

NENE PARK TRUST

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

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

Year ended 31 January 2003



NENE PARK TRUST

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NENE PARK TRUST

SCHEDULE OF INFORMATION

MEMBERS OF THE BOARD OF MANAGEMENT AND THEIR NOMINATING BODIES

Mr D E Bath (Chairman)	Royal Town Planning Institute
Mr R J Arnold	The Law Society
Mr S Bothwell	Peterborough City Council (appointed 25 October 2002)
Dr J Cathie	Department of Land Economy of the University of Cambridge
Canon M Davies	Bishop of Peterborough
English Nature (Mr I Smith)	English Nature (appointed 13 June 2002)
Mrs M Farrell	Peterborough City Council
Mrs S F Grant	Peterborough City Council (resigned 13 June 2002)
Mr T F Hadoke	Royal Institution of Chartered Surveyors
Mr J R Horrell CBE	Lord Lieutenant of Cambridgeshire
Mr L W McGuire	Cambridgeshire County Council
Mr G R Ridgway	Peterborough City Council
Mr I Smith	English Nature (resigned 13 June 2002)

MEMBERS OF SUB-COMMITTEES

Investment Sub-Committee

Mr D E Bath	(Chairman)
Mr R J Arnold	
Dr J Cathie	
Mr M J Bradley	(General Manager)
Mr A Plummer	(Accountant)

Remuneration Sub-Committee

Mr D E Bath	(Chairman)
Mr J R Horrell	
Dr J Cathie	

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:	Lloyds TSB Bank plc Long Causeway Peterborough PE1 1XP
ACCOUNTANTS:	A Plummer Orton Wistow Peterborough PE2 6XL
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 Monkstone House City Road Peterborough PE1 1JE
SURVEYORS:	Carter Jonas 43 Priestgate Peterborough PE1 1AR
LAND AGENT:	J A B Gresty MA MRICS Ryhall Heath Stamford PE9 4EF

NENE PARK TRUST

REPORT OF THE BOARD OF MANAGEMENT YEAR ENDED 31 JANUARY 2003

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.

Nene Park Trust is Trustee for the Charity "Endowment held in Connection with Nene Park", registered charity number 1085421.

Membership of the Board of Management during the year and of each Member's nominating body is set out on page 2. During the year English Nature chose to nominate itself as a body corporate to the Board of Management in order that it should assume the responsibilities and liabilities of a trustee itself rather than have an individual nominated by it carry these obligations.

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.

Statement of the 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 the incoming resources and application of resources, including the net income or expenditure, of the Trust for the year. 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;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

NENE PARK TRUST

REPORT OF THE BOARD OF MANAGEMENT (Contd.) YEAR ENDED 31 JANUARY 2003

Legal and Administration (contd.)

Statement of the 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 which 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 D E Bath (Chairman)	Royal Town Planning Institute
Mr R J Arnold	The Law Society
Mr S Bothwell	Peterborough City Council (appointed 25 October 2002)
Dr J Cathie	Department of Land Economy of the University of Cambridge
Canon M Davies	Bishop of Peterborough
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Mr L W McGuire	Cambridgeshire County Council
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NENE PARK TRUST

REPORT OF THE BOARD OF MANAGEMENT (Contd.) YEAR ENDED 31 JANUARY 2003

Objects and Nature of Activities

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.

Strategic Policy

The Trust was established in 1988 when the intention of its founders was that it should carry out its objects in perpetuity.

To begin to realise these intentions, the Trust adopted policies with a long-term view for the maintenance and development of the 695 hectares of land it owns in Nene Park in the context of the particular financial structure which was put in place by its founders. The funding structure provided no capital sum in respect of the liabilities the Trust took on for future repair, maintenance or replacement in Nene Park. Instead the founders sought as part of the income stream an annualised element in respect of those liabilities over a forty-year period. Since the expenditure in terms of major structures and infrastructure alone – bridges, buildings, roads etc – in the coming decades will be substantial, the accumulation of equally substantial reserves is essential.

The Trust therefore established at an early stage and continues a policy of seeking to make adequate provision for future liabilities through maintaining its contributions to specific reserves and to provide for possible future developments and safeguard its operational requirements. The provision in respect of buildings and infrastructure has been made on the basis of professional advice on the costs likely to arise. During the year the Trust commissioned studies to update the cost base and to include additions and developments which have been made over the last decade.

