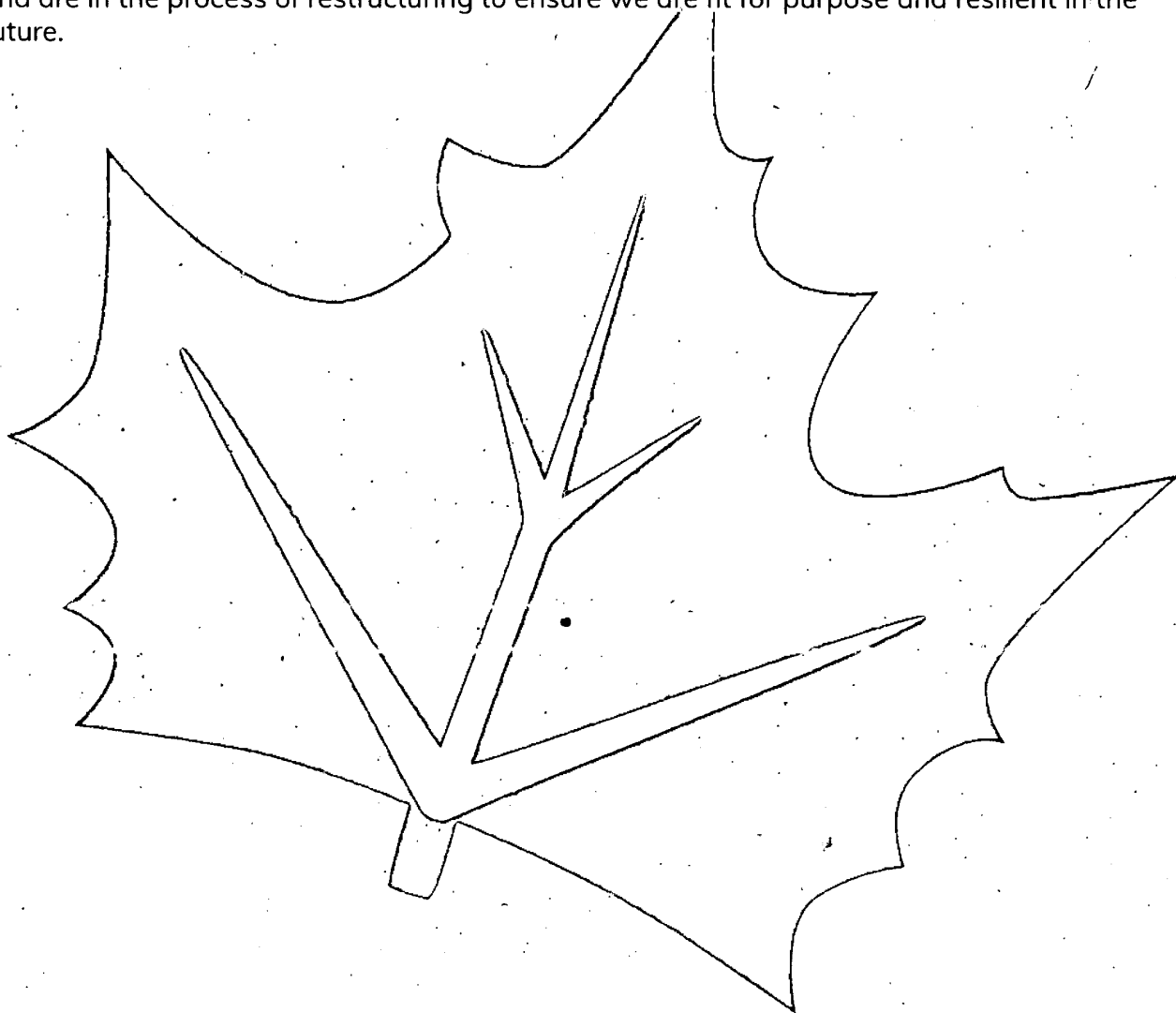
The risk of damage and degradation of the park landscapes due to increasing incidences of pests and diseases such as oak processionary moth, massaria in plane, bleeding canker in horse chestnut and phytophthora infection of sweet chestnut are damaging trees across the parks, including veteran trees. Periods of drought and flash floods increasingly adversely affect the parks. These issues are routinely risk assessed and operational measures are taken to control them.

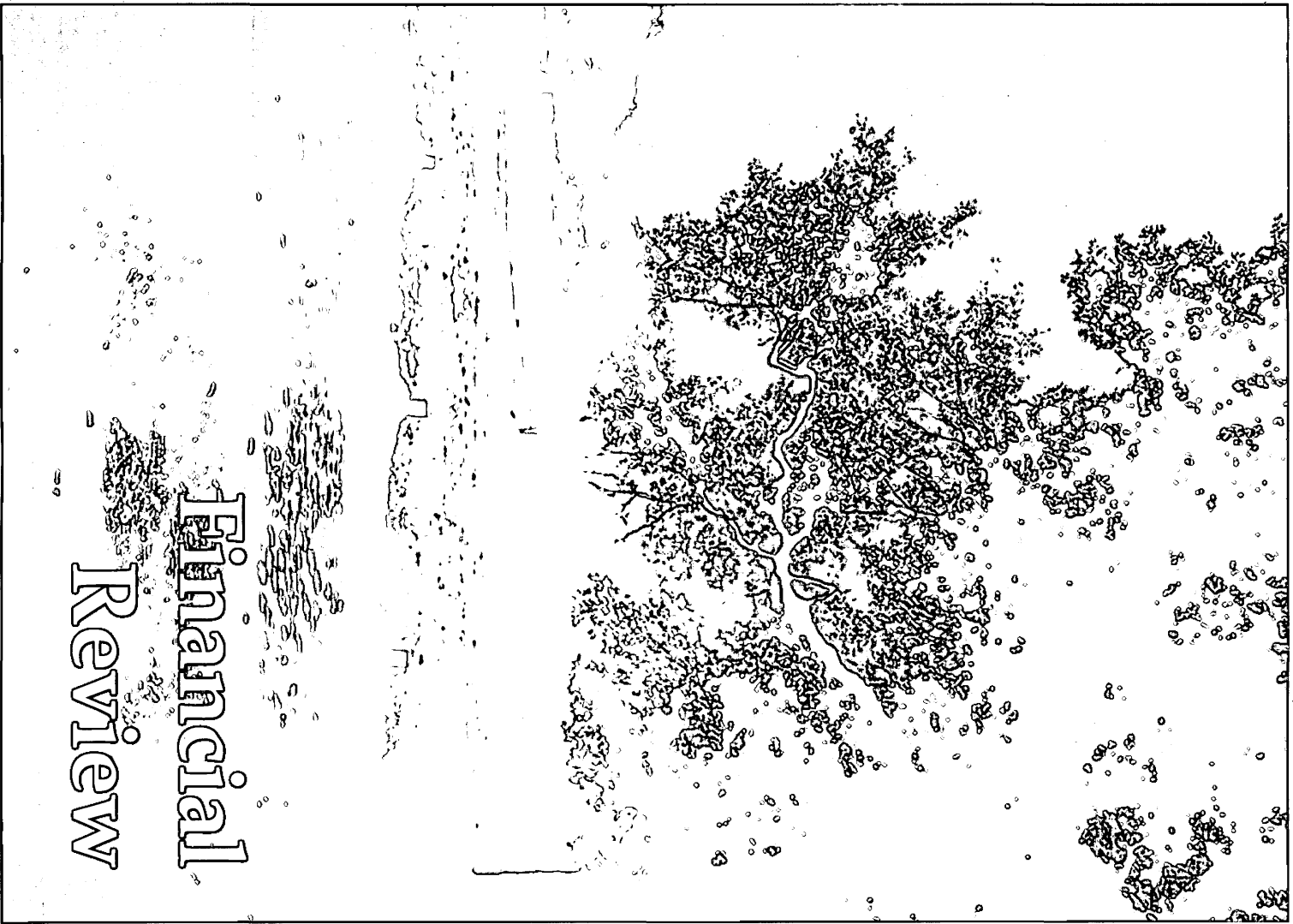
More strategically, we engage with a range of external bodies to better understand emerging risks and ensure that remedial measures are consistent with other landowners. In particular we work closely with officials within the Department for Environment, Food & Rural Affairs (DEFRA) family including the Forestry Commission and Natural England.

