



Annual Report and Accounts 2012-2013



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Foreword

When I joined The Royal Parks (TRP) as Chief Executive in March 2012 I knew that the year ahead would be a very busy one. What I did not envisage was just how challenging and exhilarating it would be.

Hosting one event of global significance in the parks was an enormous privilege but two such events within months of each other was a daunting prospect. I refer of course to the celebrations to mark HM The Queen's Diamond Jubilee and to the London 2012 Olympic and Paralympic Games.

Preparations for both had been underway for some time but this did not diminish the day to day demands involved in welcoming over two million additional visitors to the parks during the summer. Images of both celebrations were broadcast round the world with the parks providing stunning backdrops. Highlights of both events are described in more detail later in this report.

Of course, the rain was a constant presence throughout the year and there were times when it seemed that it would never stop. While the parks looked lush and verdant, the wet weather meant that we had to cancel one of our Hyde Park concerts at the Parade Ground. Rapid remedial action ensured that the rest of the summer activities could take place as planned.

Undeniably the combination of the weather and the scale of the summer activities had an impact on the fabric of the parks. There was disruption and inconvenience during the events and while we put the estate back to normal, however, I am pleased to report that the restoration programme is nearing completion and the parks are looking as good as ever.

Alongside all of this new activity, day to day park activities continued. While our visitors continued to enjoy the open spaces, it was not all good news. During the year we saw more signs of the impact of diseases such as Massaria and Oak Processionary Moth on our tree stock. With the help of our specialist contractors and volunteers we have been managing the spread of these diseases which present some of the biggest risks to the estate for many years, and have required significant additional resource to manage the threat.

While 2012 was exceptionally busy, the next twelve months looks equally challenging. The funding pressures continue and balancing the need to raise income through commercial activity while protecting the parks' intrinsic qualities remains key. While some visitors are unhappy with growing commercialisation, we now have to generate over half of our own income to conserve and maintain the parks. This balance of funding looks unlikely to change significantly in the near future.

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At a time of reduced funding, the energy, dedication and cooperation of the Friends, volunteers and other organisations becomes ever more important and I would like to thank all of those who have helped us. I am also very grateful for the support and guidance of The Royal Parks Board and the entire parks team for their continuing hard work and sterling contribution in maintaining our world-class spaces.

Linda Lennon

Linda Lennon CBE
The Royal Parks Chief Executive
25 June 2013

Introduction

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

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

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

Governance Structure

TRP is an Executive Agency of DCMS.

The Secretary of State for Culture, Media and Sport, is the Minister responsible for TRP, supported by the Minister for Sport and Tourism. The Secretary of State determines policy objectives, financial framework and allocation of financial resources, including key targets, and also approves The Royal Parks Management Agreement. The Permanent Secretary is Accounting Officer for DCMS and has designated the Chief Executive as Accounting Officer for TRP.

The Royal Parks' Board

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

The current Board members are:

- The Hon Apurv Bagri (Chair) - Group Managing Director, Metdist Ltd
- Ruth Anderson - Non-Executive Director, Ocado Group PLC
- Andrew Fenwick - Vice Chairman, Brunswick Group LLP
- Sue Moore - Marketing Consultant (resigned w.e.f. 30 June 2013)
- Sir Andrew Ford KCVO - Comptroller, Lord Chamberlain's Office
- Roger Bright - Former Chief Executive of The Crown Estate
- Councillor Nasim Ali OBE - Leader of Camden Council
- Councillor Chris Roberts CBE - Leader of Greenwich Council
- Councillor Philippa Roe (appointed 16 April 2012, replacing Councillor Colin Barrow)
- Leader of Westminster City Council
- Lord True - Leader of Richmond Borough Council
- Councillor Sarah Hayward (appointed 9 May 2012, replacing Councillor Nasim Ali OBE)
- Leader of Camden Council
- Linda Lennon CBE - Chief Executive, TRP

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- John Swainson - Director of Resources, TRP

Further information on directors and changes during the year is set out on page 35.

The Royal Parks' Executive Committee

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

The members of the Executive Committee are:

- Linda Lennon CBE - Chief Executive
- Colin Buttery - Director of Parks and Deputy Chief Executive
- Simon Betts - Director of Estates
- Greg McErlean - Director of Programmes, Projects and Information Services
- John Swainson - Director of Resources
- Margaret Harper - Director of Communications and Commercial
- Liz Mullins - Programme Director for the 2012 Games / Change Programme Director
- Dennis Clarke - Head of Park Services and Senior Park Manager

Corporate Objectives and Key Performance Targets 2012-13

Conserve and enhance the natural and built environment, historic landscape and biodiversity of the Parks for the benefit of our diverse audiences and future generations.

Strengthen the organisation and its effectiveness by continuing to deliver better value for money and exploring commercial opportunities.

Key Performance Targets 2012-13

Maintain Green Flag status in all parks.

Work with delivery partners to host the Queen's Diamond Jubilee celebrations across four Royal Parks.

Host eleven Olympic and Paralympic events in six Royal Parks in 2012 and work with event organisers to ensure that plans to reinstate the parks post Games are implemented.

The Key Performance Targets set out above have been met in full.

Highlights from the eight Royal Parks

Bushy Park

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

Following consultation with park visitors, and thanks to funding from the London Marathon Charitable Trust, the park's playground received a substantial upgrade. In August, the park hosted a Teddy Bears' Picnic to celebrate the new large timber climbing frames, hammocks, water play feature, swings and see-saws.

In March, four metal panels in the shape of reeds, and made by a metalwork sculptor, were added to the Upper Lodge Water Gardens' cascade. The metal reeds were kindly paid for by The Friends of Bushy and Home Parks.

The Pheasantry Cafe has undergone a substantial refurbishment following the letting of a new catering contract and opens in May 2013, offering an enhanced service and facility. The food and drink kiosk at the Diana car park has been renewed and will also be landscaped and slightly re-positioned to provide an improved service and facility within the park.

A significant amount of shrubbery renewal has been undertaken within the Woodland Gardens and this work continues. In the deer park, veteran trees have been protected with rustic fencing and specialist work has been undertaken as a measure to combat the ailment of 'Acute Oak Decline'.

Hampton Hill Cricket Club pavilion is being re-built by the Club and is near completion following its destruction by fire several years ago.

The Green Park and St James's Park

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

2012 saw both parks at the centre of national and international events and celebrations. In early June, hundreds of thousands of people visited the parks for the Diamond Jubilee celebrations. The Queen Victoria Memorial was transformed into a stage for a concert with large screens placed along The Mall. The following day, after a mammoth overnight cleaning operation, Her Majesty's official procession took place along The Mall.

Later that month HM The Queen officially opened the Bomber Command Memorial in Green Park. The event was attended by 6,000 veterans and family members of those who lost their lives.

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In July and August, Horse Guards Parade Ground hosted the London 2012 Olympic Beach Volleyball, and The Mall hosted the Road Cycling, the Olympic Race Walk, Olympic and Paralympic Marathons and the Athletes Parade after the 2012 Games concluded.

This spring saw the arrival of three new pelicans from Prague Zoo to take up residence in St James's Park as part of the Royal Parks' Foundation 'Tiffany Across the Water' project. The trio help maintain a 358-year tradition that attracts and delights millions of visitors to the park every year. The first pelican to grace the Royal Parks was a gift from the Russian Ambassador to King Charles II in 1664 and the colony has thrived ever since.

The Green Park 'Step Free Access' project, a three-year collaboration between London Underground and TRP, has resulted in improved public access into the park and an improved landscape on the north east corner of Green Park, including the restoration and new setting of the Constance Fountain.

Green Park also saw the installation of the Watering Holes drinking fountain through The Royal Parks Foundation 'Tiffany' programme, while in St James's Park, the Blue Bridge was refurbished and stone repairs were made to the statue of Lord Mountbatten.

After the success of hosting a community focused Big Lunch in Victoria Tower Gardens during the Thames Diamond Jubilee Pageant, work has commenced on the first phase of the park's playground restoration.

Greenwich Park

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

The park experienced a busy year, providing what for many was the one of the most celebrated views of the London 2012 Games as it hosted the 2012 Games Equestrian and Modern Pentathlon events. The park's popular playground also benefited from the Games, with improvements funded through a partnership between The London Marathon Charitable Trust, The London Organising Committee of the Olympic and Paralympic Games (LOCOG) and TRP. The improvements included additional timber play equipment, new planting, new seating and a new path.

Away from the Games, TRP and national wildlife charity, Froglife, worked together to bring dragonflies, toads, frogs, newts and other wildlife back to Flower Garden Lake, which dates back to the 17th century. The project, which also created a new pond in the deer park, was made possible with contributions from Froglife, the Friends of Greenwich Park and a grant from Biffa Award.

Hyde Park

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

Between July and September, Hyde Park's Parade Ground hosted BT London Live, a concert series and the Proms. More than one million people from across the globe visited the park during this period. Following unprecedented wet weather conditions, wood chip was laid onto the Parade Ground to ensure that the events could continue and were safe for visitors. Following the events, restoration work was undertaken in early spring 2013.

