



THE
ROYAL
PARKS

The Royal Parks

**Annual Report
and Accounts
2010-2011**

HC 1392



Annual Report and Accounts 2010-2011

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THE ROYAL PARKS - ANNUAL REPORT AND ACCOUNTS 2010-11

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FOREWORD

While walking through St James's Park on a beautiful spring day earlier this year I was reminded of the debt we owe to the previous custodians and supporters of the parks whose vision, skill and tenacity ensured that the unique qualities of these beautiful spaces were not lost but instead preserved and handed on for future generations to enjoy.

It is 160 years since the 1851 Crown Lands Act established the broad management arrangements that we still know today. That was also the year of the Great Exhibition in Hyde Park – one of the most well known events of the age. While the 'crystal palace' structure has long gone from the park, the innovation and variety of activity associated with that event continues today.

Would a visitor seeing the Royal Parks 160 years ago still recognise them today? I think the answer is that they would. Since 1851, the parks have evolved slowly with the current crop of major plane trees – mere saplings back then – and our veteran oaks still in their pomp. But the special landscapes are still here, the high quality of horticulture, the diversity of plant and animal life, the historic structures and the opportunity to escape from the pressures of the city.

The challenge for those of us who manage the estate is to introduce change that reflects the needs of the 21st century visitor but does not detract from the parks' intrinsic qualities.

For example in the past year we –

- opened London's first 'senior playground' offering fitness equipment designed specifically to provide gentle exercise for the over-60s
- catered for the new generation of visitors with the launch of The Royal Parks' official Facebook and Flickr groups and YouTube Channel
- hosted a community archaeology dig in Greenwich Park, in partnership with English Heritage, that excavated and surveyed a former seventeenth-century Keeper's Lodge
- had a visit from Pope Benedict XVI and
- welcomed back Winter Wonderland which offered an open air ice rink, Christmas market and fairground rides.

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As part of the Government's Comprehensive Spending Review our resource grant was reduced and this has meant an increased focus on cost cutting and improved efficiencies across all our activities. For example, we will reduce the number of directly employed staff from 129 to around 100 over the next four years.

We have also increased, in a sensitive way, our commercial focus. For example, our Better Buildings Programme saw the Magazine Building in Kensington Gardens being let. The Serpentine Gallery will convert the Grade II-listed former gunpowder depot and flagpole store into an art gallery and exhibition space. We have also converted and let 12 park lodges with the rental income helping to maintain the parks.

In a similar vein, we launched new merchandise and retailing opportunities. This generates income to support the parks without having any impact on the green space.

Preparation for the proposed transfer of The Royal Parks from central Government to the Greater London Authority (GLA) continued during the year. However, in May 2011 details of the Localism Bill were announced and the proposed transfer was not included. The Royal Parks will therefore remain an Executive Agency of the Department for Culture, Media and Sport (DCMS) and we await further details of our future governance.

The coming year looks like it will be busy for the parks. In the early part of the year we have the Royal Wedding and following that the test events for the 2012 London Olympic and Paralympic Games. It should provide the best possible preparation for the Games and Her Majesty the Queen's Diamond Jubilee in 2012.

We are dependent on the support of numerous contributors to keep the parks as one of the Nation's greatest assets. Therefore, I would like to thank our volunteers, the Friends of the Parks, The Royal Parks Foundation, the Royal Parks Guild, the Heritage Lottery Fund, contractors and concessionaires for their support and work over the last year. I am also grateful to the staff of the parks for their commitment and dedication in these changing times.



Mark Camley, Chief Executive

INTRODUCTION

The Royal Parks is an executive agency of the Department for Culture, Media and Sport and is responsible for managing and preserving over 5,000 acres of historic parkland across London, including valuable conservation areas and important habitats for wildlife.

The Royal Parks are • Bushy Park • The Green Park • Greenwich Park • Hyde Park • Kensington Gardens • The Regent's Park & Primrose Hill • Richmond Park • St James's Park.

The Royal Parks is also responsible for a number of other spaces in London including Brompton Cemetery, Victoria Tower Gardens, the gardens of 10, 11 and 12 Downing Street and Grosvenor Square Gardens.

It was established on 1 April 1993 as an executive agency of the Department of National Heritage which was renamed in July 1997 the Department for Culture, Media and Sport. The 1993 Framework Document sets out the powers and responsibilities delegated to the agency.

Governance structure

The Secretary of State for Culture, Olympics, Media and Sport is the Minister responsible for The Royal Parks, supported by the Minister for Tourism and Heritage. The Secretary of State determines policy objectives, financial framework and allocation of financial resources including key targets. He also approves the Framework Document and Corporate and Business Plans for The Royal Parks. The Permanent Secretary for the Department for Culture, Media and Sport is the Principal Accounting Officer and has designated the Chief Executive as Accounting Officer for The Royal Parks.

The Royal Parks' management structure

The Chief Executive is responsible for the operational and strategic management of The Royal Parks and is directly accountable to the Secretary of State and the Permanent Secretary for performance against key targets and financial management of the agency.

Strategic governance

The Board provides a strategic overview, guiding and challenging The Royal Parks to ensure performance is maintained and improved. The Board comprises a Chair and three additional Non-Executive Directors together with the Chief Executive and three other Executive Directors.

The Non-Executive Directors of the Board are

The Hon Apurv Bagri, Group Managing Director, Metdist Ltd (Chair of the Board)
Ruth Anderson, Non-Executive Director, Ocado Group PLC
Andrew Fenwick, Group Finance Director, Brunswick Group LLP
Sue Moore, UK Membership Marketing Director, BUPA

The Executive Directors of the Board are

Mark Camley, Chief Executive
Colin Buttery, Director of Parks and Deputy Chief Executive
Christopher Travers, Director of Strategy and Communications
John Swainson, Director of Finance and Resources

The Royal Parks' Executive Committee comprises

The Executive Directors of the Board plus
Simon Betts, Director of Estates
Greg McErlean, Director of Major Projects and IT

OVERVIEW

Corporate Objectives and Performance Targets

Corporate Objectives

1. Conserve and enhance the natural and built environment, historic landscape and bio-diversity of the parks for the benefit of current visitors and future generations.
2. Deliver a broad array of activities and amenities for our diverse audiences.
3. Improve organisational effectiveness and deliver better value for money.

Key Performance Targets 2010/11	
1. Maintain Green Flag status in all parks	Achieved
2. Maintain ISO 14001 for environmental quality	Achieved
3. Recycle 90 per cent uncontaminated green waste by volume	Achieved
4. Increase cultural offer by delivering a London 2012 Inspire Programme major arts event	Achieved
5. Generate an earned income, including donated assets, of £13 million	Achieved

HIGHLIGHTS FROM THE EIGHT ROYAL PARKS

Bushy Park

Set to the north of Hampton Court Palace, Bushy Park is known for the historic Diana Fountain and the grand approach of Chestnut Avenue, designed by Sir Christopher Wren. The park is home to more than 300 deer and has a distinctive landscape shaped by its many ponds and streams, at the heart of which lies the newly-restored Water Gardens.