In parallel the Trust has sought through its Investment Fund to reduce in the longer-term the Trust's over-dependence on income from property - in Nene Park and from the endowment of commercial property held in trust by Peterborough City Council

The investment aim of the fund, a portfolio of equity and fixed interest investment, is to achieve the capital growth needed to maintain the real value of reserves and to provide the basis for the income streams which will be needed in the future. At the end of a third very difficult year for investments the former aim has been achieved and the Trust's long-term performance target for the whole fund of exceeding the All Share index by 1% was again comfortably beaten, though inevitably equity holdings reflected the falls in valuations seen in the markets.

NENE PARK TRUST

REPORT OF THE BOARD OF MANAGEMENT (Contd.)

YEAR ENDED 31 JANUARY 2003

Strategic Policy (Contd.)

The aim of reducing the Trust's dependence on income from property in Peterborough was assisted when the net proceeds of the sale of Bretton Centre, the major part of the property endowment held in trust by Peterborough City Council, were transferred in late January 2001 to a new charity "Endowment held in Connection with Nene Park". It was established to hold the proceeds as permanent endowment to be invested for the benefit of Nene Park Trust with all net income payable to the Trust in place of the net rent income from the properties.

Risks

The greatest risk identified by the Board of Management has been and is the future income of the Trust. Its overwhelming dependence – originally over 80% - on income from property in Peterborough, with little or no prospect of growth but with costs rising at least with inflation and possibly in real terms, raised the prospect of financial difficulties in the future. The policies outlined above of protecting the Trust's reserves and seeking over time to secure a greater income from investments have been framed to mitigate this risk. During the year there was close and frequent liaison with the Manager of the Investment Fund and the investment policy was kept under review.

The switch of a major part of the endowment from property to investments replaced the prospect of flat or falling income with the possibility of real income growth in the future. The reduction in income that results in the short term and possible future scenarios in terms of inflation and returns were considered carefully before concluding that it offered the best prospect for the future, decades hence. Despite the fall in capital values seen in investments during the year, income to the Trust income has been maintained at the level predicted.

Risks to Trust property, personnel and the public are covered by insurance with reputable companies. The levels and nature of the risks to be insured against are reviewed each year. In common with many companies and organisations the Trust faced a substantial increase in premiums arising from the fall in capacity in the liability insurance market. However despite the high exposure of the Trust to public liability claims all insurances were placed with substantial established insurers. A Health and Safety Consultant is retained to advise regularly on the Trust's procedures and practices and to ensure compliance with the wide range of regulations and law to which the Trust is subject due to the diverse nature of its activities in managing Nene Park.

The Trust's Auditors review and advise annually on the Trust's financial systems.

NENE PARK TRUST

REPORT OF THE BOARD OF MANAGEMENT (Contd.)

YEAR ENDED 31 JANUARY 2003

Review of transactions and financial position

The Trust continues to pursue the overall financial strategy of seeking to accumulate in the early years the appropriate level of reserves and supporting investments needed to secure financially the long-term future of the Park.

During the year Net Incoming Resources were £0.724m (£0.632m). Net transfers to funds designated for future maintenance and development of the Park were £0.274m (£0.324m) whilst realised gains on investments were £0.117m (£0.134m loss). However the resultant notional surplus of £0.567m becomes a deficit of £1.512m after charging unrealised losses on investments amounting to £2.079 m (£0. 998m).

Designated funds are 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.

Whilst the results this year reflect a reduction in the valuation of some of the investments held by the Trust, nevertheless the long term performance of the Investment Fund remains well ahead of the target of exceeding the All Share Index by 1%. Overall, in a third difficult year for investments, the results are considered to be acceptable having regard to the Trust's long term objectives.

Summary of Operational Policies

Nene Park offers a multiplicity of leisure activities for a million visitors each year. In those areas which are directly managed and mainly used for informal recreation, a little over a third of the total area of Nene Park, the Trust continued to work to improve the information about Nene Park and to increase the amount and topicality of interpretative information available to visitors in a variety of forms. It continued to seek to upgrade facilities and fixtures when opportunities arose in addition to meeting identified needs.

