

NENE PARK TRUST

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 January 2014

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NENE PARK TRUST

CONTENTS	Page
Corporate Information	1 - 2
Report of the Board of Trustees	3 - 14
Report of the Auditors	15 - 16
Consolidated Statement of Financial Activities	17
Consolidated and Charity Balance Sheets	18
Consolidated Cash Flow Statement	19
Notes to the Accounts	20 - 30

NENE PARK TRUST

CORPORATE INFORMATION

MEMBERS OF THE BOARD OF TRUSTEES AND THEIR NOMINATING BODIES

NAME	NOMINATING BODY
Mr J C Marsden (Chairman from 13 June 2013)	Peterborough City Council
Dr C Prosser (Deputy Chairman from 13 June 2013)	Natural England
Mr T M D Bingham	Board of Trustees
Mr G A Elsey	Peterborough City Council
Mr T F Hadoke	Royal Institution of Chartered Surveyors
Prof I D Hodge	Department of Land Economy of the University of Cambridge
Mr P R Hutton OBE (Chairman to 13 June 2013)	Bishop of Peterborough
Mr S P Leatham DL	Lord Lieutenant of Cambridgeshire
Mr A R Morris	Cambridgeshire County Council
Mrs E Mugova (appointed 7 October 2013)	Royal Town Planning Institute
Mr N V North	Peterborough City Council
Mr M Williams	The Law Society

The following nominating bodies are members of the charitable company:

Peterborough City Council

Cambridgeshire County Council

Natural England

Department of Land Economy of the University of Cambridge

MEMBERS OF COMMITTEES

Finance Committee (incorporating the Investment, Capital and Establishment Committees from 19 November 2013)

Dr C Prosser	(Chairman)
Mr T M D Bingham	
Mr S P Leatham DL	
Mr J C Marsden	
Mr A R Morris	
Mr T F Hadoke	Member of Establishment Committee only

CHARITY REGISTRATION NUMBER 800067

COMPANY REGISTRATION NUMBER 2288607

NENE PARK TRUST

CORPORATE INFORMATION (Contd.)

CHIEF EXECUTIVE:

Mr J H McCulloch

COMPANY SECRETARY:

Mr J H McCulloch (Resigned 17 September 2013)

Mr P H Rolfe (Appointed 17 September 2013)

PRINCIPAL AND REGISTERED OFFICE:

Nene Park Trust
Ham Farm House
Ham Lane
Peterborough
PE2 5UU

BANKERS:

Lloyds Bank plc
65 High Street
Stamford
PE9 2AT

AUDITORS:

Stephenson Smart & Co
Chartered Accountants
36 Tyndall Court
Commerce Road
Lynchwood
Peterborough
PE2 6LR

INVESTMENT MANAGERS:

Charles Stanley & Co Ltd
25 Luke Street
London
EC2A 4AR

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

SOLICITORS:

Greenwoods Solicitors LLP
Monkstone House
City Road
Peterborough
PE1 1JE

COMMERCIAL AGENTS:

Smiths Gore
Stuart House
City Road
Peterborough
PE1 1QF

LAND AGENT:

J A B Gresty MA MRICS
Ryhall Heath
Stamford
PE9 4EF

REPORT OF THE BOARD OF TRUSTEES YEAR ENDED 31 JANUARY 2014

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 was originally conceived as an integral element of the Peterborough Development Corporation Masterplan for the expansion of the City of Peterborough, and was consequently created in the late 1970's to provide an accessible network of open space and waterways, and a gateway to the open countryside for the people of Peterborough.

As the work of the Peterborough Development Corporation wound down in the mid 1980's, there was a need to ensure that the Park would be managed, on a long term basis, by a secure and financially stable organisation solely dedicated to this task.

A solution was developed through the creation, in 1988, of Nene Park Trust. Along with a 999 year lease on the Park, the Trust was endowed with commercial properties and other assets to enable the Trust to generate the income required to manage Nene Park.

The 1725 acre Nene Park contains a wide variety of landscapes, buildings, infrastructure and visitor facilities. The Trust directly manages and maintains a 500 acre country park at Ferry Meadows as well as smaller open space areas at Thorpe Meadows and Orton Mere and Woodston Reach. Nene Park also contains a number of visitor facilities and commercial properties that are managed by tenants and licensees.

The Trust fulfils its objects through adopting and delivering high standards of landscape management and visitor enjoyment in the Park, ensuring continuous improvement, and by remaining an independent and sustainable organisation.

The Board of Trustees consider that all of the work undertaken by the Trust is for the benefit of the public. In 2013, it is estimated that over 1.4 million visits were made to Nene Park, of which just under 1 million were to Ferry Meadows Country Park.

Structure

Nene Park Trust is a company limited by guarantee registered in England under number 2288607, incorporated under the Companies Act 1985 and governed by a Memorandum and Articles of Association as prescribed by the Act. The Trust is a registered charity, number 800067.

Nene Park Trust is the Corporate Trustee of the unincorporated Charity "Endowment held in Connection with Nene Park", registered charity number 1085421, which is governed by a Charity Commission Scheme dated 26 January 2001. The unincorporated Charity was established to accept the transfer of the property of Nene Park Endowment Properties (3963975) to the Corporate Trustee to be managed as a separate charity. Its activity is the investment of that property, held as permanent endowment, to produce income to be used by the beneficiary, Nene Park Trust, in the operation of Nene Park.