The popular Dell area benefited from a programme of landscape work that improved the view of the waterfall and other features in the area, and added new planting. Other work to improve the natural environment and ecology e.g. planting wildflower meadows and improving the water quality of the Serpentine resulted in new and returning wildlife to the park, including the Bearded Tit and Hobbies species of bird.

The Bowling Green Pavilion was refurbished with improvements to the changing rooms, showers and cafe facilities, benefiting tennis players, lawn bowlers and general park visitors.

The ever popular Winter Wonderland event that was held from 23 November 2012 to 6 January 2013 was TRP's biggest earning event. A five-year contract was successfully negotiated with AEG for the Barclaycard British Summer Time Hyde Park which will deliver a new look format for the summer concert series from July 2013 onwards.

Kensington Gardens

Located to the west of Hyde Park, Kensington Gardens combines wide open spaces with elegant tree-lined avenues. Home of fictional hero Peter Pan, the park also houses Kensington Palace, the Albert Memorial and the Serpentine Gallery. It is also home to the Diana, Princess of Wales Memorial Playground that attracts a million visitors a year.

A long held ambition was realised in July when Henry Moore's 'Arch' returned to the park. 'The Arch' was gifted to the nation in 1980, but had to be taken down in 1996 when it became structurally unstable. Working with the Henry Moore Foundation, TRP led the project that created a new internal skeleton for the sculpture and sourced travertine stone from the same quarry in northern Italy to make repairs to the structure.

The park's allotment, a hidden gem, has established itself as a popular park destination and welcomes visitors all year round. Special events were held in the summer and autumn and to provide visitors with the opportunity to get advice from experts, while children were entertained inside a story-telling marquee.

The restoration of the park's many tree lined avenues was also completed, with more than a hundred trees planted. The work has been directed by historical plans for the park and the trees will provide an evolving feature as they mature over the coming decades.

Other significant improvements were undertaken including restoration work on the Flower Walk and on the Albert Memorial.

The Regent's Park and Primrose Hill

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

The team at The Hub continued to provide an invaluable service to many sporting communities in the local area and beyond, with more than 368 rugby, football and cricket teams of all ages calling the park home. There are five local schools that use the park, and classes running in the Hub include Yoga and Pilates. The Hub also hosts an NHS funded referral scheme for patients referred by their GP.

As well as hosting classes tailored for people with learning disabilities, the park is home to the 'Aiming High' project, a disability companion cycling scheme funded by the London Borough of Camden. The scheme is delivered by The West Euston Partnership.

A substantial programme of improvements to the lake in Queen Mary's Gardens was completed, thanks to a grant from the SITA Trust Enriching Nature Fund, with support from the Friends of Regent's Park and Primrose Hill and The Royal Parks Foundation in partnership with BNP Paribas. More than 560 square metres of reeds were introduced to improve water quality and provide nesting sites for a range of birds, as well as attracting insects and amphibians. Visitors can use the green Oak Board Walk to take a closer look at the reed-beds and their inhabitants.

The summit at Primrose Hill, which receives millions of visitors every year and is synonymous with peerless views of London, benefited from work to expand the viewing area, a new interpretation panel and new benches. Richmond Park sawyers produced the new oak benches and a William Blake quote, 'I have conversed with the spiritual sun. I saw him on Primrose Hill', is carved into a new York Stone ridge around the viewing area. The work also improves the drainage from the summit.

The park welcomed the return of the popular Taste of London and Frieze Art events, including for the first time, a separate exhibition featuring old works of art in the 'Frieze Masters' area.

Richmond Park

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

A busy year for the park saw it welcome HM The Queen for a Diamond Jubilee celebration and feature not just in London 2012 events, but also in the training programme of British Paralympic gold medal winner, David Weir.

At the Diamond Jubilee ‘Wild London’ event in May, The Queen and Prince Phillip, as well as school children from the local area, enjoyed a show that focused on the natural environment – despite the rain and hailstones. Her Majesty also took the opportunity to retire Jed, our much loved Shire Horse. His retirement marked the start of a collaboration with Hampton Court Palace to ensure that traditional land management practices involving Shire Horses remain part of life in the park.

The tercentenary of St Paul’s Cathedral, which can be seen from King Henry’s Mound, was marked with the unveiling of a new set of gates named ‘The Way’. They were funded by a donation from the Goldsmith family, via The Royal Parks Foundation, in memory of the late Edward Goldsmith.

Several projects to improve the ecology of the park began last year. The park’s miles of streams and 30 ponds will benefit greatly from a long term project developed with the Friends of Richmond Park, who are raising funds for the activity.

TRP was awarded a grant of nearly £1.5 million from the Heritage Lottery Fund (HLF) and the Big Lottery Fund (BIG) for the Isabella Plantation Access Project. The grant will enable the delivery of a range of improvements to this internationally renowned 17.5 hectare woodland garden situated in the heart of Richmond Park. During the winter the Plantation’s ponds have been de-silted, streams restored and work began to clear invasive *Rhododendron ponticum*. The second phase will deliver new toilets, improved facilities and footpaths for its many visitors.

Popular long standing features in the park, the playgrounds and the golf courses, underwent major refurbishment programmes. The courses in particular benefited from improvement works and a new clubhouse, which has an acid grassland roof reflecting its natural surroundings. Work on the courses and the new driving range will continue into summer 2013.

HM The Queen’s Diamond Jubilee

2012 was the year of HM The Queen’s Diamond Jubilee.

Following the ‘Wild London’ celebrations at Richmond Park in mid May, TRP hosted a weekend of Diamond Jubilee celebrations. This started with a Jubilee Family Festival at the beginning of June in Hyde Park, attracting large family audiences.

On Monday 4 June, a spectacular Jubilee Concert and beacon lighting ceremony was held in front of Buckingham Palace.

This was followed the next day by the Ceremonial Procession along The Mall to Buckingham Palace for the balcony appearance in front of the huge crowds that gathered in St James’s Park. The Mall was also the location for the Diamond Jubilee concert.

Victoria Tower Gardens hosted a successful community focused Big Lunch in the park during the River Thames Diamond Jubilee Pageant, making the most of its riverside location.

TRP worked with a range of delivery partners on the Jubilee events across the estate. An estimated one million visitors enjoyed the events that were programmed.

The London 2012 Olympic and Paralympic Games

The summer of 2012 was unprecedented for TRP, with HM The Queen's Diamond Jubilee celebrations taking place in early June, and all eight of our parks hosting 2012 Games celebrations and events over the summer. Our parks provided spectacular backdrops for 11 Olympic and Paralympic sporting competitions and saw Team GB and Paralympics GB win 24 medals, including 11 golds. The Olympic Torch Relay visited five of our parks and Hyde Park hosted BT London Live, the largest free to access event of its kind ever to be held in the UK, with over 800,000 visitors. Over one million spectators enjoyed the 2012 sporting action in our parks, including 400,000 watching Road Events for free.

During the summer over 500 London Ambassadors and Royal Parks' Volunteers welcomed visitors and provided information about TRP and the capital in 'Ambassador Pods' located in Green, Hyde, Richmond and Bushy Parks. Regent's Park hosted the Paralympic Torch Relay and the Green Discovery Trail, a 3.7km walk through the most scenic parts of the park, guided by 11 giant Mandeville and Wenlock themed mascots. The largest London 2012 shop outside of the Olympic Park was in Hyde Park with kiosks in Green and Hyde Parks. Giant Olympic rings were mown by our Shire Horses in Richmond Park, visible from the Heathrow flight path to welcome visitors, and Kensington Gardens hosted two National Olympic Committee Houses - 'Africa Village' and 'Sochi Park'. Green and St James's Parks hosted the main artery of the Olympic and Paralympic Route Networks through central London, ensuring athletes, technical officials and media were able to get to events on time. The Mall welcomed Team GB and Paralympics GB athletes at the finale of 'Our Greatest Team Parade'.

TRP has made the protection and restoration of its parks a priority. Expert input into environmental surveys and planning submissions and seamless working with event organisers ensured reinstatement plans were in place before venues started to be built. Full funding has been received for all reinstatement works, which in many areas will improve the parks beyond their pre-Games condition.

Presenting world-class parks and maintaining safe visitor access has been a priority for TRP throughout the build up to and during the Games and whilst the parks are being restored. In Greenwich Park, extensive engagement with local people was undertaken by event organisers and TRP and a series of posters and other communications were put in place during the different phases of building the venue - delivering the Games, removing the venue and restoring the park - all to ensure users were clear about access. TRP developed a series of London 2012 maps and notices for the information boards in Hyde Park, Kensington Gardens, Green Park and St James's Park. Planning meetings were held with the Friends of Richmond and Bushy Parks together with event organisers, and the Friends supported communications around sensitive habitats and park protection both in the lead up to and during events themselves. TRP created a series of dedicated London 2012 web pages and an interactive map, which were regularly updated with current information about preparations for the Games, parks access for pedestrians, cyclists and vehicles, and reinstatement works.

The reinstatement works included laying 150,000 square metres of turf on the Parade Ground in Hyde Park where the BT London Live events were hosted, laying 35,350 square metres of turf and sowing 104,000 square metres grass seed in Greenwich Park and improving its roads and paths and laying 36,000 square metres of new turf to improve the grass in St. James' Park.