Staff management

The Charity has successfully completed its first year of operation. Changes to the organisation, and/or personnel in the Charity can create risks arising from loss of knowledge, consistency, or failure to adopt new processes.

To mitigate these risks, we have introduced new human resources processes and procedures, and are in the process of restructuring to ensure we are fit for purpose and resilient in the future.





Financial Review

Financial Review

The Charity was established on 16 March 2017. Previously, the parks were managed by an executive agency of the Department for Digital, Culture, Media and Sport (DCMS) with fundraising and some education undertaken by the Royal Parks Foundation Charity (the 'Foundation'). The Foundation merged with The Royal Parks Charity on 1 July 2017.

£5m of net incoming assets from the Foundation transferred to the Charity on 1 July 2017, which is an exceptional item and will not recur in future years.

The Charity's ordinary income includes a mix of contractual Fee for Service from government, income from trading activities and charitable activities, and donations and grants from grant making organisations, such as the Heritage Lottery Fund (HLF).

Of the trading income of £25.4m, £18.5m was generated in TRP Trading Limited. This includes income generated by events (£9.9m) and catering operations (£5m) in the parks, car parking (£1.9m) and other income. Other income includes estates income (£4.7m) relating to rental income received from licences across The Royal Parks estate.

Income from charitable activities (£4.8m) is primarily made up of income received from sporting and cultural activities operating within the parks. Activities include The Royal Parks Half Marathon and The Sports Hub in The Regent's Park.

Donations and grants mainly comprise restricted grants for projects, the most significant being HLF funding for the restoration work in Brompton Cemetery, People's Postcode Lottery funding for the Mission: Invertebrate project and funding from the London Marathon Charitable Trust to support the refurbishment and improvement of tennis facilities in Hyde and The Regent's Parks.

The Royal Parks' expenditure includes the costs of contracts covering landscape, grounds and works maintenance.

£8m was spent on capital projects and equipment in 2017-18. The highlight was the completion of the Hyde Park Super Nursery with £2.4m of the £5m project cost spent in 2017-18. Other significant areas of capital expenditure included the Brompton Cemetery Restoration project (£3.2m), the restoration of the Harbour Wall in St James's Park (£0.5m) and safety improvements on The Mall including the intersections with Marlborough Road and Horse Guards Road.

As at 31 March 2018, The Royal Parks and its subsidiaries had £17.4m of Unrestricted Funds and £99.5m of Restricted Funds (further information on reserves can be found in the Reserves Policy on page 43). The Group total net assets at the end of the reporting period total £116.9m.

In adopting the going concern basis for preparing the financial statements, the Trustees have considered the business activities and principal risks set out in the Report of the Trustees on pages 9 to 38.

DCMS Payment for Services

The Royal Parks are freely open to all. Most of the land is owned by the Monarch in right of the Crown and cannot be disposed of. The contract for provision of services between the Charity and DCMS acknowledges those constraints. DCMS may not dispose of the parks nor donate land and buildings to the Charity. DCMS provides the Charity with benefits (both monetary and non monetary) in exchange for the Charity managing and maintaining the parks. This results in the DCMS payment for services to the Charity having two elements – a cash fee for service and a barter fee.

Cash Fee for Service

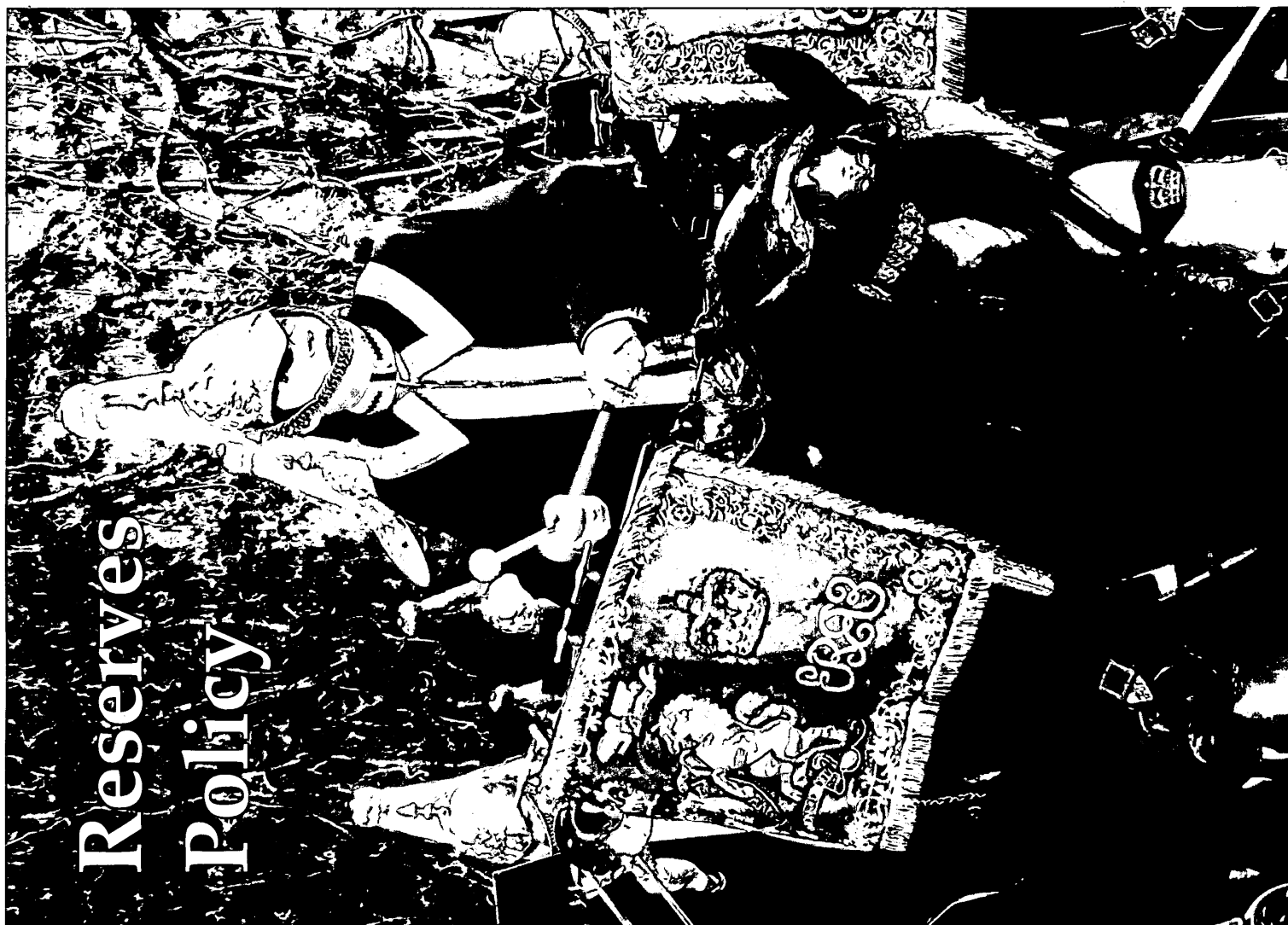
The cash fee for service is applied to carrying out obligations under the Contract and is not expected to be sufficient to cover the running costs of the parks. The standard amount receivable from DCMS under the Contract was set out in the 2015 Government Spending Review settlement covering the period to 2019/20. The amount received in 2017/18 was £12.5m. In 2018/19, the cash Fee for Service falls to £10.5m and in 2019/20 to £10m. The cash Fee for Service for the next five years, commencing from 2020/21, will be reviewed in 2019.

