

Annual Report and Accounts 2018 - 2019



THE
ROYAL
PARKS

Registered Office

The Old Police House
Hyde Park
London W2 2UH

The Royal Parks Limited
Charity Number: 1172042
Company Number: 10016100

e: hq@royalparks.org.uk
t: 0300 061 2000
w: royalparks.org.uk



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Message from the Chairman



The Royal Parks are often called the green lungs of London, but I would go further and describe them as a central part of the city's DNA.

London without its parks is simply unimaginable. They are enjoyed and cherished by over 77 million visitors each year.

I am proud that our parks are the best in the world, and the role of this charity is to ensure that they remain so. This is a continuing challenge given financial pressures, environmental changes, the rise in population and the disappearance of green spaces elsewhere which puts added pressure on us.

What are parks without people? And people without access to parks are diminished. That is why our visitors are at the core of what we do, and their needs shape the decisions we take in the green spaces we care for. As this report demonstrates, our projects, programmes, landscape and ecological initiatives, together with our commercial, ceremonial, sporting and cultural activities, exist to continually improve our parks so that they can be enjoyed by this and future generations.

Balancing the range of sometimes competing needs while protecting the intrinsic biodiverse qualities of the parks requires a great deal of work. We are supported in this by our partner organisations and volunteers, who are crucial in helping us to deliver our services and to share an understanding of why and how best to care for our environments.

Communication must work both ways to be effective and listening and learning from others, including our visitors and partners, remains one of our main objectives. Such engagement is one way to help deliver the parks that our visitors want.

We may be a relatively new charity, but we are well aware of the challenges ahead. I hope you enjoy reading about our achievements over the past year and please continue to enjoy our beautiful parks.

A handwritten signature in black ink, appearing to read 'Loyd Grossman'. The signature is fluid and cursive, with a long horizontal stroke at the end.

LOYD GROSSMAN CBE
Chairman

Message from the Chief Executive

Our charity is here to care for 5,000 acres of historic parkland right in the heart of London, for everyone now and in the future to explore, value and enjoy.

We have been through some significant changes and achieved some important milestones in the two years since the charity was formed.

This year we completed a structural review of staffing that considered our needs for the next few years. This included the appointment of new members to our senior leadership team and the creation of new specialist roles, for example in sustainability and transport. These changes have strengthened the charity and brought a new dynamism, and we now feel better able to respond both to the challenges we face and to visitors' needs.

To protect the parks for the long-term, one of our key tasks has been to ensure that our financial position is strong. Since the charity was formed, it has proved successful in raising commercial and philanthropic income which in turn has enabled us to build our reserves. We have used and will continue to use these funds to invest in our landscapes, to improve the visitor experience and to protect against any downturns in income that may come.

At the same time, we have continued our significant capital investment programme, investing both in our green spaces and in our built heritage. This has included both the ongoing maintenance of our assets and the delivery of several exciting flagship projects which you can read about in this report.

We know moving forward that there are challenges facing the landscapes and biodiversity of the parks. We will not underestimate these, and we will continue to do all we can to mitigate their impact.

We remain immensely grateful to our patron HRH The Prince of Wales, staff, contractors, volunteers, funders, the Friends of the parks, the Metropolitan Police, and our other partners and supporters for all they have contributed during the year to ensuring that the Royal Parks continue to be amongst the very best urban parks in the world. Thank you all for your support.



ANDREW SCATTERGOOD
Chief Executive

We are the charity that manages and cares for over 5,000 acres of historic parkland and green space across London. Our eight Royal Parks have been part of the fabric of the city for centuries.

The parks we manage are Bushy Park, Greenwich Park, Hyde Park, Kensington Gardens, Richmond Park, St James's Park, The Green Park and The Regent's Park and Primrose Hill. We also manage other important public spaces including Brompton Cemetery and Victoria Tower Gardens.

We believe that parks have the power to make a positive difference to people's lives. Mounting evidence suggests that being able to escape from urban life and spend time in green spaces surrounded by nature and wildlife makes us healthier and happier. Our parks enrich lives and enhance wellbeing for millions of people.

Strategic Report (including Directors' Report)

Our aims and objectives

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

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

This report highlights some of the many initiatives and activities that we have undertaken during the year to deliver these priorities.

Balancing parks and people

We always seek to balance the best interests of the parks in our care with those of the millions of people who visit and value them. To help us do this effectively, we have developed a strategic plan to guide our decisions and ensure that we focus our resources on the activities that will make the biggest difference to both our parks and our visitors. The four strategic priorities in the plan are:

- **Protecting & Conserving** – reflects our commitment to protecting the parks' historic landscapes and natural environment. We must also preserve the biodiversity of the parks at a time when they are under ever-increasing pressure from environmental challenges including climate change, pests, diseases and increasing visitor numbers.
- **Welcoming & Improving** – focuses on improving our visitors' experience by making sure we add value to every visit. This will help our visitors to value the parks more and adopt behaviours that help us manage them.
- **Building a Secure Future** – underlines the need to future-proof our financial model by developing sustainable and diverse income streams and ensuring that we deliver our services efficiently.
- **People & Partnerships** – acknowledges the value of our team and the wide range of partners and supporters who work with us to make the parks such special places.

Protecting and Conserving



Covering over 5,000 acres of historic parkland, our beautiful green spaces in the heart of the capital include eight Grade 1 listed landscapes, one World Heritage Site, one Special Area of Conservation, one National Nature Reserve and two Sites of Special Scientific Interest. We also look after hundreds of buildings, statues and memorials.

Managing such varied and valued public spaces is a privilege but also a challenge. We must adapt and evolve to constant change, much of which we cannot control, such as population growth, climate change and tree diseases.

In the face of these challenges, we have continued to provide the high-quality and varied landscapes for which the Royal Parks are renowned – from the ornate horticultural displays outside Buckingham Palace in St James’s Park, to the formal baroque tree avenues in Greenwich Park, to the vast open expanses of Richmond Park and Bushy Park.

Our arboriculture team has cared for our 170,000 trees, from ancient veterans to newly planted saplings. They have worked to combat pests and diseases – including oak processionary moth, bleeding canker and massaria – which were unknown in London only a few years ago. To support the nationwide efforts to understand and overcome these threats, we have undertaken research projects across our parks: for example, we are in the second year of a five-year research programme in Greenwich Park to trial various controls for phytophthora root rot, which affects sweet chestnut trees.

We received formal recognition of the excellence of our parks in our Green Flag Awards results. This year, judges visited Hyde Park, Bushy Park, Richmond Park and The Regent’s Park and Primrose Hill, and we were delighted that all four achieved some of the highest scores possible. Our other parks also all retained their Green Flag status.

We have continued to conserve the heritage that makes the Royal Parks so special. In July 2018, we celebrated the completion of our project to restore Brompton Cemetery, one of London’s ‘Magnificent Seven’ garden cemeteries. Its spectacular chapel, central colonnades, catacombs and monuments have been restored, and a new café, visitor centre and programme of events are transforming visitors’ use of the space. We are grateful to The National Lottery Heritage Fund, The National Lottery Community Fund, The Friends of Brompton Cemetery and our other donors for their generous support.



Planting the beds in St James’s Park



Installing a bat box in St James’s Park



Children enjoying our learning programme



A view from Greenwich Park



The Rose Garden in The Regent's Park

We have secured grant funding for other important conservation projects across our parks. In January 2019, we were awarded funding of £725,000 from People's Postcode Lottery for the third year of *Mission: Invertebrate*, a project that supports the discovery and protection of invertebrates in our parks and has inspired thousands of children and adults to get involved in conservation activities. The latest funding includes £125,000 towards an innovative programme of ecological and public engagement initiatives in Hyde Park and Kensington Gardens. Other invertebrate-boosting habitat works carried out this year include introducing over 25,000 pollinator-friendly plants in Hyde Park, floating islands in St James's Park and half an acre of new orchard in Richmond Park.

We are preparing another bid to The National Lottery Heritage Fund and The National Lottery Community Fund, this time for Greenwich Park, supported by a development grant we received from them last year. If the bid is successful, the project will allow us to restore the park's Grade 1 listed landscape and provide new learning, volunteering and apprenticeship opportunities for local schools and communities.

Looking to the future, we are working on our biodiversity strategy and continuing our rolling programme of developing new ten-year management plans for each park. These plans are essential to our work in protecting, conserving and enhancing our parks both for visitors today and for future generations.

Welcoming and Improving



The Royal Parks are for everyone, open every day of the year and free to visit. We are proud that 77 million visitors enjoy our parks each year.

However, this popularity poses challenges. As the number of people we welcome to the parks continues to grow, it puts pressure on landscapes and facilities. It is our role to find ways to balance the varying and often contradictory needs of our green spaces and visitors.

Our parks play an important role in the health and wellbeing of visitors and local communities. Many people value the parks as places of refuge from the hustle and bustle of the city and appreciate the peace and tranquillity of being in a beautiful green space surrounded by nature and wildlife. Others come to enjoy new experiences, to socialise, exercise or play.

We provide facilities for swimming, yoga, tennis, football, rugby and other team games in several of our parks, and we manage The Hub in The Regent's Park, the largest open-air sports facility in London. This year, its new hybrid sports pitch saw its first full year of use. Funded by Sport England, the pitch has enabled us to increase the number of hours of play from 12 to 33 hours a week, allowing thousands more people to enjoy sports in the park throughout the year.

We hosted many sporting events this year including Westminster Mile, Vitality 10k, Ride London, Swim Serpentine, London Duathlon and the Royal Parks Half Marathon, which inspires over 16,000 people to run for charity every year. We also hosted the start of the London Marathon in Greenwich Park and the finish line in St James's Park, as well as many smaller community-led walks and runs.

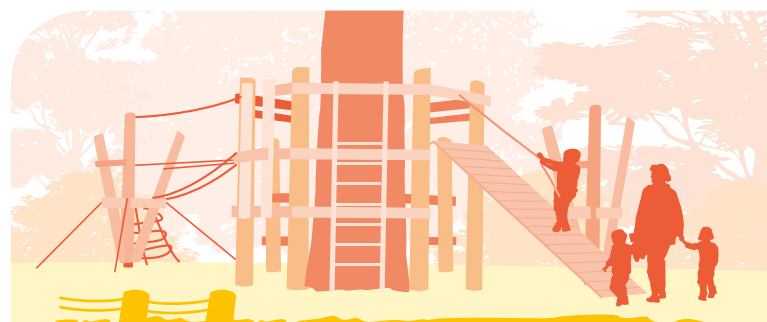
Children have enjoyed a choice of 13 playgrounds, including the Diana Memorial Playground in Kensington Gardens, visited by over a million people each year. This year, we secured funding of £841,500 from the London Marathon Charitable Trust to revamp and re-design the Gloucester Gate playground in The Regent's Park and the playground in Greenwich Park, introducing new accessible features that will allow children of all abilities to play together. We look forward to re-opening both playgrounds to our younger visitors later in 2019.