REPORT OF THE BOARD OF TRUSTEES (Contd.) YEAR ENDED 31 JANUARY 2014

The unincorporated charity (no 1085421) is treated as forming part of the incorporated charity (no 800067) for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011 following the issue of a Uniting Direction for accountancy and legal purposes, which was issued on 12 November 2013. The Trustees prepare a single set of financial statements for the whole entity, within which the individual parts are reported separately.

The accounting year end of the unincorporated charity has been brought into line with the accounting year end of the incorporated charity. The unincorporated charity's previous accounting year end date was 31 December. As a result, these financial statements include 13 months of income and expenditure relating to the unincorporated charity through to 31 January 2014.

Statement of Trustees Responsibilities

The Trustees (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 Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board of Trustees 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 incoming resources and application of resources, including the income and expenditure, of the Trust for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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.

The Board of Trustees is responsible for keeping adequate 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 2006. The Board of Trustees 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.

The Board of Trustees is responsible for the maintenance and integrity of the corporate and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

NENE PARK TRUST

REPORT OF THE BOARD OF TRUSTEES (Contd.) YEAR ENDED 31 JANUARY 2014

In so far as the members of the Board of Trustees are aware:

- there is no relevant audit information of which the Trust's auditors are unaware; and
- the members of the Board of Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Governance

The work of the Trust is overseen by a Board of Trustees. Members are nominated by a range of national and local institutions and individuals and appointed by the Board of Trustees. A list of the Members of the Board of Trustees and their nominating bodies at the date of this report and those who served during the year to 31 January 2014 is on page 1.

The role of the Board is as follows:

- developing and agreeing the Trust's vision, values and strategic plan;
- approving the allocation of resources to achieve the objectives set out in the strategic plan;
- agreeing or ratifying policies and decisions on matters that might create significant risk to the Trust;
- setting and maintaining a framework of delegation, performance monitoring and internal controls;
- approving the appointment, employment and remuneration of the organisation's Chief Executive;
- ensuring compliance with the Trust's objects, purposes and values;
- ensuring that the Trust complies with all relevant laws and regulatory requirements.

The Chairman is elected from within the Board. On joining the Board, new Board Members receive a comprehensive induction on the Trust and Nene Park. This is complemented by an ongoing programme of briefing events and site visits for Board Members, and periodic reviews of the various aspects of the Trust's operation of Nene Park as part of an ongoing cycle of reviews of the Trust's strategic priorities. Regular reports are made to the Board on the Trust's financial progress in relation to agreed budgets, its investments, property matters and operational matters on which it needs to be briefed.

REPORT OF THE BOARD OF TRUSTEES (Contd.) YEAR ENDED 31 JANUARY 2014

The main Board meets quarterly, with sub-committees delegated to oversee various aspects of the Charity's work to ensure effective governance and report back to the Board on a regular basis. During the year the sub-committee structure was changed. The Investment Committee, Capital Committee and Establishment Committee were merged into a new Finance Committee, which meets quarterly. The Terms of Reference of the Finance Committee encompass the remit of the former committees and the new structure has the benefit of enabling a more holistic approach to be adopted in the financial governance of the charity. The role of the new Finance Committee is to be reviewed by the Board later in the year.

Management

The Chief Executive is responsible to the Board for the management of the Trust and the conduct of the Trust's business in accordance with policies and budgets set by the Board of Trustees. He is responsible for the day to day operation of the Trust within this framework and is authorised to act on behalf of the Trust on all matters other than those which by law are required to be decided by the Board of Trustees. The Chief Executive is supported by a senior management team, consisting of a Landscape Manager, Visitor Services Manager and Finance Director who also acts as Company Secretary. The Trust also engages a number of professional advisers to assist in its work.

Trust Strategy

In 2010, the Trust adopted a new ten year strategy entitled '*2020: a Ten Year Vision and Strategic Plan*'. This sets out a broad policy and project framework for the Trust, and a new ten year vision, which is that:

'Nene Park will be an even more exciting, special and welcoming place in Peterborough for visitors and wildlife in a wonderful natural environment'.

It also contains clear visions for the four main areas of the Trust's work:

- **Landscape:** Nene Park will be managed and protected as a clean, safe, sustainable and attractive natural environment that retains its river valley character and celebrates its heritage, archaeology and biodiversity.
- **Community:** Nene Park will be a beautiful, accessible and enjoyable place that provides exciting opportunities for healthy relaxation and learning for the community.
- **Recreation:** Nene Park will be a place that people regularly choose to visit for the beauty of its natural landscape, the quality of its facilities and its exciting range of activities.
- **Promotion:** Nene Park will be known throughout Peterborough and beyond as a great park and visitor destination, and for providing information that is high quality, innovative and accessible.

Finally, the plan summarises the aspirations of the Trust in its overall work for the next ten years by stating that '*Nene Park Trust will be respected for providing an excellent Park, and as an organisation that is involved and engaged in wider agendas throughout Peterborough, and viewed nationally as an exemplar of the park trust model*'. The Trust's progress against the 2020 strategy during the year is summarised on pages 10 to 12 below.