A number of projects have been undertaken in the parks which would not have been delivered at this time without the 2012 Games. In all three parks hosting London 2012 venues, Games organisers have funded habitat improvement, providing a lasting legacy from the Games. In Hyde Park, a long-term meadow area has been created in the Cockpit, benefiting both tree and park habitats and additional bird boxes have been funded in the park. In St James's Park, wildflower plants were planted on the lake edge and an ecology rich grass species mix has been seeded in the south-west of the park. In Greenwich Park, a programme of habitat improvement has been underway for two years, improving and extending the acid grasslands in the park, and additional bird and bat boxes have been installed.

In Greenwich Park, the children's playground has been developed, incorporating seven life-sized sheep which formed part of a themed Olympic Equestrian jump, as part of a wider project to increase play provision and play value. New, wider gates have been installed at the Blackheath Gate entrance to improve vehicular access and make the entrance safer for cyclists. The Henry Moore 'Knife Edge' sculpture was loaned to Greenwich Park from the Henry Moore Foundation for two years until September 2013.

In Hyde Park, a project has been delivered which has improved the ecological habitat of the lake, whilst maintaining its recreational value. Many of these projects have received funding from a range of sources including TRP, DCMS, the Friends of Greenwich Park, LOCOG, Transport for London and the London Marathon Charitable Trust.

Supporting the Parks

I. The Royal Parks Foundation

The Royal Parks Foundation www.supporttheroyalparks.org

The Royal Parks Foundation is the charity that helps support the magic of London's eight Royal Parks. The Foundation helps protect and enhance the parks; raises funds for a wide variety of projects; and increases awareness so the parks are widely recognised as a cause worth supporting.

Highlights of 2012/13 include –

The Foundation has invested £300,000 this year to deliver an education programme at the Isis Education Centre in Hyde Park. This sustainably built, £2.2m environmental facility opened in September 2011 and, in the past year, has engaged with an audience of nearly 6,000 people of all ages. Activities have included a primary school education programme; a science programme targeting the 100 most disadvantaged secondary schools in London, generously funded by Deutsche Bank; plus a community programme that features, amongst other things, guided walks and work with special needs groups, supported by the Stavros Niarchos Foundation. The Royal Parks Foundation is very grateful to Halcyon Gallery who have continued their wonderful support as Principal Education Partner at the Isis Centre.

'Tiffany – Across the Water' is a two-year programme focused on restoring water features across the eight Royal Parks. In this final year, we celebrated the completion of the restoration of The Italian Gardens in Kensington Gardens, as well as further improvements to drinking fountains across the parks. The final element of the programme was the arrival, in March 2013, of three new young Great White pelicans, a gift from Prague Zoo, onto the lake in St James's Park. The project has been generously supported by the Tiffany & Co. Foundation (USA), who celebrated their 10th anniversary with a \$1.25 million gift to the Royal Parks Foundation (USA).

The Royal Parks Foundation Half Marathon, part of the Foundation's health & wellbeing programme, continues to go from strength to strength. The event includes a youth coaching programme and to date has raised an estimated £15million for nearly 400 charities across the UK, including the Royal Parks Foundation.

The Foundation has also contributed to a variety of smaller projects with grants pledged to help support the deer herds, maintain flowerbeds and plant 40,000 British native bluebells in Hyde Park.

2. TRP Friends, Volunteers and Supporters

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

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

The Friends Groups provide a range of support to each park which includes arranging walks and talks, managing information points and running adoption or membership schemes. The Richmond Park Charitable Trust also funds projects for a range of improvements across Richmond Park.

TRP Volunteers undertake conservation work and wildlife recording, as well as providing support to education activities and community projects. Over 70 wildlife volunteers help conserve and enhance the parks' biodiversity and carry out surveys of birds, butterflies, beetles, flora and fungi.

Richmond Park in particular has seen growth in the number of volunteers lending their time and energy to TRP. 20 gardening volunteers have worked tirelessly to reconfigure the flowering areas of the new-look Isabella Plantation, a further 20 volunteers are training to be specialist guides for people who have difficulties accessing the Plantation and others are recording the collections and developing the history and archives of the Plantation for posterity.

This year TRP undertook an exercise to identify the changes in volunteering across the estate and the evaluation report highlights and values the contribution of all volunteering agencies and individuals.

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

3. TRP Education and Community Engagement

2012/13 was the first full year that the new education providers worked in the parks. The Field Studies Council provides environmental education in Bushy Park, Greenwich Park and The Regent's Park. The Royal Parks Foundation undertakes education work at the Isis Education Centre, Hyde Park and The Holly Lodge Centre runs the education programme for Richmond Park. TRP is working to make similar provision in St James's Park and The Green Park in 2013. All these agencies work with TRP to ensure each person receives an excellent standard of education irrespective of which park they visit. Each organisation TRP works with has either received the Learning Outside of the Classroom award or is working towards this quality benchmark.

A 'Teachers' Toolkit' was distributed to over 2,000 schools in England, Scotland and Northern Ireland to encourage a wider range of people to engage with their local green

spaces and to engage the next generation of students in valuing the biodiversity of the country.

The OPAL explore programme concluded this year. As one of more than 19 agencies working to encourage the next generation of scientists, TRP helped to show local people how to explore the effects of pollution through a series of surveys. TRP engaged over 45,000 people in the five-year programme and the results are captured in the biodiversity exhibition on species in the parks. Each park has its own exhibition which shows which species people might expect find in the different parks and conservation advice.

Greenwich Park saw two major schools projects undertaken in 2012. Firstly, the three-day Youth Summit in June that brought together 90 students aged between 15 and 17 from around England's World Heritage sites. The students launched an app which gives young people the chance to find out about Greenwich's history in a youthful and relevant way. Secondly, a community project engaged two local schools and a community group in the design of the new 'Queen's Orchard' gates and well covering. These highlights are examples of the many projects TRP supports which aim to ensure young people think about their experiences in the parks and explore related careers in the longer-term.

4. TRP Apprenticeship Scheme

Following a review of the scheme, TRP is preparing to welcome the next intake of apprentices in September 2013. The scheme continues to attract a lot of interest from both young people starting out on their careers and also career changers. Promotion on Facebook and a dedicated section on the website have resulted in an increase of visitors to the on-line application information.

The learning provider contract is being tendered under a revised, more flexible framework format, with the provider being appointed ready for the start of the 2013/14 academic year.

The latest statistics for the current scheme that has run for the past five years are as follows:

- There have been 48 apprentices taken onto the scheme since 2006;
- 18 people have completed the scheme by gaining Level 2 & 3;
- 15 people remain on the scheme;
- Reasons for leaving the scheme early were financial/home situation or being offered a place in higher education; and
- Only two people have not gone on into employment with TRP or found jobs in the horticulture sector.

We are working in collaboration with The City of London and Roots and Shoots on a scheme funded by The City Bridge Trust called 'Growing Localities Programme'. Funding has been allocated to train apprentices, working jointly in Royal Parks and City of London parks. In addition, Richmond Park has secured HLF funding to take on two apprentices over two years to work in the Isabella Plantation.

Behind the Scenes

Recruitment

Grade	Appointments (number)	Women (per cent)	*Minorities (per cent)
I	1	0	0
II			
III			
IV			
IV (Board Member)			
Total	1	0	0

The above post was recruited in Fair and Open Competition in accordance with The Civil Service Commission Recruitment Principles, which are based on appointment to the Civil Service on merit.

In addition, there were two transfers from other government departments and 25 fixed term appointments, by way of exception to the Principles, to cover Olympic roles and to backfill existing staff who were required to work on the 2012 Games.

Better Buildings Programme

Work on the programme to deliver contracts that increase the quality of key property assets progressed through the year but activity was reduced as TRP concentrated on the successful delivery of the Diamond Jubilee and the London 2012 Games. Nevertheless, progress was made with the completion of two lodge refurbishments and the commencement of another. At the end of the year, there were 17 lodges within the portfolio, generating a net profit of £650,000. TRP's hard work to restore Bishops Gate Lodge in Richmond Park was recognised as the lodge received a commendation award from The Richmond Society.

Development work to convert Hyde Park Corner Lodge into a catering outlet continued and a town planning application is in progress. Also well underway, is the development of the Magazine building in Kensington Gardens which features a wonderful new extension by renowned architect Zaha Hadid. The building will open as the new Serpentine Sackler Gallery later in 2013.

Sustainability

Exceptional Year 2012/13

Consumption of gas and electricity is above levels recorded for the previous year. This is partly due to the exceptional levels of activity within the parks with the 2012 Games, other events and the resolution of a number of outstanding estimated accounts.

Water consumption has seen a marked switch from mains water to a greater use of grey water from bore holes. The TRP policy is to continue this trend, including the connection of grey water to the TRP toilets.

Collaborative Working

TRP has continued to work closely with Keep Britain Tidy (KBT) on recycling initiatives and LOCOG in delivering better recycling rates, especially where we can introduce closed loop systems and control of supply chains at event sites. The principle adopted is that there is close control of materials coming on to site to ensure packaging etc. is recyclable. Waste can then be streamed far more effectively.

