

THE PARKS TRUST

# Annual Report and Financial Statements

2020/21



# Company Information

## Milton Keynes Parks Trust Limited

<b>Company Registration Number</b>	02519659
<b>Charity Registration Number</b>	1007183
<b>Registered Office</b>	Campbell Park Pavilion, 1300 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 4AD
<b>Bankers</b>	<b>Barclays Bank Plc</b> Ashton House, 497 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 2LD  <b>Handelsbanken</b> 2nd Floor, Moorgate House, 201 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 1LZ
<b>Auditor</b>	<b>Moore Kingston Smith LLP</b> 4 Victoria Square, St Albans Hertfordshire, AL1 3TF
<b>Solicitors</b>	<b>Geoffrey Leaver Solicitors LLP</b> Bouverie Square, 251 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DR  <b>Freeths LLP</b> Routeco Office, Park Davy Avenue, Knowlhill, Milton Keynes, Buckinghamshire, MK5 8HJ
<b>Subsidiary Companies Registered Office</b>	<b>MKPT Properties Limited</b> Campbell Park Pavilion, 1300 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 4AD Company Registration: No. 04161258  <b>MKPT Events Limited</b> Campbell Park Pavilion, 1300 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 4AD Company Registration: No. 09411695  <b>Whitecap Leisure Limited</b> Campbell Park Pavilion, 1300 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 4AD Company Registration: No. 03979736

# Contents

<b>Welcome</b>	<b>4</b>
<b>Trustees' Report</b>	<b>6-23</b>
Strategic Report	20-21
Statement of Trustees' Responsibilities	22-23
<b>Financial Statements and Supporting Notes</b>	<b>24-51</b>
Independent Auditors Report	24-27
Financial Statements	28-31
Principal Accounting Policies	32-37
Notes	38-51



# Welcome

## Welcome from David Foster, Chief Executive

Welcome to The Parks Trust Annual Report and Financial Statements. This will give you an overview of the work we do and a review of our performance during the financial year 2020/21.

The Parks Trust is an independent and self-financing charity. We care for over 6,000 acres of parks, lakes, woods and landscapes in and around Milton Keynes. Our mission is to create 'beautiful and inspirational parks, lakes and landscapes, that will be loved by the people of Milton Keynes, forever.'

It goes without saying 2020/21 has been a very difficult and challenging year for the Trust and I am so proud of how we have responded. Our volunteers, staff and contractors have had to cope with a huge amount of uncertainty and anxiety and adapt to new ways of working. At the start of the year we drastically cut our maintenance budgets and many of our staff were furloughed. Our events, outdoor learning programme and volunteering all had to stop, and non-essential expenditure was put on hold. Later in the year we were able to progressively reinstate some of the budget cuts and our plans for 2021/22 are now looking like normal service will resume in the summer.

The parks and green spaces have never been more valued than they are now and with that has come a huge increase in park visitors and users, which is brilliant to see but the increased wear and tear and litter has significant implications for our resourcing. We think it likely the step change in visitor numbers we have seen this year is 'the new normal' and so we are recruiting additional Park Rangers and Enforcement Officers to help ensure we can continue to provide clean and safe parks for everyone.

The creation of Remembrance Walk in Newlands and the Middleton Wood Meadow project gave us something to celebrate and helped everyone stay positive. As did our wonderful Great Linford Manor Park restoration project and the new café, restaurant and watersports building at Willen Lake, both of which are nearing completion.

More than ever I want to thank my colleagues for all their hard work during the year. It has been really tough for some, and we will do everything we can to continue to support them. We have exciting times ahead with lots of new and interesting ideas and initiatives to explore, so I look forward to what I hope will be a really positive year for us all.

**David Foster**, Chief Executive



Middleton Wood Meadow



David Foster and Zoe Raven

## Welcome from Zoe Raven, Chair of The Parks Trust

I am delighted to introduce my first annual report as Chair of The Parks Trust. I took over from Richard Forman who retired in December 2020 having served for 12 years on the board, the last 6 years as the chair. Richard did a fabulous job for the Trust and we owe him a tremendous debt of gratitude.

The value of The Parks Trust to the people of Milton Keynes became even more evident during the COVID-19 pandemic, with the benefits of being outdoors in green spaces being newly appreciated during the periods of lockdown. The way in which David and his team coped with the challenges of a greatly increased footfall in the parks, as well as the pressures of the financial uncertainty was both impressive and inspiring, and I'd like to thank them all for their resilience, adaptability and the sacrifices which some had to make.

In becoming chair, after several years as a trustee, it is a huge privilege to work with such a talented and dedicated team, and I really look forward to facing the exciting challenges ahead of us. These include developing the role of the Trust as Milton Keynes grows and working to fulfil our objective that new developments in Milton Keynes benefit from the same extent and quality of green space as the original areas, and continuing to develop our work in community engagement and outdoor learning, to ensure that our parks are loved and respected for the long term.

The way in which the Trust is coming through the COVID-19 crisis and is now thriving, is also a reflection of the efforts over many years in pursuing a path to long term financial sustainability. We are continuing to fine tune our governance arrangements, to keep pace with our growth, and are currently engaged in a governance review, to externally validate our practices. We have exciting plans and ideas for the future, and with such a talented and dedicated leadership team, I feel very confident that the Trust will continue to be a jewel in the crown for Milton Keynes.

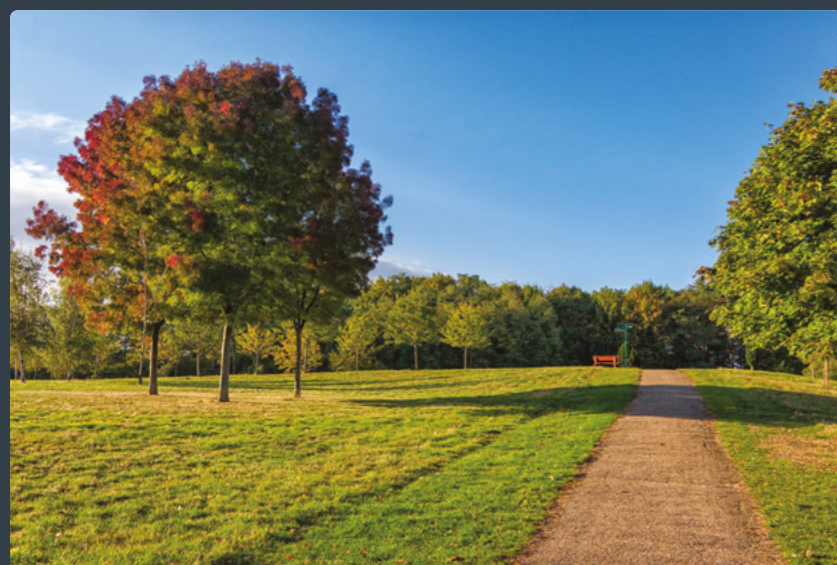
**Zoe Raven**, Chair of the Board

# Our Highlights

## A look back at 2020/21

Due to restrictions that were put in place because of COVID-19, for almost two-thirds of the year, we were unable to run our usual events and activity programme, but we were pleased to still be able to safely facilitate 236 events and activities within our parkland in 2020.

Lockdown restrictions meant that more residents of Milton Keynes than ever have been exploring the parkland on their doorstep. We were pleased to be able to provide some respite for people to get out in the great outdoors and enjoy all that the parkland of Milton Keynes has to offer.



▼ In June, we were pleased to announce that Grounds Café would be taking on the management of our café at Howe Park Wood. The café, which was fully refurbished, faced some challenges this year but was able to operate a takeaway service which went down very well with people visiting our woodland and the surrounding areas.



▲ With the increase of visitors our team worked tirelessly throughout 2020 to maintain these areas for the enjoyment of everyone. We helped with social distancing by mowing the grass along pathways creating more room, we increased the number of Park Rangers patrolling our parkland and we increased our litter picking operation to deal with the huge increase in litter over this time.



◀ The Milton Keynes Rose had some new additions in 2020, with the engraving of three new pillars commemorating Volunteer's Week, Refugee Day and COVID-19. Funding for the three new granite pillars was raised via a successful fund-raising campaign and a grant from MK Community Foundation. The new pillars were chosen by the pillar panel, who meet every other year to decide a new pillar engraving from the submissions received from the community group.

▼ In August of 2020 we were thrilled that Campbell Park received Grade II listed status from Historic England. Campbell Park was one of only four landscapes in the South East to have been granted this protection in recognition of its historic interest and innovative architectural design.



◀ Despite the impact on our finances we were able to continue making significant investments in our parkland across the city including the construction of a brand-new watersports, café and restaurant building at Willen Lake. This impressive new building situated at the edge of the lake will be fully accessible, with level access, lifts, accessible toilets and baby change facilities. We will also be upgrading the play areas and once complete, Willen Lake will be home to the biggest free play area in Milton Keynes.



▲ In September we asked if you could help your local woodland by collecting acorns from Howe Park, Shenley or Linford Wood and plant them at home or school to grow. This was to help us replace lost and dying trees that are affected with Ash dieback. By the end of 2020, 4,013 acorns had been collected and will be nurtured for a couple of years before being planted back into woodlands.



▲ In October of 2020 work started on a Jurassic themed adventure golf course, café and public toilets at Furzton Lake. This construction is still ongoing, and the new facilities are due to open in the summer of 2021. Furzton Lake has proved to be a very popular destination for people over the last year and these new additions will greatly improve the visitor experience.



▲ For the fourth year in a row, The Parks Trust achieved the Green Flag Award and we are proud to be the first and only organisation to win this award for a whole-city approach rather than an individual park. We were also delighted that our Volunteer, Andrew White, won Green Flag's Volunteer of the year award for 2020.

► Landscaping works commenced at Great Linford Manor Park in 2020 as we implemented our National Lottery Heritage Fund project to 'Reveal, Revive and Restore' the historic landscape and upgrade public facilities. Having been awarded £3.1m from the National Lottery Heritage Fund, we are restoring elements of the 18th century English Landscape Garden that was laid out by historic owners of the Manor.



◀ In November of last year, we were lucky enough to witness a Long-eared Owl at Linford Lakes Nature Reserve. These beautiful birds were frequent visitors to the site back in the 1980's but have since been a very rare sight and this is the first Long-eared owl ringed at this location.

# Our Volunteers

Volunteers are a valued part of our team at The Parks Trust and they enable us to deliver more for the people and environment of Milton Keynes than we would otherwise be able to do.

The National lockdowns meant that volunteering activities were suspended for some of the year, with some volunteer roles resuming duties from June 2020 onwards.

We benefit from the support of 215 people who are registered as volunteers with us. Over the last year our volunteers completed at least 4,584 hours (2020/2021) of activity for the Trust. Their contribution included over 3,500 hours as rangers and wardens patrolling our parks. This includes the team of volunteer wardens who patrol our Floodplain Forest Nature Reserve every day. The support given by our volunteer rangers and wardens has been essential in helping us monitor our parks and keep them safe and tidy for people to use.