REPORT OF THE BOARD OF TRUSTEES (Contd.) YEAR ENDED 31 JANUARY 2014

Trust Financial Model

When the Trust was established in 1988, the intention of its founders was that it should carry out its objects in perpetuity. The Trust therefore adopted a strategy with a long-term view for the maintenance and development of Nene Park. 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, but instead sought to provide an annualised income in respect of those liabilities over a forty-year period as part of the income stream from properties in the Park and from an endowment of commercial property in the city placed in trust with Peterborough City Council.

In the early years of the Trust, it was possible to re-invest surpluses generated from operating activities into the Trust's investment portfolio in order to build up a level of investment to sustain the Trust over the long term. The expenditure in managing and maintaining the infrastructure within Nene Park over the coming decades will be substantial, and to meet it equally substantial sums need to be accumulated.

In more recent years, visitor numbers have increased and the recreational opportunities provided by the Trust for visitors to the Park have grown. The costs of renewing the park's landscape and infrastructure have also risen, and so the Trust is now spending year on year all that it is earning. The ability of the Trust to build up reserves has therefore been made more difficult.

The Trust is looking at new ways to generate income to fund its ongoing work, in addition to its core funding through the investment portfolio. A long term financial strategy is to be developed over the coming year to develop a new financial model to ensure the financial sustainability of the charity over the years ahead.

Risk Management

The Trust's Risk Management Strategy incorporates a risk register which identifies the major risks to which the Trust is exposed. The risks are prioritised in terms of potential impact and likelihood of occurrence and steps to mitigate the risks are identified, including action points to take forward. The risk register is kept under regular review by the Trust's Senior Management Team and tabled annually for consideration by the Finance Committee and full Board of Trustees.

The greatest risk remains the future income of the Trust. The Trust aims to mitigate this risk by protecting the level of its reserves, seeking over time to secure a greater income from investments and to generate more income through a range of commercial tenancies. The performance and income of Trust commercial and agricultural tenants continues to require careful monitoring and support to reduce risks associated with the failure of any operations, and the resultant loss of rental income and elements of the Nene Park visitor experience.

A Health and Safety Consultant is retained to advise the Trust on the procedures and practices required to achieve compliance with the wide range of legislation to which the Trust is subject due to the diverse nature of its activities in managing Nene Park.

Risks to Trust property, personnel and the public are covered by insurance. The levels and nature of the risks to be insured against are reviewed by the Trust each year and periodically by external professional advisers.

REPORT OF THE BOARD OF TRUSTEES (Contd.) YEAR ENDED 31 JANUARY 2014

The Trust's Auditors review and advise annually on the Trust's financial systems. The Auditors' annual management letter raised no items of concern.

Reserves

Following a period of significant expenditure on the Park's infrastructure and the recent reduction in income from the Trust's largest tenant, the Trustees are aware of the need to generate additional funds over the coming years in order to bring the charity back to a financial break even position. In the short term this is likely to result in a reduction in the level of unrestricted funds in the balance sheet.

The longer term aim remains to build up the level of unrestricted funds to help generate the additional income needed to fund the increasing investment in the Park's infrastructure and visitor amenities. The costs of maintaining and improving the Park's infrastructure are likely to rise, in part due to the continued growth in the city's population and consequent increase in visitor numbers. In addition to the ongoing capital programme of improvements, unexpected repairs frequently become necessary and are often urgent and costly.

The Trust has a policy of seeking to make adequate provision for future liabilities through maintaining its contributions to specific reserves. It also seeks to provide for possible future developments and to safeguard its operational requirements. Designated funds are reviewed regularly having regard to the expected useful life of individual assets to ensure adequate provision for future acquisitions, repair, maintenance and replacement of land and property, vehicles and plant. The value of all designated funds was fully covered by the Trust's investment holdings at the year-end.

Investment management

As permitted by the charity's Memorandum of Association, the Trustees have given the investment managers discretion to manage the investment portfolios within an agreed risk profile. The investment managers submit quarterly progress reports which are scrutinised by the Finance Committee. Performance of the investments is also reviewed half-yearly with the Investment Managers with close and regular contact in the interim, allowing the Board to be fully informed of the Fund Managers' thinking and actions.

The Trust currently has no policy for restricting investments on ethical grounds.

The investment aim of the General Investment Fund, a portfolio of equity and fixed interest investment, is to achieve in the longer term 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 aims, in order, for the Trust's investments are 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;

REPORT OF THE BOARD OF TRUSTEES (Contd.)

YEAR ENDED 31 JANUARY 2014

- 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 to extend Nene Park and the development of facilities and services in it.

During the year ended 31 January 2014, the General Investment Fund achieved a total return of 8.29%, which exceeded the benchmark total return of 7.22%.

The Endowment Investment Fund is a permanent endowment which aims to maintain over the longer term a stable income stream in real terms and have the potential for growth. The Endowment Investment Fund aims to:

- achieve real growth in the annual income;
- obtain the capital growth necessary to maintain the real value of the endowed sum and to support the real growth in income.