The year's highlights –

- Some 10,000 people visited Bushy Park in May to attend the Chestnut Sunday fun event which celebrates the time in the spring when Horse Chestnut ('conker tree') candles along Chestnut Avenue are at their best. The event began with a parade of classic cars, cycles and military vehicles from Teddington Gate to the Diana Fountain. Teddington School Jazz Band entertained crowds and there were exhibitions and fairground stalls and rides. For the first time the celebrations spanned the entire weekend with historical wartime re-enactments on the Saturday.
- Following their opening in 2009 The Pheasantry Welcome Centre in the Woodlands Gardens and the Upper Lodge Water Gardens proved very popular all year. The Welcome Centre provides a café, toilet facilities and a small information point. The Upper Lodge Water Gardens were the centrepiece of a major restoration project. The 18th century Baroque-style collection of pools, cascades, basins and canal disappeared beneath undergrowth and silt through the 20th century and their existence was largely forgotten until the 1990s.
- In July the Bushy Bubble Boogie was a great success with new visitors and park regulars alike. Produced by the English National Ballet in partnership with The Royal Parks and Richmond Council the event marked the end of the Big Dance 2010 programme. The Big Dance Bubble (a unique, mobile event space) was located in the Pheasantry Woodland Gardens and offered a day of dancing for all – with a baby ballet for the under-sevens, family workshops, a ballroom masterclass, a community salsa dance and a tea dance.

The Green Park and St James's Park

With their royal and political associations, The Green Park and St James's Park provide the setting for state and ceremonial events. St James's Park is also famous for its pelicans and horticultural displays, while The Green Park offers a more peaceful retreat with areas of mature trees and shaded grasslands.

The year's highlights –

- St James's Park hosted a popular Halloween Spectacle on 31 October located near the 'Inn the Park' restaurant. It involved pumpkin carving demonstrations, cake decorating classes, craft activities for children, a 'scariest pumpkin' competition and culminated in a 'ghosts and legends' guided walk after dark. Joint organisers Peyton & Byrne also ran a Farmers' Market during the day celebrating some of the best local British suppliers.
- Preparations started during the financial year for the Royal Wedding on 29 April. Approximately half of the Royal Wedding procession route was to pass along The Green Park and St James's Park including Queen Victoria Memorial, the Memorial Gardens (opposite Buckingham Palace), The Mall and Horse Guards Parade. Planning for the day included removing the road islands and traffic lights along The Mall and preparing the gravel surface of Horse Guards Parade to ensure they looked their best, as well as providing the location for the world's media to cover the event from.
- The Green Park is renowned for its daffodils and again this spring more than 250,000 daffodils turned it yellow. Interestingly, beyond this annual display, flowers in the Park are few and far between since there are no flowerbeds or shrubberies. This allegedly dates back to Queen Catherine, wife of the philandering Charles II, after he picked a flower from the park to give to a pretty milkmaid.

Greenwich Park

Offering iconic views across London and the river Thames, Greenwich Park is part of the Greenwich World Heritage Site and home to the Prime Meridian Line and The Royal Observatory.

The year's highlights –

- Preparations for the London 2012 Olympic and Paralympic Games continued during the year and work began in autumn 2010 to improve the sward for the equestrian cross country course. Work included irrigation and mowing to help the grass to grow thicker and stronger, filling in minor hollows, removing stones, fertilisation and some re-seeding of areas where grass cover was poor. The work is being carried out by The London Organising Committee of the Olympic and Paralympic Games (LOCOG) in association with The Royal Parks and efforts are being made to minimise disruption to visitors' enjoyment of the Park.
- In September a community archaeology project took place in Greenwich Park, run in partnership between The Royal Parks and English Heritage. The site was believed to be a former Keeper's Cottage and prior to the dig erosion from tree growth had exposed bricks and roof tiles. 26 local volunteers carried out most of the excavation work. They identified the remains of a brick building built in the late sixteenth or early seventeenth century and found pottery dating from the early seventeenth century. Following the project, the area was covered with four to six inches of new topsoil and reseeded to help protect the site.
- In March this year staff and volunteers at Greenwich Park joined representatives from local organisations to plant the new Dwarf Orchard near the children's playground. The Dwarf Orchard is named after a former walled garden created in the early 1700s but which had become totally overgrown. Most of the new trees are heritage varieties of apples, pears, cherries and plums. Additionally, the mild micro-climate of the walled garden means nectarines, apricots and figs can be planted along the south-facing side. The orchard is part-funded by The Friends of Greenwich Park and will be used for education and conservation initiatives when it opens next year.

Hyde Park

Perhaps the best known of all The Royal Parks, Hyde Park is host to large-scale events and concerts yet also contains numerous quiet places to relax away from the crowds. With boating, tennis, outdoor swimming and ornamental flower gardens all on offer, the park provides a real retreat in the heart of the capital.

The year's highlights –

- Hyde Park again hosted a diverse range of events throughout the year. More than 350,000 people attended the series of summer concerts and festivals appealing to all tastes from Sir Paul McCartney and Stevie Wonder to Patti Smith and folk singer Laura Marling to Pink and Jay-Z. In contrast September saw some 80,000 pilgrims from all over the country attend a prayer vigil led by Pope Benedict XVI. And November to January saw the return of the Winter Wonderland, which offered an open air ice rink, circus and the fun of the fairground rides.
- London's first dedicated pensioners' playground opened in May. Funded in partnership with Westminster Council and located next to the Tennis Centre it offers fitness equipment designed specifically to improve strength and flexibility and help adults continue active and healthy lifestyles in later years.
- In October work began to build the new £2.2 million Look Out education centre in Hyde Park, due to be completed by summer 2011. This partnership project between the Royal Parks Foundation and The Royal Parks will create a new eco-friendly building with two classrooms plus dedicated space for volunteers and the education and charity teams. The different habitats to be created in the surrounding landscaping will encourage wildlife diversity and create opportunities for visiting students to enjoy and learn from activities such as pond dipping and mini-beast safaris.

Kensington Gardens

Located to the west of Hyde Park, Kensington Gardens combines wide open spaces with elegant tree-lined avenues. Home of fictional hero Peter Pan, the park also houses Kensington Palace, the Albert Memorial and the Serpentine Gallery.