Other volunteering includes regular practical conservation tasks and supporting our Outdoor Learning and Events Teams with community activities. It was much of this volunteer support that was suspended as a result of the pandemic in 2020.



Each January, we hold an evening celebration event for our volunteers, looking back over the previous year and highlighting their achievements. In 2020 this event was held virtually to say thank you to all volunteers and recognise some amazing achievements.

The below individuals were recognised for their contributions in 2020.

**Volunteer of the Year 2020**  
**June Gaynor**

**Events & Community Engagement Volunteer**  
**Andrew White**

**Outdoor Learning Volunteer**  
**Ian Graham**

**Volunteer Ranger**  
**Donald Selby**

**Newcomer of the Year**  
**Chris Ryder**

**Biodiversity & Conservation Volunteer**  
**James Chew**

As well as the individuals who are registered with us as Parks Trust volunteers, the Trust has also benefitted from working with others who are members of voluntary groups who carry out tasks and organise events and activities in our parks and nature reserves.

In support of our volunteers, we provide essential items of uniform and equipment and we offer training to ensure our volunteers know how to undertake their tasks and are safe when doing so. We regularly communicate with our volunteers through our Volunteer e-newsletter and organise a number of social and networking events, providing an opportunity for volunteers to meet and keep in touch with staff.

We are very grateful to all our volunteers for the help and support they provide. We look forward to continuing to work together over the year to come.



# Our Financial Performance

## Financial position and reserves at the end of 2020/21

The Trust's financial position at the end of 2020/21 shows an increase in net assets of £12.9m to £129.3m (2020: £116.4m) driven largely by growth in our Expendable Endowment fund of £11.3m and the proceeds from the surrender of our lease on two parcels of land to the Council (the freeholder) for economic developments that will benefit the city (see note 4).

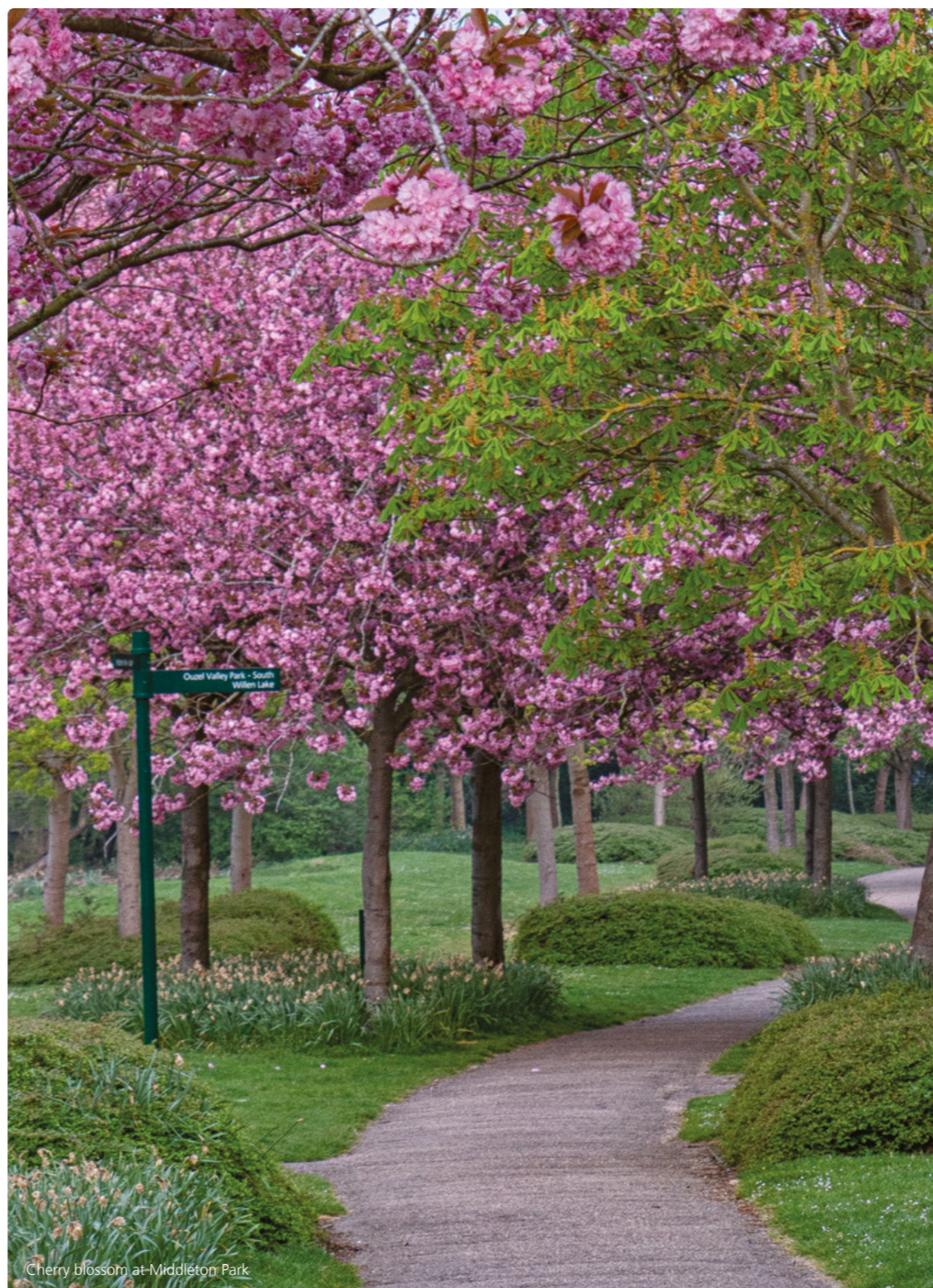
### The net assets are split into three different reserves funds, which are made up as follows:

**Expendable Endowment Fund £124.1m (2020: £112.7m)** – In the final quarter of 2019/20 our investment portfolio suffered a significant fall in value following the onset of COVID-19. In 2020/21 our investment portfolio has recovered its loss from the prior year and further grown in value as asset prices increase around the world. The year on year increase in portfolio value of £8.2m combined with the new endowments we have received for taking ownership of new green space have contributed to the growth in our Expendable Endowment Fund. This fund includes assets donated to The Parks Trust by the Milton Keynes Development Corporation when the Trust was established in 1992. In most years since then the Trust has taken responsibility for managing additional green space and received additional endowments, initially from the Commission for New Towns, then English Partnerships, and more recently various developers and Milton Keynes Council (from the 'Tariff and section 106 monies). The fund may be converted into income.

**Restricted Fund £0.7m (2020: £0.7m)** – The Campbell Park Community Facilities project is to provide community facilities within Campbell Park. The Riverine Forest project is to restore and manage the floodplain of the River Ouse at Manor Farm, Old Wolverton to Floodplain Forest and associated habitats utilising gravel royalties secured from the site.

**General Fund £4.6m (2020: £3.0m)** – The General Fund is unrestricted and comprises the remaining surplus for the year after transfers to designated funds. All income arising on the assets held in the Expendable Endowment Fund is credited directly to this fund. The General Fund is available to use in carrying out the charitable objects of the Trust.

The General Fund also includes two designated funds; the Environmental Gain Fund and the Stanton Low Fund. The Environmental Gain Fund is a new fund we established this year to enable us to put aside reserves for the specific purpose of improving biodiversity and creating new habitat within Milton Keynes and its environs. The first allocations to this fund have been made by top slicing the windfall receipts from this year's lease surrenders.



## Financial review of 2020/21

Following the outbreak of COVID-19 and the subsequent first UK lockdown of 23 March 2020, we entered 2020/21 with much trepidation. The impact COVID-19 would have on our investment income was very much unknown which meant we had to adopt a cautious approach with regards to our spending plans for the year.

We are pleased to report that our investment income, whilst falling year on year, has performed better than we had anticipated. This is testament to the in-house expertise of our commercial property team, their active management of our property portfolio and the diversified nature of the portfolio. The Trust's principal income from the investments it holds was made up of;

- Commercial property portfolio of £7.39m (2020: £7.82m);
- Financial investments of £0.72m (2020: £1.03m).

Our income from charitable activities increased to £5.62m this year (2020: £3.31m). As well as the endowments for new land transfers, this year has seen a significant increase in grant income. Our project to restore Great Linford Manor is progressing well and has had £0.57m of funding from the National Lottery Heritage Fund and from central and local government we received £0.48m of COVID-19 financial support. The Trust's principal income from its charitable activities was made up of;

- Endowments of £2.83m (2020: £0.80m);
- Operating subsidiary of £0.91m (2020: £1.36m);
- Grant income of £1.08m (2020: £0.33m); and
- Farming income of £0.51m (2020: £0.46m).

In respect of our resources expended this year, our investment management costs have increased from £3.4m to £4.1m. The increase is as a result of the impairment of the goodwill in our trading subsidiary Whitecap Leisure Limited. The write down, which totalled £0.7m, is a one-off non-cash charge. The annual amortisation charge before impairment was £0.3m. Whitecap's performance for 2020/21 is noted below. The costs of managing and maintaining our parks reduced slightly year on year as we took a cautious approach to our spending. The total cost fell from £8.0m in 2019/20 to £7.8m in 2020/21.

The Trust continues to hold a diversified range of investments comprising our in-house managed commercial property portfolio and externally managed equity investments. Our investment funds now total £152.5m (2020: £143.7m).

In March 2021 an independent desktop valuation of the majority of our investment properties was carried out by Colliers International Valuation UK LLP. The land and properties are valued at £115.5m (2020: £110.4m) and a fair value uplift of £0.48m has been recognised in the Statement of Financial Activities. The basis of the valuation adopted was open market value subject to existing tenancies and the revaluation is recorded as an unrealised gain in the Statement of Financial Activities.

Following the outbreak of coronavirus in the final quarter of 2019/20 the Trust's managed funds suffered a significant fall in value. Throughout 2020/21 the investments have recovered their pre-pandemic position, recording an upwards revaluation of £3.95m in the year (2020: downwards revaluation of £3.18m). The revaluation is recorded as an unrealised gain in the Statement of Financial Activities.

The Trust has loans drawn to the value of £30.0m (2020: £35.5m) and these are secured against some of our investments. During the year the Trust repaid £5.5m in respect of its floating rate revolving credit facility (RCF). This means that all the remaining drawn loans are in the form of long-term fixed rate debt. The RCF facility remains in place and has a maximum value of £10.0m, should the Trust need to access additional funds.

