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NENE PARK TRUST

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

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

Year ended 31 January 2004



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
Dr J Cathie	Department of Land Economy of the University of Cambridge
Canon M Davies	Bishop of Peterborough (resigned 12 June 2003)
	Board of Management (appointed 18 September 2003)
English Nature (Mr I Smith)	English Nature
Mr T F Hadoke	Royal Institution of Chartered Surveyors
Mr J R Horrell CBE	Lord Lieutenant of Cambridgeshire
Mr P R Hutton	Bishop of Peterborough (appointed 12 June 2003)
Mrs M Jones	Peterborough City Council
Mr L W McGuire	Cambridgeshire County Council
Mr G R Ridgway	Peterborough City Council

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	

Bushfield House Sub-Committee

Mr D E Bath	(Chairman)
Mr T F Hadoke	
Mr M J Bradley	(General Manager)
Mr A Plummer	(Accountant)

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 2004

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.

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 is 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, subject to any departures disclosed and explained in the financial statements; 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 2004

Legal and Administration (contd.)

Statement of the Board of Management's Responsibilities (contd.)

The Board of Management is 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 is 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
Dr J Cathie	Department of Land Economy of the University of Cambridge
Canon M Davies	Bishop of Peterborough (resigned 12 June 2003) Board of Management (appointed 18 September 2003)
English Nature (Mr I Smith)	English Nature
Mr T F Hadoke	Royal Institution of Chartered Surveyors
Mr J R Horrell CBE	Lord Lieutenant of Cambridgeshire
Mr P R Hutton	Bishop of Peterborough (appointed 12 June 2003)
Mrs M Jones	Peterborough City Council
Mr L W McGuire	Cambridgeshire County Council
Mr G R Ridgway	Peterborough City Council

NENE PARK TRUST

REPORT OF THE BOARD OF MANAGEMENT (Contd.) YEAR ENDED 31 JANUARY 2004

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. Over a million visits are made each year to Nene Park, more than half of which 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 to provide 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 received the results of studies it had commissioned to update the cost base and to include additions and developments which have been made over the last decade. The provisions have been adjusted in the light of this advice.

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. The year saw a widely welcomed turn around in equity markets and this is reflected in the accounts. The Trust benefited from the work of the fund manager through the bear market of the last three years to position the fund to take advantage of recovery when it took place.

NENE PARK TRUST

REPORT OF THE BOARD OF MANAGEMENT (Contd.)

YEAR ENDED 31 JANUARY 2004

Strategic Policy (Contd.)

The aim of reducing the Trust's dependence on income from property in Peterborough was assisted when in 2001 the net proceeds of the sale of the major part of the property endowment held in trust by Peterborough City Council, were transferred 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 rental income from the properties. Despite the fall in capital values until this year, the income stream transferred to the Trust has matched or exceeded the target initially set.

At the end of the year the Trust was in discussion with Peterborough City Council, as trustee, about the disposal of Bushfield House, a further part of the property endowment, with a view to the net proceeds being transferred to the charity "Endowment held in Connection with Nene Park". The lease on the property has some years to run but on its expiry the property would be extremely difficult to let without extensive refurbishment that would be impossible to fund within the endowment.

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. The effects of the mid-term review of agricultural support payments is of immediate concern but at the year end no final decisions had been made by government and the extent and nature of the changes to the Trust's income over the coming years could not be established.

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.

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 last year arising from the fall in capacity in the liability insurance market. Further increases were experienced this year on renewal. 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.

**REPORT OF THE BOARD OF MANAGEMENT (Contd.)
YEAR ENDED 31 JANUARY 2004**

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 £0.697m (£0.724m). Net transfers to funds designated for future maintenance and development of the Park were £0.236m (£0.274m) whilst realised gains on investments were £0.293m (£0.117m). The resultant notional surplus of £0.990m (£0.841m) becomes a surplus of £2.725m (loss £1.238m) after crediting unrealised gains on investments amounting to £1.735m (£2.079m loss).

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.

For yet another year overall results are significantly affected by changes in the valuation of some of the investments held by the Trust. However a measure of the underlying result is the position after deducting transfers to designated funds from Net Incoming Resources which gives a residual surplus of £0.461m (£0.450m). Overall, 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, 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.