The year's highlights –

- The first Royal Parks' allotment with a bee hive and hen house launched in May. 'The Allotment in Kensington Gardens' on Buckhill is tended by Royal Parks' gardeners and apprentices working closely with volunteers and community groups. An organic allotment, mostly made out of recycled materials, provided examples of how to be sustainable.

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It offered a programme of workshops for school children, advice from gardeners on growing vegetables and information about wildlife. The allotments then hosted a harvest fair in September.

- Some 5,000 people participated in the FUSE Arts Festival in July. The event gave young people aged 13 to 21 the opportunity to participate in a wide range of activities including dance, music, theatre, film, photography and visual arts. Organised by The Royal Parks it was supported by 35 arts organisations from across the capital including the London Youth Gospel Choir, English National Ballet, Flat Feet Dance Company, Tate Britain, the Royal Albert Hall, The Serpentine Gallery as well as Westminster City Council and the Royal Borough of Kensington & Chelsea.
- Between September 2010 and March 2011 The Royal Parks and the Serpentine Gallery presented a major exhibition in Kensington Gardens of large scale outdoor sculptures by acclaimed London-based artist Anish Kapoor. The exhibition showcased a series of major works never before shown together in London. Constructed from highly reflective stainless steel, the giant curved mirror surfaces created illusory distortions of the surroundings and changed with the light of the different seasons.

The Regent's Park and Primrose Hill

Celebrated for its rose gardens with more than 30,000 roses of 400 varieties, The Regent's Park contains central London's largest outdoor sports area and largest wetland area. The park also houses the Open Air Theatre and London Zoo whilst neighbouring Primrose Hill offers spectacular views across the capital.

The year's highlights –

- A new training allotment garden opened in The Regent's Park in June. Aimed at training people with an interest in food growing and allotment gardening, it is the first training allotment to open to the public in a Royal Park. Managed by The Royal Parks, the Allotment Garden hosted training courses provided by Capel Manor College and Capital Growth. Capel Manor College conducted courses in allotment gardening while an urban growing training programme, run by Capital Growth, included sessions on soil management and seed saving.

The SITA Trust awarded £62,100 towards a project to make ecological enhancements to the lake within Queen Mary's Gardens. The project will be undertaken in 2011 and will involve de-silting the lake and using the silt to create reed beds and provide an environment to support insects and birds as well as improving the aesthetic character and qualities of the lake. Further funding has been provided by the Royal Parks, the Friends of Regent's Park and Primrose Hill and The Royal Parks Foundation.

- The Regent's Park was the location for a major food festival in June and a prestigious art fair in October. Some 50,000 visitors attended the four-day Taste of London festival and were able to dine from 40 of the capital's top restaurants, sample products from 200 food and drink producers, enjoy a fine wine tasting and watch some of the world's greatest chefs demonstrate their skills live on stage. And more than 60,000 people visited the four-day Frieze Art Fair which featured more than 150 contemporary art galleries. The fair also included specially commissioned artists' projects, a prestigious talks programme and an artist-led education schedule.

Richmond Park

The largest of all The Royal Parks at 2,500 acres, and a Site of Special Scientific Interest (SSSI), Richmond Park is home to around 650 free-roaming deer as well as a number of protected species such as stag beetles and skylarks. The park has over 1,500 veteran trees and incorporates the most important area of lowland acid grassland in the Greater London region.

The year's highlights –

- Some 2,500 people attended Richmond Park Open Day in September – more visitors than ever before. The Richmond Park team, who manage the historic parkland, were on hand to provide information about the park and to answer questions. Activities included kite making, guided walks and runs, pond dipping, face painting, vintage farm equipment displays, Shetland pony rides and creative basket making.
- In December Richmond Park was awarded initial funding of £164,000 from the Heritage Lottery Fund and the Big Lottery Fund to work up plans to improve the Isabella Plantation woodland garden.

Over the next two years further plans will be submitted to apply for the remainder needed for the £1.8 million project. The plans are expected to include upgrading existing paths, improving entrance gates and signage, providing visitor facilities, de-silting ponds and developing community activities such as walks, talks and volunteer schemes.

- A new ‘Grassland Management Plan’ to improve the rare acid grassland resulted in National England upgrading the conservation status of Richmond Park. The deer in the park only eat woody vegetation so the plan outlines options to introduce cattle to graze across selected areas of grass to enable wildflowers to flourish. The scheme is the culmination of a successful grazing trial introduced in 2008. The site was classified as being in an ‘unfavourable condition’ showing clear signs of under-grazing but National England has now classified the park as in a ‘recovering’ condition.
- Over the summer staff and trained volunteers implemented a control programme to remove Oak Processionary Moth caterpillars from the park. The insect strips the Oaks of their leaves and the caterpillars’ hairs can irritate the skin, eyes and bronchial tubes of both humans and animals. From mid-May to mid-July staff and trained volunteers thoroughly searched the park for the caterpillars and their nests recording them on a database and a total of 302 nests were then removed by specialist operators in July before the adult moths emerged.

UPDATE ON THE LONDON 2012 OLYMPIC AND PARALYMPIC GAMES

During the year more detailed information was announced about The Royal Parks' involvement in the London 2012 Olympic and Paralympic Games. Three of our parks – Greenwich, St James's and Hyde – will host ten Olympic and Paralympic events as well as the Road Cycling passing through Richmond and Bushy Parks and the Time Trial Cycling through Bushy Park.

In March 2011 Westminster City Council granted planning permission for the Triathlon and Marathon Swim venue in Hyde Park, the Beach Volleyball venue on Horse Guards Parade Ground in St James's Park and for Road Events along The Mall.

The London 2012 Organising Committee (LOCOG) in February announced a comprehensive testing programme which will form a key part of its preparations for the Games. It will focus primarily on testing the field of play, results, scoring and timing systems, as well as key operational procedures and functions. The tests include the Marathon and Race Walk events on The Mall in May this year, Equestrian and elements of Modern Pentathlon in Greenwich Park in July and the Triathlon and Marathon Swim in Hyde Park in August. The Beach Volleyball location in Horse Guards Parade Ground will also be tested in August, as will Road Cycling on The Mall.

A new route for the Road Race was announced starting and finishing in The Mall and taking in Richmond and Bushy Parks. And the cycle Time Trial route was announced which will start and finish at Hampton Court Palace in south west London. The men's route will pass through Bushy Park towards the end of the race.

Following the appointment in February of Live Nation Music UK as the Organiser and Promoter of London's four Festival Live Sites, plans are progressing for the Hyde Park Festival Live Site to celebrate the Olympic Games via large screens showing Olympic competition as well as interactive sporting exhibitions, cultural entertainment and sponsor activities.

SUPPORTING THE PARKS

The Royal Parks Foundation

The Royal Parks Foundation is the charity that helps support London's eight Royal Parks. The Foundation helps protect and enhance the parks and their assets, raises funds for a wide variety of projects and raises the parks' profile so they are widely known as a cause worth supporting.