**Our key financial metrics are as follows:**

	2021	2020
<b>Total incoming resources</b>	£16.7m	£12.7m
<b>Commercial property portfolio yield</b>	6.6%	7.5%
<b>Managed funds yield</b>	2.0%	2.6%
<b>Total resources expended</b>	£12.4m	£11.8m
<b>Net movement in funds</b>	£12.9m	£2.5m
<b>Expendable endowment fund</b>	£124.1m	£112.7m



Eating ice creams at Willen Lake

**Our investments**

In 2019/20 we reported that following a review of our investment policy we would consider making changes to our managed funds portfolio. The board agreed to disinvest in full its holding with Cazenove and invest into new asset classes in order to reduce the investment portfolio's Value at Risk and increase income yields. The move would also further increase the Trust's level of socially responsible investments.

The value of our managed funds portfolio is now £37.0m (2020: £33.3m) and is invested in a mix of stock market equities and other financial investments. The Trust continues to hold funds with Sarasin and Partners LLP and during the year invested into new assets classes with Apollo Global Management and Legal & General Investment Management. The Trust also has a commitment to invest funds into the JP Morgan Infrastructure Investment Fund.

The proportion of funds invested in specific sustainability funds continues to grow each year following our investment into new asset classes and as more suitable and attractive funds become available. We currently have £17.1m (46.2%) (2020: £13.2m (39.6%)) invested in such funds.

Active management of our commercial property portfolio is a key part of our investment strategy. Our portfolio is spread between retail, office, hotel and leisure, industrial and residential. By value 52.9% (2020: 51.7%) of our property portfolio is located within Milton Keynes. Through the knowledge and expertise of our in-house team we feel we are well placed to manage the risks to our property income. The Trust continues to monitor the COVID-19 position closely and will continue to support tenants with financial assistance where possible.

We have a written investment policy which is reviewed annually by the board. Our investment policy requires our managers to meet these ethical investment requirements:

- The Parks Trust will avoid directly investing in companies that have a significant negative impact on climate change;
- The Parks Trust will invest mainly in funds where the underlying managers employed have a credible Responsible Investment Policy;
- The Parks Trust will invest a proportion of its funds into ethical funds particularly those that aim to promote solutions to climate change providing it is not to the Trust's financial detriment to do so;
- The Trustees reserve the right to withhold from making investments which, in their opinion, may damage the Trust's reputation; and
- The Parks Trust does not expect its investment advisors to make investments that are out of step with the Trust's guiding values or that would be contrary to the achievements of the Trust's objectives.

**Subsidiary - Whitecap Leisure Limited**

2020/21 was a difficult year for Whitecap Leisure Limited as the business was severely affected by COVID-19 restrictions, which were particularly severe on entities operating in the

leisure industry. Whitecap made an operating loss of £84k (2020: operating loss of £82k) although the result includes an impairment write down in fixed assets of £103k.

The Trust has taken the decision to write down the remaining Goodwill relating to the acquisition of the subsidiary in 2013. The total amortisation and impairment charge for the year of £1.02m is shown within Unrestricted Funds in the Statement of Financial Activities.

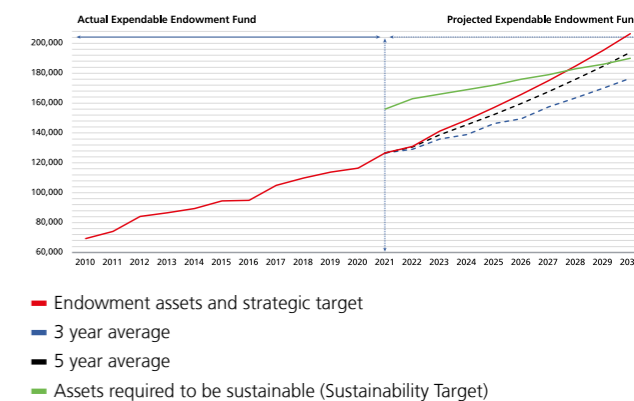
**Towards financial sustainability**

We will be looking after the parks, lakes, woods and landscapes forever and we are entirely self-financing. We have no tax raising powers and have to generate all the money we need from our investments and from our commercial activities, so it's vitally important we follow a plan to make the Trust financially sustainable for the long term. To achieve this, we need to keep growing our Expendable Endowment Fund each year.

The graph showing our endowment asset values each year, indicates we have been doing well at this in recent years and have benefited from a strong recovery in asset values in 2020/21. It also shows a projection of where we are planning to grow our asset base, so that we are able to withstand future economic downturns and crises and continue to maintain the parks to a good standard forever.

At the current rate of growth, we will reach our sustainability target around 2029, assuming we do not face a significant reduction in asset values. Of course, it is unrealistic to assume there will not be external pressures on asset values at some stage in the future and our financial planning endeavours to take this into account.

**Financial Sustainability Projection**



Looking forward to 2021/22 we will continue to care for over 6,000 acres of green space in Milton Keynes and plan to increase our workforce to cope with the increasing demands that come with taking on new green space. We will also deliver the new £4.5m watersports centre and restaurant building at Willen Lake and continue with the restoration of Great Linford Manor Park at a cost of £3.5m. In April of 2021 we also completed on the investment acquisition of Drakes Mews, a commercial property asset in Crownhill, Milton Keynes, for £4.4m.



# New Parks and Open Spaces

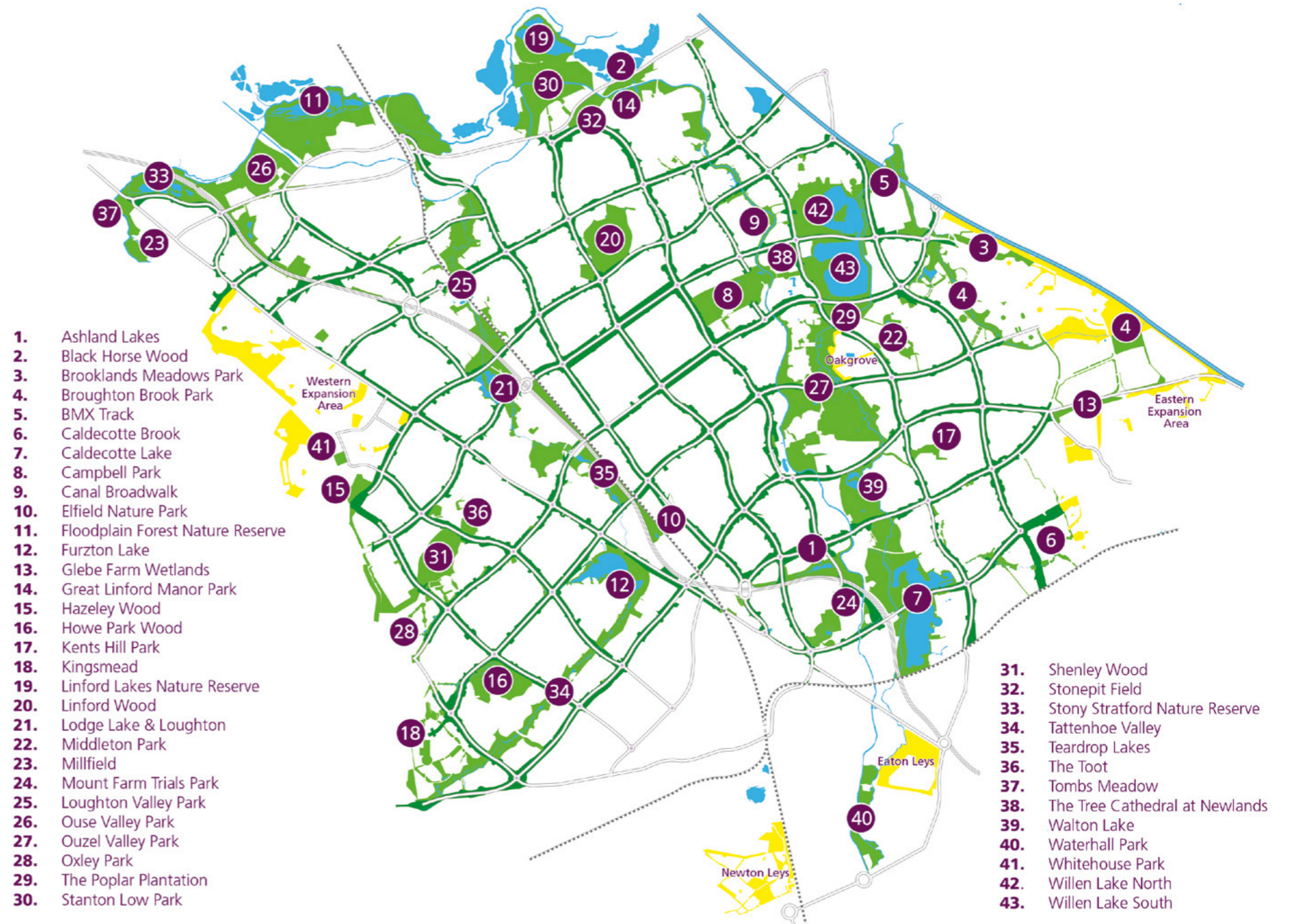
Milton Keynes remains one of the fastest growing urban areas in the country. We promote the principle that all new areas of Milton Keynes should benefit from the provision of parks and green spaces to at least the same quantity and standard as the established areas of the city. In this, we seek to position The Parks Trust as the adopting stewardship body for new parks and green spaces as the city grows.

Under current planning law and policy, developers have the ability to pursue alternative options for the future maintenance of green space in their developments. Therefore, we work proactively to engage with developers to illustrate the benefits and value in handing new green spaces to The Parks Trust with endowments. We have Milton Keynes Council's support in this and the Council co-funds a green infrastructure officer employed by the Trust, who leads in this engagement with developers. During 2020/21, this engagement took place in the ongoing Western and Eastern expansion areas and the Oakgrove and Tattenhoe Park developments in Milton Keynes. New engagement also took place with developers proposing major developments in the south, south east, east and north of Milton Keynes.

During the year, The Parks Trust accepted the transfer of the following parks, play areas and green spaces from developers, with endowments to cover future maintenance costs:

- Grahams Circus Open Space, Brooklands (0.49 hectares)
- Cooks Place Open Space, Brooklands (0.13 hectares)
- Lautier Park (including neighbourhood children's play area), Brooklands (0.66 hectares)
- 'Northern Wetland Park' Phase 1 (including sustainable urban drainage system ponds), Glebe Farm (2.04 hectares)
- 'Northern Wetland Park' Phase 2 (including 'Swamp Outpost' Children's Play Area and sustainable urban drainage system ponds), Glebe Farm (2.23 hectares)
- Sensory Island Children's Play Area, Glebe Farm (0.26 hectares)
- Open space next to Hepburn Crescent, Oxley Park (0.07 hectares)
- Whitehouse Park (including neighbourhood children's play area), Whitehouse (1.75 hectares)

We continue to monitor and comment on plans and strategies that will influence and shape the future of Milton Keynes. To consolidate our approach, we have been preparing our own proposition document, which we will publish in 2021, which sets out our strategic vision and principles for green infrastructure to underpin an expanded and evolving city of Milton Keynes.