Income is paid over to the Nene Park Trust as it arises with the Investment Management fees being deducted from the value of the permanent endowment. The Endowment Investment Fund achieved a total return of 13.5% over the 13 months to 31 January 2014, as compared to the benchmark total return of 13.7%.

Financial Review

This is the first year that the results of the Endowed charity have been consolidated with those of the incorporated charity, Nene Park Trust.

From a financial point of view it has been a challenging year for the Trust, with an operating deficit of £591,000 on unrestricted funds, caused largely by a 20% drop in income.

Group income was £1,438,000, which is down £357,000 on 2012/13. However, £171,000 of the reduction was as a result of an over-provision in the previous year for income due from the Trust's golf tenant. Whilst income from the Trust's other commercial and rural tenants continues to grow steadily, it has been a particularly challenging period for golf income, which continues to be well down on the highs achieved two years ago. Income from investments, which accounts for two thirds of the Trust's total income, was also down as a result of the disposal of £3.3 million of investments in 2012, the proceeds of which have been used to fund the development of the new watersports centre.

Income from car parking rose to a record level of £88,000, whilst the newly refurbished visitor centre achieved a 39% increase in sales over the previous year.

Total expenditure rose by just under 5% to £2,071,000. Operating expenditure was contained within budget, although there has been a large increase in the depreciation charge for the year, partly as a result of a change in depreciation rates and partly due to the additional depreciation now applying to the capital additions made over the past 2 years. Total depreciation rose by over £100,000 to £325,000 in 2013/14, which is nearly double the charge of two years ago.

On the other hand, the realised and unrealised gains of over £1.8 million achieved on the Trust's investment portfolio more than offset the operating deficit for the year, resulting in a positive Net Movement in Funds of nearly £1.2 million.

NENE PARK TRUST

REPORT OF THE BOARD OF TRUSTEES (Contd.) YEAR ENDED 31 JANUARY 2014

Progress during the year

In 2012/13, we said we would prioritise the following areas during 2013/14:

Landscape

- Develop a new Management Plan for Thorpe Meadows, Orton Mere and Woodston Reach
This was adopted by our Board of Trustees in June 2013, and sets out a clear action plan for improvement of these sites from 2013 – 2018.
- Commence delivery of the Ferry Meadows Five Year Plan.
Over the year, a number of projects were completed including installing new steps and viewing platforms within Bluebell Wood, tern islands, and a sand martin bank

We also:

- Established three Higher Level Stewardship Schemes to improve conservation and biodiversity in Ferry Meadows and our rural estate.
- Established service level agreements with the Environmental Record Centre, Wildlife Trust, Froglife and Buglife for wildlife recording and advice across Nene Park.
- Carried out a major survey and improvement plan for the extensive footpath network within Nene Park.
- Commissioned an important study into the hydrology of Ferry Meadows to inform future improvement works.

Community

- Install a wildfowl feeding area at Overton Lake, Ferry Meadows.
This was installed in spring 2013, and publicised through a new leaflet, sculpture and visitor engagement through our Visitor Centre. Further interpretation work is planned for 2014.
- Carry out improvements to the Ferry Meadows Visitor Centre.
This was completed by spring 2013, and included an accessible door and service counter and a new screen to monitor wildlife feeding stations throughout Ferry Meadows. Further work to improve visitor information and interpretation in the Centre is scheduled for 2014.
- Carry out a range of improvements to improve visitor capacity, lighting, building appearance and entrance areas in Ferry Meadows.
A major project to improve the surfacing and shading of visitor seating areas around the Visitor Centre and café was completed in April 2013, together with the installation of new drinking water points.

REPORT OF THE BOARD OF TRUSTEES (Contd.) YEAR ENDED 31 JANUARY 2014

We also:

- Launched a new web based system for visitor feedback that will now provide regular and ongoing data on how Nene Park is being used, to complement existing data sources on visitor volume.
- Continued to work proactively with the Nene Park Access Forum to improve accessibility in the park.
- Increased the annual visitor numbers to Nene Park to a total of 1,470,092 for 2013, and continued to increase the number accessing the park on foot or by cycle.
- Were supported with 2,901 hours of volunteer time: a significant increase from 2012.

Recreation

- Carry out a major refurbishment of the Ferry Meadows Watersports Centre and Café.
Construction work for this major £2.5m project started in April 2013 and will be completed in February 2014, followed by reopening of the Lakeside Centre in April 2014. During the year, new operators for the café, watersports centre and cycle hire were also secured.
- Complete phase one of a new play trail at Ferry Meadows.
A temporary 'pop up play' facility was installed in summer 2013 and well received by park visitors. Planning and design of the first major phase of the permanent play trail, which will open in April 2014, was also undertaken.
- Apply for accreditation under the Visitor Attraction Quality Assurance Scheme for Ferry Meadows.
Accreditation was achieved in December 2013, with the rating of 'very good'.

We also:

- Expanded overflow car parking provision at Ferry Meadows and installed new footpath links to the Watersports Centre in preparation for the expected increase in visitor numbers on reopening of the centre.
- Introduced the popular *Captains Folly* boat service into Ferry Meadows.