Greenwich Park



The Rose Garden in The Regent's Park



13 children's
play areas



Our learning and engagement programme continues to grow, reaching over 30,000 people of all ages this year. Students from nursery to A level have taken part in hands-on learning sessions in, and inspired by, the parks. We have run free holiday events for families, nature explorer clubs for children, and walking tours, wellbeing workshops and natural history courses for adults. Forest school, horticultural therapy and food growing projects have benefited children, young people and adults with special and additional needs. Our programme is delivered by our in-house learning team, the Field Studies Council and The Holly Lodge Centre, and is supported by our committed learning volunteers.



Kensington Gardens' allotment

Our annual events welcomed millions of visitors. The Regent's Park hosted Taste Of London and Frieze Art Fair, and Hyde Park hosted the British Summer Time concert series, BBC Proms in the Park, BBC Radio 2 Live and Winter Wonderland. St James's Park and The Green Park continued to host state and ceremonial events, including the Commonwealth Heads of Government meeting in April 2018. Our parks also hosted many smaller community-led events, including Chestnut Sunday in Bushy Park and concert series at the bandstands in Greenwich Park, The Regent's Park and Hyde Park, organised by The Friends groups.



Open House at British Summertime Hyde Park

In July 80,000 visitors to St James's Park marked the centenary of the Royal Air Force with a parade of serving personnel and a flypast over The Mall and Horse Guards Parade, and 30,000 people enjoyed a three-day display of static aircraft. Between June and September 2018, 800,000 visitors came to the Serpentine Lake in Hyde Park to see The London Mastaba, a temporary floating sculpture by world-renowned artist, Christo.

Building a Secure Future



As increasing numbers of people come to the parks, we face substantial cost increases in areas such as litter collection, waste disposal and landscape maintenance. At the same time, we need to invest in our green spaces if they are to adapt to environmental threats, including climate change and pests and diseases.

Given these challenges, we need to generate substantial amounts of income if we are to continue to protect, conserve and enhance the parks in our care.

As well as receiving a Fee for Service from the Department of Digital, Culture, Media & Sport, we raise money from a diverse range of sources, including grants, lottery funding, events, catering, licences, rents, fundraising and filming. To maximise the income we receive, we have re-tendered several key income-generating contracts this year.

The events we host, both large and small, are crucial for our finances. We welcomed our highest ever number of attendees this year, including 355,000 people to six sell-out shows and the free midweek community programme at British Summer Time Hyde Park, and over three million festive visitors to Hyde Park Winter Wonderland.

Our parks have continued to be popular backdrops for films and television programmes, including *Bohemian Rhapsody*, *Wonder Woman 2*, *The Apprentice*, *Comic Relief* and *The Crown*. As a result, we generated record income, earning over £850,000 from filming and photography for the first time.

Over the winter, we completed major refurbishments to two of our busiest central London cafés – Serpentine Bar & Kitchen in Hyde Park and St James’s Café in St James’s Park. In September 2018, we began a programme to replace nine mobile kiosks in Hyde Park, St James’s Park and The Green Park with new timber-clad structures that blend into their natural surroundings, and we look forward to this being completed by autumn 2019.

In early 2019, we started work on a new café and toilets at Primrose Hill, re-purposing the old toilet block to provide a fantastic new facility for visitors. A new café is also being created in a redundant building at Storey’s Gate in St James’s Park. In Bushy Park, we are investing in improving the toilet facilities at The Pheasantry Café, the Friends of Bushy Park’s information point and the café’s bakery area.



Taste Of London at The Regent’s Park



Press photography in St James’s Park

59 cafés and restaurants





Restoration work at Brompton Cemetery



Bushy Park ©Sue Lindenberg



We actively review our built assets, considering how each one can be put to best use to enhance our park landscapes and generate income to support our work. We continue to invest significant sums in our maintenance programme each year; however, our maintenance liability still stands at £53.5 million.

We have sought to improve the environmental impact of our operations, in line with our 10-year sustainability strategy. We are upgrading to smart meters to allow us to better monitor our energy consumption and identify where we can make reductions. We have improved our water management, including detecting and repairing leaks and using water from our own boreholes wherever possible. We continue to adapt to ever-evolving sustainability challenges: for example, in response to a sharp increase in litter we have trialled different types and sizes of bins, in varying locations, to help encourage their use and reduce the need for refuse vehicle movements.

To reduce fleet emissions, we have started to replace our fleet with ULEZ compliant, plug-in electric and hybrid vehicles. Only a small number of modified diesel vehicles will be retained, where suitable electric and hybrid vehicles for our operational needs are not available, and we are committed to continuing to review our fleet as technology develops.

People and Partnership



We have completed a review of our senior management team and appointed four new members this year – a Director of Parks, Director of Estates and Projects, Director of Resources and General Counsel.

We have also welcomed three new trustees onto our board – Councillor Danny Thorpe, Richard Hamilton and Lt. Col. Michael Vernon.

We have taken the opportunity to review our values, as part of a wider review of our brand. Following engagement with our staff, our board approved five core values that will guide our behaviour, decision making and interactions with our colleagues, partners and visitors. These are excellence, accountability, inclusivity, respect and openness. The next step is to embed these values at the heart of our charity.

We are very fortunate to have hundreds of volunteers who give their time and talent to support our work, and thousands more who volunteer through our partners, including the Friends groups. This year, we published a new volunteering strategy that re-affirms how much we value this contribution, and re-states our commitment to support, improve and grow volunteering across our green spaces.

In January 2019, we launched our new volunteer ranger service in Richmond Park and Bushy Park. This three-year pilot aims to engage, inspire and inform visitors about the wildlife, history and heritage of the parks, raise awareness of environment protection issues, and promote responsible behaviour. We have recruited 25 rangers so far, who are helping to improve the experience of the eight million visitors to these two parks each year. Following the initial success of the scheme, we are excited to be rolling out the service to Greenwich Park later in 2019.

In partnership with our contractors, we provide opportunities for the next generation of gardeners and horticulturalists through our successful apprenticeship scheme and, in March 2019, recruitment started for seven new apprentices. Our apprentices make a huge contribution to our work and, on completion of the scheme, they qualify as skilled gardeners; over the years many have been employed as park managers, supervisors and contract managers for The Royal Parks and in other prestigious locations such as Kew Gardens and Buckingham Palace.



A corporate volunteering day in Kensington Gardens



Volunteer rangers in Richmond Park



A Royal Parks apprentice



Chelsea Pensioners in Brompton Cemetery



Friends of Hyde Park concert at the bandstand



Wildflowers in Brompton Cemetery

We have enjoyed working with our partners to deliver a wide range of initiatives across our parks this year. To commemorate the centenary year of the end of World War I in 2018 we joined forces with The Royal Parks Guild, Historic Royal Palaces and the Royal Hospital Chelsea to host a series of activities made possible by The National Lottery Heritage Fund's *First World War: Then and Now* programme. This included unveiling a permanent memorial in Brompton Cemetery dedicated to the 24 Royal Parks and Palaces staff, and to all parks, gardens and grounds staff from across the UK, who died during the conflict. Chelsea Pensioners also laid the foundations for a new wildflower meadow at the Chelsea Pensioners' monument in the cemetery to honour the 2,625 Pensioners buried there.

We simply could not operate without the many supporters and partner organisations who help us to carry out our work. These include our funders, contractors, education delivery partners, the Metropolitan Police, the Friends of the Parks, The Royal Parks Guild, amenity societies, public authorities, and the many charities that operate within the parks. We would like to thank all those individuals and organisations that have worked with us this year for their help in looking after our precious green spaces.

Fundraising Practices



In accordance with the Fundraising Regulator's Code of Fundraising Practice, we abide by the key principles of fundraising in a legal, honest and respectful way and are committed to building strong, lasting relationships with funders and partners. We do not use professional fundraisers or third parties to fundraise on our behalf and do not exchange or sell our data to any third parties. We did not receive any complaints about fundraising activities during the year.

We currently raise funds from trusts and foundations, corporate partnerships and major donors, and through fundraising events such as the Royal Parks Half Marathon.

As a relatively new charity, we are reviewing how we can diversify and increase our income from fundraising, and we anticipate that fundraised income will play an increasingly important role in helping us to deliver our charitable objects in the future.

Public Benefit



Our charity exists to manage London's Royal Parks sustainably and sensitively for the long-term benefit of Londoners and visitors. Through our activities, we deliver public benefit by advancing environmental protection and supporting biodiversity, providing opportunities for education, recreation, health and wellbeing, and promoting national heritage.

The role of our parks today is remarkably similar to when they became public parks: as oases within the city, for visitors to enjoy nature and pursue leisure activities in beautiful surroundings. Their documented histories and direct connections with events and people of national significance provide a sense of stability and continuity in an uncertain and rapidly changing world.

The trustees confirm that they have had regard to the Charity Commission's public benefit guidance when exercising their powers and carrying out their duties during the year.

Structure, Governance and Management

The Royal Parks Charity

The Royal Parks was established as an independent charity on 16 March 2017, underpinned by the Contract for Provision of Services between The Royal Parks and the Department for Digital, Culture, Media and Sport (DCMS). Under this contract, The Royal Parks was given a licence for 10 years to manage the parks, with the freedom to pursue its own strategy as an independent body, and the operational risk of running the parks transferred to The Royal Parks.

The parks are owned by the Sovereign in right of the Crown, but the Secretary of State for DCMS has management powers for them under the Crown Lands Act 1851. The contract with the Secretary of State provides The Royal Parks with a Fee for Service and the ability to raise funds using operational assets in the parks. The Royal Parks may also make bids to government for capital funds to enhance the landscape and the assets within the parks.

In addition, the Charity has a range of commercial income streams and receives grants and other philanthropic income.

The structure of the Charity

The Royal Parks is governed by its Articles of Association which sets out the objects of the Charity, towards which its activities are directed.

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

How we manage the Charity

The Royal Parks is led by a board of trustees, which sets the strategy, approves the budget, determines how the organisation is run and ensures that its activities meet the charitable objects and are for the benefit of the parks and their visitors.

As at 31 March 2019 there were 11 trustees, appointed by the Secretary of State for DCMS and the Mayor of London and including an ex-officio appointee representing The Royal Household.

The trustees are appointed for their skills and experience. Their roles are all non-executive. Training opportunities are available for all trustees and induction provided to each new appointee.



The Long Water in Kensington Gardens

Board of Trustees



**Loyd Grossman CBE
(Chairman)**

Loyd is a broadcaster and entrepreneur who has a long association with the arts and heritage sectors. He is chairman of Gresham College, a trustee of the Warburg Charitable Trust, a governor of the British Institute of Florence and president of the Arts Society.

His past appointments include service as a board member of English Heritage, the Museums and Galleries Commission and the Royal Commission on the Historical Monuments of England. He was formerly chairman of the Churches Conservation Trust and vice chairman of the Royal Drawing School.

A keen guitarist, he performed for the eighth time at Glastonbury this year.

Nickie is Leader of Westminster City Council, and previously held roles that covered children and young people, parking, community protection and premises management.

Her portfolio includes city policy, corporate strategy, policy, performance and communications, government relations and public affairs, ceremonial and Lord Mayoral matters, the People Services function and liaison with the BIDS and major business stakeholders in the city.