Barter Fee

DCMS pays for the delivery of services (the management and maintenance of the parks) by giving the Charity 'value' in the form of commercial opportunities that can be derived from using the parks and its property assets. The barter fee represents the commercial value the Charity gains from using the parks and its property assets. The barter amount for 2017/18 was £21.3m.

In return, the Royal Parks is charged a fee by DCMS for the right to use the parks and its property assets, which is equal to the barter fee.

Reserves Policy



Reserves Policy

The financial strategy of The Royal Parks is to provide a secure and increasing flow of income to fund the maintenance, repair and enhancement of the Royal Parks as well as to maintain a strong and liquid balance sheet.

The Royal Parks has a reasonable level of certainty over the majority of its future income streams. However, it does not have the power to dispose of assets or interest in land as the property remains owned by the Crown.

The Charity needs to hold sufficient reserves to ensure that it can maintain its operational stability and meet its commitments when they fall due. So, reserves are held to:

- support the objectives of the Charity;
- allow the Charity to manage its working capital requirements, to ensure that the Charity can meet its operational costs;
- provide a level of mitigation against the effects of external operational and financial risks should the levels of income reduce significantly;
- support investment and growth plans for self-generated income that provide a sustainable future for the Charity and mitigate the reduction in income from government; and,
- allow for future capital projects and to tackle the maintenance backlog.

The Charity regularly undertakes a review of its longer term business strategy and the aspiration of the Charity is to achieve a level of general reserves that will provide sufficient resilience based on the need to:

- provide short-term protection against downward fluctuations in annual income;
- finance unplanned expenditure where the need arises such as managing the escalating impact of tree diseases;
- provide protection against the financial impact from operational risks; and,
- provide a financial cushion in the event of exceptional events affecting the Charity's ability to operate.

The Charity aimed to achieve £5m of unrestricted free reserves, which was achieved during the year.

The Charity has various funds available to finance its activities. These are as follows:

Unrestricted Funds

Designated Projects and Maintenance Fund (£5m)

Funds have been designated out of general funds for long term commitments to major capital and maintenance projects. It is important that The Royal Parks develops long term plans to achieve value for money for maintenance and improvement programmes.

General Fund (£12.4m)

These are funds that the Trustees can decide how to spend in furtherance of the Charity's objectives. This figure comprises £5m of free reserves, with the remaining balance used to manage working capital requirements.

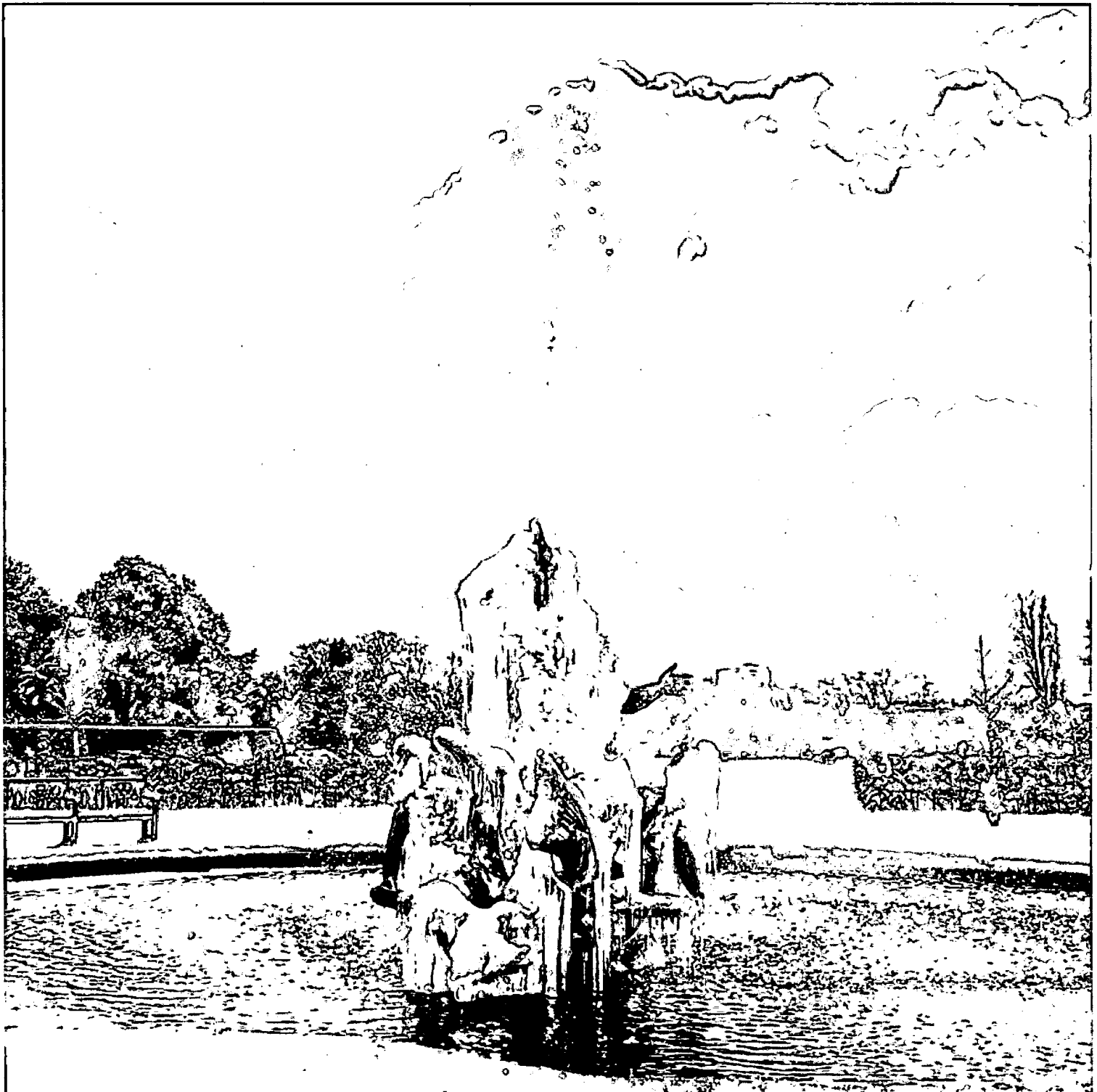
Restricted Funds

Restricted Charity Funds (£5.2m)

These are funds subject to specific restrictions imposed by donors that are still within the wider objects of the charity.

Restricted Fixed Assets Fund (£94.3m)

A restricted fund is matched to the value of the Charity's fixed assets, as these assets cannot be utilised to realise cash. These assets are considered to be restricted because they are ultimately owned by the Crown, and so The Royal Parks does not have the power to dispose of them.





