

2288607

NENE PARK TRUST

(A Company Limited by Guarantee
and not having a Share Capital)

REPORT AND STATEMENT OF ACCOUNTS

Year ended 31 January 1998



NENE PARK TRUST

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NENE PARK TRUST

SCHEDULE OF INFORMATION

MEMBERS OF THE BOARD OF MANAGEMENT AND THEIR NOMINATING BODIES

Mr J Case (Chairman)	Royal Institution of Chartered Surveyors
Mr R J Arnold	The Law Society
Mr D E Bath	Royal Town Planning Institute
Mr G W Blagden (retired 16.1.98)	Peterborough City Council
Dr J Cathie (appointed 12.6.97)	Department of Land Economy of Cambridge University
Canon M Davies	Bishop of Peterborough
Mrs C A Donnelly	Royal Society for Nature Conservation
Mr J R Horrell CBE	Lord Lieutenant of Cambridgeshire
Mr J R Johnson	Peterborough City Council
Mrs D McMeekin (retired 1.7.97)	Peterborough City Council
Mr D P Martin (appointed 16.1.98)	Peterborough City Council
Mr R E Perkins JP	Cambridgeshire County Council
Mr G R Ridgway (appointed 1.7.97)	Peterborough City Council
Mr I Smith	English Nature

MEMBERS OF SUB-COMMITTEES

Investment Sub-Committee

Mr J Case	(Chairman)
Mr R J Arnold	
Mr M J Bradley	(General Manager)
Mr A Plummer	(Accountant)

Remuneration Sub-Committee

Mr J Case	(Chairman)
Mr J R Horrell	
Mr D E Bath	

Project Sub-Committee

Mr J Case	(Chairman)
Mr R J Arnold	
Mr D E Bath	
Canon M Davies	

NENE PARK TRUST

SCHEDULE OF INFORMATION (Contd.)

SECRETARY AND REGISTERED OFFICE:	Mr M J Bradley Nene Park Trust Ham Farm House Ham Lane Peterborough PE2 5UU
BANKERS:	T S B Bank plc 27/31 Westgate Peterborough PE1 1YH
ACCOUNTANTS:	Plummer & Co Peterborough Road Warmington Peterborough PE8 6TL
AUDITORS:	Stephenson Smart & Co Chartered Accountants Stephenson House 15 Church Walk Peterborough PE1 2TP
INVESTMENT MANAGERS:	Charles Stanley & Co Ltd 25 Luke Street London EC2A 4AR
SOLICITORS:	Greenwoods 30 Priestgate Peterborough PE1 1JE
SURVEYORS & LAND AGENTS:	Carter Jonas 43 Priestgate Peterborough PE1 1AR

REPORT OF THE BOARD OF MANAGEMENT YEAR ENDED 31 JANUARY 1998

Legal and Administration

Nene Park Trust is a company limited by guarantee and not having a share capital, number 2288607, incorporated under the Companies Act 1985 and governed by a Memorandum and Articles of Association as prescribed by the Act. It is a registered charity, number 800067.

The Trust is a single company, without branches or associated trading companies. It is controlled by the Board of Management, the members of which are both Trustees of the Charity and Directors for the purposes of the Companies Act. The General Manager, who is also Company Secretary, is responsible to the Board of Management for the conduct of the Trust's business in accordance with its policies.

Under the powers conferred by the Memorandum of Association, the Trust may invest in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law. The power to appoint an investment manager with discretionary powers was conferred by the Charity Commissioners by an Order under Section 26, the Charities Act 1993.

During the year Mr Geoff Ridgway and Mr Paul Martin succeeded Mrs Doreen McMeekin and Mr Graham Blagden as nominees of Peterborough City Council to the Board of Management. The Board also welcomed the Department of Land Economy of Cambridge University as a new member of the company in place of the Sports Council Eastern Region and Dr John Cathie as the Department's first nominee to the Board of Management.

Board of Management's Responsibilities

Company law requires the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements, the Board of Management are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in business.