- Parkland managed by The Parks Trust
- Road Corridors managed by The Parks Trust
- Future parks and green spaces (indicative)



# Looking Forward

We hope that in 2021/22 our work will return to normal and we will be able to get on with all the activities that are set out in our business plan, many of which had to be put on hold during the pandemic.

## KEY ACTIVITIES INCLUDE:

- Maintaining the parks and landscapes to a high standard including keeping up with the routine annual maintenance as well as the cyclical work such as woodland management, path resurfacing, repairs and replacement of features such as play areas, pieces of public art, boardwalks and bridges. We will have to continue the sad task of felling dead and diseased ash trees in places where they are likely to become hazards due to the ash die back disease.
- Our Outdoor Learning work - we will engage with young people through to adults with our education programmes. This will be enhanced with a refurbishment of the Linford Lakes Study Centre.
- The events programme and all the other forms of community engagement will re-start in the summer.
- Co-ordinating and supporting our volunteers and reinstating our corporate volunteering activities.
- Working to deliver our Biodiversity Action Plan, to conserve and enhance the habitats on our land and to provide opportunities for wildlife species to thrive in Milton Keynes.
- Managing our investments so as to grow our asset base and get closer to our long-term financial sustainability target.

The increase in visitor numbers over the last year has highlighted the need for us to have a greater presence in the parks particularly at weekends and evenings and also to be able to take a stronger line with people causing anti-social behaviour. We will be recruiting more Rangers and also two Enforcement Officers through a joint initiative with Milton Keynes Council and Thames Valley Police, known as the Community Safety Accreditation Scheme. Through this scheme we will be taking on some enforcement powers, which is a big step for us, but we feel the time has come to give our staff more support in their work keeping the parks safe and attractive places for everyone to visit.

We will also invest in new ways to tackle litter in the parks, with the establishment of a dedicated litter team. There have been times during the past year when we have felt we have been losing the battle against litter and although we are proud to say none of our parks remain littered for more than a few hours, sadly we need to devote more resources to meeting this challenge going forwards.

Last year we carried out a thorough review of our land to identify sites where we may plant more trees and woodland. Opportunities are relatively limited, but a site we did identify is in Middleton where we have started to create the Middleton Wood Meadow. Our aim is to involve the community in the planting of this site and whilst that proved difficult in 2020, there should be more opportunities for local people to be engaged in the tree planting.

We will see the completion of the Phase two of our investment at Willen Lake – the huge extension to the play area, new café, restaurant and watersports building, repurposing of the old café and wakeboarding buildings to include the provision of accessibility scooters. We will also start to consider plans for Phase three – the redevelopment of the old watersports facilities and boat yard, the redesign of the southern car park and improvements to the lakeside in front of the pub and gym.

The restoration of the 18th Century heritage landscape features, including the Water Gardens and the Wilderness, and the provision of enhanced access facilities at Great Linford Manor Park, will be largely completed in the year, as will the new adventure golf and café at Furzton Lake.



Almshouse at Linford Manor Park



Cyclists, Campbell Park

We will continue to work with the Council's planning team and with developers towards ensuring new parks and green spaces in the growth and development areas of Milton Keynes are well designed and built and that their future stewardship is properly provided for, by being transferred to the Trust. We will set out our own bold and ambitious vision for green infrastructure in Milton Keynes by publishing our Proposition document. This will set out our view of how the expansion of the city and any new developments around it should be based on and ensure the delivery of an extended network of green and blue infrastructure that connects to the city's existing and exemplary linear parks. We will promote our Proposition to influence not only the development plan for Milton Keynes but also the wider plans for the Oxford to Cambridge Growth Arc. We will seek to influence the environmental strategy for the Growth Arc so that this not only includes the establishment of new green infrastructure to support and mitigate the effects of urban development but also that it establishes a policy and delivery framework that will secure the sustainable long term stewardship of green infrastructure, as was achieved for the linear parks in Milton Keynes through the creation of The Parks Trust.

Milton Keynes Council has announced its vision is for Milton Keynes to be one of the greenest and most biodiverse cities in the world. Our parks and landscapes already make a major contribution towards achieving the Council's vision. During the year we will work with the Council to support them in the development of a strategy and action plan for local nature, so that wildlife has increased opportunities to thrive across the entire city, both on Parks Trust land and on land under the control of others.

Diversity and Inclusion will continue to be an important development area for us. We will continue programmes such as our Community Ambassadors Scheme and encourage wide use of the parks amongst all communities. We will begin a major programme to review the accessibility of all our parks, with the assistance from the Centre for Integrated Living and make improvements to the information we provide park users and make improvements on the ground.

We will continue to invest in our staff and our governance. In 2021 we will have an independent review of our governance arrangements, as recommended by the Governance Code for Large Charities. We will expand our direct works scheme and recruit at least four new apprentices and we will start a new development programme for some of our middle managers.

During the year we will make further progress towards our commitment of making The Parks Trust more environmentally sustainable in the way we operate, by establishing targets to reduce our carbon footprint and by pursuing the environmentally friendly investment of our assets.

# Structure, Governance and Management

## Trustees

All the Trustees are directors of Milton Keynes Parks Trust Limited. The Trustees who served during the 2020/21 financial year are:

### George Bowyer

Nominated by Milton Keynes Council. Appointed 31/7/2020

### Chris Bridgman

### Ian Burgess

Nominated by the Association of Urban Parish Councils  
Appointed 1/5/2020

### Sam Crooks

Nominated by Milton Keynes Council

### Junita Fernandez

Chair of Audit, Governance and HR Committee

### Richard Forman

Chair of the Trust and Chair of Executive Committee until he retired 16/12/2020

### Dan Gilbert

Nominated by Milton Keynes Council. Retired 31/7/2020

### Robert Green

Appointed 1/5/2020

### Ian Jackson

Nick Lloyd  
Vice Chair from 16/12/2020

### James Macmillan

### Jennifer Marklew

Nominated by Milton Keynes Council

### Jean Nicholas

Nominated by the Association of Urban Parish Councils  
Retired 31/7/2020

### Richard Pearce

Retired 26/11/2020

### Zoe Raven

Chair of the Trust and Chair of Executive Committee from 16/12/2020

### Ian Russell

Chair of Operations Committee

### Clare Stacey

Retired 16/12/2020

### Ellen Wilson

Appointed 4/1/2021

### Gamiel Yafai

During the year five Trustees retired and we appointed four new Trustees, taking note of where skills gaps would be occurring on the Board. Newly appointed Trustees go through an induction process which includes explanation of the regulatory framework within which The Parks Trust operates, the legal and fiduciary duties of charity Trustees and company directors, as well as risk management and mitigation. All Trustees are provided with training opportunities, Charity Commission briefings and other information about good charity governance.

## The Parks Trust Management Team

### David Foster

Chief Executive

### Rob Riekie

Landscape and Operations Director

### Jeremy Godfrey

Finance Director

### Ben Allott

Head of Property

### Phil Bowsher

Head of Environment & Volunteering

### Hannah Bodley

Head of Marketing, Events & Community Engagement

### Rob Wood

General Manager, Willen Lake

### Jennifer Harris

HR Manager

## Key Personnel - Remuneration

The Chief Executive's remuneration is determined by the Board on the recommendation of a small sub-committee, made up of the Chair and Vice-Chair of the Board, and the Chair of the Audit, Governance and HR Committee. They also carry out the annual performance review of the Chief Executive. In January 2021 a salary benchmarking exercise was carried out by Total Reward Group on all salaries and benefits at the Trust and a few adjustments were made to salaries to ensure all are now within the 'assessed market range' from 1st April 2021.

## Company Structure

Milton Keynes Parks Trust operates on a day to day basis as The Parks Trust. It is a company limited by guarantee, governed by its articles of association and administered by a Board of Trustees. The Board sets and monitors the strategic direction of the company and ensures that our strategy is aligned with our values and mission. The Board is responsible for ensuring The Parks Trust is properly managed, complying with all relevant law, and has the highest standards of governance.

### THE COMPANY HAS THREE WHOLLY OWNED SUBSIDIARY COMPANIES:

- MKPT Properties Limited – which has been used from time to time to undertake property development projects but is currently dormant.
- Whitecap Leisure Limited – a subsidiary which manages the leisure operation at Willen Lake.
- MKPT Events Limited – which was the vehicle used to manage the Rugby World Cup 2015 Festival and Fanzone but is currently dormant.

The Parks Trust has formal funding agreements with these subsidiaries and appoints the directors who are listed in the notes to the group accounts.

### THE BOARD OF THE PARKS TRUST HAS THREE SUB-COMMITTEES AND RECEIVES REGULAR REPORTS FROM EACH OF THEM

- The Executive Committee guides the Chief Executive on the implementation of the strategies, policies and business management set by the Board. It is also responsible and accountable to the Board for the investment strategy, including the strategy for The Parks Trust's commercial property portfolio.
- The Operational Strategy Committee takes an overview of the way we manage our land and ensures it is well-managed, promoted, animated and interpreted. It also considers proposals for The Parks Trust to take on additional green spaces.
- The Audit Governance and HR Committee oversees financial regulations, financial systems, internal controls, policies and procedures and ensures that they are sound. It meets the auditors annually and, monitors the management and mitigation of risk. It also ensures the Trust has good governance and HR management, overseeing the independent governance review carried out every three years and the annual staff survey.

The Trust also has two advisory groups made up of Trustees and external specialists with a wealth of experience in the subject. One group advises on ecology and the other on investments. The latter concluded a major review of our investment strategy during the year and made recommendations to the Executive Committee and Board on a new strategy which was implemented.

The Trustees have had due regard to public benefit guidance published by the Charity Commission. We consider all the work undertaken by The Parks Trust is for the benefit of the public. For example:

- Nearly all of the 6,000 acres of green space The Parks Trust owns in Milton Keynes is available for the public to use freely, every day of the year.
- The benefits of parks to society, the economy, health and well-being and to the local and global environment are well known and widely accepted.
- The outdoor learning and the events programmes organised by The Parks Trust help people further understand and appreciate the green environment within the new city.
- Our volunteers programme enables local people to become actively engaged in their environment.

The management of The Parks Trust's investments is undertaken solely for the purpose of providing income and long-term financial security so that The Parks Trust is able to carry out its charitable objects in perpetuity.



Howe Park Wood

# Statement Of Trustees' Responsibilities

## Investments

The investments of The Parks Trust are set out in note 12 of the financial statements. The endowment funds are primarily held in the form of commercial property and financial investments. To protect The Parks Trust's long-term interests, plans for investment diversification are assessed regularly. An independent Red Book valuation of the investment properties was carried out in March 2020 and a desktop valuation in March 2021, both by Colliers International Valuation LLP. The land and properties were valued at £115.5m (2020: £110.4m). The basis of the valuation adopted was open market value subject to existing tenancies.