Away from politics, Nickie has enjoyed a career in communications including with The Children's Society and Bradford & Bingley where she headed up the press office. She currently undertakes a number of training courses for the PRCA, the communications industry trading association.



Councillor Nickie Aiken

Ruth is a chartered accountant and a non-executive director of two UK quoted companies, Ocado Group plc and Travis Perkins plc, and has chaired the audit committee at both companies.

Her prior experience includes being a non-executive director and chair of the audit committee at Coats Group plc from 2014 to 2018 and a trustee and member of the audit committee of the charity The Duke of Edinburgh's Award for ten years to 31 March 2019.

Prior to her non-executive career Ruth worked for 33 years at the professional services firm KPMG, where she was a member of the UK board for six years, retiring in 2009 as a partner and vice-chairman.

Ruth was a member of the advisory board of The Royal Parks from 2008 to 2016 when it was an executive agency of DCMS.



Ruth Anderson

Heather is Chief Executive Officer of the lifestyle clothing brand Finisterre. She has worked in retail for 30 years including at a variety of high street names and premium brands including Laura Ashley, Fat Face and Hotel Chocolat.

Starting in buying and merchandising, then multi-channel retailing, Heather has vast experience of brand, strategy and commercial planning centred around the customer. She is a non-executive director of Line Life Ltd and R Chocolate of London.



Heather Blackman



Councillor Georgia Gould

Georgia was appointed Leader of Camden Council in May 2017. She was elected a councillor for the Kentish Town ward in 2010, and then made her way into Cabinet positions serving as portfolio holder for both young people and adult social care.

Georgia is the Deputy Leader of London Councils and Executive Member for Employment and Skills.

Richard brings over 20 years' experience in strategy across business, government and civil society. He has worked variously with Clarence House, the British Council, Ordnance Survey, ENO, Business in the Community and the Department for Business.

Richard began his career with Barclays PLC, where he spent ten years, followed by eight years at KPMG. He has been a local authority member, a non-executive director of an NHS Trust, and for over a decade has been on the advisory board of the Queen Elizabeth II Garden in New York. Richard holds an MBA from the University of Oxford.



Richard Hamilton



Bronwyn Hill CBE

Bronwyn is a non-executive director of the Office for Nuclear Regulation, governor at the University of Greenwich, director of the Trafalgar Rowing Centre and chair of Globe Rowing Club.

She was previously the Permanent Secretary at the Department for Environment, Food and Rural Affairs and has significant experience of transport strategy and programmes at the Department for Transport. Bronwyn is a Friend of Greenwich Park and a keen rower on the Thames at Greenwich.



Jeff Jacobs CB

Jeff was Chief Officer of the Greater London Authority (GLA) until his retirement in 2018. Before this, he was Chief Executive of the Government Olympic Executive at the Department for Digital, Culture, Media & Sport (DCMS), where he led the government team which helped win London's 2012 Olympic bid.

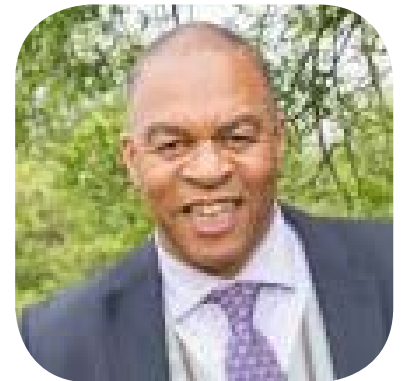
On joining the GLA in 2007, Jeff was a Senior Adviser in the Mayor's Office and subsequently became the Director of Transition after the election in May 2008.

Jeff's previous roles include Director General (Children, Young People and Communities) at DCMS and Executive Director of Policy and Partnerships at the GLA.

Wesley is a broadcaster, journalist, historian, horticulturist and curator. He has worked on numerous BBC television and radio programmes, including Nationwide, Newsnight, Panorama, Holiday, Watchdog, Health Check, Value for Money and for various daily news outlets. He has worked in 40 countries and has written for national newspapers and journals.

Wesley is a vice-president of the Metropolitan Public Gardens Association. He was a previous member of the RHS Show Gardens Panel and former chairman of the Heritage Lottery Fund Committee for London.

Wesley was a member of the advisory board of The Royal Parks from 2013 to 2016 when it was an executive agency of DCMS.



Wesley Kerr OBE



Councillor Danny Thorpe

Danny was appointed Leader of the Royal Borough of Greenwich in May 2018. He has been a councillor since July 2004.

Danny grew up in the borough and represents the Shooters Hill ward. He was appointed to the council's Cabinet as Lead Member for regeneration and transport in 2014. He became Deputy Leader in 2016 and held the Cabinet portfolio for regeneration and sustainability.

Michael is the Comptroller in the Lord Chamberlain's Office, and head of one of the five departments in the Royal Household. The Lord Chamberlain's Office is responsible for all ceremonial events attended by The Queen, including State Visits, the State Opening of Parliament, investitures and garden parties.

Michael joined the Royal Household on 1 October 2014, assuming the appointment of Secretary of the Central Chancery of the Orders of Knighthood. Prior to this, he served for over 35 years in the Coldstream Guards.



Lt Col Michael Vernon

Seven formal board meetings were held during 2018-19, with attendance as follows:

Lloyd Grossman CBE (Chairman)	7/7	Bronwyn Hill CBE	7/7
Councillor Nickie Aiken	4/7	Councillor Denise Hyland	0/2
Ruth Anderson	7/7	Jeff Jacobs CB	7/7
Heather Blackman	4/7	Wesley Kerr OBE	7/7
Lt. Col. Sir Andrew Ford GCVO	3/5	Councillor Danny Thorpe	3/4
Councillor Georgia Gould	5/7	Lt. Col. Michael Vernon	1/2
Richard Hamilton	7/7		

The trustees have delegated day-to-day management of The Royal Parks to the senior management team. The senior management team is delegated to make decisions within set financial parameters, above which decisions are escalated to the trustees.

The board has established two sub-committees:

The Audit and Risk Committee supports the board and Chief Executive in their responsibilities for internal and statutory audit and for maintaining sound risk management. In particular, the committee oversees financial accounting and reporting processes; statutory audit; the effectiveness of risk management, control systems and internal audit; and the effectiveness of anti-fraud and whistleblowing arrangements. The committee meets at least three times a year. Trustee members of the audit and risk committee are Ruth Anderson (Chairman), Bronwyn Hill and Richard Hamilton; John Collier (ex-officio) was a co-opted member of the committee who served until September 2018.

The Nominations and Remuneration Committee was established to determine senior management appointments, pay and performance bonus arrangements. The three trustee members of the committee are Lloyd Grossman (Chairman), Bronwyn Hill and Heather Blackman.

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

- the budget for pay awards as approved by the board of trustees
- pay awards agreed for staff generally
- pay as benchmarked against comparator posts in the charity sector
- individual senior management performance as measured through a review of performance against annual objectives

To qualify for a performance related bonus, senior managers must be able to demonstrate that their performance has exceeded the achievement of objectives.

Working with staff and partners

The Charity has formal consultation and negotiation arrangements with two trade unions; employees who are not trade union members can participate in consultation mechanisms through employee representatives.

The Royal Parks strives to understand the needs of its visitors, partner organisations and local communities. There are stakeholder groups consisting of Friends groups, elected representatives, the Metropolitan Police, concessionaires and others. We also hold regular meetings with partners to engage with them on issues and update them on developments. These meetings help us to understand concerns and ambitions for The Royal Parks.

Key Performance Indicators

The Royal Parks is in the process of developing and agreeing Key Performance Indicators to monitor its progress against its charitable objects and strategic plan.

DCMS has set out Key Performance Targets for the Charity from 2017 until 2022. All of these targets were met both this year and last year and are set out below.

Landscape asset condition

- Maintain a minimum average Green Flag score for all of the eight Royal Parks of 75%
- Maintain the designation of Bushy Park and Richmond Park as Sites of Special Scientific Interest
- Maintain the existing Grade II* designation of The Green Park and the Grade I designations of Brompton Cemetery and the remaining Royal Parks in the Register of Parks and Gardens of Special Historic Interest in England

Condition of buildings and structures

- Increase the number of listed buildings and structures assessed as being in Good or Fair condition to 179 by the end of March 2018 and increase further by at least one per annum, achieving a minimum of 183 by the end of March 2022
- Increase the number of unlisted buildings, memorials, statues, sculptures, structures and fountains assessed as being in Good or Fair condition to 362 by the end of March 2018 and increase further by at least three per annum, achieving a minimum of 380 by the end of March 2022



The Albert Memorial in Kensington Gardens



The Diana, Princess of Wales Memorial Fountain in Hyde Park



The Italian Gardens in Kensington Gardens



Spring in Hyde Park



Serpentine Bar & Kitchen in Hyde Park



British Summertime Hyde Park

Visitor satisfaction

- To engage with stakeholders in accordance with *The Royal Parks Stakeholder Engagement Strategy (March 2014)*, and to report annually against the key principles of stakeholder engagement, including key metrics around numbers of stakeholders attending bi-annual meetings, numbers of donors engaged, numbers of social media followers and website hits
- Maintain above 90% the number of visitors to the Royal Parks who assess the quality of the parks overall as being Excellent or Good

Commercial activities

- To deliver all major events in line with the *Hosting Major Events in The Royal Parks (May 2015)* strategy document
- Increase year on year the net income generated by The Royal Parks' commercial activities from the 2016/17 baseline until the end of the year 2019/20

Managing Risk

Our risk management process is designed to improve the likelihood of delivering our strategy, support our decision-making and assist us in protecting our assets including our people, finances, landscapes and built environment and our reputation.

The board of trustees is responsible for risk management and, in addition to considering the risks inherent in the issues considered at board meetings, it carries out an annual review of the significant and emerging risks facing the charity.

The board has delegated to senior management the day-to-day management of risks; significant risks are reviewed at least quarterly by the Chief Executive and senior management team to ensure that emerging risks are identified, any changes are recognised, and mitigation reconsidered.

The board has delegated to the audit and risk committee the oversight and review of risk management processes and systems of internal controls, with the committee reporting on key matters at each board meeting.

Each year internal audit, provided by the Government Internal Audit Agency, completes a programme of reviews, agreed at the beginning of the year with the audit and risk committee, into operations and risk management processes and reports on these to the committee.

In addition, as part of its annual audit, the external auditor, the National Audit Office, considers the control environment and compliance and financial reporting procedures and reports on these to the committee.