REPORT OF THE BOARD OF MANAGEMENT (Contd.)**YEAR ENDED 31 JANUARY 1998****Legal and Administration (contd.)****Board of Management's Responsibilities (contd.)**

The Board of Management are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 1985. The Board of Management are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Board of Management and their nominating bodies :

Mr J Case (Chairman)	Royal Institution of Chartered Surveyors
Mr R J Arnold	The Law Society
Mr D E Bath	Royal Town Planning Institute
Mr G W Blagden (retired 16.1.98)	Peterborough City Council
Dr J Cathie (appointed 12.6.97)	Department of Land Economy of Cambridge University
Canon M Davies	Bishop of Peterborough
Mrs C A Donnelly	Royal Society for Nature Conservation
Mr J R Horrell CBE	Lord Lieutenant of Cambridgeshire
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Mr R E Perkins JP	Cambridgeshire County Council
Mr G R Ridgway (appointed 1.7.97)	Peterborough City Council
Mr I Smith	English Nature

REPORT OF THE BOARD OF MANAGEMENT (Contd.) YEAR ENDED 31 JANUARY 1998

Objects

The objects of the Trust are to provide for the public benefit a park and recreation ground for the inhabitants of Peterborough and visitors with the object of improving the conditions of life for such persons.

Nene Park comprises 695 hectares in the Trust's ownership, primarily on a 999 year lease, with a further 330 hectares in other ownerships through which the Trust has access agreements to the west of Peterborough in the valley of the River Nene. About a third of the Trust's land comprises the country park at Ferry Meadows, associated woodlands and other areas of informal open space. This is managed directly. Organised recreation and leisure activities, including golf courses and the rowing course account for a further sixth. The remaining half is open countryside in agricultural use with a network of routes for walking and riding. About a million visits are made each year to Nene Park, of which half are to Ferry Meadows.

The Trust was established in 1988 when the intention of its founders was it should carry out its objects in perpetuity. To begin to realise these intentions, the Trust has adopted policies with a long-term view for the maintenance and development of the 695 hectares of land it owns in Nene Park. Its policies for day to day operation have, understandably, a somewhat shorter focus, while its financial policies must take account of the long term needs in the context of the particular financial structure which was put in place by its founders.

Summary of policies

Being on the edge of an urban area and abutting outlying villages, requests to acquire Trust land for one purpose or another are relatively frequent. To resist these the Trust has resolved to retain land in its stewardship and ownership. Since it is urged in its governing document to seek to develop and extend the Park, it has determined to acquire land as opportunities arise to extend the area of Nene Park under the Trust's ownership or to complement its management of the Park.

The landscape in Nene Park is diverse and dominated by the River Nene and its floodplain. It retains many traditional features and is as important a piece of heritage as any building. There are also extensive areas of recently created landscape. The Trust has resolved to conserve the traditional landscape and to enhance it when opportunities arise, and to manage all landscape with regard to creating and maintaining diversity for the interest of visitors and benefit of wildlife. Much of the Trust's land is tenanted and is "working land" of various kinds. Management must therefore be appropriate to its function and use, and the Trust works through and with its tenants to achieve its aims.

REPORT OF THE BOARD OF MANAGEMENT (Contd.)
YEAR ENDED 31 JANUARY 1998

Summary of policies (contd.)

The woodlands range in age from probably medieval to very recent plantings and are a particular feature of the Park in one of the least wooded areas of the country. The Trust therefore has decided to manage all woodlands according to good forestry and arboricultural practice and to maintain and enhance the amenity use of them.

Nene Park offers a multiplicity of leisure activities for a million visitors each year. The Trust manages directly those areas mainly used for informal recreation, a little over a third of the total area of Nene Park. Here the Trust works to improve continually the information about Nene Park and increase the amount and topicality of interpretative information available to visitors, and to make it appropriate to their interest and knowledge. It seeks to upgrade facilities and fixtures when opportunities arise in addition to meeting identified needs. The Trust also seeks to encourage and support its tenants in their efforts to improve and develop the facilities they operate.

In fulfilling its particular role in the community the Trust aims to develop and maintain links with local groups sharing aims and interests with the Trust and to advise and assist groups seeking to carry out projects in their own communities and neighbourhoods. It especially encourages greater use of Ferry Meadows Country Park by people with special needs which make the wider countryside inappropriate or inaccessible to them.

The Trust recognises that its aims can only be achieved through its staff. It therefore ensures that through training, they are fully equipped to carry out their responsibilities and are able to contribute fully to the development of Nene Park, its services and activities.

The founders of the Trust, on granting to it in 1988 a 999 year lease of Nene Park which had been developed over the preceding two decades, also sought to make adequate financial provision for the Trust to enable it to carry out its stewardship. The Trust, still in its first decade, has taken a view that ensuring its viability for the very long-term should guide its financial strategy.