The Parks Trust's non-property investment portfolio is managed by Sarasin & Partners LLP, Legal & General Investment Management and Apollo Global Management who are authorised persons within the meaning of the Financial Services and Markets Act 2000. The mix of asset classes within the portfolio has been structured to target a return in the long-term, which is forecast to deliver a performance above expected inflation rates.

## Statement Of Trustees' Responsibilities

The Trustees (who are also directors of Milton Keynes Parks Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 FINANCIAL STATEMENTS, THE TRUSTEES ARE REQUIRED TO:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the Statement of Recommended Practice for charities, SORP (FRS 102) (second edition October 2019).
- Make judgments and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company and group will continue in business.



The Trustees are responsible for keeping adequate 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 the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### THE TRUSTEES CONFIRM THAT:

- As far as each of the Trustees is aware, there is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The financial statements on pages 38 - 51 were approved by the Board of Directors on 8 July 2021 and signed on its behalf by Zoe Raven.

In approving the Report of the Trustees, the Trustees are also approving the Strategic report in their capacity as Trustees of the Charitable company, from pages 6 to 23.

*Zoe Raven*

**On behalf of the Board**  
Zoe Raven, Chair of the Board

# Independent Auditor's Report

## Independent Auditor's Report to the members of Milton Keynes Parks Trust Limited

### Opinion

We have audited the financial statements of Milton Keynes Parks Trust Limited for the year ended 31 March 2021 which comprise Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees' are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' annual report has been prepared in accordance with applicable legal requirements.



## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of Trustees'

As explained more fully in the Trustees' responsibilities statement set out on page 22 to 23, 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, and for such internal control as the Trustees' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees' are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees' either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

# Independent Auditor's Report continued

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the Trustees' 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 and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We 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 we identify during our audit.

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Silvia Vitiello (Senior Statutory Auditor)



for and on behalf of Moore Kingston Smith LLP,  
Statutory Auditor

8 July 2021

4 Victoria Square  
St Albans  
Hertfordshire  
AL1 3TF



Woughton on the Green

# Financial Reports

## Consolidated Statement of Financial Activities

For the year ended 31 March 2021  
(incorporating income and expenditure account)

	Note	Unrestricted funds £'000	Restricted funds £'000	Expendable endowment funds £'000	2021 Total funds £'000	Restated 2020 Total funds £'000
<b>INCOMING RESOURCES</b>						
<b>Income from investments</b>						
Investment income	2	8,109	-	-	<b>8,109</b>	8,861
<b>Charitable income</b>						
Endowments	3	-	-	2,827	<b>2,827</b>	800
Charitable Income	3	2,789	-	-	<b>2,789</b>	2,510
Other income	4	2,970	-	-	<b>2,970</b>	547
<b>Total incoming resources</b>		<b>13,868</b>	<b>-</b>	<b>2,827</b>	<b>16,695</b>	12,718
<b>RESOURCES EXPENDED</b>						
<b>Costs of generating funds</b>						
Investment management costs	5	(4,141)	-	-	<b>(4,141)</b>	(3,436)
<b>Charitable activities</b>						
Management & maintenance of parks	5	(7,785)	(5)	-	<b>(7,790)</b>	(7,962)
Governance costs	5	(454)	-	-	<b>(454)</b>	(401)
<b>Total resources expended</b>		<b>(12,380)</b>	<b>(5)</b>	<b>-</b>	<b>(12,385)</b>	(11,799)
<b>Net income before gains and losses on investments</b>		<b>1,488</b>	<b>(5)</b>	<b>2,827</b>	<b>4,310</b>	919
Realised gains - Property		-	-	-	-	26
Realised gains - Other investments	12	-	-	3,816	<b>3,816</b>	491
<b>Total net gains on investments</b>		<b>-</b>	<b>-</b>	<b>3,816</b>	<b>3,816</b>	517
<b>Net income</b>		<b>1,488</b>	<b>(5)</b>	<b>6,643</b>	<b>8,126</b>	1,436
Transfers between funds		(266)	-	266	-	-
<b>Total transfers between funds</b>		<b>(266)</b>	<b>-</b>	<b>266</b>	<b>-</b>	<b>-</b>
Unrealised gains on revaluation - Property	12	-	-	477	<b>477</b>	4,656
Unrealised gains/(losses) on revaluation - Other investments	12	-	-	3,949	<b>3,949</b>	(3,182)
Unrealised gains/(losses) on revaluation - Derivative financial instruments		377	-	-	<b>377</b>	(362)
<b>Total other recognised gains and losses</b>		<b>377</b>	<b>-</b>	<b>4,426</b>	<b>4,803</b>	1,112
<b>Net movement in funds</b>	6	<b>1,599</b>	<b>(5)</b>	<b>11,335</b>	<b>12,929</b>	2,548
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		2,986	687	112,724	<b>116,397</b>	113,849
<b>Total funds carried forward</b>		<b>4,585</b>	<b>682</b>	<b>124,059</b>	<b>129,326</b>	116,397

All gains and losses recognised in the current and prior year are included in the Consolidated Statement of Financial Activities. There is no material difference between the net outgoing resources above and the historical cost equivalent. All incoming resources and resources expended derive from continuing activities. The accompanying notes form part of these financial statements.

## Consolidated Balance Sheet

As of 31 March 2021

	Note	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Intangible assets	10	-	1,017
Tangible assets	11	1,923	2,152
Investments	12	152,523	143,714
<b>Total fixed assets</b>		<b>154,446</b>	<b>146,883</b>
<b>CURRENT ASSETS</b>			
Stocks	13	532	511
Debtors	14	1,251	1,355
Cash at bank and in hand		9,975	8,650
<b>Total current assets</b>		<b>11,758</b>	<b>10,516</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>(26,253)</b>	<b>(9,872)</b>
<b>Net current (liabilities)/assets</b>		<b>(14,495)</b>	<b>644</b>
<b>Total assets less current liabilities</b>		<b>139,951</b>	<b>147,527</b>
<b>Long term loan</b>	16	<b>(10,625)</b>	<b>(31,130)</b>
<b>Net assets</b>		<b>129,326</b>	<b>116,397</b>
<b>ACCUMULATED FUNDS</b>			
Restricted funds	21	682	687
Unrestricted funds	22	4,585	2,986
Expendable endowment fund	23	124,059	112,724
<b>Total funds</b>	24	<b>129,326</b>	<b>116,397</b>

These financial statements were approved by the Trustees and authorised for issue on 8 July 2021 and are signed on their behalf by:



Zoe Raven  
Chair of the Board  
Company Number: 02519659  
The accompanying notes form part of these financial statements.

## Charity Balance Sheet

As of 31 March 2021

	Note	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Tangible assets	11	1,447	1,545
Investments	12	152,520	144,766
<b>Total fixed assets</b>		<b>153,967</b>	<b>146,311</b>
<b>CURRENT ASSETS</b>			
Stocks	13	531	510
Debtors	14	1,861	2,031
Cash at bank and in hand		9,612	8,267
<b>Total current assets</b>		<b>12,004</b>	<b>10,808</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>(26,089)</b>	<b>(9,682)</b>
<b>Net current (liabilities)/assets</b>		<b>(14,085)</b>	<b>1,126</b>
<b>Total assets less current liabilities</b>		<b>139,882</b>	147,437
<b>Long term loan</b>	16	<b>(10,625)</b>	<b>(31,130)</b>
<b>Net Assets</b>		<b>129,257</b>	<b>116,307</b>
<b>ACCUMULATED FUNDS</b>			
Restricted funds	21	682	687
Unrestricted funds	22	4,380	2,760
Expendable endowment fund	23	124,195	112,860
<b>Total funds</b>	24	<b>129,257</b>	<b>116,307</b>

These financial statements were approved by the Trustees and authorised for issue on 8 July 21 and are signed on their behalf by:



Zoe Raven  
Chair of the Board  
Company Number: 02519659  
The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flows

	Note	2021 £'000	2020 £'000
<b>Net cash inflow from operating activities</b>	18	<b>7,951</b>	3,116
<b>Cash flow from investing activities</b>			
Interest and income from financial investments		724	1,041
Payments to acquire tangible fixed assets		(112)	(179)
Proceeds from sale of fixed assets		6	3
Acquisition of fixed asset investments		(24,489)	(26,933)
Disposal of fixed asset investments and other land		23,922	28,821
<b>Net cash flow from investing activities</b>		<b>51</b>	2,753
<b>Cash flow from financing activities</b>			
Interest paid		(1,106)	(1,300)
Loan finance costs		(71)	(44)
(Decrease)/Increase in bank loans		(5,500)	(2,500)
<b>Net Cash flow from investing activities</b>		<b>(6,677)</b>	(3,844)
<b>Increase in cash in the year</b>		<b>1,325</b>	2,025
<b>Net change in cash and cash equivalents</b>		<b>1,325</b>	2,025
<b>Cash and cash equivalents at start of the year</b>		<b>8,650</b>	6,625
<b>Cash and cash equivalents at end of the year</b>		<b>9,975</b>	8,650

The accompanying notes form part of these financial statements.



# Principal Accounting Policies

## Basis of accounting

The consolidated financial statements of Milton Keynes Parks Trust Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006 and the Statement of Recommended Practice for charities, SORP (FRS 102) (second edition October 2019). Milton Keynes Parks Trust Limited is a public benefit charity.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

During the period a new amendment has been issued to Section 20 of FRS 102 for COVID-19-related rent concessions. The standard has been adopted by the Trust but does not have a material impact.

## Basis of consolidation

The consolidated financial statements incorporate those of Milton Keynes Parks Trust and its subsidiaries Whitecap Leisure Limited, MKPT Properties Limited and MKPT Events Limited. The results of Whitecap Leisure Limited have been incorporated on a line-by-line basis. The subsidiaries MKPT Properties Limited and MKPT Events Limited were dormant in the financial year.

## Fixed assets investments

Investment properties are recognised at fair value, which is generally their open market value, as defined in the Appraisal and Valuation Manual prepared by the Royal Institution of Chartered Surveyors. Costs capitalised in respect of properties under development include acquisition costs of land and buildings, costs incurred in bringing the property to its present location and condition in accordance with FRS 102. Investment properties in the course of development are also held at fair value. Properties, for which unconditional exchange of contracts occurs during the period, are accounted for as acquisitions or disposals within that period. Conditional exchanges are accounted for as acquisitions or disposals only when all substantive conditions have been met.

The surplus or deficit arising from the annual revaluation is credited or debited to the Expendable Endowment Fund. Other investments have been included in the financial statements at selling price on the open market and movements are shown in the statement of financial activities. Investments in subsidiary undertakings are valued at cost less any impairment.

## Financial instruments

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in income and expenditure. The relating asset or liability is included within debtors or creditors. The Charity does not apply hedge accounting in respect of the interest rate swap.

## Goodwill

Goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in the other periods if events or changes in circumstances indicate that the carrying value may not be recoverable. The goodwill will be written off over the useful economic life of ten years.