Statement of Trustees
Responsibilities

Statement of Trustees' Responsibilities

The Trustees (who are also directors of The Royal Parks for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the accounts in accordance with applicable law and regulations. Company law requires the Trustees to prepare accounts for each financial year. Under that law, the Trustees have prepared the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these accounts, the Trustees are required to:

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

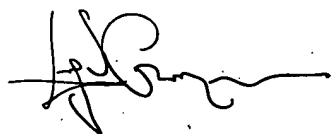
The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group, and enable them to ensure that accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

As far as the Board of Trustees are aware:

- (a) there is no relevant audit information of which the company's auditors are unaware; and
- (b) they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees' Annual Report, including the Strategic Report, was adopted by the Trustees (in their capacity as company directors) and signed on their behalf by:



LOYD GROSSMAN CBE
Chairman
11 October 2018

Independent Auditor's Report to the Members of The Royal Parks Limited

Opinion on financial statements

I have audited the financial statements of the Royal Parks Limited for the year ended 31 March 2018 which comprise the group and parent Company Statement of Financial Activities, Consolidated and Charity Balance Sheet, the Group and Charity Statement of Cash Flows and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the UK GAAP through applying the Charity Statement of Recommended Practice and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. I have also audited the information in the Directors' Remuneration Report that is described as having been audited. In my opinion the financial statements:

- give a true and fair view of the state of the group's and The Royal Parks Limited affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on regularity

In my opinion, in all material respects the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of The Royal Parks Limited in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of the Board of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for:

- the preparation of the financial statements and for being satisfied that they give a true and fair view;
- such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the group's and the parent's company's ability to continue as a going concern, disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK).

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and The Royal Park's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and The Royal Park's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the financial transactions conform to the authorities which govern them.

Other Information

Trustees are responsible for the other information. The other information comprises information included in the annual report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In my opinion:

- in light of the knowledge and understanding of the Group and the company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Strategic Report; and
- the information given in the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept by the parent company, 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 directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Peter Morland (Senior Statutory Auditor)
16 October 2018

For and on behalf of the
Comptroller and Auditor General (Statutory Auditor)
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Board of Trustees, Senior Management Team and Advisors



Loyd Grossman CBE (Chair)



Councillor Nickie Aiken



Ruth Anderson



Heather Blackman



Sir Andrew Ford



Councillor Georgina Gould



Richard Hamilton



Bronwyn Hill CBE



Jeff Jacobs



Wesley Kerr OBE

Councillor Denise Hyland (resigned with effect from 22 May 2018)

Reference and Administrative Details

Board of Trustees

Loyd Grossman CBE (Chairman)
Councillor Nickie Aiken
Ruth Anderson
Heather Blackman
Sir Andrew Ford
Councillor Georgia Gould
Richard Hamilton (with effect from 2 April 2018)
Bronwyn Hill CBE
Councillor Denise Hyland (resigned with effect from 22 May 2018)

Senior Management Team

Andrew Scattergood, Chief Executive
Clare Bowen, Interim Director of Development and Learning
Greg McErlean, Director of Programmes and Projects (resigned with effect from 3 April 2018)
Iain McDowall, Director of Estates (resigned with effect from 6 February 2018)
Liz Mullins, Director of Communications, Commercial and Events
Caroline Rolfe, Director of Resources

Audit and Risk Committee

Ruth Anderson (Chairman)
John Collier (ex officio member)
Bronwyn Hill CBE
Richard Hamilton

Nominations and Appointments Committee

Loyd Grossman CBE (Chairman)
Heather Blackman
Bronwyn Hill CBE

Directors of TRP Trading Company Limited

Andrew Scattergood
Greg McErlean (resigned with effect from 28 March 2018)
Liz Mullins (with effect from 26 April 2018)

Directors of Royal Parks Foundation Trading Company Limited

Andrew Scattergood
Adam Randall
Steven Tingle

Office

The Old Police House,
Hyde Park,
London, W2 2UH

The Royal Parks Limited

Charity Number: 1172042
Company Number: 10016100

TRP Trading Company Limited

Company Number: 10555909

Royal Parks Foundation Trading Company Limited

Company Number: 07657918

Auditors

National Audit Office,
157 – 197 Buckingham Palace Road,
London, SW1W 9SP.

Bankers

Royal Bank of Scotland plc,
36 St Andrew Square,
Edinburgh, EH2 2YB.

Solicitors

Davitt Jones Bould LLP,
Level 24 The Shard,
32 London Bridge Street,
London, SE1 9SG.

Stone King LLP,
Boundary House,
91 Charterhouse Street
London, EC1M 6HR.

The Royal Parks

Consolidated Statement of Financial Activities (SoFA)

(including consolidated income and expenditure account)

for the period ended 31 March 2018

		2017/18	2017/18	2017/18	2017/18	2016/17
	Note	Unrestricted	Restricted	Restricted DCMS Barter Fee	Total	Total Restated
		£'000	£'000	£'000	£'000	£'000
Income from:						
Net incoming assets from Royal Parks Agency	2, 4	-	-	-	-	85,477
Net incoming assets from Royal Parks Foundation	2, 4	901	4,103	-	5,004	-
DCMS Fee for Service	2	12,549	-	-	12,549	9,600
DCMS payment in respect of Royal Parks Agency liabilities	2	-	-	-	-	5,100
Donations and grants	2	223	5,495	-	5,718	-
Charitable activities:	2					
Heritage, Protection and Conservation		17	-	-	17	-
Sports and Culture		4,816	-	-	4,816	-
Education		14	-	-	14	-
Trading activities	2	25,382	-	-	25,382	-
Other income	2	1,007	-	-	1,007	-
DCMS Barter Fee	2	-	-	21,306	21,306	934
Total Income		44,909	9,598	21,306	75,813	101,111
Expenditure on:						
Raising funds:	3					
Fundraising costs		334	38	-	372	-
Trading costs		2,270	268	-	2,538	112
Charitable activities:	3					
Heritage, Protection and Conservation		26,150	3,251	-	29,401	1,298
Sports and Culture		2,547	268	-	2,815	124
Education		697	429	-	1,126	-
DCMS Barter Fee	3			21,306	21,306	934
Total expenditure		31,998	4,254	21,306	57,558	2,468
Net income / (expenditure)		12,911	5,344	-	18,255	98,643
Transfers between funds	25	(4,373)	4,373	-	-	-
Net movement in funds		8,538	9,717	-	18,255	98,643
Total funds brought forward		8,849	89,794	-	98,643	-
Total carried forward		17,387	99,511	-	116,898	98,643

All of the above results are derived from continuing activities except where discussed in supporting notes. There were no other recognised gains or losses other than those stated above. The notes of pages 55-73 form an integral part of these accounts.

The Royal Parks Balance Sheet as at 31 March 2018

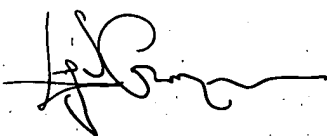
Company number: 10016100

	Note	Group 2017/18 £'000	Charity 2017/18 £'000	Group & Charity 2016/17 Restated £'000
Fixed assets:				
Tangible assets	10	50,556	49,296	44,246
Intangible assets	11	203	203	159
Heritage assets	12	44,785	44,785	45,389
Total		95,544	94,284	89,794
Current assets:				
Debtors	14	11,649	12,081	1,964
Cash at bank and in hand	17	23,411	22,954	16,844
Total		35,060	35,035	18,808
Liabilities:				
Creditors: amounts falling due within one year	15	(13,578)	(12,293)	(9,831)
Net current assets		21,482	22,742	8,977
Current assets less current liabilities		117,026	117,026	98,771
Creditors: amounts falling due after one year	15	(128)	(128)	(128)
Total net assets / (liabilities)		116,898	116,898	98,643
Statement of funds:				
Restricted Charity funds	25	5,227	5,227	-
Restricted Fixed Assets fund ¹	25	94,284	94,284	89,794
Unrestricted funds:				
Designated projects and maintenance fund	25	5,000	5,000	-
General fund		12,387	12,387	8,849
Total funds		116,898	116,898	98,643

¹The fixed assets are ultimately owned by the Crown. These assets are restricted and cannot be disposed of by the Charity. They are managed and maintained by The Royal Parks and are included in these accounts only because The Royal Parks obtains economic benefit from using them, which it applies to manage and maintain the parks.