In fulfilling its particular role in the community the Trust maintained its aims to develop and sustain links with local groups sharing aims and interests with the Trust, and advised and assisted 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.

NENE PARK TRUST

REPORT OF THE BOARD OF MANAGEMENT (Contd.)

YEAR ENDED 31 JANUARY 2003

Summary of Operational Policies (Contd.)

The Trust continued its policy of seeking to conserve the traditional landscape and to enhance it when opportunities arise, and to manage all landscape appropriate to its function and use with regard to creating and maintaining diversity for the interest of visitors and benefit of wildlife.

The Trust also pursued its management of all woodlands according to good forestry and arboricultural practice, aiming to maintain and enhance the amenity use of them.

The Trust is urged in its governing document to seek to develop and extend the Park, and 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 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.

Progress during the year

Use of the Park by general visitors and special interest groups remained high. During the summer term schools were visiting every week day and regularly, if less intensely, at other times of the year. It is a favourite venue for sponsored activities. During the year walks, runs, cycle rides, dog walks and (plastic) duck races were all used by community groups seeking to raise money for charities local and national. Among the visitors during the year were Cambridgeshire Garden Trust, representatives from the Aleth Corporation from Japan and a researcher with the Ethnobotanical Department at Kew Gardens. Their common interest was the growing of willow and the uses to which it could be put.

As part of its programme of events and activities, the Trust mounts a programme of guided walks each year aimed at illuminating seasonal aspects of the countryside and the management of the Park to the general visitor. Over the last few years, mid-week walks had been introduced with some success and were featured as a major part of the programme in 2002. The response took staff aback as numbers increased by 3 or 4 fold, with some walks in effect over subscribed from a practical point of view of keeping groups together and within earshot!

In contrast the workshops mounted to provide opportunities to learn traditional crafts with expert practitioners saw a decline in interest, perhaps having exhausted their appeal to a limited market. But the interest in the demonstrations of crafts has continued, perhaps reflecting the increasingly non-participative and passive style in our culture. There remains, nevertheless, a proportion of people who wish to actively engage in activities and this is reflected in the dozen or so interest and craft groups who based their programmes at the Visitor Centre in Ferry Meadows during the year.

NENE PARK TRUST

REPORT OF THE BOARD OF MANAGEMENT (Contd.) YEAR ENDED 31 JANUARY 2003

Progress during the year (Contd.)

The extension to the Trust's office was fitted out early in the year. It provides office space and access to office services to the Trust's outdoor staff and has enabled Rangers in particular to increase their involvement in developing activities, services and information for visitors and the Trust's management systems.

The outbreak of foot and mouth disease in 2001 continued to influence events in the Park during the year. Eventually the applications made during 2001 by two tenants to enter land into the countryside Stewardship Scheme were approved, though well into the year. Consequently work to be carried out this year was overtaken by the flooding following the heavy rain in the autumn and at the year-end remains to be completed. The influence on livestock farming locally continues to be felt, with a slow build up of herds to former numbers with consequences for the grazing regimes on grassland in the river valley. It may also have contributed to one tenant's decision to dispose of his sheep flock and surrender his tenancy on a parcel land difficult to let separately from his own grassland. At the end of the year a solution was still being sought with him to ensure grazing of the land continues.

The early wet autumn and continuing high river levels affected work on the lower lying land in the Park. It was not possible to complete the pollarding due this year or willow coppice to be cut in cycle by the thatcher who uses the material in his trade. Fortunately some drying did take place elsewhere and this coupled with extended periods of frost enabled other winter work to take place with relatively little disruption.

However it became apparent while working in the woodlands that the amount of damage to trees and to regrowth from grey squirrels, rabbits and Muntjac deer is becoming significant. Without some form of concerted control in the countryside as a whole their activity is likely to adversely affect the management aims for woodland generally.

The year's work in the woodlands was the first under the auspices of the second five-year management programme of the Woodland Grant Scheme approved last year by the Forestry Authority. At the end of the year a request was received from the Authority's research establishment for the Trust to participate in a study of the conversion of even aged woodland to mixed aged using the principles of continuous cover forestry. These principles the Trust had incorporated into its management programme where appropriate since it offers particular benefits where it is desirable to maintain the function or landscape value of woodland as in the Park.