Highlights include –

- More than 700 plaques have been dedicated at Simon Gudgeon's sculpture Isis, since it was unveiled on the shores of the Serpentine in September 2009. Each personal inscription and gift of £1,000 has helped raise funds for the new Look Out centre.
- The 'Tiffany – Across the Water' programme is focusing on ornamental and drinking fountains across the eight Royal Parks. The programme will recreate the water plume in St James's Park lake, restore The Italian Gardens in Kensington Gardens and improve the provision of drinking fountains across all eight parks, following a successful international design competition with the Royal Institute of British Architects. The project is supported by the Tiffany & Co. Foundation (USA), who celebrated their 10th anniversary with a \$1.25 million gift to the Royal Parks Foundation (USA).
- The Foundation celebrated the fourth year of Deckchair Dreams, a public art adventure sponsored by Bloomberg. The project was extended in 2010 to include an educational exchange with Shanghai Botanical Garden. British and Chinese artists, along with school children from both countries, created designs based on a theme of 'seeds, nuts and fruit'. The colourful deckchairs were displayed during the summer in The Royal Parks, at the UK at the 2010 World Expo and in the Shanghai Botanical Garden.
- The 3rd Royal Parks Foundation Half Marathon sold out in two hours 40 minutes and attracted more than 11,000 runners. It is estimated that the event has now enabled charities across the UK to raise around £7 million.

Partners, Volunteers and Friends

The work of The Royal Parks would not be possible without the valuable and varied contribution of its many partners, volunteer groups and individuals.

People of all abilities are able to enjoy the parks through partner organisations such as Liberty Drives in Hyde Park and Kensington Gardens, Companion Cycling and the Horse Rangers Association in Bushy Park and the Holly Lodge Centre in Richmond Park.

The Friends Groups provide a range of support to each park which includes arranging walks and talks, managing information points and running adoption or membership schemes.

Volunteers undertake conservation work and wildlife recording, as well as providing support to education activities and community projects. Over 70 wildlife volunteers help conserve and enhance the parks' biodiversity and carry out surveys of birds, butterflies, beetles, flora and fungi.

The Royal Parks Guild brings together people who have worked for or who have been associated with the parks. It supports and promotes The Royal Parks Apprenticeship Scheme (see below) by sharing knowledge with the training officers and apprentices and provides awards for outstanding achievement

The Royal Parks Apprenticeship Scheme

The scheme is a partnership between The Royal Parks, landscape maintenance contractors and Capel Manor College and has been taking ten candidates onto the scheme every year since 2007. The scheme runs for three years with each apprentice employed by a contractor learning skills on the job whilst being paid and attending college for day release study in horticultural and related courses.

July 2010 saw the first candidates complete the scheme from the 2007 intake and four of these apprentices were then employed in full-time roles with our landscape maintenance contractors in the summer of 2010. Recruitment for September 2010 was successful and saw another ten apprentices start the scheme.

AWARDS

The work of the parks has been recognised with a number of awards over the past year

- All eight parks received a Green Flag 2010 award, the national standard for parks.
- Kensington Gardens, Greenwich Park and St James's Park received Green Heritage Awards for the management and interpretation of sites of local or national historic importance.
- The Will to Win Tennis Centres in The Regent's Park and Hyde Park were awarded Beacon status by the Tennis Foundation in recognition of their high quality, fun and affordable community tennis programmes.
- The 7 July Memorial in Hyde Park won a Royal Institute of British Architects (RIBA) award for London.
- At the BT Visit London Awards 2010, Winter Wonderland in Hyde Park won Best Consumer Event. The annual awards celebrated the attractions, people and businesses that made London a world-class city.

BEHIND THE SCENES

Recruitment

Grade	Appointments (number)	Women (per cent)	*Minorities (per cent)
I	7	43	
II	4	50	
III	5	60	
IV	3	33	
IV (Board Member)	1	0	
Total	20	45	10

**to avoid identifying individuals this column includes just the total of all minority groups including ethnicity, disability, religious belief and sexual orientation.*

European Foundation for Quality Management (EFQM)

In July 2010 The Royal Parks was awarded the Parks' Forum Australia 'Excellence in Parks' Award which 'recognised excellence and best practice in operational programmes, as evidenced by improved outcomes in the park/parks in which they are implemented'. The team applied under the *Social* category, outlining the Sports Delivery project which culminated

in the building of the Hub and the provision of facilities to the wider community around the park.

In August The Royal Parks attained ‘Silver Ambassador in Excellence’ status for its work on EFQM over the last five years acknowledging the continuing improvement programme. EFQM has continued to support the work around the Government’s Comprehensive Spending Review focusing on retention and employee engagement throughout a period of change across the Civil Service as a whole. The Royal Parks’ results in the Civil Service Staff Engagement Survey reflect the positive work in this area as it has maintained a high score of 4th out of 103 organisations and agencies surveyed (it was 3rd out of 97 in 2009).

Health & Safety

The Royal Parks remains committed to the health, safety and welfare of its staff and all those involved in its activities and to an effective health and safety (H&S) system.

During the year our H&S advisors, McCaulder Management Services (MMS), were commissioned to engage with the Olympic Programme Team in readiness for the Test Events in 2011 and the events The Royal Parks will be hosting as part of the London 2012 Olympic and Paralympic Games. They will continue to coordinate their activities with the Programme Team with the key aim of maintaining a high level of safety during the period of the 2012 Games and maximising public enjoyment of the parks.

Diversity

The action plan produced following the diversity audit in 2009 was refined and delivered in full in January 2011. A Diversity Strategy is now in place and the Diversity Network and Project Board will continue to work on the actions identified in the strategy for 2012 and 2013. A Talent Management Strategy has been produced to reflect a more focused approach to diversity in The Royal Parks and will help inform resourcing and staff development. Diversity performance measures have been agreed and are reported to the Executive Committee. An Equality Impact Assessment toolkit was produced to enable project staff to assess the impact across the park to colleagues and customers. In 2011-2012 we will continue to develop diversity and explore areas to target with the support of the Diversity Network including integrating Diversity and Equality effectively within the annual appraisal process.

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MANAGEMENT COMMENTARY

Accounts Direction

The accounts have been prepared under a direction issued by HM Treasury in accordance with section 7(2) of the Government Resources and Accounts Act 2000.

Description Of The Business

History of The Royal Parks

On 1 April 1993, The Royal Parks was established as an Executive Agency of the Department of National Heritage, now the Department for Culture, Media and Sport (DCMS), and is fully accountable to Parliament through the Secretary of State for Culture, Olympics, Media and Sport who sets the Agency's policy framework and key performance targets and determines its level of resource each year.