## Stocks

Stocks are valued at the lower of cost and net realisable value. In the case of livestock, cost is based on all direct expenditure (where known) or on the deemed cost basis as provided for in guidance issued by HMRC (BIM55440 - Farming: stock valuation: General Principles Helpsheet 232). Net realisable value is the price at which the stock can be realised in the normal course of business.

## Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less.



## Fixed assets and depreciation

The Parks Trust's capitalisation policy is to capitalise all assets costing £2,000 or more. These assets are recorded at cost.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets excluding land by equal instalments over their estimated economic lives as follows:

No depreciation is provided in respect of freehold and long leasehold investment properties or in respect of assets in the course of construction.

Fixed asset	% per annum
Freehold building	2
Improvements to buildings	2 to 20
Fixtures and fittings	10 to 20
Plant and equipment	10 to 33
Motor vehicles	20

## Rental income

Rent and service charges are recognised on an accruals basis. The assets for which rent is received are included in investment properties in fixed assets.

The rent is included as investment income as the properties are let on a commercial basis. Lease rental income is recognised over the lease term on a straight-line basis. Rents received in advance are accounted as prepaid rent within creditors.

## Lease incentives

Benefits to lessees in the form of rent-free periods are recognised on a straight-line basis over the lease term, in accordance with FRS 102.

The total of any lease incentives in place at the period end are included within the carrying value of investment properties rather than held as a separate debtor. Any remaining lease incentive balances in respect of properties disposed of are included in the calculation of profit or loss arising on disposal.

# Principal Accounting Policies continued

## Investment income

Interest and investment income is accounted for on a receivable basis.

## Incoming resources from charitable activities

Income from charitable activities is accounted for on a receivable basis and includes income from farming, licences, education, events and other activities carried out to further the charitable activities of The Parks Trust.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes.

The Expendable Endowment Fund represent assets that are utilised to generate income for the furtherance of the charitable company's objectives.

## Resources expended

Charitable activities include the maintenance of the parks and parkways and the incidental costs of other activities. Governance costs are those costs incurred with the administration of The Parks Trust and compliance with constitutional and statutory requirements. Expenditure that can be recognised as wholly attributable to governance costs, for example the audit fee and Trustee expenses are directly allocated.

All other costs, including staffing costs, are apportioned on the basis of an estimate of the time spent by each member of staff on governance related issues.

Cost of generating funds includes costs of managing investments for both income generation and capital maintenance.

Support costs include the administrative functions and have been allocated to activity cost categories on a basis consistent with the use of resources. Indirect costs are allocated based on an estimate of the time spent by each member of staff.

## Refurbishment of properties

Any expenditure on the refurbishment of the existing portfolio of investment properties which, in the opinion of the Trustees, is made to maintain present standards is expensed in the year. Any expenditure on additional land or property is capitalised and included as an addition to fixed asset investments.

## Operating leases

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.



Jogger passing through Middleton Park



The Belvedere, Campbell Park

## Green estate

The green estate is held for charitable purposes and occupied under a 999-year lease from 31 March 1992. In most cases the freehold is held by Milton Keynes Council and there is a presumption against disposal or development for commercial purposes.

## Bank borrowing

Interest bearing bank loans are recorded at proceeds received, net of direct issue costs. Finance charges, including direct issue costs, are recognised on an accruals basis. Issue costs are amortised over the period to the date of expiry of the facility agreement.

## Pension costs

Retirement benefits for The Parks Trust's employees, where provided, are funded by contributions from The Parks Trust. Payments are made to an insurance company which manages The Parks Trust's group personal pension plan and the contributions are charged in the year in which they become due. The scheme is a defined contribution scheme.

## Taxation

No provision for corporation tax has been made as The Parks Trust, as a registered charity, is exempt from corporation tax on its Charitable activities.

## Fund accounting

Unrestricted funds are funds available for use at the discretion of the Trustees in furtherance of the objectives of the charitable company and which have not been designated for other purposes.

## Critical accounting estimates and judgements

The Charity's management is required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, as well as assessments regarding the impact of the ongoing COVID-19 situation including inherent uncertainties of the evolving post-COVID environment. These assessments include possible impact on the values of the Charity's investment properties.

The results of the estimates and assumptions from the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The judgements which have the most significant risk of causing a material adjustment to the carrying amount of assets and liabilities are the valuations of investment properties for which the Charity has obtained assurance from its professional valuers that the valuations included in the accounts have not been materially impacted by COVID-19. The valuers, Colliers International Valuation UK LLP, carried out an independent Desktop valuation of the investment properties in March 2021.

The desktop valuation is carried out in accordance with the criteria set out by the Royal Institution of Chartered Surveyors (RICS). Some of our investment properties have been assessed internally.



Linford Lakes Nature Reserve

## Exemptions for qualifying entities under FRS102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of the use of the exemptions to the Company's members.

The Company has taken advantage of the following exemptions: Preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

## Going concern

The group financial statements have been prepared on a going concern basis which the Board considers to be appropriate for the following reasons.

As set out on page 15, the charity was originally given a significant endowment which has been invested to generate income to fund the charity's operations into perpetuity. At 31 March 2021 the group had cash balances of £9.975m and liquid investments of £27.964m, as well as a significant investment property portfolio.

Liquid investments therefore currently constitute around three years' income based on current activity levels. The Board has prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of the current COVID-19 situation and reasonable possible downsides, the group will have sufficient funds to meet its liabilities as they fall due for that period.



Willen Lake

# Notes to the Financial Statements

## 1- Legal status

Milton Keynes Parks Trust Limited is a company limited by guarantee without share capital. The liability of each member is limited to contributing £1 to the assets of The Parks Trust in the event of it being wound up whilst a member, or within one year after ceasing to be a member. At 31 March 2021 the number of members was 14 (2020: 15).

## 2- Incoming resources from generated activities

	2021	Restated 2020
	£'000	£'000
Rental income from commercial property	7,385	7,820
Investment income	723	1,025
Bank interest	1	16
<b>Total income</b>	<b>8,109</b>	<b>8,861</b>

The income from Whitecap Leisure Limited has been reclassified to incoming resources from charitable activities. See note 29 for more details.

## 3 - Incoming resources from charitable activities

	2021	Restated 2020
	£'000	£'000
Sale of goods and services	284	357
Farming income	509	462
Income from other trading activities	912	1,357
Grants receivable	1,084	334
Endowments	2,827	800
<b>Total income</b>	<b>5,616</b>	<b>3,310</b>

Included within Grants income of £1,084,000 are the following government grants: £213,000 (2020: £Nil) in respect of the Coronavirus Job Retention Scheme, £120,000 (2020: £Nil) in respect of Income Grants and £15,000 (2020: £Nil) in respect of Local Restrictions Support Grants.

The income from Whitecap Leisure Limited has been reclassified from incoming resources from generated activities. See note 29 for more details.

## 4 - Other incoming resources

	2021	2020
	£'000	£'000
Other income	2,970	547
<b>Total incoming resources from other sources</b>	<b>2,970</b>	<b>547</b>

During the year we surrendered two parcels of our transport corridor leasehold land to Milton Keynes Council (the freeholder) to enable economic developments to take place that will benefit the city – 0.47 ha (1.17 acres) for the new Santander HQ accommodating 6,000 Santander employees in CMK; and 4.21 ha (10.4 acres) for a new warehouse at Fenny Lock. These areas of land were originally reserved in the city plan for possible grid road extensions but were declared as not needed for that purpose. In total these disposals gave the Trust a £2.97m receipt, which will help to bolster the Trust's overall financial security and enable us to invest in enhancements to our parkland network. In the prior year we disposed of one parcel of land to Milton Keynes Council which also brings economic benefits; 1.838 ha (4.54 acres) for the Redbull Racing Campus securing over 1,000 new jobs at Tilbrook.

## 5 - Resources expended on continuing operations

	Direct maintenance costs	Investment expenses	Audit fees	Direct costs	Apportioned costs	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment management	-	3,084	-	176	881	4,141	3,436
Management & maintenance of leisure facilities, parks & parkways	4,834	-	-	2,075	881	7,790	7,962
Governance costs	-	-	27	231	196	454	401
<b>Total resources expended</b>	<b>4,834</b>	<b>3,084</b>	<b>27</b>	<b>2,482</b>	<b>1,958</b>	<b>12,385</b>	<b>11,799</b>

Direct costs are attributed to the appropriate category. All other costs including indirect staff costs are allocated on the estimate of time spent:

	Management & maintenance of parks & parkways	Investment management	Governance
Allocation of indirect staff costs			
Chief Executive	40%	10%	50%
Finance Director	20%	60%	20%
Head of Property	5%	80%	15%
Head of Marketing and events and community engagement	90%	0%	10%
Finance team	85%	10%	5%
Operational and community team	95%	0%	5%

## 6 - Net movement in funds

	2021	2020
	£'000	£'000

### NET MOVEMENT IN FUNDS FOR THE CHARITY IS STATED AFTER CHARGING/(CREDITING)

Auditor's fees		
- Statutory audit - charity	20	24
- Statutory audit - subsidiary companies	9	12
- Tax advisory services	-	90
- Other financial services	-	19
Depreciation and impairment	341	278
Loss/(profit) on disposal of tangible fixed assets	(6)	12
Amortisation on intangibles	313	313
Interest payable on bank loans	1,106	1,300
Loan management fees	71	44
Revaluation of derivative	(377)	362

## Notes to the Financial Statements continued

### 7 - Financial statements of trading subsidiary undertakings

The Charity has three wholly owned subsidiary undertakings. The subsidiary undertakings are MKPT Properties Limited, Whitecap Leisure Limited and MKPT Events Limited, all of which are incorporated in the UK and are registered at 1300 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 4AD.

### 8 - Excess of expenditure over income

In accordance with section 408 of the Companies Act 2006, the Charity has not included its own income over expenditure accounts in these financial statements. The income for the charity (note 21 and 22) for the year was £12,884,000 (2020: £10,717,000) and expenditure of £11,003,000 (2020: £12,786,000) resulting in the excess of income over expenditure for the year of £1,881,000 (2020: excess of expenditure over income of £2,069,000) which is dealt with in the financial statements of the Charity. Included in the expenditure was a non-cash impairment of £1,052,000 (2020: £2,339,000) in the Charity's investment in Whitecap Leisure Limited (note 12).

### 9 - Wages and salaries

None of the Trustees held a contract of employment with The Parks Trust during the year (2020: none). Under the Memorandum of Association, the Trustees are not entitled to receive any remuneration from The Parks Trust. There were no reimbursements to Trustees for expenses incurred on behalf of The Parks Trust.