REPORT OF THE BOARD OF MANAGEMENT (Contd.) YEAR ENDED 31 JANUARY 2004

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 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

Highlight of the year was the event held to celebrate the twenty-fifth anniversary of Ferry Meadows Country Park opening to the public. The Trust chose to put on an event for and with the people who use the Country Park regularly. So on Sunday 17 August the Trust, over twenty of the clubs, groups and societies and all the regular concessionaires combined to put on a day to appeal to all the family: kite flying, thatching, yoga, bird ringing, badger watching, mediaeval music and mini beast safaris to name but few activities. Blessed with perfect weather and very large numbers of visitors, activities were taking place from before first light to after dusk to the great pleasure of visitors of all ages and the immense satisfaction of the Trust's staff and others involved in staging the day.

Visitors also took great pleasure from watching a sculpture by Jason Thompson take shape from a standing tree. The Trust commissioned the work when a substantial elm at the entrance to Ferry Meadow finally succumbed to Dutch Elm disease. The piece illustrates the long history of human habitation and use of the area and the wildlife that has existed alongside throughout the millennia.

The past figured in other initiatives in the Park during the year. The Trust was pleased to support an English Heritage attempt to obtain a better understanding of a known Roman villa site in the west of the park. A combination of field walking and soil resistivity testing suggested a more substantial complex than indicated by the records. A surface survey of another site at the east end of the Park produced useful evidence relating to the abandoned Botolph Village extending the understanding obtained from past sample excavations. In Bluebell Wood the Trust completed the restoration of a 17th Century decorative mount and cleared the remains of an 18th Century boathouse. Together with the sheepwash there, they will contribute to the heritage interpretation of the Wood and the Park.

NENE PARK TRUST

REPORT OF THE BOARD OF MANAGEMENT (Contd.) YEAR ENDED 31 JANUARY 2004

Progress during the year (Contd.)

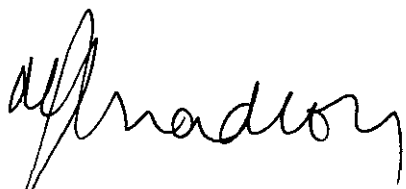
The largely dry and often hot weather during the summer encouraged both general visitors and groups to the Park and may be credited for the high participation rates for walks, events and demonstrations. There were inevitably some casualties of the weather; Peterborough City Rowing Club had to cancel a regatta at Thorpe Meadows due to excessive weed growth and pond dipping was suspended as ponds shrank and their inhabitants became more vulnerable. Some trees showed clear signs of stress but it is likely to be next spring before any lasting damage is apparent.

On the basis that all good things come to an end and so fearing another early wet autumn as last year, management work on the lower ground was undertaken as early as possible. As a result it was possible to retrieve the situation caused by last autumn's wet weather and enter the winter with most work remaining being adjacent to hard access. The major tasks to be undertaken this winter were in Bluebell Wood. In one compartment understory was cut in preparation for thinning next year to encourage natural regeneration and a more diversified age structure. In another compartment extensive preparation for replanting was well under way at the end of the year. Trees in this compartment had been predominantly elm prior to disease requiring their clearance in the 1970's. Subsequent replanting had been sparse and natural regeneration poor. Subject to rabbits, deer and human activity it is hoped that a better result will be obtained this time!

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 25 March 2004

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 2004 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 2004 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

25 March 2004


Stephenson Smart & Co.
Registered Auditors & Chartered Accountants

NENE PARK TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) Year ended 31 January 2004