Statutory Background

There are nine Royal Parks in London - St James's, The Green, Hyde, The Regent's and Primrose Hill, Greenwich, Richmond, Bushy and Hampton Court Parks and Kensington Gardens - managed by the Secretary of State for Culture, Olympics, Media and Sport on behalf of the Queen. The Royal Parks form part of the hereditary lands owned by the Sovereign in right of the Crown. Various monarchs enclosed the Parks during the fourteenth to seventeenth centuries, primarily for hunting or as parkland gardens. By virtue of the 1851 Crown Lands Act the Crown transferred the duties and the Parks to the Commission of Works and Buildings and The Royal Parks are now the responsibility of the DCMS. The Royal Parks has responsibility for all London's Royal Parks except Hampton Court Park, which is the responsibility of the Historic Royal Palaces.

The Royal Parks is also responsible for managing and policing (in conjunction with the Metropolitan Police Service) Brompton Cemetery, Victoria Tower Gardens, and Grosvenor Square Gardens, Canning Green, Poets' Green and the Longford River (except in Hampton Court Home Park) and maintaining nos. 10, 11 and 12 Downing Street gardens.

Corporate Objectives and Performance Targets

The Royal Parks' objectives and performance targets are set by DCMS and are formally reviewed quarterly by the Executive Committee. Details of performance targets and achievements are noted on Page 8 of the Report.

Development And Performance In The Current Year

Review of Activities

The Chief Executive's foreword on page 4 and the review of the year on pages 8 to 20 of the Report, examine activities for the year ended 31 March 2011. Further details of plans are contained in The Royal Parks Corporate Plan.

Financial Position of The Royal Parks

The Agency is funded via the DCMS Supply Estimate, Request for Resource 1. The Royal Parks' allocation for 2010-11 was a Total Resource budget of £19.299m (of which £3.563m was non-cash) plus £1.358m Capital. In 2010-11 £13,828m (£14.051m in 2009-10) was generated as income (excluding notional income and donated assets)

Strategic Risks

The aim of risk management is to understand the risks that will impact on our ability to deliver the Corporate Plan and ensure that the necessary mitigating actions are taken to limit risk and optimise our ability to deliver.

The Executive Committee (ExCom) has identified key areas of risk and has in place reports and processes to underpin effective risk management. This is embedded at all levels within the organisation. Our risk management reports contain risk assessment (impact and probability) and highlight mitigation actions and management of residual risk. Long- term strategic risks will be reviewed alongside short- term operational risks, prioritising appropriately to ensure that risks are captured and managed effectively to reduce the likelihood and if triggered minimise impact. The key corporate risks are contained in The Royal Parks Corporate Plan.

Information Assurance

Information security risk at The Royal Parks is managed through the Information Assurance Policy, which all staff must comply with. In the year all staff were required to complete training and pass a test on their understanding of Information Assurance policy and processes.

We, in conjunction with DCMS, have reviewed the status of information and data security in the year. Areas of weakness were identified and addressed in 2010-11.

The Royal Parks' policies and processes will be regularly measured against the Cabinet Office's Security Policy Framework, as part of Internal Audit's work.

The Royal Parks has suffered no protected personal data incidents during 2010-11 or prior years and has made no report to the Information Commissioner's Office.

Key Relationships With Partners That May Affect The Royal Parks Long Term Position

The Royal Parks Foundation, a separate legal entity and charity, fundraises for improvements to The Royal Parks, particularly for matched funding for major projects. Without continuing support from the Foundation such projects may not proceed. As a registered charity, The Royal Parks Foundation can reclaim, from HMRC, an extra 25p for every £1 given by income tax payers under the Gift Aid scheme.

Policy and Achievement of Policy on Social and Community Issues

TRP's policies and activities seek to engage a wide range of communities and social groups. A full range of programmes and activities can be found at www.royalparks.org.uk

Policy and Achievement of Policy on Employees

The Royal Parks' policy states that all eligible persons shall have an equal opportunity for employment and advancement within the Agency on the basis of their ability, performance and aptitude for the work. There shall be no discrimination on the grounds of an individual's nationality, sex, race, colour, ethnic origin, religion, sexual orientation, marital status or disability.

The 24 point action plan produced following the diversity audit in 2009 was refined into a 15 point action plan which was delivered in full in January 2011. A Diversity Strategy is now in place and the Diversity Network and Project Board will continue to work on the forward actions identified in the strategy for 2012 and 2013. An externally peer reviewed Talent Management Strategy has been produced and will help inform resourcing and staff development. Diversity performance measures have been agreed and are reported quarterly to ExCom. An Equality Impact Assessment toolkit was produced and enables project staff to assess impact across the park to colleagues and customers. The training and development section of the staff handbook has also been reviewed to reflect a more focused approach to diversity in The Royal Parks. In 2011/12 we will continue to develop diversity and explore areas to target with the support of the Diversity Network including integrating Diversity and Equality effectively within the annual appraisal (ADR) process.

Page 19 of the Report provides further information on 'Recruitment and Training' during the year.

The Royal Parks considers it very important that employees understand the operations, aims and objectives of the Agency. ExCom meets ten times each year, and Directors disseminate key decisions to staff. Staff are welcome to observe at the meetings. The Chief Executive visits all Park locations on a regular basis and there is an annual staff conference. All staff have access to the Framework Document and have the opportunity to input to the Corporate Plan.

Information Technology and Health and Safety and Marketing newsletters are produced to advise staff of developments and best practice in these areas. Staff are encouraged to contribute articles for these publications.

Pensions

Details of pension arrangements are provided in the Remuneration Report.

Sick and Absence

The Royal Parks operates a sick absence policy with similar provisions to those offered in the Civil Service. Employees who are absent due to sickness are paid for a defined period providing they have complied with The Royal Parks sickness reporting and notification rules. Staff are paid at their normal rate of pay for periods of sickness absence up to a maximum of six months in aggregate in any calendar year and thereafter half normal pay for six months' sickness absence provided that they have not had more than 12 months' sickness absence on half-pay in any four-year period. For the year ending 31 March 2011 there were four long term sick absence cases within The Royal Parks (2010-4). The average rate of sick absence for The Royal Parks staff is 2 days per member of staff excluding the long term sickness (2009-10 5 days).

Policy and Achievement of Policy on Environments Matters

Excellent environmental practices are at the heart of TRP's work and the Agency has achieved ISO 14001 and green flag status for all eight Royal Parks. A full range of programmes and activities can be found at www.royalparks.org.uk

Executive Committee (ExCom)

The Executive Committee is responsible for the operational management of the Agency and ensuring that the Senior Management Team is achieving organisational objectives. The names and roles of the ExCom members are shown in the Remuneration Report.