A dry summer in Hyde Park



Getting too close the deer in Bushy Park ©Sue Lindenberg




Increasing visitor numbers to The Green Park

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

Risk	Mitigation and Management
<p>Safety in the parks</p> <p>Failure to manage health and safety risk in the parks, leading to an accident or incident involving visitors, contractors, employees or volunteers which could have been prevented.</p>	<p>We have health and safety policies and procedures in place that are regularly reviewed. We monitor trends and we investigate and learn from incidents.</p>
<p>Financial sustainability</p> <p>Failure to sufficiently diversify our income or to appropriately manage costs. Income from events and concessions could be impacted by circumstances outside of our control, such as adverse weather, competition from other events, terrorism or threat of terrorism, or state requirements. There is risk that the DCMS Fee for Service could be reduced. There could be a failure of large infrastructure resulting in significant unplanned repair costs.</p>	<p>We draw up financial projections and review and update them regularly. Income diversification, notably to increase commercial and fundraising revenue and cost control and efficiency savings, are a priority. We have insurance in place where appropriate, including some business interruption insurance, to protect us should some risks crystallise. We have built up reserves to protect against downturns in income and unforeseen expenditure.</p>
<p>Stakeholder relations</p> <p>The charity is dependent on its relationships with the public and key stakeholders. Failure to engage with these organisations could severely impact the operation and management of the charity.</p>	<p>We strive to achieve positive constructive communication with the public and all our stakeholders. We follow our stakeholder engagement strategy and major events strategy, and take stakeholder feedback into account in our decision-making.</p>



Risk	Mitigation and Management
<p>Key contractors</p> <p>We are dependent on key contractors to maintain the parks and to deliver income-generating activities. Failure of a contractor, or failure to properly manage contractors, could result in deterioration of the parks, project delays, increased costs or a fall in income.</p>	<p>We invest significant resource in procurement and contract management. We carry out appropriate due diligence on our contractors prior to appointment.</p>
<p>Environmental risk</p> <p>The risk of damage to, and degradation of, the parks due to an increase in diseases and pests. Oak processionary moth, massaria, bleeding canker in horse chestnuts, and phytophthora infection of sweet chestnuts are damaging trees across the parks, including veteran trees. Damage to trees can, in turn, impact visitor safety. Periods of drought and flash floods can also adversely affect the parks.</p>	<p>We have an in-house arboriculture team and take specialist advice as required on our tree strategy and treatment of pests and diseases.</p>
<p>Behavioural issues</p> <p>Behavioural issues in London, such as crime and antisocial behaviour, always have the potential to escalate and to impact the Royal Parks. This could lead to increased costs, damage to the park environments, and potentially, loss of Green Flag and Site of Special Scientific Interest status. Visitor numbers could fall resulting in a reduction in income from concessions and events.</p>	<p>We are supported by The Royal Parks Operational Command Unit of The Metropolitan Police Service and through security measures such as CCTV and lighting. Volunteer park rangers have recently been introduced at Bushy and Richmond Parks.</p>

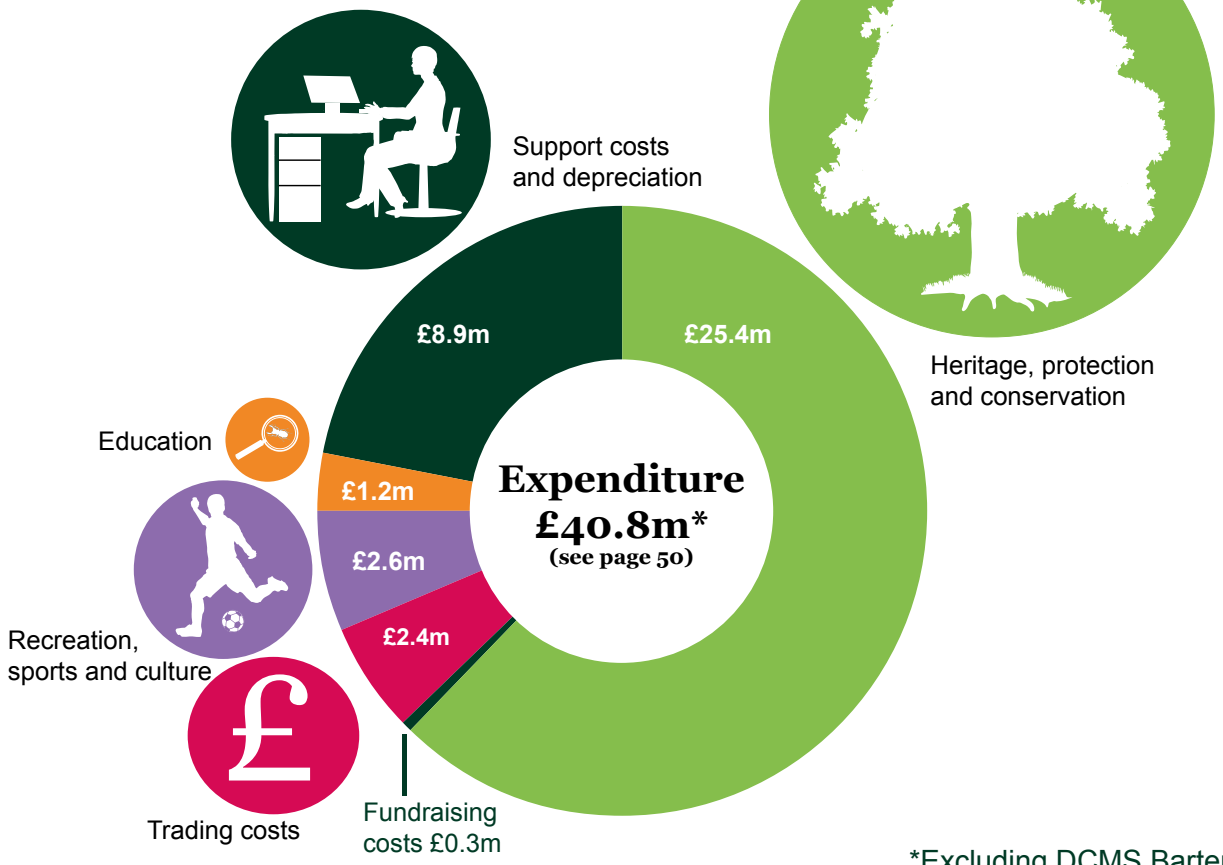
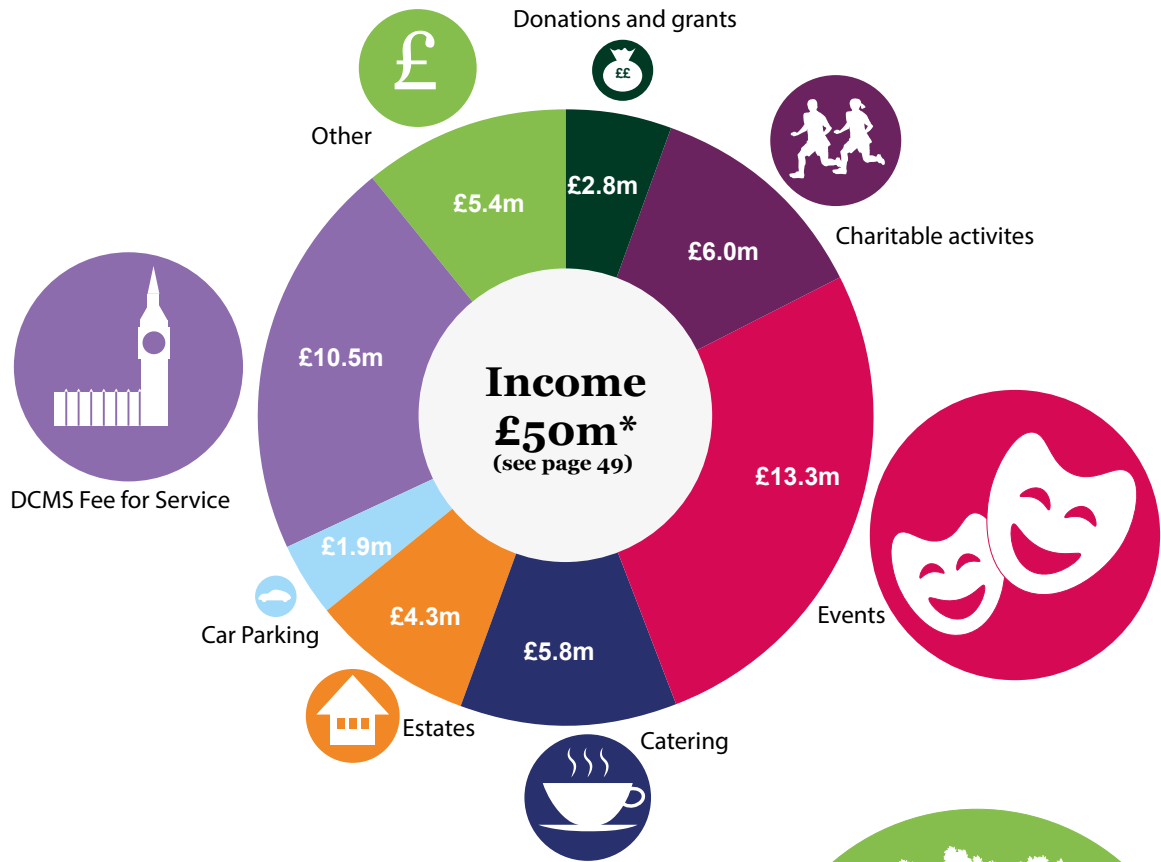


77 million visitors



4,000 animal species

Financial Review



*Excluding DCMS Barter Fee

The Charity's income includes the contractual DCMS Fee for Service, DCMS Barter Fee, income from trading activities and charitable activities, and donations and grants.

Income from charitable activities of £6m (2018: £4.8m) is primarily from sporting and cultural activities within the parks, including the Royal Parks Half Marathon and The Hub in The Regent's Park.

Donations and grants principally comprised restricted grants for projects, the most significant being People's Postcode Lottery funding for the *Mission: Invertebrate* project. The restoration of Brompton Cemetery was completed during the year, funded by The National Lottery Heritage Fund and The National Lottery Community Fund, who also provided the development funding for our proposed *Greenwich Park Revealed* project. London Marathon Charitable Trust confirmed funding to support the refurbishment and improvement of playground facilities at Gloucester Gate in The Regent's Park and in Greenwich Park.

Total trading income in the year was £29.8m (2018: £25.4m), of which £23.9m (2018: £18.5m) was generated in TRP Trading Company Limited. This included £13.3m (2018: £9.9m) generated by events, £5.8m (2018: £5m) from catering operations and £1.9m (2018: (£1.9m)) from car parking. Other trading activities included £4.3m (2018: £4.7m) of rental income from licences across The Royal Parks' estate.

The Royal Parks' expenditure includes the costs of contracts covering horticulture and landscape, and grounds, buildings and monument maintenance. Excluding the DCMS Barter Fee, the cost of running the Royal Parks is approximately £41m per annum.

The unrestricted surplus for the year was £10.3m (2018: £8.5m). As at 31 March 2019, The Royal Parks and its subsidiaries had £27.7m (2018: £17.4m) of Unrestricted Funds and £98.5m (2018: £99.5m) of Restricted Funds. The Group total net assets at the end of the reporting period was £126.2m (2018: £116.9m).

The Restricted Funds primarily relate to fixed assets which belong to the Crown and are available for The Royal Parks' use but which cannot be sold or leased.

Of the Unrestricted Funds, £15m has been designated to a Projects and Maintenance Fund (2018: £5m). We have identified potential capital projects costing in excess of £30m over the next few years to enhance the parks and generate income to support the Charity, including £7m budgeted for the coming financial year; £1.9m was committed at 31 March 2019.