WASTE

	2009-10	2010-11	2011-12	2012-13
TOTAL Non Hazardous Waste (tonnes)	-	2359	2291	3309
Landfill	-	201	0	830
Reused/recycled	-	91	184	464
Composted	90+%	93.25%*	90+%	90+%
				563.72
Incinerated without energy recovery	-	0	0	1583
Incinerated with energy recovery	-	109	114	440
Hazardous Waste (tonnes)	-	-	-	-
Landfill	-	-	-	-
Reused/recycled	-	-	-	-
Composted	-	-	-	-
Incinerated with energy recovery	-	-	-	-
Incinerated without energy recovery	-	-	-	-

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

WATER CONSUMPTION

	2009-10	2010-11	2011-12	2012-13
Water Consumption (Office Estate & Non-Office)				
Supplied	199,476	248,393	268,378	132,133
Abstracted	569,457	600,315	728,949	808,723

It is not possible with the current metering arrangements to separate office and non-office consumption.

Figures above as reported to DCMS as part of the sustainability monitoring annually.

ENERGY

	2009-10	2010-11	2011-12	2012-13
Gross Emissions (1,000 tonnes CO2)				
Electricity: Non-Renewable	0	0	0	0
Electricity: Renewable	1202	1515	1528	1600
Electricity: Renewable Office	417	498	473	423
Electricity: Renewable Non- Office	784	1017	1055	1177
Gas				
Gas: Total	38	72	26	37
Gas: Office	31	39	21	27
Gas: Non-Office	7	33	5	10
Fleet Fuel (LPG, Diesel and Petrol)*	0.042	0.048	0.041	0.036
Other				

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

* Not reported to DCMS in the same way.

UTILITY AND FUEL COSTS

	2009-10	2010-11	2011-12	2012-13
	£k	£k	£k	£k
Gas	347	177	145	174
Electricity	430	310	379	502
Water	353	418	416	378
Fuel	35	39	37	42
Total	1,165	944	977	1,096

General waste

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

Green Waste

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

Shared Use of Buildings

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

Events

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

Park Lighting

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

Metering Variations

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

Energy Saving Measures

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

Health and Safety

TRP has continued to look for ways to continuously improve its Health and Safety Management System, which is currently based on HS(G)65 and HSE guidance. This is to ensure, so far as is reasonably practicable, the safety of staff, visitors and contractors. To this end a strategic Health and Safety Plan was developed for 2012/13 and this has been successfully delivered.

A number of projects have been undertaken by the new HSE Manager in association with TRP's retained external specialists, including work to ensure the Diamond Jubilee and the Olympic and Paralympic Games event operations, and the construction and de-rigging of venues, was undertaken safely.

Over the last year the HSE Manager has completed a number of projects, including internal and external audits of all parks and the development of new web-based systems in association with the Communications and Digital Team, which will be hosted on TRP's new intranet. TRP has also commenced a programme of auditing contractors to ensure that relevant H&S systems are in place for the work they undertake for TRP.

There have been no RIDDOR reportable incidents or injuries involving employees during this period.

THE ROYAL PARKS ACCOUNTS 2012-13

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MANAGEMENT COMMENTARY

Accounts Direction

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

Description of the Business

History of The Royal Parks

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

Statutory Background

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

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

Corporate Objectives and Performance Targets

TRP's objectives and performance targets are set by DCMS and are formally reviewed quarterly by the Executive Committee. Details of performance targets are noted on page 7 and achievements are set out between pages 8 and 15 of this report. Further information on the role of the Board is set out in the Governance Statement on page 35.

Development and Performance in the Current Year

Review of Activities

The Chief Executive's foreword on page 4 and the review of the year between page 8 and 22 of this report, examine activities for the year ended 31 March 2013. Further details of plans are contained in TRP Corporate Plan.

Financial Position of The Royal Parks

TRP is funded via the DCMS Supply Estimate. TRP's allocation for 2012-13 (including supplemental allocations re preparation for London 2012 and HM The Queen's Diamond Jubilee celebrations) was a Resource budget of £18.3m (of which £2.2m was non-cash) plus £0.8m Capital. £14.4m of grant in aid was actually received in year. It is anticipated that the balance of funding to pay creditors of £7.6m will be received from DCMS in 2013-14 and subsequent years subject to Parliamentary approval (£5.1m in 2012-13), of which £3.5m is included in the Main Estimate. In 2012-13 £20.8m (£18.7m in 2011-12) was generated as income, including donated assets and funding due as agreed with Event Organisers arising from hosting London 2012 and commercial events.

Strategic Risks

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

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

Further details of risk management are contained in the Governance Statement on page 35.

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

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

Policy and Achievement of Policy on Social and Community Issues

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

Policy and Achievement of Policy on Employees

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

The Diversity Network has continued to meet quarterly and has used the meetings to focus on particular themes, for example, Mental Health, Customer Focus and Diversity and the Police and Diversity. Guest speakers were invited from organisations such as the Mental

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

Page 19 of the Report provides further information on recruitment during the year.

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

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

Pensions

Details of pension arrangements are provided in the Remuneration Report.

Sick and Absence

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

Employees who are absent due to sickness are paid for a defined period providing they have complied with TRP sickness reporting and notification rules. Staff are paid at their normal rate of pay for periods of sickness absence up to a maximum of six months in aggregate in any calendar year and thereafter half normal pay for six months sickness absence provided that they have not had more than 12 months sickness absence on half-pay in any four-year period. For the year ending 31 March 2013 there were five long term sick absence cases within TRP (2011-12 four cases). The average rate of sick absence for TRP staff is four days per member of staff excluding the long term sickness (2011-12 three days).

Policy and Achievement regarding Environmental Matters

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

Executive Committee (ExCom)

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

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

The Board

The Board is responsible for overseeing the activities of the organisation. The names of The Board members are set out on pages 6 and 7 of the Report. Non Executive Board members are not remunerated. The Board meets quarterly. Further details are also given in the Governance Statement.

Register of Interests

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

Payment of Creditors

TRP aimed to settle all valid invoices within 30 days of receipt (as specified in the CBI code) until December 2008 when the Cabinet Office issued instructions for the payment target to be set at 10 days, excluding disputed invoices. TRP achieved an average payment target of 15 days (2011-12 19 days) which includes disputed invoices, which cannot be separated in the statistics.

External Auditor

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

Disclosure of Information to Auditors

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



Linda Lennon CBE

Chief Executive

25 June 2013

REMUNERATION REPORT

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

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

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

Other senior managers, below SCS, are paid employees of TRP, under the Civil Service Management Code conditions. The Director of Marketing Communications and Commercial is appointed on a fixed term from 7 November 2011 to 30 June 2013.

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

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

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

During the first part of the financial year, a pay freeze remained in place for all staff except for those earning under £21,000 per annum. With effect from 1 September 2012, a pay award of 1% was implemented, the maximum allowed by HM Treasury.

The following sections provide details of the remuneration and pension interests of the Chief Executive, Executive Board members and ExCom members of TRP.

The figures in this Remuneration Report have been audited.

Remuneration of Senior Managers

	2012-13	2012-13	2011-12	2011-12
	Remuneration	Bonus payments	Remuneration	Bonus payments
	£000	£000	£000	£000
Linda Lennon <i>Chief Executive (from 5 March 2012)</i>	80-85	–	5-10 (full year equivalent 80-85)	–
Mark Camley <i>Chief Executive (to 2 January 2012)</i>	–	–	70-75 (full year equivalent 90-95)	0-5
Colin BATTERY <i>Deputy Chief Executive and Director of Parks (interim CEO from 3 January 2012 - 4 March 2012)</i>	75-80	–	70-75	–
Simon Betts <i>Director of Estates</i>	60-65	0-5	60-65	0-5
Greg McErlean <i>Director of Programmes, Projects and IS</i>	65-70	0-5	60-65	0-5
John Swainson <i>Director of Resources</i>	55-60	0-5	55-60	0-5
Margaret Harper <i>Director of Communications and Commercial (from 7 November 2011)</i>	60-65	–	25-30 (full year equivalent 60-65)	–
Liz Mullins <i>Programme Director for the 2012 Games / Change Programme Director</i>	65-70	0-5	*	*
Dennis Clarke <i>Head of Park Services</i>	60-65	0-5	*	*

* Only classified as ExCom Members from 1st April 2012

Remuneration

Salary includes gross salary, overtime, reserved rights to London weighting or London allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by TRP and thus recorded in these accounts. Bonuses relate to the year in which they become payable.

None of the above staff received benefits in kind.

Pay Ratio

	2012-13	2011-12
	Remuneration	Remuneration
	£000	£000
<i>Band of Highest Paid Director's Total Remuneration £000</i>	80-85	80-85
<i>Median Total Remuneration £000</i>	31	32
<i>Ratio</i>	2.63	2.60

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

The banded remuneration of the highest-paid director in TRP in the financial year 2012-13 was £80,000-85,000 (2011-12, £80,000-85,000). This was 2.63 times (2011-12, 2.60) the median remuneration of the workforce, which was £31,161, (2011-12, £31,790).