ExCom are paid employees of The Royal Parks, appointed under Civil Service Management Code conditions, and all Parks and sections are represented on the ExCom.

The Board

The Board is responsible for providing an overview of the strategic activity of the organisation and ensuring that the aims and objectives set by the organisation are met. The names of The Royal Parks Board members are set out on page 7 of the Report. Non Executive Board members are not remunerated and were appointed by the Minister for Tourism and Heritage. The Board meets quarterly.

Register of Interests

The Royal Parks maintains Registers of Interests for The Royal Parks Board, ExCom and the Audit Committee, which is made available on request.

Payment of Creditors

The Agency aimed to settle all valid invoices within 30 days of receipt (as specified in the CBI code) until December 2008 when the Cabinet Office issued instructions for the payment target to be set at 10 days. The Royal Parks achieved an average payment target of 15 days (2009-10 10 days).

Prior Period Adjustment

The Adoption of FRS30 required The Royal Parks to recognise the Queen Mother's Memorial on its Statement of Financial Position from February 2009, the date it became responsible for its upkeep and maintenance. Further details are provided in note 17.

Independent Auditor

The accounts are audited by the Comptroller and Auditor General in accordance with the Government Resources and Accounts Act 2000.

Disclosure of Information To Auditors

- (a) So far as I, the Accounting Officer, am aware, there is no relevant audit information of which the entity's auditors are unaware, and
- (b) I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. 'Relevant audit information' means information needed by the entity's auditor in connection with preparing the audit report.



Mark Camley, Chief Executive, 4th July 2011

REMUNERATION REPORT

The Royal Parks does not have a Remuneration Committee. Pay for the Chief Executive and Deputy Chief Executive is determined by the arrangements for Senior Civil Service (SCS), whilst other senior managers' (including Non SCS directors) pay and bonuses are determined as part of the annual pay remit process. Settlement of the latter is negotiated with the Trade Unions.

The Chairman of The Royal Parks Board and the Chief Executive meet annually to discuss the performance of Directors.

DCMS is responsible for recruitment and employment of the Chief Executive and Deputy Chief Executive. All matters relating to their salaries are dealt with in accordance with DCMS policies and procedures. The Chief Executive's and Deputy Chief Executive's bonuses are determined by DCMS.

The Director of Strategy and Communication during the preceding year, Wendy Shales, was an employee of the DCMS on secondment and finished her secondment on 31 March 2010. Other senior managers, below SCS, are paid employees of The Royal Parks, under the Civil Service Management Code conditions.

Contracts of appointment are open-ended and the notice period is between one and three months. There are no special terms for early termination of contracts, although the terms and conditions of the Principal Civil Service Pension Scheme (PCSPS) apply in respect of early retirement and severance. Details can be found at www.civilservice-pensions.gov.uk.

The performance appraisal system, called the Appraisal Development Report (ADR), is based on the assessment of individual achievements against current objectives. Appraisals are carried out at 6 monthly intervals with other meetings as required, and an annual performance assessment is used as a basis for awarding performance-related pay.

The Royal Parks is subject to public sector pay policy and takes into account the directives on pay and related matters issued by HM Treasury. We currently set aside approx 1.2% of total salary for non-consolidated awards. During the year a pay freeze was implemented for all staff except for those earning under £21,000 per annum. The following sections provide details of the remuneration and pension interests of the Chief Executive, Executive Board members and ExCom members of The Royal Parks except for Chris Travers who has been excluded under data protection exemption. The figures in this Remuneration Report have been audited.

a) Remuneration of Senior Managers

	2010-11	2010-11	2009-10	2009-10
	Remuneration	Bonus payments	Remuneration	Bonus payments
	£000	£000	£000	£000
Mark Camley <i>Chief Executive</i>	90-95	5-10	90-95	10-15
Colin Buttery <i>Deputy Chief Executive and Director of Parks</i>	70-75	0-5	75-80	0-5
Simon Betts <i>Director of Estates</i>	60-65	0-5	60-65	0-5
Greg McErlean <i>Director of Major Projects</i>	65-70	0-5	65-70	0-5
John Swainson <i>Director of Resources</i>	55-60	0-5	55-60	0-5
Wendy Shales (until 31 March 2010) <i>Director of Strategy and Communications</i>			55-60	0-5

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Remuneration

Salary' includes gross salary, reserved rights to London weighting or London allowances. This report is based on accrued payments made by the Department and thus recorded in these accounts.

Bonuses relate to the year in which they become payable.

No severance payments or payments to former senior managers or payments to third parties for senior managers have been made during the year.

None of the above staff received benefits in kind.

b) Pension benefits

	Accrued Pension at pension age at 31-3-11 and related lump sum £000	Real increase in Pension and related lump sum at age 60 £000	CETV at 31-3-11 £000	CETV at 31-3-10 £000	Real increase in CETV £000	Employee contributions and transfers in £000
Mark Camley <i>Chief Executive</i>	25 – 30 lump sum 85 – 90	0 – 2.5 lump sum 0 – 2.5	401	366	3	0 – 2.5
Colin Buttery <i>Deputy Chief Executive and Director of Parks</i>	30 – 35 lump sum 0-2.5	0 – 2.5 lump sum 0-2.5	406	362	3	10 – 12.5
Simon Betts <i>Director of Estates</i>	10 – 15 lump sum 30 – 35	0 – 2.5 lump sum 0 – 2.5	257	239	11	0 – 2.5
Greg McErlean <i>Director of Major Projects</i>	5 – 10 lump sum 0-2.5	0 – 2.5 lump sum 0-2.5	95	76	11	0 – 2.5
John Swainson <i>Director of Resources</i>	30 – 35 lump sum 0-2.5	25 – 30 lump sum 0-2.5	427	27	25	372.5 – 375

The actuarial factors used in the calculation of Cash Equivalent Transfer Values (CETVs) were changed during 2010, due to changes in demographic assumptions and the move from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) as the measure used to uprate Civil Service pensions. The CETVs at 31/3/10 and 31/3/11 have both been calculated using the new factors, for consistency. The CETV at 31/3/10 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors. Taking account of inflation, the CETV funded by the employer has decreased in real terms.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with Pensions increase legislation. Members who joined from October 2002 could opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of

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scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted, is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/my-civil-service/pensions/index.aspx>

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out within the guidelines prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Mark Camley, Accounting Officer
4th July 2011

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

As Accounting Officer for The Royal Parks, I have responsibility for the development, implementation, and maintenance of a sound system of internal control, and for reviewing its effectiveness. This supports the achievement of the DCMS and The Royal Parks' policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. The Audit Committee reviews the effectiveness of the systems of internal control on behalf of the Board.