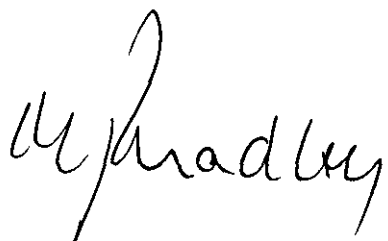
NENE PARK TRUST

REPORT OF THE BOARD OF MANAGEMENT (Contd.) YEAR ENDED 31 JANUARY 2003

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

A handwritten signature in dark ink, appearing to read 'M J Bradley', is written over the printed name.

M J Bradley
Secretary

Approved by the Board on 27 March 2003

NENE PARK TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NENE PARK TRUST

We have audited the financial statements of Nene Park Trust for the year ended 31 January 2003 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board of Management and Auditors

The members of the Board of Management (who are also the directors of Nene Park Trust for the purposes of company law) are responsible for preparing the Report of the Board of Management and the financial statements in accordance with applicable law and United Kingdom Accounting Standards as set out in the Statement of the Board of Management's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Board of Management is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Report of the Board of Management and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

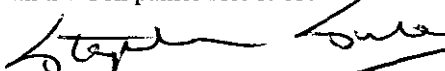
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by 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 as to whether 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 charity's affairs at 31 January 2003 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 Auditors & Chartered Accountants

27 March 2003

NENE PARK TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) Year ended 31 January 2003

	Note	General Fund £'000	Designated Funds £'000	Total 2003 £'000	Total 2002 £'000
Incoming Resources					
Activities in furtherance of the charity's objects:					
Property income		611	-	611	562
Endowed income		235	-	235	229
Income from Endowment held in Connection with Nene Park		179	-	179	227
Trading income		25	-	25	26
Other income		77	-	77	72
Activities for generating funds:					
Investment income		431	-	431	354
Total Incoming Resources	2	1,558		1,558	1,470
Resources Expended					
Charitable expenditure:					
Costs of activities in furtherance of the charity's activities	3	743	-	743	744
Management and administration	4	91	-	91	94
Total Resources Expended		834	-	834	838
Net Incoming Resources before Transfers					
Transfer to designated funds		(274)	274	-	-
Net Incoming Resources for the year	6	450	274	724	632
Other Recognised Gains and Losses					
Realised gains/(losses) on disposals of investments		117	-	117	(134)
Unrealised losses on investments		(2,079)	-	(2,079)	(998)
Net movement in funds		(1,512)	274	(1,238)	(500)
Funds brought forward 1 February 2002		3,752	5,911	9,663	10,163
Funds carried forward 31 January 2003		2,240	6,185	8,425	9,663

The transfer to designated funds in the year to 31 January 2002 was £324,000

All amounts relate to continuing activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year plus realised gains on investments and was £841,000 (2002: £498,000).

The accompanying notes form part of these accounts

NENE PARK TRUST

BALANCE SHEET

As at 31 January 2003

Note	£'000	2003 £'000	£'000	2002 £'000
FIXED ASSETS				
8 Tangible assets		828		837
9 Investments		7,522		8,810
		<u>8,350</u>		<u>9,647</u>
CURRENT ASSETS				
10 Stocks	12		11	
11 Debtors	199		220	
12 Cash at bank and in hand	335		216	
		<u>546</u>	<u>447</u>	
13 CREDITORS : Amounts falling due within one year	(96)		(56)	
		<u></u>	<u></u>	
NET CURRENT ASSETS		450		391
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,800</u>		<u>10,038</u>
14 ACCRUALS AND DEFERRED INCOME		(375)		(375)
NET ASSETS		<u>8,425</u>		<u>9,663</u>
15 FUNDS				
General Fund		2,240		3,752
Designated Funds		6,185		5,911
		<u>8,425</u>		<u>9,663</u>

Signed on behalf of the Board of Management



D E Bath
Director

Approved by the Board on 27 March 2003

The accompanying notes form part of these accounts

NENE PARK TRUST

CASH FLOW STATEMENT **Year ended 31 January 2003**

Note	2003 £'000	2002 £'000
16(a) Net cash inflow/(outflow) from operating activities	38	(123)
16(b) Endowed income and returns on investments	840	803
16(c) Capital expenditure and financial investments	(759)	(675)
16(d) Increase in cash	<u>119</u>	<u>5</u>

NOTES TO THE ACCOUNTS

Year ended 31 January 2003

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice: *Accounting and Reporting by Charities* issued by the Charity Commission in October 2000.