Promotion

- Complete the programme to improve and replace all signs, information boards and seating areas throughout Nene Park.
Work continued throughout the year on this ongoing and long term project, with the installation of 18 new benches and 52 new park information signs.

NENE PARK TRUST

REPORT OF THE BOARD OF TRUSTEES (Contd.) YEAR ENDED 31 JANUARY 2014

We also:

- Made on-going improvements to our web site, including the launch of a YouTube channel featuring our new *Parklife Vision* films.
- Launched a new visitor leaflet for Ferry Meadows.
- Developed an interpretation strategy for Nene Park.
- Achieved a 34% increase in visitor numbers to the Trust's Visitor Centre at Ferry Meadows.
- Increased the visits to our web site by 21%.
- Improved and expanded our events programme to include new programmes such as *Get Moving*, *Bark in the Park*, and our first ever Christmas Fair.

The Trust

- Celebrate and promote the Trust's 25th year through a range of special events and projects.
We achieved this through an improved events programme throughout the year, a commemorative film, an outdoor photography exhibition in Ferry Meadows, a celebratory event for Trust stakeholders and improved press coverage.
- Develop a new Trust performance management framework.
Our performance management framework is still being developed and a new framework will be launched during 2014. During the year we continued to track our progress in key areas such as visitor numbers, satisfaction ratings, education sessions and events feedback.
- Undergo assessment in the Investors in People Silver award for the management and development of Trust staff.
We achieved Investors in People Silver status in December 2013, which put Nene Park Trust in the top 3% of IIP organisations within the UK.
- Work with other parks organisations to promote the park trust model as part a national response to concerns about park financing.
We achieved this through supporting the UK parks in crisis and parks alliance initiatives, through being a lead partner in a review of the International Parks Federation and through presentations at UK and international parks conferences.

We also:

- Recruited a new Finance Director and completed an efficiency review of the Trust's financial systems and processes.
- Secured a new tenant for the Ferry Meadows café.
- Delivered a number of projects to improve sustainability, including new solar panels in visitor buildings.

NENE PARK TRUST

REPORT OF THE BOARD OF TRUSTEES (Contd.) YEAR ENDED 31 JANUARY 2014

Key priorities for 2014/15

The key priorities planned for 2014/15 are:

Landscape

- Research and consultation to inform the Rural Estate Plan in 2015.
- Production and adoption of Nene Park Landscape Principles and Design Guidelines
- To commence delivery of the Woodland Management Plan, a proactive planned approach.
- Extensive improvements to the 'welcome area' at Ferry Meadows through work to the car park and access, visitor entrance and gardens.

Recreation

- Reopening and launching the new Lakeside watersports, activity centre and café in Ferry Meadows.
- Continuing the play trail project through the opening of the new Otter playground and the design and planning of the replacement for 'Overton' play area in Ferry Meadows in readiness for implementation in early 2015.

Community

- Continuing the programme of improvements recommended in the Nene Park access audit.
- Continuing to develop our volunteer programme to include a new Volunteer Ranger team.

Promotion

- Continuing the programme to improve park information, introducing further new signs, maps and information boards throughout Nene Park.
- Improving the interpretation of heritage and wildlife through projects arising from the new Nene Park Interpretation Strategy.
- Development of a Nene Park Marketing Strategy including a review of the Trust's branding guidelines.

The Trust

- Achieving Investors in People Gold accreditation.
- Further developing the Trust's performance management framework to track progress against our strategic plan and charitable objectives.
- Developing an over-arching long term financial strategy for the Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NENE PARK TRUST

We have audited the financial statements of Nene Park Trust for the year ended 31 January 2014 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board of Trustees and Auditor

As explained more fully in the Statement of Board of Trustees' Responsibilities set out on page 4, the Board of Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Board of Trustees to identify material inconsistencies with the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 January 2014, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

NENE PARK TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NENE PARK TRUST (Contd.)

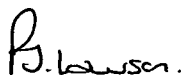
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Paula Lawson (Senior Statutory Auditor)
for and on behalf of Stephenson Smart & Co**

Statutory Auditor

27 March 2014

36 Tyndall Court
Commerce Road
Lynchwood
Peterborough
PE2 6LR

NENE PARK TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 January 2014

	Note	Charity Unrestricted Funds £'000	Unincorporated Charity* Restricted Funds £'000	Permanent Endowment £'000	Group 2014 £'000	Group 2013 £'000
Incoming Resources						
<i>Incoming resources from generated funds</i>						
Investment income		596	366	-	962	1,019
<i>Incoming resources from charitable activities</i>						
Property income		321	-	-	321	662
Operating income		116	-	-	116	86
Trading income		39	-	-	39	28
Total Incoming Resources		1,072	366	-	1,438	1,795
Resources Expended						
<i>Costs of generating funds</i>						
Trading costs		24	-	-	24	19
Investment management costs		31	-	42	73	72
<i>Charitable activities</i>						
Park management		1,947	-	-	1,947	1,857
<i>Governance costs</i>						
		27	-	-	27	28
Total Resources Expended	2	2,029	-	42	2,071	1,976
Net (Outgoing)/Incoming Resources before transfers		(957)	366	(42)	(633)	(181)
Transfers between funds		366	(366)	-	-	-
Net (Outgoing) Resources	4	(591)	-	(42)	(633)	(181)
Realised (losses) / gains		(176)	-	330	154	501
Net (Outgoing) / Incoming Resources Including Realised (losses) / gains		(767)	-	288	(479)	320
Unrealised gains		1,068	-	597	1,665	2,275
Net movement in funds		301	-	885	1,186	2,595
Funds brought forward 1 February 2013		23,049	-	9,610	32,659	30,064
Funds carried forward 31 January 2014		23,350	-	10,495	33,845	32,659

*The results for the Unincorporated Charity are for the 13 months to 31 January 2014.