I am responsible to the Secretary of State for Culture, Olympics, Media and Sport and accountable to Parliament for The Royal Parks' operations and performance. The Royal Parks was managed, to 31 March 2011, by the Executive Committee, which I chaired. The Royal Parks Board has a non-executive Chair, three other non executive directors and four executive directors, including the Chief Executive - it met quarterly.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental and The Royal Parks' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Royal Parks for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to Handle Risk

The Royal Parks Board approves The Royal Parks' risk management policy, which clearly states that responsibility for adequate risk management arrangements rests with the Board and the Chief Executive. All 'business units' (i.e. Parks and HQ sections) are required to produce and monitor risk registers as part of the annual business planning process and throughout the year. The Royal Parks has a Business Continuity Plan in conjunction with DCMS. This will ensure that if IT systems fail or there are other major incidents The Royal Parks will be in a position to continue to operate effectively.

The Risk and Control Framework

The risk management framework is aligned to the corporate aims, objectives and priorities as outlined above. For 2010-11 there were three Corporate objectives and five key targets, which in turn reflected the DCMS Public Service Agreement objectives and targets. Risk analysis forms part of the strategic planning, business planning and investment/project appraisal procedures. Managers and staff at all levels have a responsibility to identify, evaluate and manage risks, and are equipped to do so through ongoing risk training and relevant guidance.

Based on an analysis of the identified risks, a summary risk register is produced, which is monitored and reviewed by the Board. A broad range of risks are identified including financial and business risks and those which are caused by natural events in the environment such as global warming, diseases to wildlife and fauna and flora. We also assess the risks of being a host to eleven events for the Olympic and Paralympic Games in 2012. We have clear financial delegations in place covering all staff in the agency.

Information Risk

Information security risk is managed through the Information Assurance Policy, which all staff must comply with. During the year we reassessed our data security and adopted a prioritised action plan to ensure procedures were compliant with Cabinet Office mandatory requirements. Information Assurance training was provided to all staff. Our policies and processes were measured against the annual Security Policy Framework and Information Risk return which was completed in accordance with Cabinet Office requirements. There were no data loss incidents reported in 2010-11.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors and the executive managers within The Royal Parks who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. The Board and the Audit Committee have advised me on the implications of the result of my review and a plan to address weaknesses and ensure continuous improvement of the system is in place. Training was given to all staff on information assurance. In 2011-12 we will continue the process of strengthening internal controls. The Royal Parks has an internal audit function, which operates to Government Internal Audit Standards. They submit regular reports to the Audit Committee, including a report from the Head of Internal Audit giving an independent opinion on the adequacy and effectiveness of The Royal Parks' system of internal control together with recommendations for improvement. The Audit Committee, which is chaired by a non-executive Board member, produces an Annual Report on the effectiveness of internal control for the Board.

Programs and Projects within the agency are subject to Gateway Reviews, which are designed to identify issues of concern and develop key action plans to aid delivery assurance.

Each Director and Budget Holder has completed an Assurance Report confirming that they have carried out a range of responsibilities, which provides comfort that policies and procedures are being adhered to. These reports cover risk management and controls, actions on audit reports and effective management of financial and non-financial resources, incorporating specific guidelines issued by Finance, Personnel, Procurement, Health and Safety, IT and Policy and Strategy (including Records Management). Performance against Corporate Plan targets is measured and reviewed quarterly by the Board. In addition, I have regular meetings with each Director to review progress in their areas of responsibility against their business plan targets, and following Internal Audit recommendations, additional assurance will be included in Directors' reports. The Royal Parks adopted in 2005 the business tool EFQM (c) Excellence model to set and monitor achievement of management objectives and to measure improvements over time. I receive quarterly reports on progress against objectives set through this process and this enables me to benchmark the agency with other organisations.

The Annual Civil Service wide employee engagement survey provides assurance on our leadership, management and communication with staff. In 2010-11 we were fourth of 104 organisations surveyed.

I am satisfied from the results of my review of the effectiveness of the system of internal control that systems are in place to give me reasonable assurance of their effectiveness. There are no significant internal control issues to report.



Mark Camley, Accounting Officer
4th July 2011

STATEMENT OF CHIEF EXECUTIVE'S RESPONSIBILITIES

Under Section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed The Royal Parks to prepare a statement of accounts for each financial year in the form and on the basis set out in the Government Financial Reporting Manual (the FReM) issued by HM Treasury, which is in force for 2010-11. The accounts are prepared on an accruals basis and must give a true and fair view of the organisation's state of affairs at the year-end and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to:

- Observe the accounts direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that The Royal Parks will continue in operation.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Chief Executive of The Royal Parks as the Accounting Officer for the Agency. His relevant responsibilities as Accounting Officer include responsibility for the propriety and regularity of the public finances and for keeping the proper records, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in Managing Public Money.



Mark Camley, Chief Executive
4th July 2011

THE ROYAL PARKS AGENCY

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the financial statements of the Royal Parks Agency for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of Chief Executive's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff 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 Royal Parks Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Royal Parks Agency; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Royal Parks Agency affairs as at 31 March 2011 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions issued under by Government Resources and Accounts Act 2000; and
- the information given in the Introduction and Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

7th July 2011

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2011

	Note	2010-11 £000 Total	2009-10 £000 Total
Programme costs:			
Staff Costs	2	5,400	5,376
Programme Costs	3	25,154	27,166
Income	4	(14,491)	(14,158)
Net Operating Cost		16,063	18,384

OTHER COMPREHENSIVE EXPENDITURE

	Note	2010-11 £000	2009-10 £000
Net loss on revaluation of Heritage Assets & Property, Plant & Equipment	5, 6	(993)	(2,804)
Total Comprehensive Expenditure for the year ended 31 March 2011		17,056	21,188

The notes on pages 37 to 54 form part of these accounts

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

		2011 £000	RESTATED 2010 £000	2009 £000
	Note			
Non-current assets:				
Tangible Assets:				
Heritage assets	5,6	24,223	24,301	25,736
Property, plant and equipment	5	22,881	22,640	23,324
	5	47,104	46,941	49,060
Intangible Assets	7	244	287	18
Total non-current assets		47,348	47,228	49,078
Current assets:				
Inventory	1.1d	8	0	0
Trade and other receivables	9	2,991	3,315	3,007
Cash and cash equivalents	10	2,614	4,570	2,915
Total current assets		5,613	7,885	5,922
Total assets		52,961	55,113	55,000
Current Liabilities:				
Trade and other payables	11	(7,022)	(9,143)	(7,048)
Current Provisions	12	(331)	(289)	(240)
Total current liabilities		(7,353)	(9,432)	(7,288)
Total assets less current liabilities		45,608	45,681	47,712
Non-current liabilities:				
Provisions	12	(161)	(177)	(225)
Total non-current liabilities		(161)	(177)	(225)
Assets less liabilities		45,447	45,504	47,487
Taxpayers' equity				
General fund		25,849	23,768	27,109
Revaluation reserve		13,308	14,783	13,751
Donated asset reserve		6,290	6,953	6,627
Total taxpayers' equity		45,447	45,504	47,487