The Trust's founders recognised that the lease imposed on the Trust considerable liabilities for the repair, maintenance and replacement of buildings, roads, footpaths, bridges, machinery and other equipment. They did not provide a capital sum reflecting these liabilities, but sought to ensure that the Trust's annual income from its own property and from an endowment of commercial property, of which it is the beneficiary, would provide an adequate surplus over operating costs to enable the Trust to accumulate sufficient funds over time to meet these liabilities. Taking the view that the early years of relatively low maintenance would present the greatest

REPORT OF THE BOARD OF MANAGEMENT (Contd.) YEAR ENDED 31 JANUARY 1998

Summary of policies (contd.)

opportunity to allocate funds for future needs, the Trust established a number of reserves to meet these identified liabilities as well as providing for possible future expansion and developments and safeguarding its operational requirements. During the year the Trust's policy on reserves was discussed with the Charity Commission. The discussion concluded with the Commission confirming that its queries had been fully answered.

In 1990 some 85% of the Trust's income, directly or indirectly, was derived from rents in Peterborough; almost one third of the total was from a single source and 45% was generated from this and two others. This high dependence on a single location makes the Trust vulnerable to changes in the local economic climate and property markets. The Trust therefore decided to broaden the base of its income, initially by establishing an investment portfolio. Last year the proportion derived from property calculated on the same basis was 73%.

Reviews of the Trust's financial strategy and investment policy and management were carried out during the year.

The review of financial strategy indicated that over the next decade or so the income from its own property and from the endowment would fall in real terms, the latter primarily because of the long review periods on major properties (up to 21 years). Depending on the local retail property market in particular, the Trust's income could fall in absolute terms. Expenditure, even to maintain current standards and facilities would rise. Consequently the Trust would be faced initially with being unable to fund the reserves necessary to meet future maintenance and equipment replacement and subsequently with an ongoing operating deficit. The Board, mindful of the Trust's stewardship of Nene Park being in effect in perpetuity, therefore resolved that the Trust should seek as a priority through its investments to build a capital base capable of producing an income stream sufficient to offset in the future the expected fall in income from property. The aim would be to secure the long term financial security of the Trust. While this would see for a number of years an increase in the Trust's reserves, their accumulation would represent the progress towards the achievement of a financial position which could ensure the Trust's ability to carry out its objects indefinitely.

The review of investment policy subsequently considered the aims and criteria for the Trust's investments, the available options for investment and the management of the investment fund to date.

**REPORT OF THE BOARD OF MANAGEMENT (Contd.)
YEAR ENDED 31 JANUARY 1998**

Summary of policies (contd.)

The aims were amended and prioritised to:

- ensure the continuity of the Trust by providing it in the future with an income stream sufficient to protect it from falls in its other sources of income and inevitable increases in expenditure;
- ensure that the Trust will be able to meet the costs which will arise in the near and distant future from major repairs and renewals in the Park;
- maintain the real value of the Trust's reserves;
- maximise the benefit of income in excess of immediate requirements to enable the Trust to further develop its aims and objectives by the acquisition of property and the development of facilities and services.

The criteria for the Trust's investment strategy were considered still to be sound and the Board felt they should remain unchanged. They were to:

- invest with the prudence appropriate to a charity;
- invest on the basis of professional advice;
- diversify the investments consistent with the avoidance of risk from concentration;
- maintain sound performance.

The considerations of the Trust's predominant source of income being property, the unit size of investments, liquidity, risk and return still applied, and the Board concluded that investment in UK government securities and shares remained at present the most appropriate investment medium.

The strategy for the next five years or so would be to seek to establish the largest possible capital base with a view later to the investment fund providing essential income for the maintenance of the Trust's operations as its other income declined in real or absolute terms.

The performance of the Trust's investment fund, managed on a discretionary basis by Charles Stanley & Co, had been satisfactory. It exceeded the basic requirement to protect the Trust's reserves from inflation by a considerable margin and had followed closely the major indices. The Board resolved to confirm the company's continuing role as the Trust's investment managers.

REPORT OF THE BOARD OF MANAGEMENT (Contd.) YEAR ENDED 31 JANUARY 1998

Progress during the year

The Trust's landscape and woodland management during the year again saw both the continuation of existing programmes and the beginning of new ones.