	Note	General Fund £'000	Designated Funds £'000	Total 2004 £'000	Total 2003 £'000
Incoming Resources					
Activities in furtherance of the charity's objects:					
Property income		618	-	618	611
Endowed income		233	-	233	235
Income from Endowment held in Connection with Nene Park		174	-	174	179
Trading income		27	-	27	25
Other income		84	-	84	77
Activities for generating funds:					
Investment income		484	-	484	431
Total Incoming Resources	2	1,620		1,620	1,558
Resources Expended					
Charitable expenditure:					
Costs of activities in furtherance of the charity's activities	3	828	-	828	743
Management and administration	4	95	-	95	91
Total Resources Expended		923		923	834
Net Incoming Resources before Transfers					
Transfer to designated funds		(236)	236	-	-
Net Incoming Resources for the year	6	461	236	697	724
Other Recognised Gains and Losses					
Realised gains on disposals of investments		293	-	293	117
Unrealised gains/(losses) on investments		1,735	-	1,735	(2,079)
Net movement in funds		2,489	236	2,725	(1,238)
Funds brought forward 1 February 2003		2,240	6,185	8,425	9,663
Funds carried forward 31 January 2004		4,729	6,421	11,150	8,425

The transfer to designated funds in the year to 31 January 2003 was £274,000

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 £990,000 (2003: £841,000).

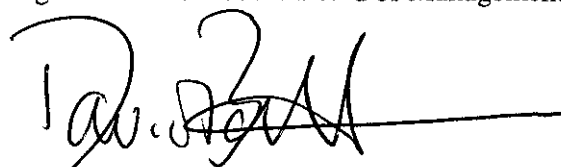
The accompanying notes form part of these accounts

NENE PARK TRUST

BALANCE SHEET As at 31 January 2004

Note	£'000	2004 £'000	£'000	2003 £'000
FIXED ASSETS				
8 Tangible assets		863		828
9 Investments		10,030		7,522
		<u>10,893</u>		<u>8,350</u>
CURRENT ASSETS				
10 Stocks	16		12	
11 Debtors	424		199	
12 Cash at bank and in hand	257		335	
	<u>697</u>		<u>546</u>	
13 CREDITORS : Amounts falling due within one year	(65)		(96)	
	<u></u>		<u></u>	
NET CURRENT ASSETS		632		450
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,525</u>		<u>8,800</u>
14 ACCRUALS AND DEFERRED INCOME		(375)		(375)
NET ASSETS		<u>11,150</u>		<u>8,425</u>
15 FUNDS				
General Fund		4,729		2,240
Designated Funds		6,421		6,185
		<u>11,150</u>		<u>8,425</u>

Signed on behalf of the Board of Management



D.E Bath
Director

Approved by the Board on 25 March 2004

The accompanying notes form part of these accounts

NENE PARK TRUST

CASH FLOW STATEMENT

Year ended 31 January 2004

Note	2004 £'000	2003 £'000
16(a) Net cash (outflow)/inflow from operating activities	(180)	38
16(b) Endowed income and returns on investments	713	840
16(c) Capital expenditure and financial investments	(611)	(759)
16(d) (Decrease)/increase in cash	<u>(78)</u>	<u>119</u>

NENE PARK TRUST

NOTES TO THE ACCOUNTS

Year ended 31 January 2004

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 2004

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 :

	2004 £'000	2003 £'000
Trading income	27	25
Income from property	618	611
Other income	77	76
	722	712
(b) Interest receivable, investment and endowed income		
Bank interest	6	7
Endowed income	233	235
Income from Endowment held in Connection with Nene Park	174	179
Income from fixed asset investments :		
Dividends	395	302
Interest	83	122
	891	845
(c) Net profit on disposal of fixed assets	7	1
Total Incoming Resources	1,620	1,558

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 2004

	2004 £'000	2003 £'000
3 COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS		
Staff costs	451	420
Professional fees	55	43
Property running costs	60	48
Estate maintenance costs	80	55
Equipment costs	37	37
Goods for resale	13	13
Operating expenses	31	34
Depreciation	101	93
	828	743
4 MANAGEMENT AND ADMINISTRATION		
Staff costs	59	55
Professional fees	25	25
Property running costs	2	2
Equipment costs	-	1
Operating expenses	7	6
Depreciation	2	2
	95	91
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	23	22
Management and administration of the charity	3	3
	26	25
The aggregate payroll costs of these persons were as follows :		
	£'000	£'000
Wages and salaries	416	388
Social Security costs	38	33
Pension costs	40	37
	494	458
Other staff costs	16	17
	510	475

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.) **Year ended 31 January 2004**