The notes of pages 55-73 form an integral part of these accounts.

Approved and authorised for issue by the Board of Trustees 11 October 2018 and signed on their behalf by:



LOYD GROSSMAN CBE
Chairman

The Royal Parks

Group Statement of Cash Flows for the period ending 31 March 2018

	Note	Group 2017/18 £'000	Charity 2017/18 £'000	Charity & Group 2016/17 Restated £'000
Net Income/(expenditure) for the reporting period		18,255	18,255	98,643
Adjustments for:				
Depreciation charges	10, 11, 12	3,908	3,830	158
Purchase of fixed assets	10, 11, 12	(8,320)	(8,320)	-
Incoming fixed assets	10,11,12	(1,338)	-	(89,952)
Interest from investments:				
(Increase) in debtors	14	(9,685)	(10,117)	(1,964)
Increase in creditors	15	3,747	2,462	9,959
Increase/(Decrease in provisions)		-	-	-
Net cash provided by operating activities		6,567	6,110	16,844
Change in cash and cash equivalents in the reporting period		6,567	6,110	16,844
Cash and cash equivalents at the beginning of the reporting period	17	16,844	16,844	-
Cash and cash equivalents at the end of the reporting period	17	23,411	22,954	16,844

The notes of pages 55-73 form an integral part of these accounts.

The Royal Parks

Notes to the Accounts

For the period ended 31 March 2018

1. Accounting Policies

a. Statutory Information

The Royal Parks Limited is a charitable company limited by guarantee and is incorporated in the United Kingdom.

b. Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries: TRP Trading Company Limited and Royal Parks Foundation Trading Company Limited, on a line by line basis. Transactions and balances between the Charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the companies are disclosed in the notes of the Charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c. Public Benefit Entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d. Going Concern

The Trustees do not consider that there are any sources of uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

The Trustees have considered the principal risks set on pages 37-38 of the Trustees' Report and are satisfied to adopt a going concern basis in preparing these accounts.

e. Prior Period Restatement

Due to an administrative error, dormant company accounts for The Royal Parks Limited were submitted to Companies House for the period ending 31 March 2017. The Royal Parks Limited began trading on 16 March 2017. An amended set of dormant accounts was filed and accepted by Companies House. This set of accounts also show figures for the period between 16 March 2017 and 31 March 2017 as a prior period restatement.

Transactions shown in the restatement are those that materially reflect the activity in the period. Balances in the restatement primarily relate to the incoming assets and liabilities previously held by The Royal Parks Agency and cash settlements received from DCMS. Expenditure in the period has been estimated as a proportion of the overall spend. An aggregate creditor balance has been included on the balance sheet to match the accounts with the cash position as at 31 March 2017. The notes to the accounts have been restated where material and practical.

f. Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the objectives of the Charity.

Restricted funds are to be used for specific purposes as instructed by the donor.

Designated funds are unrestricted funds that have set aside by the Trustees for particular purposes.

g. Income

Income is split into four main categories in the Statement of Financial Activities

- Donations and grants
- Charitable activities
- Trading income
- DCMS payment for services

Donations and grants

Income from donations and grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. The nature of donations received by The Royal Parks means these are usually recognised upon receipt.

On receipt, donated goods, professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

In accordance with Charities SORP (FRS 102), volunteer time is not recognised. The Trustees' Annual Report contains more information about their contribution.

Charitable Activities

Income from charitable activities is primarily made up of income received from sporting and cultural activities operating within the parks. Activities include The Royal Parks Half Marathon and The Hub in The Regent's Park. Income is recognised in the period to which it relates.

Trading Income

The trading activities of The Royal Parks comprises rental income received from land and property licences issued in respect of access to The Royal Parks' estates and income generated in the enterprise company: TRP Trading Company Limited which primarily comprises events, catering and car parking operations in the Parks. Under the Contract the Charity is permitted to retain this income to apply to expenditure on the parks. Income is recognised in the period to which it relates.

DCMS Payment for Services

DCMS has, through the Contracting Out (Functions relating to The Royal Parks) Order 2016, legislated the ability to delegate its responsibilities, under the Crown Lands Act 1851, to maintain and manage the parks. DCMS has entered into a contract, the 'Contract for the Provision of Services', with The Royal Parks, which allows the parks, which are ultimately owned by the Crown, to benefit from the Charity managing and maintaining them. Under the Contract for the Provision of Services, the Charity is able to apply its charitable funds for its own charitable purpose of managing and maintaining the parks, which accords with the responsibilities of government.

Under the Contract for the Provision of Services, DCMS provides the Charity with an exchange of benefits (both monetary and non monetary) in exchange for the Charity managing and maintaining the parks. DCMS payments for services comprises two elements:

- 1) a reducing Cash Fee, limited to the sums allocated under government's Spending Review, which was based on forecast costs of managing the parks and the potential to raise revenue from alternative sources; and,

2) a variable Barter Fee, based on the contractual provision of the licence, which permits the Charity to benefit from the right to collect income from operational assets in the parks over the period of the licence. The licence revenue is recognised at the point at which the Charity benefits from the income. The sum will vary up and down year by year. The Barter Fee is tied to the restrictions placed on the Charity by DCMS through the contract and upon success of the licenced activities. Barter income and expenditure is restricted, with the gross figures shown in a separate column on the SoFA.

The total Fee for Service, as calculated, gives a proxy value to the maintenance and management costs incurred by the Charity and does not compensate the Charity in full for undertaking its obligations under the contract. The contractual relationship with government is reviewed on a regular basis and is subject to a quinquennial review in 2022. The Cash Fee was set out in the 2015 Government Spending Review and is fixed until 2019/20. The Cash Fee for the next five years, commencing from 2020/21, will be reviewed in 2019 and will be the subject of negotiation between DCMS and the Charity to ensure that the Charity is able to continue to fulfil its objects on a sustainable basis. Income from DCMS is recognised in the period to which it relates.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met. Deferred income mainly comprises income invoiced in advance for estates licences and for the Royal Parks Half Marathon.

h. Expenditure and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is reported on a full costs basis, including both directly attributable costs and support costs. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose. It also relates to costs incurred to raise trading income.
- Expenditure on charitable activities includes the costs incurred in order to further the purposes of the Charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i. Pension Costs

There are two main pension schemes:

- The Principal Civil Service Pension Scheme (PCSPS); and
- The Royal Parks Group Personal Pension (Defined Contribution) Scheme (TRGPPP).

Due to the nature of the joining criteria, the membership in PCSPS is on the decline, whilst membership in the TRGPPP scheme is increasing. Employees who transferred from The Royal Parks Agency, as at 16 March 2017, retained access to continued participation in the PCSPS. The PCSPS is an unfunded multi-employer defined benefit scheme. The Charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102, accounts for the scheme as if it were a defined contribution scheme.

Employees who joined the Charity with effect from 16 March 2017 are eligible to participate in the TRGPPP. The pension scheme existed for employee of Royal Parks Foundation and is managed on the Charity's behalf by AEGON Ltd. Under the PCSPS, and the TRGPPP, pension liabilities do not rest with the Charity. For both schemes, employer pension contributions are recognised as they become payable following qualifying service by employees.

j. Allocation of Support Costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. Support costs are apportioned based on the amount of expenditure incurred against each of the activities during the period.

Governance costs are the costs associated with the governance arrangements of the Charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the Charity's activities.

k. Fixed Assets

Recognition

Buildings within The Royal Parks, the legal title of which remain with the Crown, are managed and maintained by The Royal Parks on behalf of DCMS and are included as fixed assets on The Royal Parks' balance sheet.