The remaining £12.7m (2018: £12.4m) is the General Fund, required for working capital, to mitigate against reductions in income and increases in expenditure and to support investment in new projects to generate income.

Every four years The Royal Parks calculates its Accumulated Works Maintenance Liability, which is a combination of our maintenance backlog and an estimate of the anticipated maintenance costs for the next ten years. As at 31 March 2019, this stood at £53.5m (2015: £56m); whilst we budget approximately £2m per annum for maintaining the assets, at the same time, we add new assets and other assets deteriorate or will require additional future maintenance. As part of the evaluation we undertake condition surveys of the assets, listed and non-listed; the listed assets are assessed by conservation architects and the non-listed assets by buildings surveyors.

During the year £2.2m (2018: £8m) was spent on capital projects and equipment. This included a catering hub for food preparation on the site of the Hyde Park nursery, landscaping for several catering kiosks in the central parks, and improvement works to The Pheasantry Café in Bushy Park. However, several capital projects were delayed due to a building contractor falling into administration, resulting in an underspend of £2.8m on capital projects against a budget of £5m; this has led to an increased capital budget of £7m for 2019-20 so that delayed projects can be completed, and new projects undertaken as planned.

The Royal Parks is therefore focussed on generating year-on-year surpluses to enable it to fund regular maintenance, reduce the backlog and invest in new capital projects.

In adopting the going concern basis for preparing the financial statements, the trustees have considered the business activities and principal risks set out on pages 29 to 31.

Fee for Service and Barter Fee

The Royal Parks are freely accessible by all and are a public good. As the land and property are owned by the Crown, they may not be disposed of and are therefore inalienable. Title to the other open spaces managed by the Charity, such as Brompton Cemetery and Victoria Tower Gardens is vested in DCMS. The Contract for Provision of Services between the Charity and DCMS acknowledges those constraints.

The detailed exchange of obligations is set out in the contract between the Charity and DCMS. DCMS gave the Charity a licence for ten years, commencing March 2017, which permits the Charity to retain income generated by commercial activities carried out in the parks. In return, the Charity undertakes multiple performance obligations under the contract, including the principal

obligation to manage and maintain the parks. In doing so, the Charity fulfils one of its charitable objects.

DCMS provides the Charity with both a cash Fee for Service and a Barter Fee. The Barter Fee acknowledges that The Royal Parks is able to use the park assets, and it therefore pays a fee to DCMS for their use whilst, at the same time, it receives a fee in the same amount from DCMS for providing the service of running the parks.

Barter income for the year of £26.3m (2018: £21.3m) was therefore matched by an equal expense; the barter is calculated from the commercial income and the increase in the year corresponds to the increase in commercial income.

The Fee for Service receivable from DCMS under the Contract was set out in the 2015 Government Spending Review settlement covering the period to March 2020. The amount received this year was £10.5m (2018: £12.5m). In 2019/20, the Fee for Service falls to £10m; Fees for Service thereafter will be determined in future Spending Reviews.

Reserves Policy

The financial strategy of The Royal Parks is to provide a secure and increasing income to fund the maintenance, repair and enhancement of the Royal Parks and to maintain a strong and sufficiently liquid balance sheet. However, it does not have the power to dispose of assets or interest in land as the property is owned by the Crown.

The Royal Parks has a reasonable level of certainty over its future income streams, with the majority coming from reliable and predictable sources. However, events in the parks are weather dependent and income above guaranteed levels is hard to predict. In addition, our income from DCMS from April 2020 has not yet been set.

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

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

The Charity regularly reviews its longer-term business strategy, and holds a level of general reserves that will provide sufficient resilience based on the need to:

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

The Charity aims to hold £12m of unrestricted reserves, comprising:

- £5m to manage its working capital requirements and ensure that it can meet its operational costs
- £3m to provide a level of mitigation against the effects of external operational and financial risk should the levels of income reduce significantly
- £2m to finance unplanned expenditure where the need arises in the event of exceptional costs
- £2m to support investment in new projects to generate income

As at 31 March 2019, the General Fund was £12.7m, £0.7m in excess of policy.

Designated Projects and Maintenance Fund (£15m)

Funds have been designated out of general funds for major capital projects designed to maintain and enhance the parks and support income generation from the assets. Approximately £1.9m of these funds are already committed to capital projects and the list of potential projects is substantially in excess of funds designated. The Royal Parks has significant heritage assets and is working to reduce its maintenance liability, currently estimated to be £53.5m.

The Charity also has restricted funds as follows:

Restricted Charity Funds (£5.2m)

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

Restricted Fixed Assets Fund (£93.3m)

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

Statement of Trustees' Responsibilities

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

In preparing these accounts, the trustees are required to:

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

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

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

As far as the board of trustees are aware:

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

The trustees' annual report (including the strategic report) and accounts was adopted by the trustees (in their capacity as company directors) and signed on their behalf by:



Loyd Grossman CBE
Chairman
5 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL PARKS LIMITED

Opinion on financial statements

I have audited the financial statements of the Royal Parks Limited for the year ended 31 March 2019 which comprise the group and parent Company Statement of Financial Activities, Consolidated and Charity Balance Sheet, the Group and Charity Statement of Cash Flows and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) through applying the Charity Statement of Recommended Practice.

In my opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2019 and of the group's net income for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on regularity

In my opinion, in all material respects the income and expenditure 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.

Basis of opinions

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

Conclusions relating to going concern

We are required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the Royal Parks Limited's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. We have nothing to report in these respects.

Responsibilities of the trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and The Royal Parks Limited's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

Other Information

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

Opinion on other matters prescribed by the Companies Act 2006

In my opinion:

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

Matters on which I report by exception

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

- adequate accounting records have not been kept by the Royal Parks Limited or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Peter Morland (Senior Statutory Auditor)
11 September 2019

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

Patron, Trustees, Senior Management and Advisors

Patron

HRH The Prince of Wales

Board of Trustees

Loyd Grossman CBE (Chairman)
Councillor Nickie Aiken
Ruth Anderson
Heather Blackman
Lt. Col. Sir Andrew Ford GCVO (to December 2018)
Councillor Georgia Gould
Richard Hamilton
Bronwyn Hill CBE
Councillor Denise Hyland (to May 2018)
Jeff Jacobs CB
Wesley Kerr OBE
Councillor Danny Thorpe (from October 2018)
Lt. Col. Michael Vernon (from January 2019)

Secretary

Alan Buchanan (from September 2018)
Caroline Rolfe (to September 2018)

Senior Management Team

Andrew Scattergood, Chief Executive
Alan Buchanan, General Counsel (from July 2018)
Tom Jarvis, Director of Parks (from September 2018)
Liz Mullins, Commercial Director
Clare Wadd, Director of Resources (from December 2018)
Darren Woodward, Director of Estates and Projects (from November 2018)
Clare Bowen, Interim Director of Development and Learning (to August 2018)
Sally Nichols, Interim Director of Fundraising and Engagement (from September 2018 to May 2019)
Caroline Rolfe, Director of Resources (to December 2018)

Audit and Risk Committee

Ruth Anderson (Chairman)
John Collier (ex officio member) (to September 2018)
Richard Hamilton
Bronwyn Hill CBE

Nominations and Remuneration Committee

Loyd Grossman CBE (Chairman)
Heather Blackman
Bronwyn Hill CBE

Auditors

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

Bankers

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

CCLA Investment Management
Senator House
85 Queen Victoria Street
London EC4V 4ET

Solicitors

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

Consolidated Statement of Financial Activities (SoFA) (including consolidated income and expenditure account) for the year ending 31 March 2019

	Note	2019 Unrestricted £'000	2019 Restricted £'000	2019 Restricted DCMS Barter Fee £'000	2019 Total £'000	2018 Total £'000
Income from:						
Incoming net assets from Royal Parks Foundation	2, 4	-	-	-	-	5,004
DCMS Fee for Service	2	10,482	--	-	10,482	12,549
Donations and grants	2	268	2,484	-	2,752	5,718
Charitable activities						
Heritage, Protection and Conservation		129	-	-	129	17
Recreation, Sports and Culture		5,867	-	-	5,867	4,816
Education		20	-	-	20	14
Trading income	2	29,830	-	-	29,830	25,382
DCMS Barter Fee	2	-	-	26,290	26,290	21,306
Other income	2	936	-	-	936	1,007
Total income		47,532	2,484	26,290	76,306	75,813
Expenditure on:						
Raising funds						
Fundraising costs	3	309	36	-	345	372
Trading costs		2,790	326	-	3,116	2,538
Charitable activities						
Heritage, Protection and Conservation	3	28,348	4,107	-	32,455	29,401
Recreation, Sports and Culture		2,935	343	-	3,278	2,815
Education		882	677	-	1,559	1,126
DCMS Barter Fee	3	-	-	26,290	26,290	21,306
Total expenditure		35,264	5,489	26,290	67,043	57,558
Net income / (expenditure)		12,268	(3,005)	-	9,263	18,255
Transfers between funds	23	(1,993)	1,993	-	-	-
Net movement in funds		10,275	(1,012)	-	9,263	18,255
Total funds brought forward		17,387	99,511	-	116,898	98,643
Total funds carried forward		27,662	98,499	-	126,161	116,898

All of the above results are derived from continuing activities. There were no other recognised gains or losses apart than those stated above.

The notes on pages 44 to 64 form an integral part of these accounts.

Balance Sheet as at 31 March 2019

Company no. 10016100

	Note	Group 2019 £'000	Charity 2019 £'000	Group 2018 £'000	Charity 2018 £'000
Fixed assets:					
Tangible assets	10	46,607	45,464	50,556	49,296
Intangible assets	10	192	192	203	203
Heritage assets	10	46,514	46,514	44,785	44,785
Total		93,313	92,170	95,544	94,284
Current assets:					
Debtors	12	14,379	14,001	11,649	12,081
Cash at bank and in hand	13	35,962	35,370	23,411	22,954
Total		50,341	49,371	35,060	35,035
Liabilities:					
Creditors: amounts falling due within one year	14	(17,369)	(16,399)	(13,578)	(12,293)
Net current assets		32,972	32,972	21,482	22,742
Total assets less current liabilities		126,285	125,142	117,026	117,026
Creditors: amounts falling due after one year	15	(124)	(124)	(128)	(128)
Total net assets / (liabilities)		126,161	125,018	116,898	116,898
Statement of Funds					
Restricted Charity Funds	23	5,186	5,186	5,227	5,227
Restricted Fixed Assets Fund ¹	23	93,313	92,170	94,284	94,284
Unrestricted Funds	23				
Designated projects and maintenance fund		15,000	15,000	5,000	5,000
General Fund		12,662	12,662	12,387	12,387
Total funds		126,161	125,018	116,898	116,898

¹The Royal Parks' fixed assets are ultimately owned by the Crown. The assets are managed and maintained by The Royal Parks on behalf of DCMS and are included in these accounts only because The Royal Parks is able to obtain an economic benefit from them, which it uses to manage the parks. These assets are restricted as they cannot be disposed of, or leased, by The Royal Parks and they can only be used for the purpose of managing the parks.

The notes on pages 44 to 64 form an integral part of these accounts.