The average number of persons employed by The Parks Trust during the year, analysed by category, are as follows:

	2021	2020
Number of employees		
Administration staff	11	11
Operations and communications staff	31	36
Parks management and rangers	23	24
<b>Total number of employees</b>	<b>65</b>	<b>71</b>

The aggregate payroll costs of these persons were as follows:

	2021	2020
	£'000	£'000
Aggregate payroll costs		
Wages and salaries	2,121	2,159
Social security costs	194	192
Other pension costs	167	192
<b>Aggregate payroll costs</b>	<b>2,482</b>	<b>2,543</b>

The pension costs are wholly allocated to unrestricted funds. Retirement benefits, where provided, are funded by contributions from The Parks Trust. Payments are made to an insurance company which manages The Parks Trust's group personal pension plan. The contributions are charged in the year in which they become due. The scheme is a defined contribution scheme.

### 9 - Wages and salaries continued...

The number of employees whose emoluments exceeded £60,000 for the year were as follows:

	2021	2020
Employee benefits		
£60,001 - £70,000	2	2
£70,001 - £80,000	3	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	1
£130,001 - £140,000	-	-
£140,001 - £150,000	1	-

The Parks Trust pension contribution for its highest paid employee was £11,579 (2020: £11,506)

### Key management personnel emoluments

The compensation paid to key management for employee services is shown below:

	2021	2020
	£'000	£'000
Salaries and other short-term benefits	597	544

## Notes to the Financial Statements continued

### 10 - Intangible assets

	Goodwill £'000
<b>GROUP</b>	
<b>Cost</b>	
At 1 April 2020 and 31 March 2021	3,130
<b>Amortisation</b>	
At 1 April 2020	2,113
Charge for year	313
Impairment	704
<b>At 31 March 2021</b>	<b>3,130</b>
<b>Net book value</b>	
<b>At 31 March 2021</b>	<b>-</b>
<b>At 31 March 2020</b>	<b>1,017</b>

Goodwill relates exclusively to the acquisition of Whitecap Leisure Limited, which was acquired on 3 July 2013. Goodwill is written off over the useful economic life of 10 years.

The charge of amortisation of £313,000 (2020: £313,000) is included within Investment management costs in the Statement of Financial Activities.

The amount of impairment losses recognised during the year and included under Unrestricted Funds in the Statement of Financial Activities total £704,000 (2020: £nil).

### 11 - Tangible fixed assets

	Freehold land & buildings £'000	Fixtures & fittings £'000	Plant & equipment £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
<b>GROUP</b>						
<b>Cost or valuation</b>						
At 1 April 2020	2,520	118	967	400	626	4,631
Additions	-	10	66	7	29	112
Disposals	(11)	(1)	(309)	(30)	(89)	(440)
<b>At 31 March 2021</b>	<b>2,509</b>	<b>127</b>	<b>724</b>	<b>377</b>	<b>566</b>	<b>4,303</b>
<b>Depreciation</b>						
At 1 April 2020	809	101	762	298	509	2,479
Charge for year	85	3	68	39	43	238
Impairment provision	103	-	-	-	-	103
Disposals	(11)	(1)	(309)	(30)	(89)	(440)
<b>At 31 March 2021</b>	<b>986</b>	<b>103</b>	<b>521</b>	<b>307</b>	<b>463</b>	<b>2,380</b>
<b>Net book value</b>						
<b>At 31 March 2021</b>	<b>1,523</b>	<b>24</b>	<b>203</b>	<b>70</b>	<b>103</b>	<b>1,923</b>
At 31 March 2020	1,711	17	205	102	117	2,152
<b>CHARITY</b>						
<b>Cost or valuation</b>						
At 1 April 2020	1,877	81	683	368	618	3,627
Additions	-	-	34	7	29	70
Disposals	(11)	-	(104)	(30)	(89)	(234)
<b>At 31 March 2021</b>	<b>1,866</b>	<b>81</b>	<b>613</b>	<b>345</b>	<b>558</b>	<b>3,463</b>
<b>Depreciation</b>						
At 1 April 2020	632	81	596	272	501	2,082
Charge for year	55	-	34	36	43	168
Disposals	(11)	-	(104)	(30)	(89)	(234)
<b>At 31 March 2021</b>	<b>676</b>	<b>81</b>	<b>526</b>	<b>278</b>	<b>455</b>	<b>2,016</b>
<b>Net book value</b>						
<b>At 31 March 2021</b>	<b>1,190</b>	<b>-</b>	<b>87</b>	<b>67</b>	<b>103</b>	<b>1,447</b>
At 31 March 2020	1,245	-	87	96	117	1,545

The freehold land and buildings comprises Trust occupied property.

The land, building and fittings at Campbell Park were given to The Parks Trust to provide office accommodation. The Parks Trust made a contribution of £139,399 for this facility. The assets were independently valued by Douglas Duff, Chartered Surveyors, as at 31 March 1996 at £850,000, assuming existing use values in accordance with RICS practice. This valuation was treated as cost.

All fixed assets above are held for the direct charitable purposes of The Parks Trust.

## Notes to the Financial Statements continued

### 12 - Investments

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
<b>INVESTMENT PROPERTIES</b>				
Opening value as at 1 April	110,420	102,917	110,420	102,917
Purchases and capital expenditure	4,447	2,847	4,447	2,847
Carrying value of properties disposed	-	-	-	-
Gain on valuation	1,622	6,762	1,622	6,762
Loss on valuation	(1,145)	(2,106)	(1,145)	(2,106)
Movement in unamortised tenant lease incentives	133	-	130	-
<b>Closing value as at 31 March</b>	<b>115,477</b>	<b>110,420</b>	<b>115,474</b>	<b>110,420</b>
<b>OTHER INVESTMENTS</b>				
Opening values as at 1 April	33,294	40,694	33,294	40,694
Additions	19,909	24,086	19,909	24,086
Disposals	(20,106)	(28,304)	(20,106)	(28,304)
Revaluation at year end	3,949	(3,182)	3,949	(3,182)
<b>Closing value as at 31 March</b>	<b>37,046</b>	<b>33,294</b>	<b>37,046</b>	<b>33,294</b>
<b>Group investments</b>	<b>152,523</b>	<b>143,714</b>	<b>152,520</b>	<b>143,714</b>
<b>CHARITABLE COMPANY - EQUITY INVESTMENTS IN GROUP UNDERTAKINGS</b>				
Opening cost as at 1 April			3,391	3,391
Closing cost as at 31 March			3,391	3,391
Impairment as at 1 April			(2,339)	-
Impairment as at 31 March			(3,391)	(2,339)
<b>Total investments</b>	<b>152,523</b>	<b>143,714</b>	<b>152,520</b>	<b>144,766</b>

The original cost of property and other investments held at 31 March 2021, was as follows:

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Property	85,345	80,841	85,345	80,841
Unit trust and managed funds	33,317	35,134	33,317	35,134
	<b>118,662</b>	<b>115,975</b>	<b>118,662</b>	<b>115,975</b>

An independent Redbook valuation of the investment properties was carried out in March 2020 by Colliers International Valuation UK LLP ("Colliers"). At 31 March 2021 an independent desktop valuation of the majority of investment properties was carried out by Colliers with the residual properties valued internally. The value of the land and properties was £115,477,000 (2020: £110,420,000) and this year's net gain on revaluation was £477,000 (2020: £4,656,000).

Our other investments are valued at selling price on the open market and this year's unrealised gain on revaluation was £3,949,000 (2020: loss on revaluation of £3,182,000). During the year the Trust sold other investment assets of £20,106,000 as part of its disinvestment from Cazenove and realised a gain on disposal of £3,816,000. This year's gains are as a result of increasing asset prices around the world following the recovery from COVID-19.

### 12 - Investments continued...

Management have assessed the carrying value of the investments and believe it to be appropriate. An investment in the property portfolio is deemed to be of material value if the investment is 5% or greater of the portfolio value of £152,523,000 (2020: £143,714,000)

	Charity 2021 £'000	Charity 2020 £'000
Commercial property - Greenfields House - Coventry	8,750	8,750
Commercial property - Travelodge Hotel - Winnersh	8,600	7,900
Commercial property - Warren Park	8,225	8,465
Commercial property - Travelodge Hotel - Oxford	7,900	7,900
	<b>33,475</b>	<b>33,015</b>

### 13 - Stock

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Cattle	471	456	471	456
Sheep	60	54	60	54
Retail stock	1	1	-	-
	<b>532</b>	<b>511</b>	<b>531</b>	<b>510</b>

The value of stock recognised in expenditure during the year was £360,000 (2020: £429,000). No provision for impairment has been recognised against stock.

### 14 - Debtors

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Trade debtors	153	341	129	308
Amounts owed by group undertakings	-	-	599	671
Prepayments and accrued income	1,003	411	1,081	510
Other debtors	95	603	52	542
	<b>1,251</b>	<b>1,355</b>	<b>1,861</b>	<b>2,031</b>

Charity: Amounts due from subsidiary undertakings are unsecured, repayable on demand and incur interest of 4% per annum.

## Notes to the Financial Statements continued

### 15 - Creditors: amounts falling due within one year

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£'000	£'000	£'000	£'000
Bank loans	20,000	5,500	20,000	5,500
Trade creditors	992	747	973	676
Accruals	965	727	911	673
Deferred income (see note 17)	2,223	1,796	2,160	1,740
Taxation and social security	913	256	895	250
Other creditors	1,032	846	1,022	843
Fair value of derivatives	128	-	128	-
	<b>26,253</b>	<b>9,872</b>	<b>26,089</b>	<b>9,682</b>

The bank loans detailed above consist of two loans as follows:

A fully drawn loan facility with Handelsbanken plc in the amount of £20,000,000 (2020: shown within Creditors: amounts falling due after more than one year - £20,000,000) attracts interest at a rate of 2.05% per annum plus LIBOR and becomes repayable in full on 21 December 2021.

A revolving credit facility with Handelsbanken plc in the amount of £10,000,000. At the year end this was undrawn (2020: drawn to the value of £5,500,000). The facility attracts interest at a rate of 2.35% plus LIBOR.

To protect itself against the risk of rising interest rates on its loan facilities The Parks Trust has entered into derivative contracts. An interest rate swap with Svenska Handelsbanken AB (pbl) that has a notional amount of £20,000,000 which swaps out LIBOR for a fixed rate of interest at 1.34% until 4 October 2021.

### 16 - Creditors: amounts falling due after one year

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£'000	£'000	£'000	£'000
Bank loans	10,000	30,000	10,000	30,000
Fair value of derivatives	625	1,130	625	1,130
	<b>10,625</b>	<b>31,130</b>	<b>10,625</b>	<b>31,130</b>

The bank loans detailed above consist of two loans as follows:

A fully drawn loan facility with Handelsbanken plc in the amount of £10,000,000 (2020: £10,000,000) attracts interest at a rate of 2.25% per annum plus LIBOR and becomes repayable in full on 21 December 2026.

An undrawn loan facility with Handelsbanken plc in the amount of £10,000,000 attracts interest at a rate of 2.42% per annum plus LIBOR and becomes repayable in full on 21 December 2026. The availability period for this loan expires on 2 September 2021.