No employees received remuneration in excess of the highest-paid director during 2012-13 or 2011-12.

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

The ratio is calculated by dividing the midpoint of the highest paid director's remuneration band by the median of the total annualised March 2013 remuneration of all staff (permanently employed and others). The latter is reported to the nearest £1,000 although the calculation of the ratio uses the exact number.

b) Pension benefits

	Accrued Pension at pension age at 31-3-13 and related lump sum £000	Real increase in Pension and related lump sum at pension age £000	CETV at 31-3-13 £000	CETV at 31-3-12 £000	Real increase in CETV £000	Employer contribution to partnership pension account £000
Linda Lennon <i>Chief Executive</i>	30 – 35 lump sum 90 – 95	2.5 – 5.0 lump sum 7.5 – 10	539	468	44	–
Colin BATTERY <i>Deputy Chief Executive and Director of Parks</i>	35 – 40 lump sum –	0 – 2.5 lump sum –	557	498	22	–
Simon Betts <i>Director of Estates</i>	10 – 15 lump sum 35 – 40	0 – 2.5 lump sum 0 – 2.5	283	270	10	–
Greg McErlean <i>Director of Major Projects</i>	5 – 10 lump sum –	0 – 2.5 lump sum –	152	124	18	–
Margaret Harper <i>Director of Communications and Commercial</i>	5 – 10 lump sum –	5 – 7.5 lump sum –	73	5	11	–
John Swainson <i>Director of Resources</i>	35 – 40 lump sum –	0 – 2.5 lump sum –	542	482	16	–
Liz Mullins <i>Programme Director for the 2012 Games / Change Programme Director</i>	10 – 15 lump sum –	0 – 2.5 lump sum –	140	112	18	–
Dennis Clarke <i>Head of Park Services</i>	20 – 25 lump sum 65 – 70	0 – 2.5 lump sum 0 – 2.5	426	397	5	–

Civil Service Pensions

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

Employee contributions are salary-related and range between 1.5% and 3.9% of pensionable earnings for **classic** and 3.5% and 5.9% for premium, **classic plus** and **nuvos**. Increases to employee contributions will apply from 1 April 2013. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike

classic, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

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

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

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

Real increase in CETV

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

**Reporting of Civil Service and other compensation schemes – exit packages
(This information has been audited)**

2012-13

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£10,000 - £25,000	1	1	2
£25,000 - £50,000	–	1	1
Total number of exit packages	1	2	3
Total cost /£	20,782	43,791	64,573

2011-12

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

Linda Lennon

Linda Lennon CBE

Accounting Officer

25 June 2013

STATEMENT OF CHIEF EXECUTIVE'S RESPONSIBILITIES

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

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

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

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



Linda Lennon CBE
Chief Executive
25 June 2013

Governance Statement

Scope of Responsibility

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

Governance Structure

TRP is managed by the Executive Committee, which I chair. The Board is the responsibility of the Greater London Authority and accountable to the Mayor of London. Board appointments are made by the Mayor. The membership constitution of the Board was agreed between DCMS and the Mayor of London.

The board consists of a non executive chair, nine other non executives and two executive directors, including the Chief Executive. Three non executives are appointed by the London Councils, and are Leaders of their respective councils. One member is appointed by The Royal Household, and six members are appointed through a selection process. The deputy CEO is invited to board meetings as a nonvoting attendee. Other expert attendees are called upon when required to provide information and to aid policy making. Appointments are for a period of four years, excepting three of the previous board non executives who were appointed for two years.

The Board is consulted on and helps develop TRP’s overall strategies and policies. Formal Board meetings were held during 2012-13 on the following dates:

30 April 2012, 25 July 2012, 9 November 2012 and 7 March 2013.

GLA Appointed Board	Attendance
John Swainson (TRP)	4/4
Linda Lennon CBE (TRP)	4/4
The Hon Apurv Bagri	4/4
Ruth Anderson	4/4
Sue Moore	4/4
Andrew Fenwick	4/4
Sir Andrew Ford KCVO	3/4
Councillor Nasim Ali (until 8 May 2012)	0/1
Roger Bright	4/4
Councillor Chris Roberts	2/4
Councillor Sarah Hayward (from 9 May 2012)	2/3
Councillor Phillippa Roe	3/4
Lord True	3/4

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

Board's Performance

New governance arrangements took effect over a year ago with the appointment, by the Mayor of London, of a wider membership including representatives from Local Authorities and the Royal Household. The Board formally meets quarterly but also convenes for separate strategy sessions.

Earlier this year, the Hon Apurv Bagri, TRP's Chair, reviewed the operation of the Board. As part of this process he consulted a range of people including Board colleagues, TRP officials and representatives of the Department for Culture, Media and Sport and the GLA. He concluded that the transition to the new arrangements had gone smoothly and the involvement of new members had injected a wider perspective into strategic thinking. He recommended, however, that the balance of skills and experience and level of representation should be reviewed as vacancies arise to ensure that the Board was equipped with the skills to oversee the challenges facing TRP. This should be supported by an effective induction process.

He concluded that while the Board was meeting its terms of reference, it must focus on providing a clear strategic overview of key trends and issues, in particular the measures needed to address the reduction in Government grant. It must also continue to develop, in consultation with TRP, a strategy to ensure that the views of stakeholders are fully considered.

Highlights of Board Committee Meetings

Key issues for the Board during 2012-13 were the delivery of HM The Queen's Diamond Jubilee celebrations in the parks, hosting 11 Olympic and Paralympic events successfully and full reinstatement of the parks after the Games. The board also reconsidered TRP's core objectives for the future and related KPT's. The Board considered the impact of Comprehensive Spending Review cuts on activities and upon staff and measures to improve resilience of delivery, environmental diseases such as Massaria and the Oak Processionary Moth. The Board held a strategy day where it considered TRP's purpose and objectives, covering also stakeholders and various risks and threats including not getting appropriate planning and licensing permissions.

The Board identified the key risk as being the preparation for London 2012. Regular updates were given about TRP's preparedness covering operational, environmental and financial risks together with mitigations. Independent Gateway Reviews were conducted both pre and post Games. Business continuity plans were updated to take account of London 2012 related resource and management issues.

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

Attendance and membership of the Audit and Risk Committee was as follows:

Andrew Fenwick, Chair, Non Exec	4/4
Rod Giddins, Non Exec (resigned 29 October 2012)	3/3
Emir Feisal, Non Exec	2/4
John Collier, Non Exec	4/4
Roger Bright, Non Exec (appointed 4 February 2013)	1/1

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

Internal Audit provides a total of 50 days resource for the Audit and Risk Committee. The Head of Internal Audit provides the Accounting Officer with an annual report on internal audit activity and an opinion on the adequacy and effectiveness of the systems of internal control. The Head of Internal Audit reported that “Based on the work we have completed this year, I am able to give a substantial assurance (Amber/Green) that TRP’s risk management, control and governance arrangements have been found to be working effectively with some minor weaknesses. This opinion is derived from the findings and conclusions from the programme of XDIAS’ audits, and represents an overall improvement on last year. Consequently, there are no significant internal control issues which I will be recommending the Accounting Officer should include in her Governance Statement, as at the date of my report.”

The National Audit Office representatives attend the AC meetings and examine TRP’s financial accounts and financial procedures at the end of each financial year.

Attendance and membership of the BBPB was as follows:

Ruth Anderson, Chair, Non Exec	2/2
Linda Lennon, TRP	2/2
Terry Eccles, Non Exec	0/2
Colin Buttery, TRP	2/2
John Swainson, TRP	2/2
Greg McErlean, TRP	2/2
Roger Bright, Non Exec	1/2

The Better Buildings Programme Board is composed of the CEO, three directors and two non executive directors, one of whom is the chair. The aim of the Better Buildings Programme is to deliver contracts that increase the quality of key property assets in order to produce an additional net income from these assets of £1m per annum by the end of the 2014/2015 financial year and £2.5m by the end of 2019/20. The Better Buildings Programme

Board oversees all of the projects which comprise the programme. Its purpose is to provide challenge, support and oversight in order that the desired outcomes and planned benefits of the programme may be achieved. The Better Buildings Programme Board met twice in the year which is less than normal but reflects the fact that we reduced activity in the first half of the year so as to concentrate upon the Diamond Jubilee and London 2012 Games.

Board's assessment of compliance with the Corporate Governance Code

The Board aims to ensure that its governance arrangements follow best practice and follow the Corporate Governance Code to the extent that its size and status allows. The only material departure from the provisions of the Code is that the Board has not established a nominations and governance committee as it was considered that the size of the organisation did not warrant it.

Localism

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

The Purpose of the System of Internal Control

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

The system of internal control has been in place in TRP for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to Handle Risk

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

The Risk and Control Framework

The risk management framework is aligned to the corporate aims, objectives and priorities as outlined above. For 2012-13 there were two corporate objectives and two key targets. Risk analysis forms part of the strategic planning, business planning and investment/project appraisal procedures. Managers and staff at all levels have a responsibility to identify, evaluate and manage risks, and are equipped to do so through ongoing risk training and relevant guidance.