While these assets cannot be legally transferred from DCMS, in accordance with accounting standards DCMS derecognised operational assets that, under the 'Contract for the Provision of Services', the Charity may now manage and maintain on behalf of government. These assets are treated as donated assets, in accordance with the SORP.

The Royal Parks has recognised these assets at their fair value, following a professional valuation by an independent valuer, as at their effective date of receipt (16 March 2017). Assets were given values based on their full useful lives.

Assets with a purchase price greater than £5,000 and with an economic life of more than one year are capitalised and depreciated over their estimated useful lives. All new fixed asset additions are recognised at cost.

All assets will continue to be held at cost over time, and are subject to annual impairment review.

Classification

Fixed assets are classified under the SORP as one of:

- Tangible Assets;
- Intangible Assets; and
- Heritage Assets.

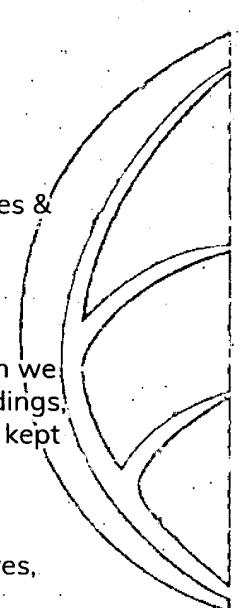
Tangible assets comprise: non heritage buildings, IT equipment, plant & machinery and fixtures & fittings.

Intangible assets comprise IT software.

Heritage assets are those assets with cultural, environmental or historical associations, which we are required to preserve in trust for future generations. This includes listed buildings or buildings, which Trustees consider have special significance in the landscape and will be required to be kept substantially in their current form due to planning restrictions.

Heritage assets include buildings, though held for their cultural, environmental or historical associations, are also used to generate revenues in line with The Royal Parks' overall objectives, through use by The Royal Parks, tenants, or concessionaires.

The Royal Parks has undertaken a programme of maintenance works, 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 charged to 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.



Assets in the course of construction are included in the balance sheet at cost. On completion of works assets are transferred to the appropriate category on the balance sheet and reflected at cost.

Depreciation

Depreciation is provided on all fixed assets, at rates calculated to write-off the cost or valuation, to nil, of each asset on a straight line method over its estimated useful life. Lives are normally as follows:

- Buildings - up to 50 years
- Plant & machinery – up to 50 years
- Fixtures & fittings - up to 20 years
- IT - up to 5 years
- Intangible assets - up to 5 years

l. Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

m. Cash at Bank and in hand

Cash at bank and cash in hand includes cash and short term deposits with a short maturity of three months or less from the date of the deposit is placed.

n. Operating Leases

Operating lease costs are charged to the Statement of Financial Activities as incurred. The Charity does not have any finance leases.

o. Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at expected value and subsequently measured at their transaction value.

p. Creditors and Provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their expected settlement amount.

q. Significant Accounting Estimates and Judgements

Income from The Royal Parks Half Marathon that is received in advance of the event and is non-refundable is recognised as a percentage of the costs incurred to date compared to the estimated cost to host the event.

The Charity's contract to manage and maintain the parks is possible under The Contracting Out (Functions relating to the Royal Parks) Order 2016, this order is required to be reauthorised by Parliament every 10 years. The Charity has assumed that the contract will be reauthorised, and as such, assets are valued and depreciated on the basis of full useful economic life.

2. Analysis of Income by Activity and Nature

	Note	Group 2017/18 £'000	Group 2016/17 Restated £'000
Income from Donations and Grants:			
Donations	1g	405	-
Grants	1g	5,313	-
		5,718	-
Income from Charitable Activities:			
Heritage, Protection and Conservation	1g	17	-
Sports and Culture	1g	4,816	-
Education	1g	14	-
		4,847	-
Income from trading activities:			
Events	1g	9,897	-
Catering Concessions	1g	5,001	-
Estates	1g	4,728	-
Car Parking	1g	1,921	-
Other trading income	1g	3,835	-
		25,382	-
Other Income		1,007	-
Net Incoming Assets from Royal Parks Agency ¹	4	-	85,477
Net Incoming Assets from Royal Parks Foundation ²	4	5,004	-
DCMS Fee for Service ³	1g	12,549	9,600
DCMS Contribution to cover RPA liabilities ⁴		-	5,100
DCMS Barter Fee	1g	21,306	934
Total Income		75,813	101,111

¹ All assets and liabilities held by The Royal Parks Agency were transferred by DCMS to The Royal Parks Limited, with effect from 16 March 2017. A number of non-operational heritage assets were retained by DCMS at nil net book value.

² All assets and liabilities held by the Royal Parks Foundation were transferred to The Royal Parks Limited, with effect from 1 July 2017.

³ This figure includes a one off amount received of £9.6m, which relates to income previously due to The Royal Parks Agency from DCMS and cash previously held by The Royal Parks Agency as at 15 March 2017.

⁴ The amount was received to cover the net current assets and liabilities held by The Royal Parks Agency at 15 March 2017.

3. Analysis of expenditure

Group

	Cost of raising funds		Charitable Activities					2017/18	2016/17
	Fundraising costs	Trading costs	Heritage, Protection and Conservation	Sports and Culture	Education	DCMS Barter	Support costs	Total	Total Restated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	263	763	2,968	176	491	-	2,435	7,096	278
Landscape and works	-	105	14,562	376	1	-	247	15,291	672
Other direct costs	19	980	4,779	1,584	362	21,306	2,233	31,263	1,360
Depreciation	-	78	-	-	-	-	3,830	3,908	158
	282	1,926	22,309	2,136	854	21,306	8,745	57,558	2,468
Allocation of support costs	90	612	7,092	679	272	-	(8,745)	-	-
Total expenditure	372	2,538	29,401	2,815	1,126	21,306	-	57,558	2,468

Support costs are re-allocated on the following basis:

Funding costs	1%
Trading costs	7%
Heritage, Protection and Conservation	81%
Sports and Culture	8%
Education	3%

Analysis of Support Costs	£'000
Staff costs	2,435
Landscape and works	247
Utilities and maintenance	95
Marketing and Communications	92
Legal, professional and finance	1,010
Premises, office and other costs	492
Vehicles, equipment and machinery	104
Training	56
Subscription and licences	8
Website, IT and data	376
Depreciation	3,830
Total	8,745

Included within support costs are £241,000 of governance related costs.

4. Incoming Net Assets

On 16 March 2017, The Royal Parks took on responsibility for all assets and liabilities previously held by The Royal Parks Agency, with the exception of some non-operational heritage assets that were retained by DCMS at nil net book value. Incoming fixed assets are treated as restricted because these assets are ultimately owned by the Crown so cannot be sold or leased.

On 1 July 2017, The Royal Parks also took on all assets and liabilities previously held by the Royal Parks Foundation.

The balance of these transactions is shown on the SoFA to represent the net effect of the transfer of assets and liabilities. The details of these transactions are listed below, these are one off adjustments as the result of the establishment of The Royal Parks as an independent charity.