All amounts relate to continuing activities. The accompanying notes form part of these financial statements

NENE PARK TRUST

CONSOLIDATED AND CHARITY BALANCE SHEETS

As at 31 January 2014

Note		Group £'000	2014 Charity £'000	Group £'000	2013 Charity £'000
	FIXED ASSETS				
6	Tangible assets	4,447	4,447	2,210	2,210
7	Investments	29,172	18,654	27,439	17,802
		<u>33,619</u>	<u>23,101</u>	<u>29,649</u>	<u>20,012</u>
	CURRENT ASSETS				
8	Stocks	19	19	16	16
9	Debtors	221	234	408	408
10	Cash at bank and in hand	981	981	3,099	3,099
		<u>1,221</u>	<u>1,234</u>	<u>3,523</u>	<u>3,523</u>
11	CREDITORS : Amounts falling due within one year	(600)	(590)	(142)	(115)
	NET CURRENT ASSETS	<u>621</u>	<u>644</u>	<u>3,381</u>	<u>3,408</u>
	TOTAL ASSETS LESS CURRENT LIABILITIES	<u>34,240</u>	<u>23,745</u>	<u>33,030</u>	<u>23,420</u>
12	CREDITORS : Amounts falling due after more than one year	(395)	(395)	(371)	(371)
	NET ASSETS	<u>33,845</u>	<u>23,350</u>	<u>32,659</u>	<u>23,049</u>
13	FUNDS				
	<i>Nene Park Trust</i>				
	Unrestricted Funds				
	General Funds	17,061	17,061	14,774	14,774
	Designated Funds	6,289	6,289	8,275	8,275
	Endowment Held in Connection with Nene Park				
	Permanent Endowment	10,495	-	9,610	-
		<u>33,845</u>	<u>23,350</u>	<u>32,659</u>	<u>23,049</u>

Includes revaluation surplus of £7.03m (2013: £6.19m) for the Group and £5.99m (2013: £5.40m) for the Charity

The accounts were approved by the Board of Trustees and authorised for issue on 27 March 2014 and signed on their behalf by:



Mr J C Marsden
Director

Company registration no. 2288607

The accompanying notes form part of these financial statements

NENE PARK TRUST

CONSOLIDATED CASH FLOW STATEMENT **Year ended 31 January 2014**

Note	2014 £'000	2013 £'000
14(a) Net cash outflow from operating activities	(931)	(1,081)
14(b) Endowed income and returns on investments	962	1,019
14(c) Capital expenditure and financial investments	(2,149)	3,114
14(d) Decrease/(increase) in cash	<u>(2,118)</u>	<u>3,052</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 January 2014

1 ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: *Accounting and Reporting by Charities (SORP 2005)* issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

1.2 Consolidation

The financial statements consolidate the results of the charitable company no 800067 and the unincorporated charity no 1085421. The individual parts are reported separately as either restricted funds or permanent endowment.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Trust is entitled to the income and the amount can be quantified with reasonable accuracy.

1.3 Resources expended

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to a particular activity are apportioned over the relevant categories on the basis of management estimates.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised at cost.

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

Buildings : Leasehold	5-40 years on a straight line basis
Freehold	5-40 years on a straight line basis
Plant and Machinery	4% to 20% per annum on a straight line basis
Motor Vehicles	20% per annum on a straight line basis
Office Equipment	25% per annum on a straight line basis

Depreciation is not charged on Assets in the Course of Construction until practical completion.

1.5 Investments

Investments are stated at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.6 Stock

Stock consists of purchased good for resale. These are valued on a first in first out basis at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
Year ended 31 January 2014

1 ACCOUNTING POLICIES (contd.)

1.7 Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. Details of each designated fund are given within Note 13 of the accounts.

Restricted Funds relate to the investment income earned by the unincorporated Charity "Endowment held in Connection with Nene Park", which is restricted for the benefit of the incorporated Charity. All amounts received during the year have been applied for this purpose.

The Permanent Endowment Fund arises from the transfer to the unincorporated Charity of the proceeds of the disposal of the endowed properties by Peterborough City Council. These proceeds are held by the unincorporated Charity as permanent endowment in accordance with the Charity's governing scheme. The costs of managing the investments within the unincorporated Charity are charged against this fund.

1.8 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.