A further tranche of old willow pollards was brought back into management, almost concluding the restoration programme. More prospective replacements were planted and the aim of having successors to the older trees in place by the end of the century looks achievable. The success of the Trust's programme of repollarding and the range of ages and rotations it maintains again attracted interest and enquiries from other landowners and agencies and requests which the Trust was pleased to meet to provide training days. By the end of the year several journals had expressed interest in publishing an account of the Trust's work.

The dry conditions through 1996 resulted in a poor take of the replanting on the osier bed in Bluebell Wood. In a riverside location prone to flooding in "normal" years, it was a clear indication of the soil water deficit which had developed. In an attempt to conserve moisture the bed was mulched with woodchip before replacements were planted early in 1998, the first known use of this technique on osiers. Its efficacy was not tested with the summer rainfall in 1997 providing ideal establishment conditions!

Woodland management continued within the framework of the plan agreed with Forestry Authority. In the autumn the majority of sycamores in Bluebell Wood were felled, many already showing signs of sooty bark disease. The first tranche of thinning of the plantation oaks was carried out at the same time. In both areas the amount and quality of natural regeneration, particularly of ash, was immediately apparent giving a strong indication that the aim of creating a mixed age, continuous cover woodland would eventually be achieved.

The impact of the Government's policies related to BSE was felt by some of the Trust's tenants who could not justify maintaining their beef enterprises at their usual levels in a depressed and totally uncertain market. Nevertheless, despite the heavy growth in the moist summer, they managed to attain the end of season sward levels in the ecologically valuable riverside meadows by a judicious programme of mowing and autumn grazing with their reduced herds.

REPORT OF THE BOARD OF MANAGEMENT (Contd.) YEAR ENDED 31 JANUARY 1998

Progress during the year (contd.)

During the course of the year the Trust received the report of the comprehensive ecological survey it had commissioned covering the whole of Nene Park. It confirmed the ecological value of a number of areas, some unusual in a regional context. It also endorsed the Trust's management, direct and in conjunction with its tenants, in conserving and enhancing the richness and diversity of its estate. The results were transferred to the computer based ecological recording system developed by the Joint Nature Conservancy Council and Trust staff are completing the site records with history and management information to provide a comprehensive data base to record the effects of management strategies and varying conditions. In addition it will also be used to provide project material for visiting schools and information for visitors.

Local groups assisted both in the collection of information on aspects of the Park and in projects contributing to its management. A constant effort bird-ringing site established by local affiliates of the British Trust for Ornithology with assistance from the Trust has turned out to be of national importance with some 2300 records in 1997. The Conservation Section of the Caravan and Camping Club visited twice extending the boardwalk along the riverside in Bluebell Wood. It both provides a route passable in all ground conditions and protects from erosion the ecologically valuable sites which exist alongside the wetter areas of the route. Peterborough Conservation Volunteers also visited twice, coppicing and undertaking grassland management tasks on the Nature Reserve. Especially valued were the contributions pupils and clients from Marshfields School, Sense East and St Peters Adult Training Centre. Together they were a powerful demonstration that a wide range of disabilities and conditions did not prevent constructive and valued work being carried out and enjoyed.

A full programme of events and activities for families and children was organised by the Trust through the year in Nene Park.

A "Mammal Day" was held in conjunction with the Cambridgeshire Mammal Group to introduce visitors to the range of native mammals to be found in the Park and surrounding area beginning with a dawn fox watch and concluding with a twilight badger watch. Ouse Kite Flyers staged a national Festival of Kites demonstrating the wide range of styles of kites and flying techniques ranging from sticks and bin bags to man lifting and fighting kites. Three national car owners clubs held their annual rallies in Ferry Meadows ranging in style from Citroen 2CV's to Saab's. The successful "From Coppice to Craftsman" day was repeated drawing participants demonstrating an even greater range of traditional woodworking skills than in its first year. Both the public response and the interest shown by crafts people are likely to make this an annual fixture in the calendar and the Basketmakers Association have chosen to hold its national summer meeting in association with the event in 1998.

NENE PARK TRUST

REPORT OF THE BOARD OF MANAGEMENT (Contd.) YEAR ENDED 31 JANUARY 1998

Progress during the year (contd.)