	The Royal Parks Agency	Royal Parks Foundation
	£'000	£'000
Fixed Assets	89,952	-
Current Assets:		
Debtors	3,427	323
Cash	-	5,356
Total Current Assets	3,427	5,679
Current Liabilities:		
Creditors	(7,770)	(675)
Net Current Assets	(4,343)	5,004
Creditors falling after more than one year	(132)	-
Total Net Incoming Assets (to be shown on the SoFA)	85,477	5,004

5. Subsidiary Undertakings

The Charity owns the whole of the issued ordinary share capital of TRP Trading Company Limited (company number 10555909) and Royal Parks Foundation Trading Company Limited (company number 07657918), companies registered in England. The subsidiaries are mostly used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. All available profits are distributed to the Charity under Deed of Covenant. A summary of the results of both subsidiaries is shown below:

	TRP Trading Company Limited £'000	Royal Parks Foundation Trading Company Limited £'000
Income and Expenditure for period ended 31 March 2018		
Turnover	18,500	456
Expenditure	5,844	373
Operating Profit	12,656	83
Profit on Ordinary Activities Before and After Taxation	12,656	83
Distributed to parent	(12,656)	(83)
Profit	-	-
	TRP Trading Company Limited £'000	Royal Parks Foundation Trading Company Limited £'000
Net Assets as at 31 March 2018		
Current and fixed assets	1,403	1,397
Creditors amounts falling due within one year	(1,403)	(1,142)
Creditors amounts falling due after more than one year	-	(255)
Net Assets	-	-
Share capital	-	-
Profit and Loss Accounts	-	-
Shareholders' funds	-	-

6. Net income / (expenditure) for the year

	2017/18 £'000	2016/17 Restated £'000
Group and Charity		
This is stated after charging/(crediting):		
Depreciation:	3,908	158
Operating lease rentals:		
Property	-	-
Other	83	-
Auditor's remuneration (excluding VAT)		
Audit - Charity	39	-
Audit - Trading subsidiaries	22	-
Other services	-	-

7. Analysis of Employment Costs

	2017/18 £'000	2016/17 Restated £'000
Group and Charity		
Staff costs were as follows:		
Salaries and wages	5,761	227
Social security costs	498	20
Pension costs	786	31
Redundancy costs	35	-
Other	16	-
	7,096	278

Redundancy expenses were contractual and charged in the period to which relate.

All employee disclosures cover the period from 16 March 2017 to 31 March 2018.

The Royal Parks operates two pension schemes; the Principal Civil Service Pension Scheme (PCSPS), for staff who transferred from The Royal Parks Agency on 16 March 2017 and The Royal Parks Group Personal Pension Scheme (TRPGPPS).

As the PCSPS is an unfunded multi employer defined benefit scheme, The Royal Parks is unable to identify its share of the underlying assets and liabilities. Employer contributions are therefore accounted for on defined contribution basis and made at a percentage, based on salary bands. Details about the PCSPS can be found at www.civilservicepensionscheme.org.uk. Expense for 2017/18 amounted to £703,000 and is unrestricted. The Royal Parks has no liability beyond the contributions made on behalf of its employees. The scheme's actuary reviews employer contributions every four years following a full scheme valuation.

The TRPGPPS is a defined contribution scheme and, as such, contributions made to it in year are accounted for as an expense. Expense for 2017/18 amounted to £106,000 and is unrestricted.

The following number of employees received employee benefits (excluding employer pension costs) in excess of £60,000 during the period between:

£60,000 - £69,999	6
£70,000 - £79,999	2
£80,000 - £89,999	1
£90,000 - £99,999	1

The total employee benefits including pension contributions of the key management personnel were £549,111.

The Charity Trustees were not paid and did not receive any other benefits from employment with the Charity in the year. No Charity Trustee received payment for professional or other services supplied to the Charity. Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £279.

8. Staff numbers

The average number of employees (based on number of full time equivalent) for the period from 16 March 2017 to 31 March 2018 was 134.

9. Taxation

The Charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Charity's trading subsidiaries (TRP Trading Company Limited and Royal Parks Foundation Trading Company Limited) distribute available profits to the parent charity under Deed of Covenant. Its charge to corporation tax in the year was:

	Group 2018 £'000	Charity £'000
UK corporation tax at 19%	-	-

10. Tangible fixed assets 2017/18

Group	Buildings £'000	IT £'000	Plant & machinery £'000	Furniture & fittings £'000	Under construction £'000	Total £'000
Cost of valuation						
At the start of the year	33,757	337	4,468	781	4,983	44,326
Incoming assets from Royal Parks Foundation	1,800	-	-	134	-	1,934
Additions in year	8,011	346	7	-	(1,308)	7,056
At the end of the year	43,568	683	4,475	915	3,675	53,316
Depreciation						
At the start of the year	60	4	11	5	-	80
Incoming assets from Royal Parks Foundation	523	-	-	73	-	596
Charge for the year	1,552	160	255	117	-	2,084
At the end of the year	2,135	164	266	195	-	2,760
Net book value at the end of the year	41,433	519	4,209	720	3,675	50,556

Charity	Buildings £'000	IT £'000	Plant & machinery £'000	Furniture & fittings £'000	Under construction £'000	Total £'000
Cost of valuation						
At the start of the year	33,757	337	4,468	781	4,983	44,326
Additions in year	8,011	346	7	-	(1,308)	7,056
At the end of the year	41,768	683	4,475	781	3,675	51,382
Depreciation						
At the start of the year	60	4	11	5	-	80
Charge for the year	1,485	160	255	106	-	2,006
At the end of the year	1,545	164	266	111	-	2,086
Net book value at the end of the year	40,223	519	4,209	670	3,675	49,296

All of the above assets are used for charitable purposes.

**2016/17 Restated
Group and Charity**

	Buildings £'000	IT £'000	Plant & machinery £'000	Furniture & fittings £'000	Under construction £'000	Total £'000
Cost of valuation						
At the start of the year	-	-	-	-	-	-
Incoming assets from The Royal Parks Agency	33,757	337	4,468	781	4,983	44,326
At the end of the year	33,757	337	4,468	781	4,983	44,326
Depreciation						
At the start of the year	-	-	-	-	-	-
Charge for the year	60	4	11	5	-	80
At the end of the year	60	4	11	5	-	80
Net book value at the end of the year	33,697	333	4,457	776	4,983	44,246

11. Intangible assets - Group and Charity 2017/18

	Software £'000
Cost	
At the start of the year	161
Additions in the year	116
At the end of the year	277
Amortisation	
At the start of the year	2
Charge for the year	72
At the end of the year	74
Net book value at the end of the year	203

2016/17 Restated	Software £'000
Cost	
At the start of the year	-
Incoming assets from The Royal Parks Agency	161
At the end of the year	161
Amortisation	
At the start of the year	-
Charge for the year	2
At the end of the year	2
Net book value at the end of the year	159

12. Heritage assets - Group and Charity 2017/18

	Buildings £'000
Cost or valuation	
At the start of the year	45,465
Additions in the year	1,148
At the end of the year	46,613
Depreciation	
At the start of the year	76
Charge for the year	1,752
At the end of the year	1,828
Net book value at the end of the year	44,785

	Buildings £'000
2016/17 Restated	
Cost or valuation	
At the start of the year	-
Additions in the year	45,465
At the end of the year	45,465
Depreciation	
At the start of the year	-
Charge for the year	76
At the end of the year	76
Net book value at the end of the year	45,389

13. Parent Charity

The parent Charity's gross income and the results for the year are disclosed as follows:

	2018 £'000
Gross income	75,126
Result for the year	18,255

14. Debtors

	Group 2018 £'000	Charity 2018 £'000	Group and Charity 2016/17 Restated £'000
Trade debtors	2,308	1,733	504
Other debtors	630	632	44
Prepayments and accrued income	8,711	8,204	1,416
Amounts due from subsidiaries	-	1,512	-
	11,649	12,081	1,964

15. Creditors

Amounts falling due within one year

	Group 2018 £'000	Charity 2018 £'000	Group and Charity 2016/17 Restated £'000
Trade creditors	93	91	250
Accruals	9,820	9,795	5,814
Deferred income	3,115	1,862	2,500
Staff leave accrual	154	154	168
Other payables	396	391	585
Prior period adjustment creditor	-	-	514
	13,578	12,293	9,831

Amounts falling due after more than one year

	Group 2018 £'000	Charity 2018 £'000	Group and Charity 2016/17 Restated £'000
Accruals	128	128	128
	128	128	128

16. Deferred Income

Deferred income mainly comprises income invoiced in advance for estates licenses and for the Royal Parks Half Marathon.