NENE PARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (Contd.) Year ended 31 January 2014

2 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £'000	Deprec- iation £'000	Other costs £'000	Total 2014 £'000	Total 2013 £'000
Costs of generating funds					
Trading costs	-	-	24	24	19
Investment management costs	-	-	73	73	72
Charitable expenditure					
Park management	1,104	325	518	1,947	1,857
Governance costs	11	-	16	27	28
	<u>1,115</u>	<u>325</u>	<u>631</u>	<u>2,071</u>	<u>1,976</u>

3 STAFF NUMBERS AND COSTS

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

	2014 No.	2013 No.
Landscape	20	21
Visitor Services	8	6
Office	6	6
	<u>34</u>	<u>33</u>

The aggregate payroll costs were as follows:

	£'000	£'000
Wages and salaries	891	907
Social Security costs	76	79
Pension costs	67	69
	<u>1,034</u>	<u>1,055</u>
Other staff costs	81	67
	<u>1,115</u>	<u>1,122</u>

The number of employees whose emoluments for the year exceeded £60,000 are within the following bands:

	2014 No.	2013 No.
£80,001 to £90,000	-	1
£90,001 to £100,000	1	-

Contributions of £ 8,346 (2013: £8,103) were made to the personal pension of the above employee.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
Year ended 31 January 2014**4 NET INCOMING RESOURCES**

	2014 £'000	2013 £'000
This is stated after charging the following:		
Auditors remuneration	9	13
Depreciation of tangible fixed assets	325	219
Loss / (Profit) on disposals of tangible fixed assets	20	(4)

The Auditors did not receive fees for any services other than the audit fees as noted above.

Members of the Board of Trustees act in a trustee capacity and therefore may not receive remuneration. During the year expenses for travel and subsistence totalling £199 (2013: £247) was reimbursed to 2 (2013:3) members of the Board of Trustees.

5 TAXATION

The Trust is a registered charity (no. 800067) and is considered to meet the definition in Schedule 6 Finance Act 2010 of a charitable company for UK corporation tax purposes. Therefore the Trust is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or section 256 Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes.

NENE PARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (Contd.) **Year ended 31 January 2014**

6 TANGIBLE FIXED ASSETS

Cost	Freehold Land & Buildings £'000	Leasehold Land & Buildings £'000	Plant & Machinery £'000	Motor Vehicles £'000	Office Equipment £'000	Assets in the course of construction £'000	Total £'000
At 1 February 2013	402	1,826	1,094	197	246	-	3,765
Transfers	(9)	(83)	97	-	(5)	-	-
Additions	-	152	308	35	18	2,072	2,585
Disposals	-	(30)	(174)	(7)	(143)	-	(354)
At 31 January 2014	393	1,865	1,325	225	116	2,072	5,996
Depreciation							
At 1 February 2013	169	300	781	106	199	-	1,555
Charged in year	4	89	156	46	30	-	325
On disposals	-	(20)	(165)	(7)	(139)	-	(331)
At 31 January 2014	173	369	772	145	90	-	1,549
Net book value							
At 31 January 2014	220	1,496	553	80	26	2,072	4,447
At 31 January 2013	233	1,526	313	91	47	-	2,210

- 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 of property. In view of these restrictive covenants, no value has been put on the lease in these accounts.
- 2 Transfers during the year relate to the reclassification of certain fixed assets between different asset categories so as to reflect the categorisation in the Fixed Assets Register.
- 3 All the fixed assets are held for the use of the charity.

NENE PARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (Contd.) Year ended 31 January 2014

7 INVESTMENTS

a) Charity

	Listed Securities £'000	Cash £'000	Total £'000
Market value at 1 February 2013	17,658	144	17,802
Additions	3,073	(3,073)	-
Disposals	(3,153)	3,153	-
Investment management fees paid	-	(38)	(38)
Investment income received	-	584	584
Amounts paid over to the Charity	-	(586)	(586)
Net unrealised investment gains	1,068	-	1,068
Net realised investment losses	(176)	-	(176)
Market value at 31 January 2014	18,470	184	18,654
Historical cost as at 31 January 2014	12,478	184	12,662

b) Group

	Listed Securities £'000	Cash £'000	Total £'000
Market value at 1 February 2013	27,191	248	27,439
Additions	6,610	(6,610)	-
Disposals	(6,866)	6,866	-
Investment management fees paid	-	(80)	(80)
Investment income received	-	950	950
Amounts paid over to the Group	-	(956)	(956)
Net unrealised investment gains	1,665	-	1,665
Net realised investment gains	154	-	154
Market value at 31 January 2014	28,754	418	29,172
Historical cost as at 31 January 2014	21,728	418	22,146

Analysis of listed securities at 31 January 2014:

	Group £'000
Fixed Interest securities	2,277
UK Equities	20,081
Overseas securities	4,781
Property	1,271
Other assets	344
	28,754

There are no material restrictions which might apply to the realisation of the above investments.
The following individual investments represent 5% or more of the aggregate market value of Group listed securities.