Sculpture was the focus of three events also in Ferry Meadows. Peterborough Sculpture Trust and Nene Park Trust sponsored weekend participation events and a residency organised by Peterborough Sculpture Trust produced a considerable flurry of interest from the national media as well as the artistic community in the rammed earth constructions which Richard Gibson produced.

Overall some 130 different groups arranged in 1997 to make use of Nene Park - many on several occasions and many more groups used it on a casual basis - and over 80 different activities took place in addition to the use of the formal recreational facilities. The range in scale was from a group of friends holding their Christmas Lunch al fresco to Firework Fiesta attracting some 10,000 people.

Trust staff converted an area in the centre of Ferry Meadows from a shrub bed to an outdoor demonstration area for rural crafts. Within the area there will also be small beds of the major species of basket making willow since the osier beds are some distance from the central area used by the majority of visitors. A programme of visits by craftsmen from all over England has been booked for 1998 to inaugurate the use of the area. To compliment this a covered area between adjacent buildings has been modified to allow its use in conjunction with the new area.

Shortly before the end of the year final arrangements were made with the Environment Agency for the construction of new fishing stands for disabled anglers. These should be in place for the start of the 1998 season.

Despite at times near monsoon rainfall, the general level of use of the Park remained high. Several tenants reported an increase in business suggesting that the long period of depressed leisure spending may be ending. Also reported was an increase in the level of enquiries from Schools and other Educational establishments suggesting that the pressures of the National Curriculum, the effects of changes in regulations regarding out of school activities and possibly the adjustment to the local management of School finances are being resolved.

**REPORT OF THE BOARD OF MANAGEMENT (Contd.)
YEAR ENDED 31 JANUARY 1998**

Review of transactions and financial position

As stated elsewhere in this report, the need for growth in reserves together with an underlying investment fund was identified as a priority by the Board.

Already the investment fund established by the Trust is showing a significant effect in the accounts. The overall addition to funds for the year was £1.397m of which £1.086m derived from investments, this including unrealised gains of £0.701m. Transfers to funds designated for future maintenance and development of the Park were £0.468m. But without the inclusion of investment income and gains the Trust would have incurred a deficit of £0.157m (£0.058m last year) after providing for transfers to designated funds.

Designated funds continue to be reviewed to ensure adequate provision for future acquisitions, repair, maintenance and replacement of property, vehicles and plant. The value of all designated funds was fully covered by the Trust's investment holdings at the year end.

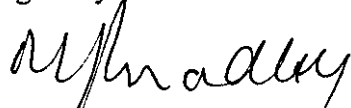
Tangible assets of the Trust comprise land and buildings acquired or constructed by the Trust as part of the development of the Park, together with vehicles, plant and equipment to fulfil operating requirements.

The position at the year end, whilst satisfactory on a year-by-year basis, can only be regarded as an early point in the establishment of the reserves necessary to safeguard the Trust's long term position.

Auditors

In accordance with Section 385(2) of the Companies Act 1985 a resolution proposing the re-appointment of Stephenson Smart & Co. as auditors to the Trust will be put to the Annual General Meeting.

Signed by order of the Board of Management



M J Bradley
Secretary

Approved by the Board on 26 March 1998

REPORT OF THE AUDITORS TO THE MEMBERS OF NENE PARK TRUST

We have audited the financial statements on pages 15 to 27 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 18 and 19.

Respective responsibilities of the Board of Management and Auditors

As described on pages 4 and 5 the Board of Management, who are also the directors of Nene Park Trust for the purposes of company law and the trustees for the purposes of charity law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

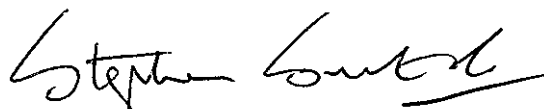
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by the Board of Management in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's state of affairs at 31 January 1998 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Stephenson House
15 Church Walk
Peterborough PE1 2TP