	Group 2018 £'000	Charity 2018 £'000	Group and Charity Restated £'000
Balance at the beginning of the year	2,500	2,500	-
Amount released to income in the year	(2,500)	(2,500)	-
Amount deferred in the year	3,115	1,862	2,500
Balance at the end of the year	3,115	1,862	2,500

17. Cash at Bank and in Hand

	Group 2018 £'000	Charity 2018 £'000	Group and Charity Restated £'000
Balance at start of period	16,844	16,844	-
Net change in cash at bank and in hand	6,567	6,110	16,844
Balance at end of period	23,411	22,954	16,844
Analysis of cash held			
Cash at bank and in hand	9,411	8,954	16,844
Fixed term deposits (less than 3 months)	14,000	14,000	-
Total cash and cash equivalents	23,411	22,954	16,844

18. Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Group 2018 £'000	Charity 2018 £'000
Less than one year	79	79
One to five years	9	9
Over five years	-	-
	88	88

19. Analysis of Net Assets Between Funds

Group	General Fund £'000	Designated Funds £'000	Restricted Fund £'000	Total £'000
Fixed Assets	1,260	-	94,284	95,544
Cash at Bank and in Hand	14,551	5,000	3,860	23,411
Other Current Assets	10,066	-	1,583	11,649
Creditors (due within 1 year)	(13,362)	-	(216)	(13,578)
Creditors (due after more than 1 year)	(128)	-	-	(128)
	12,387	5,000	99,511	116,898

Charity	General Fund £'000	Designated Funds £'000	Restricted Fund £'000	Total £'000
Fixed Assets	-	-	94,284	94,284
Cash at Bank and in Hand	14,094	5,000	3,860	22,954
Other Current Assets	10,498	-	1,583	12,081
Creditors (due within 1 year)	(12,077)	-	(216)	(12,293)
Creditors (due after more than 1 year)	(128)	-	-	(128)
	12,387	5,000	99,511	116,898

20. Financial Instruments

Financial Assets

	The Group 2018 £'000	The Charity 2018 £'000
Debtors	11,649	12,081
Cash	23,411	22,954
	35,060	35,035

Finance Liabilities

	The Group 2018 £'000	The Charity 2018 £'000
Creditors amounts falling due within one year	(13,578)	(12,293)
	21,482	22,742

The Royal Parks holds only basic financial assets and liabilities that are all measured at amortised cost.

21. Capital Commitments

At the balance sheet date, the Group had capital commitments totalling £276,000, in respect of property, plant and equipment.

22. Contingent Liabilities

There are unquantifiable contingent liabilities relating to incidents in the Royal Parks prior to the established of the new Charity. These are limited to £100,000 in the first and second years of the Charity. The Royal Parks does not have sufficient information to assess the values of these liabilities at this time.

23. Related party transactions

All related party disclosures cover the period from 16th of March 2017 to 31st of March 2018.

Connected Bodies

The Department for Digital, Culture, Media and Sport (DCMS) is regarded as a related party. There were material transactions with DCMS in respect of £49.4m of income and £22.4m of expenditure (including £22.2m of barter income and expenditure, which are non-monetary transactions). DCMS had a total of £814,636 owed to The Royal Parks at the year end.

Material Transactions with Related Party Interests

During the year, the Charity had the following related party transactions.

Trustees

Nickie Aiken is Leader of Westminster City Council. The Royal Parks made payments of £107,697 to Westminster City Council, primarily relating to rates and licences.

Ruth Anderson is a Trustee of The Duke of Edinburgh's Award Charity. The Duke of Edinburgh's Award Charity made a payment to The Royal Parks of £1,350 relating to The Royal Parks Half Marathon.

Georgia Gould is Leader of Camden Council. Camden Council made payments of £37 to The Royal Parks. The Royal Parks made payments of £9,815 to Camden Council, primarily relating to rates and licences.

Denise Hyland was Leader of Greenwich Council. Greenwich Council made payments of £70 to The Royal Parks. The Royal Parks made payments of £240 to Greenwich Council.

Sir Andrew Ford is an employee of The Royal Household. The Royal Household made a payment of £642 to The Royal Parks, relating to a licence.

No other Trustees, key managerial staff or other related parties have undertaken any related party transactions with the Charity during the year.

24. Events After Reporting Date

There were no significant events after the reporting period that require disclosure. The Trustees have duly authorised the issue of the accounts as the date on the audit certificate.

25. Movement in Funds

	Opening Balance £'000	Incoming Funds £'000	Outgoing Funds £'000	Transfer Between Funds £'000	Closing Balance £'000
Restricted Funds					
Adoption Scheme	-	21	-	-	21
Benches	-	298	(8)	-	290
Diana Playground	-	33	-	-	33
The Regent's Park Sports	-	6	-	-	6
Richmond Park	-	62	-	-	62
September 11 Memorial	-	26	-	-	26
Tree Appeal	-	10	-	-	10
Tree Dedication	-	53	-	-	53
St James's Park	-	75	(16)	-	59
Greenwich Park Revealed	-	283	(33)	-	250
Queen Victoria Memorial	-	14	-	-	14
The Regent's Park	-	88	-	-	88
Hyde Park	-	358	(5)	-	353
The LookOut	-	130	-	-	130
Across the Water	-	517	-	-	517
Kensington Gardens	-	87	(1)	-	86
The Regent's Park Hybrid Pitch	-	356	-	(356)	-
Tennis Courts	-	440	-	(440)	-
Bushy Park	-	8	-	-	8
Green Fingers	-	56	-	-	56
Brompton Cemetery	-	3,804	-	(3,151)	653
Cherry Tree	-	154	-	-	154
Mission: Invertebrate	-	1,158	(287)	-	871
Gloucester Gate Playground	-	327	(1)	-	326
Equine Products	-	36	(11)	-	25
Hedghogs	-	81	(2)	-	79
Ripple Fund	-	17	-	-	17
Deer Fund	-	33	-	-	33
The Albie Bird Bath	-	23	(9)	-	14
Education and Play	-	910	-	-	910
World War One Project	-	50	(26)	-	24
The Regent's Park Allotment	-	84	(25)	-	59
Restricted Fixed Asset Fund	89,794	-	(3,830)	8,320	94,284
Total Restricted Funds	89,794	9,598	(4,254)	4,373	99,511

	Opening Balance £'000	Incoming Funds £'000	Outgoing Funds £'000	Transfer Between Funds £'000	Closing Balance £'000
Unrestricted Funds					
General Fund	8,849	44,909	(31,998)	(9,373)	12,387
Designated Projects and Maintenance Fund	-	-	-	5,000	5,000
Total Unrestricted Funds	8,849	44,909	(31,998)	(4,373)	17,387
Net movement in Funds	98,643	54,507	(36,252)	-	116,898

Purpose of Unrestricted Funds

Unrestricted funds may be utilised at the discretion of the Trustees in pursuit of the Charity's objectives. Information about the Designated Projects and Maintenance Fund can be found in the Reserves Policy of the Trustees' Report.

Purpose of Restricted Funds

All donations and grants have been received to fund the stated aims of the Charity and are limited for this purpose. Where donors have requested that a donation be spend on a specific project or activity, this has been noted above. All Restricted Funds are used to support the specific parks or projects as requested by the donor, within the stated aims of the charity

Transfer Between Funds

During the period, £3.9m of Restricted Funds and £4.4m of Unrestricted Funds were spent on fixed assets by the Charity. These assets were transferred to the Restricted Fixed Asset Fund during the year.

Notes



The Royal Parks is registered in England and Wales
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Registered Charity No: 1172042.
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