	£'000
Sarasin Sterling Bond	1,499

NENE PARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (Contd.) Year ended 31 January 2014

	2014		2013	
	Group £'000	Charity £'000	Group £'000	Charity £'000
8 STOCKS				
Goods for resale	19	19	16	16
	<u>19</u>	<u>19</u>	<u>16</u>	<u>16</u>
9 DEBTORS				
Trade debtors	16	16	300	300
Other debtors	200	200	74	74
Prepayments	5	5	34	34
Owed by Endowment Held in Connection with Nene Park	-	13	-	-
	<u>221</u>	<u>234</u>	<u>408</u>	<u>408</u>
	<u>221</u>	<u>234</u>	<u>408</u>	<u>408</u>
10 CASH AT BANK AND IN HAND				
Deposit Account	981	981	3,099	3,099
	<u>981</u>	<u>981</u>	<u>3,099</u>	<u>3,099</u>
11 CREDITORS : Amounts falling due within one year				
Other creditors	457	447	31	4
Other taxation and Social Security	22	22	30	30
Accruals	17	17	17	17
Deferred income	104	104	64	64
	<u>600</u>	<u>590</u>	<u>142</u>	<u>115</u>
	<u>600</u>	<u>590</u>	<u>142</u>	<u>115</u>
12 CREDITORS: Amounts falling due after more than one year				
Deferred Income				
Premiums on long leases	395	395	371	371
	<u>395</u>	<u>395</u>	<u>371</u>	<u>371</u>
	<u>395</u>	<u>395</u>	<u>371</u>	<u>371</u>

NENE PARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (Contd.) **Year ended 31 January 2014**

13 FUNDS

a) Movement in Funds:

	Balance at 1 Feb 2013	Incoming resources	Outgoing Resources	Investment Gains / (Losses)	Transfers	Balance at 31 Jan 2014
	£'000	£'000	£'000	£'000	£'000	£'000
Unincorporated charity						
Permanent Endowment	9,610	-	(42)	927	-	10,495
Restricted Funds	-	366	-	-	(366)	-
Charity						
Unrestricted Funds						
<i>Designated Funds</i>						
General Property Maintenance	5,451	-	-	-	319	5,770
Vehicle and Plant Replacement	748	-	-	-	(229)	519
Equipment Valuation	12	-	-	-	(12)	-
Capital Development	2,064	-	-	-	(2,064)	-
	8,275	-	-	-	(1,986)	6,289
<i>General Funds</i>						
General Funds	14,774	1,072	(2,029)	892	2,352	17,061
Total Funds	32,659	1,438	(2,071)	1,819	-	33,845

General Property Maintenance Fund - reflects the Trust's liability to maintain the landscape, structures and buildings of Nene Park in accordance with a planned programme of works.

Vehicle and Plant Replacement Fund - reflects the Trust's liability to replace its equipment in accordance with a planned replacement programme.

Capital Development Fund - reflects the Trust's anticipated liabilities for development of the Park's facilities. The fund has been used up in the year on the development of the new watersports centre in Ferry Meadows

NENE PARK TRUST

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 January 2014

13 FUNDS Contd.

b) Analysis of assets between Funds:

	Tangible Fixed Assets	Investments	Net current assets	Creditors due after more than 1 year	Intra fund balances	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Unincorporated charity						
Permanent Endowment	-	10,518	(10)	-	(13)	10,495
Charity						
Unrestricted Funds	4,447	18,654	631	(395)	13	23,350
Total Funds	4,447	29,172	621	(395)	-	33,845

NENE PARK TRUST

NOTES TO THE FINANCIAL STATEMENTS (Contd.) Year ended 31 January 2014

	2014 £'000	2013 £'000
14 NOTES TO THE CASH FLOW STATEMENT		
(a) Reconciliation of operating income to net cash outflow from operating activities		
Net (outgoing) resources before transfers	(633)	(181)
Investment income	(962)	(1,019)
Operating deficit	(1,595)	(1,200)
Depreciation	325	219
Loss / (Profit) on disposal of tangible fixed assets	20	(4)
(Increase) in stock	(3)	-
Decrease / (increase) in debtors	187	(115)
Increase in creditors	135	19
	(931)	(1,081)
(b) Endowed income and returns on investments		
Investment income	962	1,019
(c) Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(2,238)	(817)
Receipts from disposals of tangible fixed assets	3	12
Expenditure paid out of capital	96	69
Funds (invested) / withdrawn	(10)	3,850
	(2,149)	3,114
(d) Analysis of changes in cash		
Balance at 1 February 2013	3,099	47
Net cash (outflow) / inflow	(2,118)	3,052
Balance at 31 January 2014	981	3,099

NOTES TO THE FINANCIAL STATEMENTS (Contd.)
Year ended 31 January 2014

15 CAPITAL COMMITMENTS

Capital expenditure authorised and contracted for at the end of the year was £207,080 (2013: £Nil).

16 PENSION SCHEME

The Trust administers a Group Personal Pension Plan with Aviva UK Life for the benefit of qualifying employees. The Trust has also designated a stakeholder pension scheme with Aviva UK Life.

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. Contributions made during the year by the employer amounted to £67,006 (2013: £68,893).

17 RELATED PARTY TRANSACTIONS

The Trust engaged the professional services of Smiths Gore, Chartered Surveyors and Property Consultants, a firm in which Mr Paul Hutton, a member of the Board of Trustees, is a part-time employee. The total of these services for the year was £24,196 (2013: £17,076) and were on normal commercial terms. There were no amounts due by the Trust at the year end (2013: Nil).