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

We have clear financial delegations in place covering all staff at TRP.

Information Risk

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

There were no data loss incidents reported in 2012-13.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control, including the risk management framework.

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

Each Director and Budget Holder has completed an Assurance Report confirming that they have carried out a range of responsibilities, which provides comfort that policies and procedures are being adhered to. These reports cover risk management and controls, actions on audit reports and effective management of financial and non-financial resources, incorporating specific guidelines issued by Finance, Personnel, Procurement, Health and Safety, IT and Policy and Strategy (including Records Management). Performance against Corporate Plan targets is measured and reviewed quarterly by the Board. In addition, I, and my predecessor, have regular meetings with each Director to review progress in their areas of responsibility against their business plan targets, and following Internal Audit recommendations, additional assurance will be included in Directors' reports.

The Annual Civil Service wide employee engagement survey provides assurance on our leadership, management and communication with staff. In 2012-13 we were ranked third out of the 97 public sector organisations surveyed.

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

Linda Lennon

Linda Lennon CBE

Accounting Officer

25 June 2013

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

I certify that I have audited the financial statements of the Royal Parks Agency for the year ended 31 March 2013 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

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

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Royal Parks Agency's affairs as at 31 March 2013 and of the net operating cost for the year then ended; and

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- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

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

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General

3 July 2013

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

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2013

	Note	Staff Costs	Other Cost	2012-13 £000 Income	2011-12 £000
Administration costs:					
Staff Costs	2	1,749			1,453
Other Administrative Costs	3		1,447		1,667
Operating Income	4			(978)	(859)
Programme costs:					
Staff Costs	2	4,180			4,276
Programme Costs	3		30,747		26,581
Income	4			(19,841)	(17,810)
Totals		5,929	32,194	(20,819)	15,308
Net Operating Cost				17,304	15,308

OTHER COMPREHENSIVE EXPENDITURE

	Note	2012-13 £000	2011-12 £000
Net gain on revaluation of Heritage Assets & Property, Plant & Equipment	5, 6	1,288	1,001
Total Comprehensive Expenditure for the year ended 31 March 2013		16,016	14,307

The notes on pages 47 to 65 form part of these accounts

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	Note	2013 £000	2012 £000
Non-current assets:			
Tangible Assets:			
Heritage assets	5,6	26,174	25,102
Property, plant and equipment	5	23,951	24,210
	5	50,125	49,312
Intangible Assets	7	205	239
Total non-current assets		50,330	49,551
Current assets:			
Inventory	1.1c	-	-
Trade and other receivables	9	2,147	2,577
Cash and cash equivalents	10	2,350	(316)
Total current assets		4,497	2,261
Total assets		54,827	51,812
Current Liabilities:			
Trade and other payables	11	(13,454)	(8,729)
Current Provisions	12	(320)	(450)
Total current liabilities		(13,774)	(9,179)
Total assets less current liabilities		41,053	42,633
Non-current liabilities:			
Provisions	12	(132)	(148)
Total non-current liabilities		(132)	(148)
Assets less liabilities		40,921	42,485
Taxpayers' equity			
General fund		25,256	28,477
Revaluation reserve		15,665	14,008
Total taxpayers' equity		40,921	42,485

The notes on pages 47 to 65 form part of these accounts

Linda Lennon

Linda Lennon CBE
Accounting Officer
25 June 2013

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2013

	2012-13 £000	2011-12 £000
	Note	
Cash flows from operating activities		
Net operating cost	(17,304)	(15,308)
Adjustments for non-cash transactions	3 2,304	2,354
Decrease in trade and other receivables	9 430	414
Decrease in Inventories	1.1c -	8
Increase in trade payables	11 4,725	1,707
Use of provisions	12 (88)	(98)
Net cash outflow from operating activities	(9,933)	(10,923)
Cash flows from investing activities		
Purchase of property, plant and equipment	5 (1,807)	(3,299)
Purchase of Intangibles	7 (27)	(12)
Proceeds of disposal of property, plant and equipment	22	-
Net cash outflow from investing activities	(1,812)	(3,311)
Cash flows from financing activities		
Net Parliamentary cash funding received	14,411	11,304
Net financing	14,411	11,304
Net Increase/(Decrease) in cash and cash equivalents in the period	2,666	(2,930)
Cash and cash equivalents at the beginning of the period	10 (316)	2,614
Cash and cash equivalents at the end of the period	10 2,350	(316)

The notes on pages 47 to 65 form part of these accounts

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2013

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2011		31,977	13,470	45,447
Net Parliamentary Funding – drawn down from DCMS		11,304	-	11,304
Comprehensive expenditure for the year		(15,308)	-	(15,308)
<u>Non cash adjustments</u>				
Non-cash charges – auditors remuneration	3	41	-	41
<u>Movements in reserves</u>				
Net gain/(loss) on revaluation of property, plant & equipment		-	1,001	1,001
Transfers between reserves, in relation to depreciation		408	(408)	-
Intra reserve transfer – Non-current assets		55	(55)	-
Balance at 31 March 2012		28,477	14,008	42,485
Net Parliamentary Funding – drawn down from DCMS		14,411	-	14,411
Comprehensive expenditure for the year		(17,304)	-	(17,304)
<u>Non cash adjustments</u>				
Non-cash charges – auditors remuneration	3	41	-	41
<u>Movements in reserves</u>				
Net gain/(loss) on revaluation of property, plant & equipment		-	1,288	1,288
Transfers between reserves, in relation to depreciation		461	(461)	-
Intra reserve transfer – Non-current assets		(830)	830	-
Balance at 31 March 2013		25,256	15,665	40,921

Intra reserve transfer – Non-current assets, of £0.83m, contains an adjustment of £0.899m. This adjustment is required to reconcile the revaluation reserve with the asset register. This adjustment has no impact on reported non-current assets, or on net operating cost.

The notes on pages 47 to 65 form part of these accounts

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013

I. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2012-13 Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of TRP for the purpose of giving a true and fair view has been selected. The particular policies adopted by TRP are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

I.1 Accounting Convention

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

I.1a Administration and Programme Expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme. This classification of expenditure and income as administration or programme follows the definitions set out in the 2012-13 Financial Reporting Manual (FReM) provided by HM Treasury.

I.1b Non-current Assets

Recognition

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

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

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

Classification

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

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

Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations and include

listed buildings or buildings which directors consider have special significance in the landscape and will be required to be kept substantially in their current form due to planning restrictions.

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

Pure heritage assets include monuments, statues, fountains, bridges, walls, band stands and historic gates and both historic and recent monuments such as the Albert Memorial in Kensington Gardens and the 7-7 Memorial in Hyde Park. TRP has 120 of such assets which have not been included in the Statement of Financial Position, excluding bridges and walls, which are not individually recorded. Most of TRP's land and heritage assets, other than buildings, are not valued. Expenditure on creating new heritage assets is capitalised at cost, expenditure on maintaining them is expensed.

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

Transactions and Policies of Acquisition and Disposal of off Statement of Financial Position Heritage Assets

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

Maintenance and Preservation Policies of Heritage Assets

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

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

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

Property, plant and equipment

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

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

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

Intangible assets

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

Donated assets (including those funded by capital grants)

Assets donated by third parties, either by gift of the asset or by way of funds to buy the asset are capitalised at current value on receipt. Donated assets are re-valued, depreciated and subject to impairment in the same way as other assets

Depreciation

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

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

Contractor's assets

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

1.1c Inventory

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

1.1d Income

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

1.1e Pensions

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

1.1f Provisions

Early Departure Costs

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

Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, TRP discloses for parliamentary reporting and accountability purposes certain statutory and non statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.1g Value Added Tax

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

1.1h Financing and Grants

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

Grants used to acquire specific capital items are credited to income in the Statement of Comprehensive Net Expenditure.

1.1i Use of Estimate

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

1.1j Impact of new International Financial Reporting Standards

Early Application of IFRS Before Compulsory Introduction

No IFRS was adopted early.

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

1.1k Segmental Reporting- IFRS 8

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

2. STAFF NUMBERS AND RELATED COSTS

2.1 Staff costs comprise:

		2012-13 £000		2011-12 £000	
	Note	Permanently employed staff	Others	Total	Total
Wages and salaries		3,578	1,194	4,772	4,424
Social security costs		295	101	396	363
Other pension costs		655	48	703	693
Early departure costs	1.1f	58	-	58	249
Total net costs		4,586	1,343	5,929	5,729

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

The below pension contribution figures include contributions relating to TRP staff seconded to other organisations. These values are not included in the pension costs reported in the above table.

For 2012-13 employers contributions of £710,110 were payable to the PCSPS (2011-12 £699,140) at one of four rates in the range 16.7 to 24.3 per cent (2011-12 16.7 to 24.3 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2012-13, the rates are in the range 16.7 per cent to 24.3 per cent. The contribution rates are set to meet the cost of benefits accruing during 2012-13 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions of £8,244 (2011-12 £8,511) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3.0 to 12.5 per cent (2011-12 3.0 to 12.5 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £455 (0.8 per cent; 2011-12; £486,

0.8 per cent) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £845 (2011-12 £837). Contributions prepaid at that date were £0 (2011-12 £0).