Approved and authorised for issue by the board of trustees on 5 September 2019 and signed on their behalf by:



Loyd Grossman CBE
Chairman

Group Statement of Cash Flows for the year ending 31 March 2019

	Note	Group 2019 £'000	Charity 2019 £'000	Group 2018 £'000	Charity 2018 £'000
Net Income for the reporting year		9,263	8,120	18,255	18,255
Adjustments for:					
Depreciation charges	10	4,385	4,268	3,908	3,830
Purchase of fixed assets	10	(2,154)	(2,154)	(8,320)	(8,320)
Incoming fixed assets	10	-	-	(1,338)	-
(Increase) in debtors	12	(2,730)	(1,920)	(9,685)	(10,117)
Increase in creditors	14, 15	3,787	4,102	3,747	2,462
Net cash provided by operating activities		12,551	12,416	6,567	6,110
Change in cash and cash equivalents in the reporting year		12,551	12,416	6,567	6,110
Cash and cash equivalents at the beginning of the reporting year	13	23,411	22,954	16,844	16,844
Cash and cash equivalents at the end of the reporting year	13	35,962	35,370	23,411	22,954

The notes on pages 44 to 64 form an integral part of these accounts.

Notes to the Accounts for the year ending 31 March 2019

1. Accounting Policies

a. Statutory Information

The Royal Parks Limited is a charitable company limited by guarantee and is incorporated in England and Wales

b. Basis of Preparation

These financial statements have been prepared in accordance with Accounting and Reporting Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

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

c. Public Benefit Entity

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

d. Going Concern

The trustees have considered the principal risks set on pages 29 to 31 of this report. The trustees have reviewed the latest financial forecast and are satisfied that The Royal Parks adopts a going concern basis in preparing these accounts.

The trustees consider there to be no material uncertainties affecting the charity's ability to continue operating for at least 12 months beyond the date of these statutory accounts.

e. Fund Accounting

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

Restricted funds are to be used for specific purposes in line with the wishes of the donor.

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

f. Income

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

- Donations and grants
- Charitable activities
- Trading income
- DCMS Fee for Service
- DCMS Barter Fee

Donations and grants

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

In accordance with Charities SORP (FRS 102), volunteer time is not recognised. This report contains more information about their contribution.

Charitable activities

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

Trading Income

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

DCMS Fee for Service and DCMS Barter Fee

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

Under the Contract for the Provision of Services, DCMS provides the Charity with monetary and non-monetary benefits in exchange for the Charity managing and maintaining the parks.

DCMS payments for services comprises two elements:

1. a Cash Fee for Service, limited to the sums allocated under government's Spending Review, which was based on forecast costs of managing the parks and the potential to raise revenue from alternative sources; and
2. a variable Barter Fee, based on the contractual provision of the Contract, which permits the Charity to benefit from the right to collect income from operational assets in the parks over the period of the Contract.

The sum will vary year by year. The Barter Fee is tied to the restrictions placed on the Charity by DCMS through the contract and upon success of commercial activities. Barter income and expenditure is restricted, with the gross figures shown in a separate column on the SoFA. The total Fee for Service, as calculated, gives a proxy value to the maintenance and management costs incurred by the Charity and does not compensate the Charity in full for undertaking its obligations under the contract. The Cash Fee was set out in the 2015 Government Spending Review and is fixed until 2019/20. The Cash Fee commencing 2020/21 will be the subject of negotiation between DCMS and the Charity to ensure that the Charity is able to continue to fulfil its objects on a sustainable basis. Income from DCMS is recognised in the period to which it relates.

g. Expenditure and Irrecoverable VAT

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

- Raising funds relates to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose. It includes costs incurred to raise trading income.
- Charitable activities includes the costs incurred in order to further the purposes of the Charity. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h. Pension Costs

There are two main pension schemes:

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

Employees who transferred from The Royal Parks Agency on 16 March 2017 retained access to continued participation in the PCSPS, but this scheme is not open to new joiners. Employees who joined the Charity after 16 March 2017 are eligible to participate in the TRPGPP. Therefore, membership in PCSPS is declining, whilst membership in the TRGPPP scheme is increasing. The PCSPS is an unfunded multi-employer defined benefit scheme. The Charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as permitted by FRS 102, accounts for the scheme as if it were a defined contribution scheme.

The TRPGPP is managed on the Charity's behalf by AEGON Ltd.

Under the PCSPS, and the TRPGPP, pension liabilities do not rest with the Charity. Under both schemes, employer pension contributions are recognised in the period to which they relate.

i. Allocation of Support Costs

Support costs are apportioned based on the amount of expenditure incurred against each of the activities during the period.

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

j. Fixed Assets

Recognition

Buildings within The Royal Parks, the legal title of which remain with the Crown, are managed and maintained by The Royal Parks on behalf of DCMS and are included as fixed assets on The Royal Parks' balance sheet. Whilst these assets cannot be legally transferred from DCMS, in accordance with accounting standards DCMS de-recognised operational assets that, under the 'Contract for the Provision of Services', the Charity now manages and maintains on behalf of government. These assets were treated as donated assets, in accordance with the SORP and are shown as restricted.

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

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

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

Classification

Fixed assets are classified under the SORP as one of:

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

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

Intangible assets comprise IT software.

Heritage assets are those assets with cultural, environmental or historical associations, which we are required to preserve in trust for future generations. This includes listed buildings or buildings which trustees consider have special significance in the landscape and will be required to be kept substantially in their current form due to planning restrictions. Heritage assets include buildings which, though held for their cultural, environmental or historical associations, are also used to generate revenues in line with The Royal Parks' overall objectives, through use by The Royal Parks, tenants, or concessionaires.

The Royal Parks undertakes a programme of maintenance works, which is informed by the Quadrennial Conservation report of all listed buildings and structures and condition surveys and Accumulated Works Maintenance Liability calculation for all assets. Priorities are assessed each year, and the cost is charged to expenditure. The work undertaken each year includes both repair and preventative maintenance.

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

Depreciation

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

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

k. Debtors

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

l. Cash at Bank and in hand

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

m. Operating Leases

Operating lease costs are charged to the SoFA as incurred. The Charity does not have any finance leases.

n. Financial Instruments

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

o. Creditors and Provisions

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

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

p. Significant Accounting Estimates and Judgements

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

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

2. Analysis of Income by Activity and Nature

	Note	Group 2019 £'000	Group 2018 £'000
Income from Donations and Grants			
Donations	1f	731	405
Grants	1f	2,021	5,313
		2,752	5,718
Income from charitable activities			
Heritage, Protection & Conservation	1f	129	17
Sports and Culture	1f	5,867	4,816
Education	1f	20	14
		6,016	4,847
Income from trading activities			
Events	1f	13,310	9,897
Catering concessions	1f	5,804	5,001
Estates	1f	4,260	4,728
Car parking	1f	1,932	1,921
Other trading income	1f	4,524	3,835
		29,830	25,382
DCMS Fee for Service	1f	10,482	12,549
DCMS Barter Fee	1f	26,290	21,306
Net incoming Assets from Royal Parks Foundation ¹	4	-	5,004
Other Income		936	1,007
Total income		76,306	75,813

¹All assets and liabilities held by the Royal Parks Foundation were transferred to The Royal Parks Limited on 1 July 2017.

3. Analysis of expenditure

Group	Cost of raising funds		Charitable Activities			DCMS Barter	Support costs	Total 2019	Total 2018
	Fundraising costs	Trading costs	Heritage, Protection and Conservation	Recreation, Sports and Culture	Education				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	263	739	3,209	199	684	-	2,368	7,462	7,096
Landscape and works	-	99	17,130	315	43	-	90	17,677	15,291
Other direct costs	7	1,484	5,065	2,052	493	26,290	2,128	37,519	31,263
Depreciation	-	117	-	-	-	-	4,268	4,385	3,908
	270	2,439	25,404	2,566	1,220	26,290	8,854	67,043	57,558
Allocation of support costs	75	677	7,051	712	339	-	(8,854)	-	-
Total expenditure	345	3,116	32,455	3,278	1,559	26,290	-	67,043	57,558

Support costs are re-allocated on the following basis:

Fundraising costs	1%
Trading costs	7%
Heritage, Protection and Conservation	80%
Recreation, Sports and Culture	8%
Education	4%

Analysis of Support Costs	£'000
Staff Costs	2,368
Landscape and works	90
Utilities and maintenance	255
Marketing and communications	130
Legal, professional and finance	915
Premises, office & other costs	337
Vehicles, equipment and machinery	69
Training	69
Subscriptions and licences	11
Website, IT and data	342
Depreciation	4,268
Total	8,854

Included within support costs are £138,000 (2017/18: £241,000) of governance related costs.

4. Incoming Net Assets

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

The balance of these transactions was shown on the SoFA in the year ended 31 March 2018 to represent the net effect of the transfer of assets and liabilities. This was a one-off adjustment as a result of the establishment of The Royal Parks as an independent charity in 2017.

	2018 £'000
Current Assets	
Debtors	323
Cash	5,356
Total Current Assets	5,679
Current Liabilities	
Creditors	(675)
Net Current Assets	5,004
Total Net Incoming Assets (shown on the SoFA)	5,004

5. Subsidiary Undertakings

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

TRP Trading Company Limited	2019	2018
Income and Expenditure for year	£'000	£'000
Turnover	23,853	18,500
Expenditure	(8,025)	(5,844)
Operating Profit	15,828	12,656
Profit on Ordinary Activities Before and After Taxation	15,828	12,656
Profit to be distributed to parent	15,828	12,656

	2019	2018
Net Assets as at 31 March	£'000	£'000
Current and fixed assets	1,814	1,403
Creditors amounts falling due within one year	(1,814)	(1,403)
Net Assets	-	-

Share Capital	-	-
Profit and Loss Accounts	15,828	12,656
Gift aid donation to parent	(15,828)	(12,656)
Shareholders' funds	-	-

Royal Parks Foundation Trading Company Limited	2019	2018
Income and Expenditure for year	£'000	£'000
Turnover	538	456
Expenditure	(503)	(373)
Operating Profit	35	83
Profit on Ordinary Activities Before and After Taxation	35	83
Profit to be distributed to parent	35	83

	2019	2018
Net Assets as at 31 March	£'000	£'000
Current and fixed assets	1,325	1,397
Creditors amounts falling due within one year	(279)	(255)
Creditors amounts falling due after more than one year	(1,046)	(1,142)
Net Assets	-	-

Share Capital	-	-
Profit and Loss Accounts	35	83
Gift aid donation to parent	(35)	(83)
Shareholders' funds	-	-

6. Net income / (expenditure) for the year

Group and Charity

This is stated after charging:

	2019	2018
	£'000	£'000
Depreciation - Group	4,385	3,908
Depreciation - Charity	4,268	3,830
Operating lease rentals - Group	118	83
Auditor's remuneration (excluding VAT):		
Audit - Charity	39	39
Audit - Trading subsidiaries	20	22

7. Analysis of Employment Costs

Group and Charity

Staff costs were as follows:

	2019	2018
	£'000	£'000
Salaries and wages	6,054	5,761
Social security costs	565	498
Pension costs	818	786
Redundancy costs	8	35
Other	17	16
Total	7,462	7,096

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

The Royal Parks operates two pension schemes, the Principal Civil Service Pension Scheme (PCSPS), for staff who transferred from The Royal Parks Agency in 2017 and a Group Personal Pension Scheme (TRPGPP). Membership in the PCSPS is declining, whilst membership in the TRGPPP scheme is increasing.