(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) Income from Endowment held in Connection with Nene Park

Income is received from Endowment held in Connection with Nene Park, a registered charity of which Nene Park Trust is the sole beneficiary.

(f) 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.

(g) Endowed Income Maintenance Fund

The fund protects the Trust from significant falls in income which may arise when major works are carried out on those endowment properties held in Trust by Peterborough City Council.

(h) 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.

(i) Vehicle and Plant Replacement Fund

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

(j) Capital Development Fund

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

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 2003

1 ACCOUNTING POLICIES (Contd.)

(k) **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.

(l) **Pension Costs**

The Trust administers a group personal 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 :

	2003 £'000	2002 £'000
Trading income	25	26
Income from property	611	562
Other income	76	72
	<u>712</u>	<u>660</u>

(b) **Interest receivable, investment and endowed income**

Bank interest	7	9
Endowed income	235	229
Income from Endowment held in Connection with Nene Park	179	227
Income from fixed asset investments :		
Dividends	302	238
Interest	122	107
	<u>845</u>	<u>810</u>

(c) **Net profit on disposal of fixed assets**

	1	-
Total Incoming Resources	<u>1,558</u>	<u>1,470</u>

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 2003

	2003 £'000	2002 £'000
3 COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS		
Staff costs	420	399
Professional fees	43	22
Property running costs	48	45
Estate maintenance costs	55	91
Equipment costs	37	42
Goods for resale	13	13
Operating expenses	34	39
Depreciation	93	91
Loss on disposals of tangible fixed assets	-	2
	<u>743</u>	<u>744</u>
4 MANAGEMENT AND ADMINISTRATION		
Staff costs	55	56
Professional fees	25	26
Property running costs	2	2
Equipment costs	1	2
Operating expenses	6	6
Depreciation	2	2
	<u>91</u>	<u>94</u>
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
	<u>25</u>	<u>25</u>
The aggregate payroll costs of these persons were as follows :		
	£'000	£'000
Wages and salaries	388	370
Social Security costs	33	32
Pension costs	37	35
	<u>458</u>	<u>437</u>
Other staff costs	17	18
	<u>475</u>	<u>455</u>

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 2003

5 STAFF NUMBERS AND COSTS (Contd.)

The number of employees whose emoluments for the year exceeded £50,000 are within the following bands :-

	2003	2002
£60,001 to £70,000	1	1
	—	—

Contributions of £5,559 (2002: £5,267) were made to the personal pension of the above employee.

6 NET INCOMING RESOURCES FOR THE FINANCIAL YEAR

	£'000	£'000
This is stated after charging the following :		
Auditors remuneration:		
in their capacity as auditors of Nene Park Trust	8	8
in their capacity as auditors of		
Endowment held in Connection with Nene Park	3	-
Depreciation of tangible fixed assets	95	93
Loss on disposals of tangible fixed assets	-	2
and after crediting the following :		
Property income	611	562
Profit on disposals of tangible fixed assets	1	-
	—	—

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 £328 was reimbursed to one member 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 2003

8	TANGIBLE FIXED ASSETS	Land & Buildings £'000	Plant & Machinery £'000	Motor Vehicles £'000	Office Equipment £'000	Total £'000
	Cost					
	At 1 February 2002	755	559	125	132	1,571
	Additions at cost	14	65	-	12	91
	Disposals	-	(26)	-	-	(26)
	At 31 January 2003	769	598	125	144	1,636
	Depreciation					
	At 1 February 2002	167	387	76	104	734
	Charged in year	19	54	13	9	95
	Eliminated re disposals	-	(21)	-	-	(21)
	At 31 January 2003	186	420	89	113	808
	Net book value					
	At 31 January 2003	583	178	36	31	828
	At 31 January 2002	588	172	49	28	837

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 2003 comprised :

Freehold	335
Long leasehold	248
	<u>583</u>

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

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 2003

9 INVESTMENTS

	Listed Securities £'000	Cash £'000	Total £'000
Market value at 1 February 2002	8,295	515	8,810
Additions	3,241	74	3,315
Disposals	(2,641)	-	(2,641)
Net unrealised investment losses	(2,079)	-	(2,079)
Net realised investment gains	117	-	117
Market value at 31 January 2003	<u>6,933</u>	<u>589</u>	<u>7,522</u>
Historical cost as at 31 January 2003	<u>9,050</u>	<u>589</u>	<u>9,639</u>

All securities are listed on the London Stock Exchange.