2.2 Average number of persons employed

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

	2012-13 Total	Permanently employed staff	Others	2011-12 Total
Directly employed	119	96	23	110
Other	8	-	8	11
Total	127 *	96	31	121

* Increase is due to the temporary staff employed to deliver the 2012 Games.

2.3.a Salary and pension entitlements

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

2.3.b The Board

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

2.3.c Exit Packages

Exit Packages are disclosed in the Remuneration Report.

3. OTHER ADMINISTRATIVE AND PROGRAMME COSTS

		2012-13 £000	2011-12 £000
	Note		
Grounds Maintenance	3.a	10,142	7,461
Works Maintenance	3.b	9,517	9,730
Landscape Development	3.c	1,057	550
Programme Management		63	25
Nursery	3.d	1,018	1,106
Utilities	3.e	1,054	940
Cleaning Contracts		1,101	1,077
Service Contracts	3.f	824	962
Advisory Consultancy		45	52
Implementation Support	3.g	648	481
Trees	3.h	619	593
Marketing & Communications	3.i	96	275
IT Equipment & Consumables	3.j	166	229
Furniture & Equipment		267	259
Telecommunications	3.k	168	291
Entertainment & Licences	3.l	420	254
Horticulture		241	289
Rentals under operating lease		125	116
Training		55	53
Animal Feed & Welfare		80	84
Other Programme costs	3.m	2,186	1,072
Programme cash costs		29,892	25,899
Non Cash Items			
Depreciation and Amortisation	5, 6, 7	1,730	1,546
Loss on disposal of non-current assets	5, 6, 7	59	3
Fixed Asset impairment	5, 6, 7	532	560
Auditors remuneration & expenses	3.n	41	41
Increase/(Decrease) in provisions	12	(60)	199
Total		32,194	28,248
Administrative/Programme Analysis:			
Administrative element of above costs		1,447	1,667
Programme element of above costs		30,747	26,581
Total		32,194	28,248

3.a Grounds Maintenance

The large increase is due to the cost of significant reinstatement works, funded by Event Organisers, that were required following the hosting of several major events last summer. These included the London 2012 Games, HM The Queen's Diamond Jubilee celebrations and our summer concerts.

3.b Works Maintenance

Whilst slightly down on last year, costs include reinstatement of the hard infrastructure of the parks following the summer events mentioned under Grounds Maintenance above, funded by Event Organisers.

3.c Landscape Development

Significant increase on last year and includes TFL funded cycling projects, Playbuilder and other playground development works, Blackheath Gates alteration works and the Isabella Plantation Access improvement project.

3.d Nursery

Reduced maintenance costs as a result of a major refurbishment programme in the last quarter of the year at the Hyde Park Nursery.

3.e Utilities

Have increased following receipt of backdated electricity bills, whilst last year was reduced due to credits received against old incorrect electricity bills.

3.f Service Contracts

Lower following completion of the Henry Moore Arch and Lookout projects, and a reduced number of apprentices in the Apprenticeship Scheme.

3.g Implementation Support

Relates to professional fees incurred in supporting the delivery of our detailed business objectives. Costs which are advisory in nature (e.g. appraisal of project options) are included in advisory consultancy. The majority of the increase relates to irrecoverable VAT on professional fees previously treated as recoverable.

3.h Trees

Safety inspections are based on zoned risk assessment leading to a prioritised programme for each year. Annual expenditure is based on strategic and cyclical work requirements. A significant and increasing cost has been incurred in removing Oak Processionary Moth nests from Richmond and Bushy Parks. Additionally, we have also had increased costs associated with Massaria and its impact on London Plane trees.

3.i Marketing & Communications

Design costs are much lower, whilst internet costs have been reduced as multiple website hosting has been migrated to a single provider and changes are now done internally.

3.j IT Equipment & Consumables

Lower as savings made in technical support costs and reduced IT hardware costs.

3.k Telecommunications

Use of voice over internet protocol technology has resulted in much lower costs, including free calls between parks.

3.l Entertainment & Licences

Included significant costs in respect of the HM The Queen's Diamond Jubilee celebrations, although this was offset by sponsorship income.

3.m Other Programme costs

These include costs such as legal advice, recruitment, external printing, bad debts, office rates and compensation payments. The majority of the increase related to compensation payable to concessionaires and licencees as a result of The Royal Parks hosting II Olympic

and Paralympic events during London 2012. The compensation was offset by funding from LOCOG (see note 4.g below).

3.n Auditors' Remuneration

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

4. INCOME

		2012-13 £000	2011-12 £000
	Note		
Concessions: Catering	4.a	2,804	3,203
Car parking		1,239	1,622
Other		548	366
Licences and rents	4.b	3,065	3,190
Fees from events	4.c	6,687	4,856
Other fees and permits	4.d	882	1,117
Lottery and other grants	4.e	384	1,057
Services		58	101
Fundraising	4.f	50	1,806
Contributions to Works Costs		122	63
Other	4.g	4,980	1,288
Total		20,819	18,669

4.a Concessions

Both catering and car parking concession income was adversely affected by closures required as a result of the 11 Olympic and Paralympic events being held in The Royal Parks.

4.b Licences and rents

Licences and rents are slightly down in total. An increase in income resulting from additional properties becoming available for rental under our Better Buildings programme was more than offset by a reduction in from ad-hoc licences.

4.c Fees from Events

The substantial increase from last year is due to a number of factors. These include improved income from the Winter Wonderland event, higher fees from the series of summer concerts in Hyde Park and income sponsorship received for HM The Queen's Diamond Jubilee celebrations and BT London Live. Fees also increased significantly in Kensington Gardens and The Regent's Park.

4.d Other Fees and Permits

Reductions in Filming & Broadcasting, Still Photography and other permits was due to closures required as a result of Olympic and Paralympic events being held in The Royal Parks. Internment Fees were also down for the year.

4.e Lottery and other grants

Lottery funding was much lower than last year, when we received the final instalment of Heritage Lottery Fund for the Bushy Restoration project.

4.f Fundraising

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

4.g Other

The main reason for the very large increase is the funding received to pay for repairs and reinstatement resulting from hosting of the London 2012 Games, HM The Queen's Diamond Jubilee celebrations and our summer concerts. Smaller increases related to increased donations and charges to the Metropolitan Police Service.

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

	Land & Buildings excluding Dwellings £000	Dwellings £000	Heritage £000	Info Tech £000	Plant & Machinery £000	Furn & Fittings £000	Pmts on Account & Assets under construction £000	Total £000
Cost or valuation								
At 1 April 2011	41,484	3,753	52,886	122	811	4,259	1,681	104,996
Additions	525	66	715	74	1,401	18	500	3,299
Disposals	-	-	-	-	-	(16)	-	(16)
Reclassifications	1,285	-	-	-	256	19	(1,611)	(51)
Revaluation	(1,714)	-	(752)	-	-	-	-	(2,466)
At 31 March 2012	41,580	3,819	52,849	196	2,468	4,280	570	105,762
Depreciation								
At 1 April 2011	23,373	2,454	28,663	34	370	2,998	-	57,892
Charged in year	831	41	279	26	100	201	-	1,478
Disposals	-	-	-	-	-	(13)	-	(13)
Reclassifications	-	-	-	-	-	-	-	-
Revaluation	(1,712)	-	(1,195)	-	-	-	-	(2,907)
At 31 March 2012	22,492	2,495	27,747	60	470	3,186	-	56,450
Net book value at 31 March 2012	19,088	1,324	25,102	136	1,998	1,094	570	49,312
Cost or valuation								
At 1 April 2012	41,580	3,819	52,849	196	2,468	4,280	570	105,762
Additions	55	83	380	5	73	45	1,166	1,807
Disposals	(555)	-	-	-	(143)	(204)	-	(902)
Reclassifications	310	-	-	-	-	194	(519)	(15)
Revaluation	(1,709)	(13)	(5,447)	-	-	-	-	(7,169)
At 31 March 2013	39,681	3,889	47,782	201	2,398	4,315	1,217	99,483
Depreciation								
At 1 April 2012	22,492	2,495	27,747	60	470	3,186	-	56,450
Charged in year	870	44	317	35	160	228	-	1,654
Disposals	(547)	-	-	-	(80)	(194)	-	(821)
Reclassifications	-	-	-	-	-	-	-	-
Revaluation	(1,410)	(59)	(6,456)	-	-	-	-	(7,925)
At 31 March 2013	21,405	2,480	21,608	95	550	3,220	-	49,358
Net book value at 31 March 2013	18,276	1,409	26,174	106	1,848	1,095	1,217	50,125

Land and buildings are valued in accordance with the accounting policy described at Note 1.1b. Drivers Jonas Deloitte, a member of the Royal Institute of Chartered Surveyors,

undertook the professional valuation of property for 2012-13 as at 31 March 2013. Property usage dictates whether VAT should be included in the valuation of a property. TRP has reviewed property usage and taken the valuation accordingly.

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

During the year £0.1m of donated assets were capitalised.