To protect itself against the risk of rising interest rates on its loan facilities The Parks Trust has entered into derivative contracts. An interest rate swap with Svenska Handelsbanken AB (pbl) that has a notional amount of £10,000,000 which swaps out LIBOR for a fixed rate of interest at 1.74% until 4 October 2026.

The bank loans included in creditors amounts falling due in less than one year and creditors amounts falling due after one year are secured over a selection of the investment properties valued at £85,685,000 (2020: £77,220,000).

### 17 - Deferred income

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£'000	£'000	£'000	£'000
At 1 April 2020	1,796	1,868	1,740	1,792
Amounts released to incoming resources	(1,750)	(1,168)	(1,740)	(1,092)
Amounts deferred in the year	2,177	1,096	2,160	1,040
<b>At 31 March 2021</b>	<b>2,223</b>	<b>1,796</b>	<b>2,160</b>	<b>1,740</b>

The deferred income of £2,223,000 (2020: £1,796,000) primarily relates to property rental income received in advance for the quarter April to June 2021 and endowments received in advance of transfer of land ownership.

### 18 - Reconciliation of net incoming resources to cash flow from operating activities

	Group 2021	Group 2020
	£'000	£'000
Net incoming resources before movements in the revaluation reserve and investment asset disposals	4,310	919
Interest and investment income received	(724)	(1,041)
Interest paid	1,106	1,300
Annual loan arrangement fee	71	44
Amortisation of goodwill	1,017	313
Depreciation	341	278
(Profit)/loss on disposal of fixed assets	(6)	12
(Increase)/decrease in stock	(21)	80
Decrease in trade and other receivables	104	670
Increase in trade and other payables	1,753	541
<b>Total</b>	<b>7,951</b>	<b>3,116</b>



## Notes to the Financial Statements continued

### 19 - Operating lease commitments

The group has no material payments under operating lease commitments.

The future minimum lease receipts under non-cancellable operating lease terms are as follows:

	2021	2020
	£'000	£'000
<b>EXPIRING:</b>		
In less than one year	7,746	7,345
Between one and five years	21,666	21,546
Greater than five years	38,901	42,008
<b>Total lease commitment</b>	<b>68,313</b>	<b>70,899</b>

### 20 - Related party transactions

The charitable company was under no single controlling party of the Trust during the current and previous year.

During 2021 £8,000 (2020: £16,000) was given as a donation to the Safety Centre (Hazard Alley) Limited of which a member of the key management personnel is a Trustees of the Safety Centre (Hazard Alley) Limited. At the year end, a balance of £9,600 was outstanding (2020: £nil).

The Charitable Company has taken advantage of the FRS 102 exemption that allows certain intra group transactions not to be disclosed.

### 21- Analysis of movements in Restricted Funds

	Balance brought forward	Incoming resources	Outgoing resources	Transfer	Balance carried forward
	£'000	£'000	£'000	£'000	£'000
<b>GROUP AND CHARITY</b>					
Riverine Forest (floodplain)	608	-	-	-	608
Campbell Park community facilities	79	-	(5)	-	74
<b>Total</b>	<b>687</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>682</b>

#### The Campbell Park community facilities

The Campbell Park community facilities project will provide community facilities within Campbell Park, Milton Keynes.

#### The Riverine Forest

The Riverine Forest project is to restore and manage the floodplain of the River Ouse at Manor Farm, Old Wolverton to Floodplain Forest and associated habitats utilising gravel royalties secured from site.

### 22 - Analysis of movements in Unrestricted Funds

	Balance brought forward	Incoming resources	Outgoing resources	Transfers to endowment reserve	Transfers between funds	Balance carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
<b>GROUP</b>						
General Funds	2,286	13,867	(12,002)	-	(361)	3,790
Designated Fund - Stanton Low (Haversham Road Gravel)	700	-	-	(266)	(276)	158
Designated Fund - Environmental Gain Fund	-	-	-	-	637	637
<b>Group total</b>	<b>2,986</b>	<b>13,867</b>	<b>(12,002)</b>	<b>(266)</b>	<b>-</b>	<b>4,585</b>
<b>CHARITY</b>						
General Funds	2,060	12,884	(10,998)	-	(361)	3,585
Designated Fund - Stanton Low (Haversham Road Gravel)	700	-	-	(266)	(276)	158
Designated Fund - Environmental Gain Fund	-	-	-	-	637	637
<b>Charity total</b>	<b>2,760</b>	<b>12,884</b>	<b>(10,998)</b>	<b>(266)</b>	<b>-</b>	<b>4,380</b>

These funds, which are unrestricted, have been earmarked by the Trustees to cover future anticipated expenditure on the following:

#### General Fund

The general fund comprises the remaining surplus for the year after transfers to the designated funds and is unrestricted. All income arising on the assets held in the Expendable Endowment Fund is credited directly to this fund. The general fund can be used for any of the Trust's charitable activities at the discretion of the Trustees.

#### Designated Fund - Stanton Low Fund (Haversham Road Gravel)

The Parks Trust has an agreement with Milton Keynes Council to underlet leasehold parkland in the Ouse Valley Park for mineral extraction whereby all rent and royalty income from the gravel lease are designated for acquisition by The Parks Trust of the Linford Lakes Nature Reserve and as endowment for other open space assets to be transferred from Milton Keynes Council to The Parks Trust under 999-year parkland leases.

#### Designated Fund - Environmental Gain Fund

The Environmental Gain Fund, which is unrestricted, will be funded by allocating a proportion of the proceeds from any disposals of the Trust's green estate land. The Trustees shall determine the allocation value. The fund will be used, at the discretion of the Trustees, for investment in other land, assets or projects which enable the Trust to deliver environmental gain.

## Notes to the Financial Statements continued

### 23 - Analysis of movements in Expendable Endowment Funds

	Group total £'000	Charity total £'000
Balance brought forward	112,724	112,860
Gains	8,242	8,242
New endowments received	2,827	2,827
Endowments transferred from general reserves	266	266
<b>Balance carried forward</b>	<b>124,059</b>	<b>124,195</b>

This fund includes assets donated to the Trust by the Milton Keynes Development Corporation when the Trust was established in 1992. In most years since then, the Trust has received additional endowments from the Commission for New Towns, English Partnerships and more recently various developers and Milton Keynes Council. The fund may be converted into income.

### 24 - Analysis of net assets

	Restricted Funds £'000	Unrestricted Funds £'000	Endowment Funds £'000	2021 Total Funds £'000	2020 Total Funds £'000
<b>GROUP</b>					
Intangible	-	-	-	-	1,017
Tangible fixed assets	-	1,923	-	1,923	2,152
Property and other investments	-	-	152,523	152,523	143,714
Net current assets/(liabilities)	682	3,287	(18,464)	(14,495)	644
Long term liability	-	(625)	(10,000)	(10,625)	(31,130)
<b>Group total</b>	<b>682</b>	<b>4,585</b>	<b>124,059</b>	<b>129,326</b>	<b>116,397</b>
<b>CHARITY</b>					
Tangible fixed assets	-	1,447	-	1,447	1,545
Property and other investments	-	-	152,520	152,520	144,766
Net current assets/(liabilities)	682	3,558	(18,325)	(14,085)	1,126
Long term liability	-	(625)	(10,000)	(10,625)	(31,130)
<b>Charity total</b>	<b>682</b>	<b>4,380</b>	<b>124,195</b>	<b>129,257</b>	<b>116,307</b>

### 25 - Capital commitments

At 31 March 2021 the group had the following capital commitments:

	2021 £'000	2020 £'000
Contracts for future capital expenditure in investment properties	8,079	-
<b>Total commitments</b>	<b>8,079</b>	<b>-</b>

The Trust is committed to incurring capital expenditure on investment properties across two contracts of £8.1m. The contracts cover building work on our Phase 2 development at Willen Lake and the new Premier Inn hotel development, also at Willen Lake.

### 26 - Financial Instruments

The group/charity has the following financial instruments:

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Financial assets that are debt instruments measured at amortised cost	1,251	1,355	1,861	2,031
Financial liabilities at fair value through profit and loss	753	1,130	753	1,130
Financial liabilities measured at amortised cost	36,125	39,872	35,961	39,680

The Group has entered four (2020: three) loan arrangements;

- a one year revolving credit facility agreement of £10,000,000 which was undrawn at 31 March 2021 (2020: £5,500,000 drawn).
- a five year agreement of £20,000,000 which was fully drawn at both 31 March 2021 and 2020.
- a ten year agreement of £10,000,000 which was fully drawn at both 31 March 2021 and 2020.
- a new five year agreement of £10,000,000 which was undrawn at 31 March 2021.

	PRINCIPAL	DRAWN	INTEREST RATE	MATURITY
	£10,000,000	£10,000,000	2.25%	2026
	£10,000,000	-	2.42%	2026
	£20,000,000	£20,000,000	2.05%	2021
	£10,000,000	-	2.35%	2021

The Group has entered into two derivative financial instruments to hedge its exposure to interest rate movements on some of its loan facilities. The fair value of the interest rate swap at 31 March 2021 is a liability of £753,000 (2020: £1,130,000).

Cash flows on both the loan and the interest rate swaps are paid quarterly until 2026. During the year a hedging gain of £377,000 (2020: hedging loss of £362,000) for changes in the fair value of the interest rate swap was recognised in other gains and losses in the Statement of Financial Activities.

### 27 - Contingent liabilities

On 21 December 2020 The Parks Trust signed an agreement to purchase limited partnership interests in IIF UK 1 Hedged LP to the value of £8.75m. The IIF UK 1 Hedged LP is an investor in the JP Morgan Infrastructure Investments Fund (IIF). The Trust has a commitment to pay the limited partnership when its subscription is called. The timing of subscription, which is uncertain, is estimated at between six and twelve months from the date of signing the agreement. The payment will be treated as an addition to other investments at the date of payment.

### 28 - Post balance sheet events

On 27 April 2021 the Trust purchased Drakes Mews for £4.4m. Drakes Mews is an office and industrial commercial premises in Crownhill, Milton Keynes and will be accounted for as an investment property. The acquisition of Drakes Mews is a non-adjusting post balance sheet event.

### 29 - Prior year adjustment

The income from our trading subsidiary, Whitecap Leisure Limited, has been reclassified in the Statement of Financial Activities in the prior year. Since acquisition in July 2013 the income from the subsidiary was classified as "Investment income". However the Trustees feel that it is more appropriate for the income to be classified as "Income from other trading activities" as this better reflects the nature of the subsidiary, which is not held for investment purposes, but to carry out charitable objectives at Willen Lake, Milton Keynes. In the prior year the income from Whitecap Leisure Limited was £1,357,000 and is now shown in note 3: Incoming resources from charitable activities. The net effect of this reclassification in the Statement of Financial Activities in the prior year, and all years preceding that, is £Nil.

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