Analysis of listed securities at 31 January 2003:

	£'000
UK Government Stocks	1,567
UK Equities	5,366
	<u>6,933</u>

The following individual investments represent 5% or more of the market value of listed securities:

Treasury 7½% Stock 2006	423
Conversion 9% Stock 2011	427
Treasury 7¾% Stock 2012-15	434
	<u> </u>

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 2003

	2003	2002
	£'000	£'000
10 STOCKS		
Goods for resale	12	11
11 DEBTORS		
Trade debtors	14	52
Other debtors	152	148
Prepayments	33	20
	199	220
12 CASH AT BANK AND IN HAND		
Deposit Account	335	216
13 CREDITORS : Amounts falling due within one year		
Payments received in advance	44	29
Trade creditors	1	1
Social Security and other taxes	9	9
Value Added Tax	20	7
Accruals	22	10
	96	56
14 ACCRUALS AND DEFERRED INCOME		
Premiums on long leases	375	375

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 2003

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	DESIGNATED FUNDS				
	FUND						
	£'000	£'000	Endowed Income Maintenance	General Property Maintenance	Vehicle and Plant Replacement	Equipment Valuation	Capital Development
			£'000	£'000	£'000	£'000	£'000
At 1 February 2002	9,663	3,752	529	2,312	992	14	2,064
Net incoming resources and other recognised gains and losses	(1,238)	(1,238)	-	-	-	-	-
Transfers in year to designated funds	-	(338)	38	222	78	-	-
Transfers in year from designated funds	-	64	-	-	(63)	(1)	-
At 31 January 2003	8,425	2,240	567	2,534	1,007	13	2,064

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 2003

	2003 £'000	2002 £'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	724	632
Investment income	(431)	(354)
Endowed income	(235)	(229)
Income from Endowment held in Connection with Nene Park	(179)	(227)
Operating deficit	(121)	(178)
Depreciation	95	93
(Profit)/loss on disposals of tangible fixed assets	(1)	2
Increase in stock	(1)	(1)
Decrease/(increase) in debtors	26	(14)
Increase/(decrease) in creditors	40	(25)
	38	(123)
(b) Endowed income and returns on investments		
Interest received	7	9
Investment income	424	345
Endowed income	230	222
Income from Endowment held in Connection with Nene Park	179	227
	840	803
(c) Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(91)	(236)
Receipts from disposals of tangible fixed assets	6	9
Funds invested	(674)	(448)
	(759)	(675)
(d) Analysis of changes in cash		
Balance at 1 February 2002	216	211
Net cash inflow	119	5
Balance at 31 January 2003	335	216

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 2003

17 CAPITAL COMMITMENTS

There was no capital expenditure authorised and contracted for at the end of the year (2002: Nil).

18 PENSION SCHEME

The Trust administers a Group Personal Pension Plan with Norwich Union Life and Pensions Limited.

The Trust has also designated a stakeholder pension scheme with Norwich Union Life and Pensions Limited.

Contributions made during the year by the employer amounted to £36,587 (2002: £35,495).

19 RELATED PARTY TRANSACTIONS

Nene Park Trust is the corporate trustee of Endowment held in Connection with Nene Park, a charity established by a Scheme dated 26 January 2001 and registered with the Charity Commission, number 1085421. The object of this charity is to advance the charitable purpose of Nene Park Trust.

During the year the Trust received £179,490 (2002: £226,784) from Endowment held in Connection with Nene Park.

20 TRANSACTIONS WITH MEMBERS OF THE BOARD OF MANAGEMENT

During the year a company in which Mr J R Horrell, a member of the Board of Management, had an interest held an agricultural tenancy for land at a market rent of £3,550 per annum.