Stephenson Smart & Co.
Registered Auditor
Chartered Accountants

26 March 1998

NENE PARK TRUST

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 January 1998

	Note	General Fund £'000	Designated Funds £'000	Total 1998 £'000	Total 1997 £'000
INCOME AND EXPENDITURE					
Incoming Resources					
Property income		511	-	511	442
Investment income		220	-	220	210
Endowed income		433	-	433	572
Trading income		22	-	22	22
Other income		56	-	56	62
Total Incoming Resources	2	<u>1,242</u>	-	<u>1,242</u>	<u>1,308</u>
Resources Expended					
Direct charitable expenditure	3	634	-	634	681
Management and administration of the charity	4	77	-	77	73
Total Resources Expended		<u>711</u>	-	<u>711</u>	<u>754</u>
Net Incoming Resources before Transfers	6	531	-	531	554
Transfer to designated funds		(468)	468	-	-
Net Incoming Resources for the year		<u>63</u>	<u>468</u>	<u>531</u>	<u>554</u>
Other Recognised Gains and Losses					
Unrealised gains on investments		701	-	701	332
Realised gains/(losses) on disposal of investments		165	-	165	(50)
Net movement in funds		<u>929</u>	<u>468</u>	<u>1,397</u>	<u>836</u>
Balances brought forward 1 February 1997		1,755	3,633	5,388	4,552
Balances carried forward 31 January 1998	£	<u>2,684</u>	<u>4,101</u>	<u>6,785</u>	<u>5,388</u>

The transfer to designated funds in the year to 31 January 1997 was £402,000

All amounts relate to continuing activities

The accompanying notes form part of these accounts

NENE PARK TRUST

BALANCE SHEET

As at 31 January 1998

Note		1998	1997
	£'000	£'000	£'000
	FIXED ASSETS		
8	Tangible assets	686	688
9	Investments	6,167	4,701
		<u>6,853</u>	<u>5,389</u>
	CURRENT ASSETS		
10	Stocks	11	10
11	Debtors	55	102
12	Cash at bank and in hand	345	317
		<u>411</u>	<u>429</u>
13	CREDITORS : Amounts falling due within one year	(103)	(54)
		<u></u>	<u></u>
	NET CURRENT ASSETS	308	375
	TOTAL ASSETS LESS CURRENT LIABILITIES	<u>7,161</u>	<u>5,764</u>
14	ACCRUALS AND DEFERRED INCOME	(376)	(376)
	NET ASSETS	£ <u>6,785</u>	<u>5,388</u>
15	FUNDS		
	General Fund	2,684	1,755
	Designated Funds	4,101	3,633
		£ <u>6,785</u>	<u>5,388</u>

Signed on behalf of the Board of Management

J Case
Director



Approved by the Board on 26 March 1998

The accompanying notes form part of these accounts

NENE PARK TRUST

CASH FLOW STATEMENT

Year ended 31 January 1998

Note	1998 £'000	1997 £'000
16(a) Net cash outflow from operating activities	(74)	(157)
16(b) Endowed income and returns on investments	778	618
16(c) Capital expenditure and financial investments	(676)	(550)
16(d) Increase/(decrease) in cash	£ <u>28</u>	<u>(89)</u>

NOTES TO THE ACCOUNTS

Year ended 31 January 1998

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting by Charities" issued by the Charity Commission.

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention except for investments which are shown at market value.

(b) Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful lives as follows :

Buildings : Leasehold	10-40 years on a straight line basis
Freehold	10-40 years on a straight line basis
Plant and Machinery	25% per annum on reducing balance
Motor Vehicles	25% per annum on reducing balance
Office Equipment	25% per annum on reducing balance

(c) Stocks

These are valued on a first in first out basis at the lower of cost and net realisable value.

(d) Endowed income

Income is received from an endowment established by Peterborough Development Corporation which is held in Trust by Peterborough City Council for the benefit of Nene Park Trust.

(e) Endowed Income Maintenance Fund

The fund protects the Trust from significant falls in income which may arise when major works are carried out on the endowment properties.

(f) General Property Maintenance Fund

The fund reflects the Trust's liability to maintain the landscape, structures and buildings of Nene Park in accordance with a planned programme of works.

- (g) Vehicle and Plant Replacement Fund

The fund reflects the Trust's liability to replace its equipment in accordance with a planned replacement programme.

(h) Capital Development Fund

The fund reflects the Trust's anticipated liabilities for development of the Park's facilities.

(i) Resources Expended

Costs have been allocated and apportioned on a percentage basis so as to ensure the accounts consistently and reasonably reflect the nature of the expenditure incurred.

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 1998

1 ACCOUNTING POLICIES (Contd.)

(j) Deferred income

Premiums on long leases have been received, portions of which are being credited to the Statement of Financial Activities over the periods of the leases, on a basis to reflect the diminution in their value.