As the PCSPS is an unfunded multi-employer defined benefit scheme, The Royal Parks is unable to identify its share of the underlying assets and liabilities. Details about the PCSPS can be found at civilservicepensionscheme.org.uk. Employer contributions are defined and made at a percentage of salary, based on bands and, in a small number of cases, age. Expenses for 2018/19 amounted to £686k (2017/18: £703k). The Royal Parks has no liability beyond the contributions made on behalf of its employees. The scheme's actuary reviews employer contributions every four years following a full scheme valuation. As a result of a recent actuarial valuation, costs are increasing by between 23.7% and 33% from 1 April 2019.

The TRPGPP is a defined contribution scheme and, as such, contributions made to it are accounted for as an expense in the SoFA in the year to which they relate. The maximum employer contribution available to employees enrolled in this scheme is 10% of salary. Expenses for 2018/19 amounted to £132k (2017/18: £106k).

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

	2019	2018
	No.	No.
£60,000 - £69,999	7	6
£70,000 - £79,999	1	2
£80,000 - £89,999	2	1
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-

The total employee benefits including pension contributions of the key management personnel were £624,954 (2017/18: £549,111). The Chief Executive received the highest amount of remuneration.

The Charity trustees were not paid nor did they receive any other benefits from the Charity in the year. No Charity trustee received payment for professional or other services supplied to the Charity.

Trustees' expenses represents the payment or reimbursement of travel and subsistence and were nil. (2017/18: £279 to one trustee)

8. Staff numbers

The average number of employees based on full time equivalent during the year was 146 (2017/18: 134). The average total number of employees during the year was 153 (2017/18: 137)

9. Taxation

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

	Group	Group
	2019	2018
	£'000	£'000
UK corporation tax at 19%	-	-

10. Fixed assets

Group	Tangible fixed assets					Total tangible fixed assets £'000	Intangible assets £'000	Heritage assets £'000	Total £'000
	Buildings	IT	Plant and machinery	Furniture & fittings	Assets under construction				
	£'000	£'000	£'000	£'000	£'000				
Cost or valuation									
At the start of the year	43,568	683	4,475	915	3,675	53,316	277	46,613	100,206
Additions in year	39	172	372	29	(2,144)	(1,532)	73	3,613	2,154
At the end of the year	43,607	855	4,847	944	1,531	51,784	350	50,226	102,360
Depreciation									
At the start of the year	2,135	164	266	195	-	2,760	74	1,828	4,662
Charge for the year	1,745	199	276	197	-	2,417	84	1,884	4,385
At the end of the year	3,880	363	542	392	-	5,177	158	3,712	9,047
Net book value at the end of the year	39,727	492	4,305	552	1,531	46,607	192	46,514	93,313
Net book value at the start of the year	41,433	519	4,209	720	3,675	50,556	203	44,785	95,544

Charity	Tangible fixed assets					Total £'000	Intangible assets £'000	Heritage assets £'000	Total £'000
	Buildings	IT	Plant and machinery	Furniture & fittings	Assets under construction				
	£'000	£'000	£'000	£'000	£'000				
Cost or valuation									
At the start of the year	41,768	683	4,475	781	3,675	51,382	277	46,613	98,272
Additions in year	39	172	372	29	(2,144)	(1,532)	73	3,613	2,154
At the end of the year	41,807	855	4,847	810	1,531	49,850	350	50,226	100,426
Depreciation									
At the start of the year	1,545	164	266	111	-	2,086	74	1,828	3,988
Charge for the year	1,719	199	275	107	-	2,300	84	1,884	4,268
At the end of the year	3,264	363	541	218	-	4,386	158	3,712	8,256
Net book value at the end of the year	38,543	492	4,306	592	1,531	45,464	192	46,514	92,170
Net book value at the start of the year	40,223	519	4,209	670	3,675	49,296	203	44,785	94,284

11. Parent charity

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

	2019	2018
	£'000	£'000
Gross income	74,014	75,126
Result for the year	8,120	18,255

12. Debtors

	Group	Charity	Group	Charity
	2019	2019	2018	2018
	£'000	£'000	£'000	£'000
Trade debtors	2,828	2,370	2,308	1,733
Other debtors	46	46	630	632
Prepayments and accrued income	11,505	10,540	8,711	8,204
Amounts due from subsidiaries	-	1,045	-	1,512
Total debtors	14,379	14,001	11,649	12,081

13. Cash at Bank and in Hand

	Group	Charity	Group	Charity
	2019	2019	2018	2018
	£'000	£'000	£'000	£'000
Balance at start of period	23,411	22,954	16,844	16,844
Net change in cash at bank and in hand	12,551	12,416	6,567	6,110
Balance at end of period	35,962	35,370	23,411	22,954
Analysis of cash held				
Cash at bank and in hand	35,962	35,370	9,411	8,954
Fixed term deposits (less than three months)	-	-	14,000	14,000
Total cash and cash equivalents	35,962	35,370	23,411	22,954

14. Creditors: amounts falling due within one year

	Group	Charity	Group	Charity
	2019	2019	2018	2018
	£'000	£'000	£'000	£'000
Trade creditors	57	53	93	91
Accruals	13,290	13,209	9,820	9,795
Deferred income	1,989	1,965	3,115	1,862
Other payables	2,033	1,172	550	545
Total creditors (due within one year)	17,369	16,399	13,578	12,293

Deferred Income

Deferred income mainly comprises income invoiced in advance for Estates licences and for the Royal Parks Half Marathon.

	Group	Charity	Group	Charity
	2019	2019	2018	2018
	£'000	£'000	£'000	£'000
Balance at the beginning of the year	3,115	1,862	2,500	2,500
Amount released to income in the year	(3,115)	(1,862)	(2,500)	(2,500)
Amount deferred in the year	1,989	1,965	3,115	1,862
Balance at the end of the year	1,989	1,965	3,115	1,862

15. Creditors: amounts falling due after more than one year

	Group 2019 £'000	Charity 2019 £'000	Group 2018 £'000	Charity 2018 £'000
Accruals	124	124	128	128
Total creditors (due after more than one year)	124	124	128	128

16. Operating lease commitments

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

	Group 2019 £'000	Charity 2019 £'000	Group 2018 £'000	Charity 2018 £'000
Less than one year	90	90	79	79
One to five years	189	189	9	9
Total	279	279	88	88

17. Analysis of Net Assets Between Funds

2019

Group	General Fund £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000
Fixed Assets	-	-	93,313	93,313
Cash at Bank and in Hand	15,776	15,000	5,186	35,962
Other Current Assets	14,379	-	-	14,379
Creditors (due within one year)	(17,369)	-	-	(17,369)
Creditors (due after more than one year)	(124)	-	-	(124)
Total	12,662	15,000	98,499	126,161

Charity	General Fund £'000	Designated Funds £'000	Restricted Funds £'000	Total £'000
Fixed Assets	-	-	92,170	92,170
Cash at Bank and in Hand	15,184	15,000	5,186	35,370
Other Current Assets	14,001	-	-	14,001
Creditors (due within one year)	(16,399)	-	-	(16,399)
Creditors (due after more than one year)	(124)	-	-	(124)
Total	12,662	15,000	97,356	125,018

2018				
Group	General Fund	Designated Funds	Restricted Funds	Total
	£'000	£'000	£'000	£'000
Fixed Assets	1,260	-	94,284	95,544
Cash at Bank and in Hand	14,551	5,000	3,860	23,411
Other Current Assets	10,066	-	1,583	11,649
Creditors (due within one year)	(13,362)	-	(216)	(13,578)
Creditors (due after more than one year)	(128)	-	-	(128)
Total	12,387	5,000	99,511	116,898

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

18. Financial Instruments

	Group	Charity	Group	Charity
	2019	2019	2018	2018
	£'000	£'000	£'000	£'000
Financial Assets				
Debtors	14,379	14,002	11,649	12,081
Cash	35,962	35,370	23,411	22,954
Total	50,341	49,372	35,060	35,035
Financial Liabilities				
Creditors (due within one year)	(17,369)	(16,399)	(13,578)	(12,293)
Creditors (due after more than one year)	(124)	(124)	(128)	(128)
Total	(17,493)	(16,523)	(13,706)	(12,421)

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

19. Capital Commitments

At the balance sheet date, the Group had capital commitments totalling £1,920,000 (2017/18: £276,000), in respect of property, plant and equipment. These commitments principally related to contracts for construction projects.

20. Contingent liabilities

There are no contingent liabilities.

21. Related party transactions

Connected Bodies

The Department for Digital, Culture, Media and Sport (DCMS) is considered a related party. There were material transactions with DCMS in respect of £36.8m of income (2018: £49.4m) and £26.4m of expenditure (2018: £22.4m) during the year. As at 31 March 2019 DCMS owed a total of nil (2018: £0.8m) to The Royal Parks.

Material Transactions with Related Party Interests

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

Trustees

Councillor Nickie Aiken is Leader of Westminster City Council. The Royal Parks made payments of £144,803 (2018: £107,697) to Westminster City Council, primarily relating to rates and licences during the year. Westminster City Council made payments of £330,303 (2018: £nil) to The Royal Parks, in relation to business rate refunds.

Councillor Georgia Gould is Leader of Camden Council. Camden Council made payments of £nil (2018: £37) to The Royal Parks during the year and The Royal Parks made payments of £6,871 (2018: £9,815) to Camden Council, primarily relating to rates and licences.

Councillor Denise Hyland was Leader of the Royal Borough of Greenwich until May 2018. Councillor Danny Thorpe has been Leader of the Royal Borough of Greenwich since May 2018. The Royal Borough of Greenwich made payments of £nil (2018: £70) to The Royal Parks during the year and The Royal Parks made payments of £70 (2018: £240) to the Royal Borough of Greenwich.

Lt. Col. Sir Andrew Ford and Lt. Col. Michael Vernon are employees of The Royal Household. The Royal Household made a payment of £536 (2018: £642) to The Royal Parks, relating to a licence.

Richard Hamilton is a Fundraising Committee member for The Passage charity. The Passage charity made a payment to The Royal Parks of £1,400 (2018: £nil) relating to the Royal Parks Half Marathon.