Freehold Buildings	2012-13	2011-12
	£000	£000
Opening valuation		
At 1 April	2,608	2,608
Revaluation decrease	(243)	-
At 31 March	<u>2,365</u>	<u>2,608</u>
Depreciation		
At 1 April	1,955	1,946
Charged in year	9	9
Revaluation	(329)	-
At 31 March	<u>1,635</u>	<u>1,955</u>
Net book value at 31 March	<u>730</u>	<u>653</u>

Depreciation is not charged on pure heritage non operational assets.

Pembroke Lodge in Richmond Park is leased out to a concessionaire on a 97 year lease of which 78 years remained unexpired at 31 March 2013. The property is included in heritage assets at a gross current replacement cost of £3.614m (2011-12 £3.677m).

During 2012-13 the five-year rolling revaluation programme, for buildings, was continued with 20 per cent of properties subject to physical revaluation, in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The net result of this was a decrease in Gross Current Replacement Cost of £7.169m and an increase in Net Current Replacement Cost of £0.756m of which £0.532m was charged through the SOCNE, and £1.288m was accounted for through reserves. In the prior year the proportion of the net revaluation (2011-12 £0.559m) which took net current replacement cost below historic net book value was charged to the SOCNE while the remainder (2011-12 £1.001m) was accounted for through the reserves.

Dwellings and heritage assets include residential lodges which are being refurbished under the Better Buildings Programme (see page 37). Assets under construction include costs of refurbishment of some residential dwellings.

6. Heritage Assets

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

	Non operational £000	Operational £000	Total Heritage Assets £000
Cost or valuation			
At 1 April 2011	6,258	46,628	52,886
Additions	-	715	715
Revaluation	-	(752)	(752)
At 31 March 2012	6,258	46,591	52,849
Depreciation			
At 1 April 2011	70	28,593	28,663
Charged in year	-	279	279
Revaluation	-	(1,195)	(1,195)
At 31 March 2012	70	27,677	27,747
Net book value at 31 March 2012	6,188	18,914	25,102
Cost or valuation			
At 1 April 2012	6,258	46,591	52,849
Additions	-	380	380
Revaluation	-	(5,447)	(5,447)
At 31 March 2013	6,258	41,524	47,782
Depreciation			
At 1 April 2012	70	27,677	27,747
Charged in year	-	317	317
Revaluation	-	(6,456)	(6,456)
At 31 March 2013	70	21,538	21,608
Net book value at 31 March 2013	6,188	19,986	26,174

The non operational heritage assets include one asset at valuation having a net book value of £2.868m. All of the operational heritage assets are land and buildings at valuation being subject to the rolling 5-year revaluation program described in note 1.1b.

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

Monuments	33	Band stands	4
Statues	35	Fountains	16
Other	32		

7. INTANGIBLE ASSETS

Intangible assets comprise software.

	2012-13 £000	2011-12 £000
Cost or valuation		
At 1 April	498	498
Additions	27	12
Disposals	-	(63)
Reclassifications	15	51
At 31 March	540	498
Depreciation		
At 1 April	259	254
Charged in year	76	68
Disposals	-	(63)
At 31 March	335	259
Net book value at 31 March	205	239

8. FINANCIAL INSTRUMENTS

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

The majority of funding from DCMS is taken directly to Reserves (See Statement of Changes in Taxpayers' Equity). Given that 41% (2011-12: 55%, 2009-10: 57%) of income is from the Estimates process TRP is not subject to a material liquidity risk.

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

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

9. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2012-13 £000	2011-12 £000
Amounts falling due within one year:		
Trade receivables	986	1,258
Impairment of Receivables	(117)	(117)
Other receivables	354	34
Value Added Tax	505	378
Prepayments & accrued income	419	1,024
	<u>2,147</u>	<u>2,577</u>

Contained within Trade receivables are amounts due from Other Central Government Departments (£0.523 m) and Local Authorities (£0.079m). TRP is not materially exposed to concentrations of credit risk to a single trade receivable or group of receivables.

10. CASH AND CASH EQUIVALENTS

	2012-13 £000	2011-12 £000
Balance at 1 April	(316)	2,614
Net change in cash and cash equivalent balances	2,666	(2,930)
Balance at 31 March	<u>2,350</u>	<u>(316)</u>

The following balances at 31 March were held at:

Government Banking Service	2,350	(374)
Commercial banks and cash in hand	-	58
Balance at 31 March	<u>2,350</u>	<u>(316)</u>

TRP forms part of the Department for Culture, Media and Sport cash management group

11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2012-13 £000	2011-12 £000
Amounts falling due within one year:		
Trade payables	780	442
Other taxation and social security	184	182
Accruals	9,429	7,553
Deferred Income	3,061	552
	<u>13,454</u>	<u>8,729</u>

Contained with Trade payables are amounts payable to Other Central Government Departments (£0.578m), Public Corporations and Trading Funds (£0.173 m) and Local Authorities (£0.095 m). TRP is not materially exposed to concentrations of liquidity risk to a single trade creditors or group of creditors.

Deferred income in 2013 increased due to receipt of advance payments for reinstatement works caused by large scale events and concerts.

12. PROVISIONS FOR LIABILITIES AND CHARGES

	Early departure costs £000	Outstanding claims £000	Total £000
Balance at 31 March 2012	166	432	598
Provided in the year	1	50	51
Provisions not required written back	-	(109)	(109)
Provisions utilised in the year	(18)	(70)	(88)
Balance at 31 March 2013	149	303	452

Analysis of expected timing of discounted flows

	Early departure costs £000	Outstanding claims £000	Total £000
In the year to 2014	17	303	320
Between 2015 and 2019	26	-	26
Between 2020 and 2024	19	-	19
Thereafter	87	-	87
Balance at 31 March 2013	149	303	452

12.1 Early departure costs

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

12.2 Outstanding Claims

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

13. CAPITAL COMMITMENTS

	2012-13 £000	2011-12 £000
Contracted capital commitments at 31 March 2013 for which no provision has been made:		
Property, plant and equipment	374	289

14. COMMITMENTS UNDER OPERATING LEASES

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

	2012-13 £000	2011-12 £000
Obligations under operating leases comprise:		
Other:		
Not later than 1 year	38	83
Later than 1 year and not later than 5 years	-	34
Later than 5 years	-	-
	38	117

15. RELATED PARTY TRANSACTIONS

TRP is an Executive Agency of DCMS. DCMS is regarded as a related party. During the year, TRP has had a significant number of material transactions with the Department and with another entity for which the Department is regarded as the parent Department: the Heritage Lottery Fund.

In addition, TRP has had various material transactions with the RPF. TRP Non-Executive Director, Andrew Fenwick is a trustee of the Foundation and also one of the directors of the Royal Parks Foundation Trading Company Limited, a wholly owned subsidiary of the Foundation.

The RPF has responsibility for the LookOut Education Centre and delivery of education in Hyde Park and Kensington Gardens. An agreement was entered into for a licence of 20 years duration, with an option to extend for a further 5 years, at a peppercorn rent. Under the agreement the Foundation provides education and community engagement programmes to schools and the public and occupies the LookOut, with a team of education volunteers. TRP contributed £150,000 in the year towards the setting up costs incurred, and has undertaken to underwrite further amounts of £100,000 in the following year dependant on the success of fundraising undertaken by the Foundation.

The Foundation has raised and is holding restricted reserves and pledges amounting to £870k, including £447k towards the restoration of the Italian Gardens, installation of a new fountain in St James's Park and drinking fountains across the estate. During the year TRP received £0.112m from the Foundation (2011-12 £1.806m, 2010-11 £0.01m).

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

16. EVENTS AFTER REPORTING DATE

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

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

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

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Name of monument	Hylas and the Nymph statue – Regent's Park
Description	Grade II listed bronze statue of a boy and a mermaid on a stone pedestal, set in a stone-rimmed pond.
Location	St John's Lodge Garden, north east of Inner Circle.
History\background	Donated by the Royal Academy of Arts.
Designer	Henry Pegram
Dates	1933

Name of monument	Queen Victoria Memorial – Green Park
Description	Comprises the Dominion Gates, Memorial Gardens and the vast central monument to Queen Victoria. The monument is 25m (82ft) high and uses 2,300 tonnes of white Carrara marble. As well as Victoria, there are statues representing courage, constancy, victory, charity, truth and motherhood.
Location	At the south west end of The Mall, opposite Buckingham Palace.
History\background	Commemorates the death of Queen Victoria in 1901.
Designer	Central monument by Sir Thomas Brock; overall design by Sir Aston Webb.
Dates	Assembled 1906-24. Formal unveiling in 1911 by King George V.

Name of monument	General James Wolfe (1727-1759) – Greenwich Park
Description	
Location	Viewpoint near the Royal Observatory Greenwich, overlooking the north section of Greenwich Park.
History\background	The statue commemorates Wolfe's victory against the French at Quebec which secured Canada for the British. Wolfe, whose parents lived in Macartney House on the edge of the park, died in the battle. The monument, a Grade II listed structure, was a gift of the Canadian people.
Designer	Dr Tait Mackenzie
Dates	1930



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