(k) Pension Costs

The Trust operates a pension scheme for the benefit of qualifying employees. The funds of the scheme are separate from the Trust. The pension scheme cost charged to the accounts represents the employer's contributions payable to the fund (see note 18).

2 TOTAL INCOMING RESOURCES

(a) Operating Income

Operating income represents amounts receivable by the Trust in respect of goods, services and facilities provided during the year, excluding Value Added Tax. The analysis of operating income, all of which arose in the United Kingdom, is as follows :

	1998	1997
	£'000	£'000
Trading income	22	22
Income from property	511	442
Other income	53	59
	586	523

(b) Interest receivable, investment and endowed income

Bank interest	21	18
Endowed income	433	572
Income from fixed asset investments :		
Dividends	123	125
Interest	76	67
	653	782

(c) Net profit on disposal of fixed assets

	3	3
Total Incoming Resources	£ 1,242	1,308

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 1998

	1998 £'000	1997 £'000
3 DIRECT CHARITABLE EXPENDITURE		
Staff costs	342	321
Professional fees	25	45
Property running costs	37	35
Estate maintenance costs	78	126
Equipment costs	38	37
Goods for resale	12	12
Operating expenses	22	25
Depreciation	80	80
	£ 634	681

4 MANAGEMENT AND ADMINISTRATION OF THE CHARITY

Staff costs	47	44
Professional fees	24	23
Property running costs	1	1
Equipment costs	1	1
Operating expenses	3	3
Depreciation	1	1
	£ 77	73

5 STAFF NUMBERS AND COSTS

The average number of employees, analysed by function, (excluding Members of the Board of Management) was as follows :

	No.	No.
Direct charitable expenditure	22	22
Management and administration of the charity	3	3
	25	25

The aggregate payroll costs of these persons were as follows :

	£'000	£'000
Wages and salaries	315	300
Social Security costs	29	26
Pension costs	31	29
	375	355
Other staff costs	14	10
	£ 389	365

NOTES TO THE ACCOUNTS (Contd.)
Year ended 31 January 1998**5 STAFF NUMBERS AND COSTS (Contd.)**

The number of employees whose emoluments for the year exceeded £40,000 are within the following bands :-

	1998	1997
£40,001 to £50,000	1	1
	—	—

6 NET INCOMING RESOURCES FOR THE FINANCIAL YEAR

	£'000	£'000
This is stated after charging the following :		
Auditors remuneration	8	7
Depreciation of tangible fixed assets	81	81
and after crediting the following :		
Property income	511	442
Profit on sale of tangible fixed assets	3	3
	—	—

Members of the Board of Management act in a trustee capacity and therefore may not receive remuneration. During the year expenses for travel and subsistence totalling £198 were reimbursed to two members of the Board of Management.

7 TAXATION

The Trust is a Registered Charity (Registration Number 800067) and its income, derived from and applied for charitable purposes, is therefore exempt from taxation under section 505(1)(c) of the Income and Corporation Taxes Act 1988.

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.) Year ended 31 January 1998

8 TANGIBLE FIXED ASSETS

Cost	Land & Buildings £'000	Plant & Machinery £'000	Motor Vehicles £'000	Office Equipment £'000	Total £'000
At 1 February 1997	591	418	88	77	1,174
Additions at cost	-	46	30	7	83
Disposals	-	(21)	(11)	-	(32)
At 31 January 1998	£ 591	443	107	84	1,225
Depreciation					
At 1 February 1997	92	275	59	60	486
Charged in year	18	45	13	5	81
Eliminated re disposals	-	(18)	(10)	-	(28)
At 31 January 1998	£ 110	302	62	65	539
Net book value					
At 31 January 1998	£ 481	141	45	19	686
At 31 January 1997	£ 499	143	29	17	688

1 The Trust occupies property and buildings known as Nene Park, which is situated in the City of Peterborough, under the provision of a lease between the Trust and the Peterborough Development Corporation dated 23 September 1988. The lease is for a duration of 999 years from 31 March 1988 and includes covenants restricting the use and disposal. No value has been put on the lease in these accounts.