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

22. Events After Reporting Date

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

23. Movement in Funds

	Opening Balance £'000	Incoming Funds £'000	Outgoing Funds £'000	Transfer Funds £'000	Closing Balance £'000
Restricted Funds					
Adoption Scheme	21	1	-	-	22
Benches	289	135	(81)	-	343
Diana Playground	33	2	-	-	35
The Regent's Park Sports	6	12	-	-	18
Richmond Park	62	109	-	-	171
September 11 Memorial Garden	26	-	-	-	26
Tree Appeal	10	-	-	-	10
Tree Dedications	53	4	-	-	57
St James's Park	60	1	(7)	14	68
Greenwich Park Revealed	250	-	(227)	-	23
Queen Victoria Memorial	14	-	-	(14)	-
The Regent's Park	88	1	-	-	89
Hyde Park	353	-	-	-	353
The Lookout	130	72	-	-	202
Across the Water	517	-	(17)	-	500
Kensington Gardens	86	1	-	-	87
Bushy Park	8	-	-	-	8
Green Fingers	56	-	-	-	56
Brompton Cemetery	653	89	(362)	(83)	297
Cherry Trees	154	-	(3)	-	151
Mission: Invertebrate	871	750	(418)	-	1,203
Gloucester Gate Playground	326	127	-	(78)	375
Equine Programme	25	-	-	-	25
Hedgehogs	79	1	(10)	-	70
Ripple Fund	17	-	-	-	17
Deer Fund	33	-	-	-	33
The Albie Bird Bath	14	-	-	-	14
Education and Play	910	-	(21)	-	889
World War One Project	24	36	(27)	-	33
The Regent's Park Allotment	59	-	(48)	-	11
Restricted Fixed Asset Fund	94,284	1,143	(4,268)	2,154	93,313
Total Restricted Funds	99,511	2,484	(5,489)	1,993	98,499

	Opening Balance £'000	Incoming Funds £'000	Outgoing Funds £'000	Transfer Funds £'000	Closing Balance £'000
Unrestricted Funds					
General Fund	12,387	47,532	(35,264)	(11,993)	12,662
Designated Projects and Maintenance Fund	5,000			10,000	15,000
Total Unrestricted Funds	17,387	47,532	(35,264)	(1,993)	27,662

Purpose of Unrestricted Funds

Unrestricted funds may be utilised at the discretion of the trustees in pursuit of the Charity's objectives. Information about the Designated Projects and Maintenance Fund can be found in the Reserves Policy on page 35.

Purpose of Restricted Funds:

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

Transfer Between Funds

During the period, £0.2m of restricted funds and £2m of unrestricted funds were spent on fixed assets by the Charity. These assets were transferred to the Restricted Fixed Asset Fund during the year.

Restricted Funds

Adoption Scheme

Members of the public were able to adopt wildlife in the parks and this fund is used for wildlife conservation.

Benches

Members of the public can contribute to the fund and dedicate benches in the parks. The fund is used to purchase new benches and to maintain existing benches and their surrounding landscape.

Diana Playground

This fund was set up to contribute towards the restoration of the playground. It includes donations made at the playground.

Regent's Park Community Sport

This fund was initially for the restoration of community sports facilities in The Regent's Park. The remaining funds are used for community sports programmes for young people living in the estates bordering the park.

Richmond Park

This fund, consisting of donations and legacies left to benefit Richmond Park, is spent on the advice of the Park Manager and Director of Parks.

September 11 Memorial Garden

The Fund is for long-term major maintenance of the memorial garden in Grosvenor Square commemorating the victims of 9/11. As The Royal Parks no longer looks after Grosvenor Square, the charity is considering the process required to transfer funds to the organisation now responsible for maintaining the memorial garden in line with their expenditure on the garden.

Tree Appeal

This fund is held for future tree and shrub planting in The Regent's Park and is spent on the advice of the Park Manager and Director of Parks.

Tree Dedications

Each park plants a small number of new and replacement trees each year. Members of the public are invited to dedicate trees and this fund is used to pay for new trees and for tree maintenance.

St James's Park

This fund comprises donations made to benefit St James's Park and is spent on the advice of the Park Manager and Director of Parks.

Greenwich Park Revealed

The Royal Parks received a grant from The National Lottery Heritage Fund and The National Lottery Community Fund to support the development of a proposal for a significant landscape and capital project in Greenwich Park; the second phase bid is being submitted in late 2019, with approaches being made to other funders to support the project.

Queen Victoria Memorial

This fund comprised coins collected from the memorial fountain and is used to benefit St James's Park; it has therefore been transferred into the St James's Park fund which is for the same purpose.

The Regent's Park

This fund comprises donations made to benefit The Regent's Park and is spent on the advice of the Park Manager and Director of Parks.

Hyde Park

This fund comprises donations made to benefit Hyde Park and is spent on the advice of the Park Manager and Director of Parks.

The LookOut

Funds, including those from the Serenity plinth donation box collections, are used to support education programmes in Hyde Park.

Across the Water

This fund was originally established to receive a grant from the Royal Parks Foundation (USA) for the restoration of water features across the Royal Parks. The remaining funds are used for the maintenance of water features.

Kensington Gardens

This fund, comprising donations received from the dedication of benches in The Italian Gardens, is for the upkeep and maintenance of The Italian Gardens and Kensington Gardens generally.

Bushy Park

This fund, established following the receipt of a donation specifically for use in Bushy Park, is spent on the advice of the Park Manager and Director of Parks.

Green Fingers

This fund was established to raise funds for the Green Fingers project, initially in Hyde Park. The project involves children and their parents from a local fee-paying school raising funds for bulbs which are then planted by children from that school, and by pupils from special needs and non-fee-paying schools

Brompton Cemetery

The Royal Parks received a grant from The National Lottery Heritage Fund and The National Lottery Community Fund for the restoration of Brompton Cemetery; the restoration has been completed and residual funds are used to support the ongoing maintenance of the cemetery.

Cherry Trees

This fund was established to raise funds to restore an avenue of cherry trees in The Regent's Park to its former glory.

Mission: Invertebrate

People's Postcode Lottery has given three annual grants to support a study of invertebrates in the Royal Parks. As part of the project, surveys are carried out by experts and citizen science research projects, collecting information which helps park managers create better habitats for invertebrates in the parks.

Gloucester Gate Playground

The London Marathon Charitable Trust has provided funds for the renovation and transformation of Gloucester Gate playground in The Regent's Park. The works, which include making the playground fully accessible to children and young adults with restricted mobility, will commence in the summer of 2019.

Equine Programme

The Equine Programme, run in partnership with Operation Centaur, currently includes horse-drawn rides in Richmond Park, an anti-bullying programme in Hyde Park and an ex-offenders' programme in Richmond Park.

Hedgehogs

The Hedgehog Fund was formed after receipt of a donation specifically to fund research on hedgehogs in The Regent's Park and is spent on costs directly applicable to the project.

Ripple Fund

This fund is used for small scale projects within individual parks and is spent on the advice of the Director of Parks.

Deer Fund

This fund is used for improved interpretation panels in the parks with herds of deer and to help with the cost of caring for the herds.

The Albie Bird Bath

The bird bath was installed using funds donated by family and friends in memory of Albie; residual funds are used for its maintenance.

Education and Play

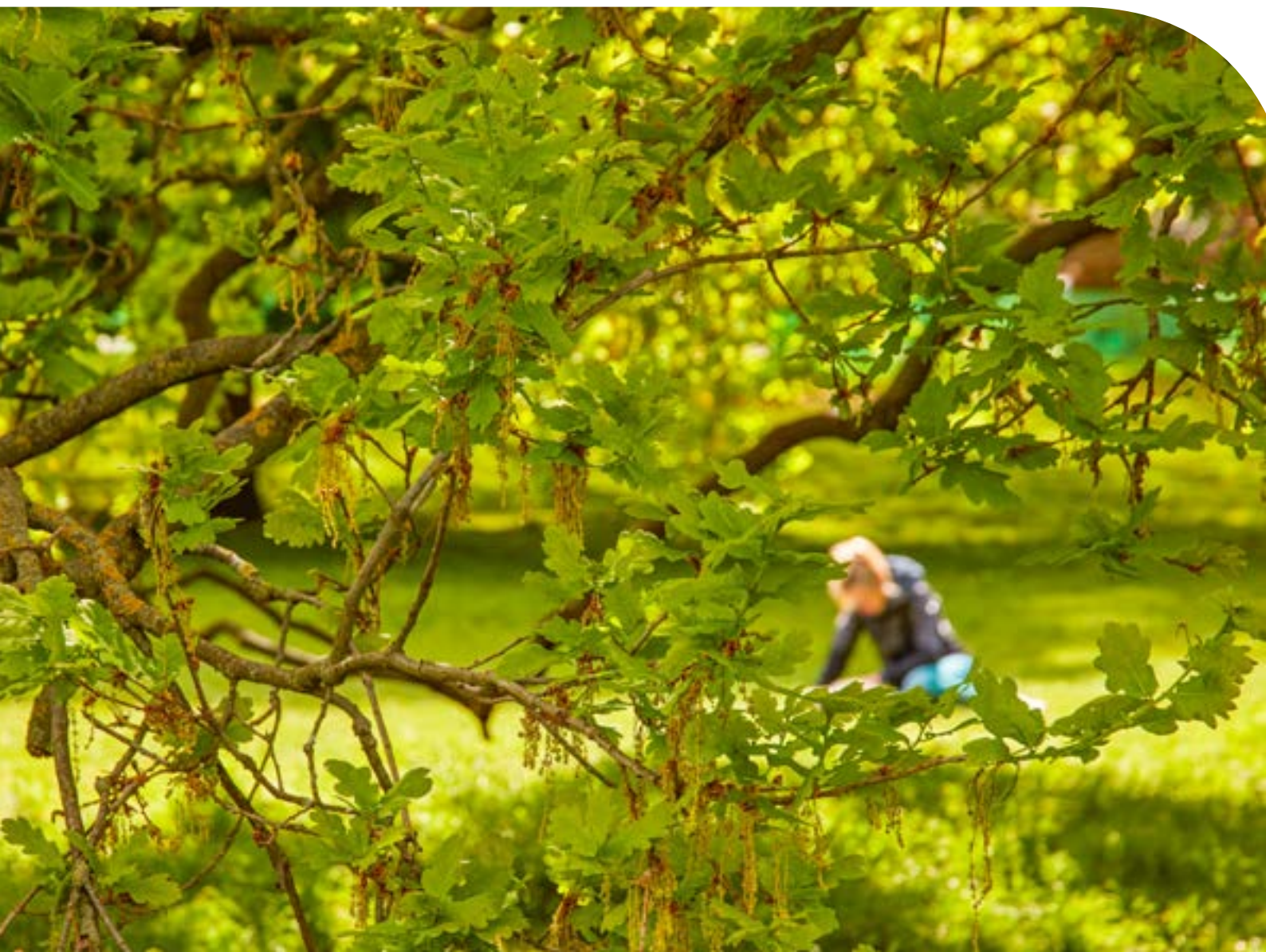
This fund was established to raise funds to assist The Royal Parks to carry out restoration works to the playgrounds in the parks and to make them accessible to all.

World War One Project

The National Lottery Heritage Fund provided a grant for the delivery of a World War I project looking at how the Royal Parks were used during the Great War, including the delivery of a programme of community engagement activities commemorating the 100 year anniversary of the end of WWI in 2018.

The Regent's Park Allotment

These funds support the employment of a member of staff to run the allotments in The Regent's Park.





**The Royal Parks is registered in England and Wales
Company Registration No: 10016100
Registered Charity No: 1172042
Registered Office: The Old Police House
Hyde Park London W2 2UH
t: 0300 061 2000
e: hq@royalparks.org.uk
w: royalparks.org.uk**