5 STAFF NUMBERS AND COSTS (Contd.)

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

	2004	2003
£60,001 to £70,000	1	1

Contributions of £5,695 (2003: £5,559) 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	9	8
in their capacity as auditors of		
Endowment held in Connection with Nene Park	1	3
Depreciation of tangible fixed assets	103	95
and after crediting the following :		
Property income	618	611
Profit on disposals of tangible fixed assets	7	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 £340 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 2004

8 TANGIBLE FIXED ASSETS					
Cost	Land & Buildings £'000	Plant & Machinery £'000	Motor Vehicles £'000	Office Equipment £'000	Total £'000
At 1 February 2003	769	598	125	144	1,636
Additions at cost	-	115	27	1	143
Disposals	-	(37)	(19)	-	(56)
At 31 January 2004	769	676	133	145	1,723
Depreciation					
At 1 February 2003	186	420	89	113	808
Charged in year	18	66	10	9	103
Eliminated re disposals	-	(35)	(16)	-	(51)
At 31 January 2004	204	451	83	122	860
Net book value					
At 31 January 2004	565	225	50	23	863
At 31 January 2003	583	178	36	31	828

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 2004 comprised :

Freehold	325
Long leasehold	240
	<u>565</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 2004**

9 INVESTMENTS

	Listed Securities £'000	Cash £'000	Total £'000
Market value at 1 February 2003	6,933	589	7,522
Additions	2,381	-	2,381
Disposals	(1,788)	(113)	(1,901)
Net unrealised investment gains	1,735	-	1,735
Net realised investment gains	293	-	293
Market value at 31 January 2004	9,554	476	10,030
Historical cost as at 31 January 2004	9,709	476	10,185

All securities are listed on the London Stock Exchange.

Analysis of listed securities at 31 January 2004:

	£'000
UK Government Stocks	1,084
UK Equities	8,470
	9,554

No individual investments represent 5% or more of the market value of listed securities.

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 2004

	2004	2003
	£'000	£'000
10 STOCKS		
Goods for resale	16	12
11 DEBTORS		
Trade debtors	64	14
Other debtors	329	152
Prepayments	31	33
	424	199
12 CASH AT BANK AND IN HAND		
Deposit Account	257	335
13 CREDITORS : Amounts falling due within one year		
Payments received in advance	32	44
Trade creditors	1	1
Social Security and other taxes	10	9
Value Added Tax	14	20
Accruals	8	22
	65	96
14 ACCRUALS AND DEFERRED INCOME		
Premiums on long leases	375	375

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 2004

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 2003	8,425	2,240	567	2,534	1,007	13	2,064
Net incoming resources and other recognised gains and losses	2,725	2,725	-	-	-	-	-
Transfers in year to designated funds	-	(360)	43	229	88	-	-
Transfers in year from designated funds	-	124	-	-	(123)	(1)	-
At 31 January 2004	11,150	4,729	610	2,763	972	12	2,064

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 2004

	2004 £'000	2003 £'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	697	724
Investment income	(484)	(431)
Endowed income	(233)	(235)
Income from Endowment held in Connection with Nene Park	(174)	(179)
Operating deficit	(194)	(121)
Depreciation	103	95
Profit on disposals of tangible fixed assets	(7)	(1)
Increase in stock	(4)	(1)
(Increase)/decrease in debtors	(47)	26
(Decrease)/increase in creditors	(31)	40
	(180)	38
(b) Endowed income and returns on investments		
Interest received	6	7
Investment income	478	424
Endowed income	55	230
Income from Endowment held in Connection with Nene Park	174	179
	713	840
(c) Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(143)	(91)
Receipts from disposals of tangible fixed assets	12	6
Funds invested	(480)	(674)
	(611)	(759)
(d) Analysis of changes in cash		
Balance at 1 February 2003	335	216
Net cash (outflow)/inflow	(78)	119
Balance at 31 January 2004	257	335

NENE PARK TRUST

NOTES TO THE ACCOUNTS (Contd.)

Year ended 31 January 2004

17 CAPITAL COMMITMENTS

There was no capital expenditure authorised and contracted for at the end of the year (2003: 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 £40,104 (2003: £36,587).

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 £173,628 (2003: £179,490) 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.