2 The net book value of land and buildings at 31 January 1998 comprised :

Freehold	189
Long leasehold	292
	<u>£ 481</u>

3 All the fixed assets are held for the use of the charity.

NOTES TO THE ACCOUNTS (Contd.)
Year ended 31 January 1998

9 INVESTMENTS

		Listed Securities £'000	Cash £'000	Total £'000
Market value 1 February 1997		4,093	608	4,701
Additions		3,155	2,874	6,029
Disposals		(2,274)	(3,155)	(5,429)
Net unrealised investment gains		701	-	701
Net realised investment gains		165	-	165
Market value 31 January 1998	£	<u>5,840</u>	<u>327</u>	<u>6,167</u>
Historical cost as at 31 January 1998	£	<u>4,765</u>	<u>327</u>	<u>5,092</u>

All securities are listed on the London Stock Exchange.

Analysis of listed securities at 31 January 1998:

	£'000
UK Government Stocks	490
Fixed interest securities	226
UK Equities	5,124
	<u>5,840</u>

The following investments represent over 5% by value of the listed securities:

	Market value at 31 January 1998 £'000
EMAP 25p ordinary shares	304
Misys 5p ordinary shares	337

There are no material restrictions which might apply to the realisation of the above investments.

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.) Year ended 31 January 1998

		1998 £'000	1997 £'000
10	STOCKS		
	Goods for resale	£ 11	10
		—	—
11	DEBTORS		
	Trade debtors	31	6
	Other debtors	3	3
	Prepayments	21	19
	Endowed income receivable	-	74
		£ 55	102
		—	—
12	CASH AT BANK AND IN HAND		
	Deposit Account	£ 345	317
		—	—
13	CREDITORS : Amounts falling due within one year		
	Payments received in advance	21	19
	Endowed income received in advance	51	-
	Trade creditors	4	3
	Social Security and other taxes	9	7
	Value Added Tax	10	10
	Accruals	8	15
		£ 103	54
		—	—
14	ACCRUALS AND DEFERRED INCOME		
	Premiums on long leases	£ 376	376
		—	—

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 1998

15 FUNDS

The Trust is limited by guarantee and does not have a Share Capital. The members' liability is limited to £1 each.

Movement on Funds during the year was as follows :

	TOTAL	GENERAL FUND	DESIGNATED FUNDS				
			Endowed Income Maintenance	General Property Maintenance	Vehicle and Plant Replacement	Equipment Valuation	Capital Development
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 February 1997	5,388	1,755	359	1,304	635	21	1,314
Net incoming resources and other recognised gains and losses	1,397	1,397	-	-	-	-	-
Transfers in year to specific reserves	-	(649)	69	187	143	-	250
Transfers in year from specific reserves	-	181	(95)	-	(84)	(2)	-
At 31 January 1998	6,785	2,684	333	1,491	694	19	1,564

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 1998

	1998 £'000	1997 £'000
16 NOTES TO THE CASH FLOW STATEMENT		
(a) Reconciliation of operating income to net cash outflow from operating activities		
Net incoming resources before transfers to designated funds	531	554
Investment income	(220)	(210)
Endowed income	(433)	(572)
Operating deficit	(122)	(228)
Depreciation	81	81
Profit on sale of tangible fixed assets	(3)	(3)
(Increase)decrease in stock	(1)	2
(Increase)/decrease in debtors	(27)	5
Decrease in creditors	(2)	(14)
£	<u>(74)</u>	<u>(157)</u>
(b) Endowed income and returns on investments		
Interest received	21	18
Investment income	199	192
Endowed income	558	408
£	<u>778</u>	<u>618</u>
(c) Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(83)	(63)
Receipts from sales of tangible fixed assets	7	10
Funds invested	(600)	(497)
£	<u>(676)</u>	<u>(550)</u>
(d) Analysis of changes in cash		
Balance at 1 February 1997	317	406
Net cash inflow/(outflow)	28	(89)
£	<u>345</u>	<u>317</u>

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 1998

17 CAPITAL COMMITMENTS

Capital expenditure authorised and contracted for at the end of the year was £18,764 (1997: £27,000).

18 PENSION SCHEME

Nene Park Trust acts as Trustee to a company pension scheme administered by the Norwich Union Life and Pensions Ltd which is known as the "Nene Park Trust Pension Plan". This plan was frozen on 27 February 1997 and no contributions were made during the year. From that date the Trust has operated a Group Personal Pension Plan.

Contributions made during the year by the employer amounted to £30,984 (1997: £ 29,105).

19 TRANSACTIONS WITH BOARD OF MANAGEMENT MEMBERS

During the year a company in which Mr J R Horrell had an interest held an agricultural tenancy for land at a market rent of £3,800.