The notes on pages 37 to 54 form part of these accounts



Mark Camley, Accounting Officer
4th July 2011

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2011

		2010-11 £000	2009-10 £000
	Note		
Cash flows from operating activities			
Net operating cost		(16,063)	(18,384)
Adjustments for non-cash transactions	3	2,481	1,660
Notional Income	4	(663)	(107)
(Increase)/Decrease in trade and other receivables	9	324	(308)
(Increase) in Inventories	1.1d	(8)	0
Increase/(Decrease) in trade payables	11	(2,121)	2,095
Use of provisions	12	(153)	(56)
Net cash outflow from operating activities		(16,203)	(15,100)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(2,826)	(2,228)
Purchase of Intangibles	7	(21)	(281)
Net cash outflow from investing activities		(2,847)	(2,509)
Cash flows from financing activities			
Net Parliamentary cash funding received		17,094	18,831
Funding for donated assets		0	433
Net financing		17,094	19,264
Net increase/(Decrease) in cash and cash equivalents in the period		(1,956)	1,655
Cash and cash equivalents at the beginning of the period	10	4,570	2,915
Cash and cash equivalents at the end of the period	10	2,614	4,570

The notes on pages 37 to 54 form part of these accounts

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2011

	Note	General Fund	Revaluation Reserve	Donated Asset Reserve	Total Reserves
		£000	£000	£000	£000
Balance at 31 March 2009		27,109	13,751	6,627	47,487
Changes in taxpayers' equity for 2009-10					
Net gain/(loss) on revaluation of property, plant & equipment	5		(2,804)		(2,804)
Receipt of donated assets	5			433	433
Depreciation charged in year	4			(107)	(107)
Non-cash charges – auditors remuneration	3	48			48
Transfers between reserves, in relation to depreciation		569	(569)		
Intra reserve transfer – Non-current assets		(4,405)	4,405		
Net operating cost for the year		(18,384)			(18,384)
Total recognised income and expenses for 2009-10		4,937	14,783	6,953	26,673
Funding from DCMS		18,831			18,831
Balance at 31 March 2010		23,768	14,783	6,953	45,504
Changes in taxpayers' equity for 2010-11					
Net gain/(loss) on revaluation of property, plant & equipment	5		(466)	(527)	(993)
Receipt of donated assets	5				
Depreciation charged in year	4			(136)	(136)
Non-cash charges – auditors remuneration	3	41			41
Transfers between reserves, in relation to depreciation		431	(431)		0
Intra reserve transfer – Non-current assets		578	(578)		0
Net operating cost for the year		(16,063)			(16,063)
Total recognised income and expenses for 2010-11		8,755	13,308	6,290	28,353
Funding from DCMS		17,094			17,094
Balance at 31 March 2011		25,849	13,308	6,290	45,447

The notes on pages 37 to 54 form part of these accounts

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

I. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the 2010-11 Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of The Royal Parks for the purpose of giving a true and fair view has been selected. The particular policies adopted by The Royal Parks are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

I.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

I.1a Administration and programme expenditure

The Statement of Comprehensive Net Expenditure reports all expenditure and income as programme. This classification of expenditure and income follows the definitions set out in the 2010-11 Financial Reporting Manual (FReM) provided by HM Treasury.

I.1b Non-current Assets

Recognition

Land and buildings owned by, or in the guardianship of, The Royal Parks are treated as Non-Current Assets in accordance with the FReM.

Expenditure on assets, which became an integral part of the land, is written off in the year of expenditure. However, buildings, the legal title of which remains with the Sovereign, are treated as owned by The Royal Parks and are included in non-current assets. Lodges, within the Parks, which are used as dwelling places, are valued based on the terms of occupation, or replacement cost, if this is lower.

Some of The Royal Parks properties were acquired subsequent to the 1851 Act and are held in the name of the Secretary of State. These properties are included in the Accounts at their 'open market value for existing use'.

Classification

The land and buildings are classified under the FReM as either:

- Pure heritage assets (non-operational heritage assets);
- Operational heritage assets;
- Operational (non-heritage) assets

Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations and include listed buildings or buildings which directors consider have special significance in the landscape and will be required to be kept substantially in their current form due to planning restrictions.

In accordance with FRS30, pure heritage land and buildings held by The Royal Parks in pursuit of its overall objectives, are included as Non Current Assets in the Statement of Financial Position where a reliable valuation is possible, otherwise they are held at nil value. The directors consider that the costs of ascertaining current values of these unique and varied assets cannot be justified. Pure heritage assets include monuments, statues, fountains, bridges, walls, band stands and historic gates and includes both historic and recent monuments such as the Albert Memorial in Kensington Gardens and the 7-7 Memorial in Hyde Park. The Royal Parks has 97 of such assets which have not been included in the Statement of Financial Position, excluding bridges and walls, which are not individually recorded. Most of The Royal Parks land and heritage assets, other than buildings, are not valued. Expenditure on creating new heritage assets is capitalised at cost, expenditure on maintaining them is expensed.

Examples of the pure heritage assets, which are not included in the Statement of Financial Position, are given in the appendices. Further examples appear on The Royal Parks website as factsheets – Monument facts. A more detailed study of these and buildings in the Royal Parks is published by The Royal Parks entitled “Buildings & Monuments in the Royal Parks” ISBN 1-898506-09-04.

Transactions and policies of acquisition and disposal of off Statement of Financial Position heritage assets.

The Royal Parks has no disposal policy, its heritage assets being inalienable, nor has it disposed of any heritage assets since it was formed in 1993. Where third parties seek to erect a new monument or heritage asset upon land under The Royal Parks guardianship, The Royal Parks seeks assurances of funding for such asset, including full provision for future maintenance liabilities. Some monuments of note erected within the parks, which have been funded by third parties, remain in their ownership. There was no other acquisition of off balance sheet heritage assets in the past two years.

Maintenance and preservation policies of heritage assets

The Royal Parks has a programme of maintenance works undertaken which is informed by the Quadrennial Conservation report of all listed buildings and structures and condition surveys. We have adopted the “Protocol for the Care of the Historic Estate” appointed a Conservation Officer and use specialist consultants and contractors where appropriate. Priorities are assessed each year, and the cost is expensed through the Statement of Comprehensive Net Expenditure. A schedule of backlog maintenance requirements is maintained and this is used to assess priorities. The work undertaken each year will include repair and preventative maintenance.

Operational heritage land and buildings, comprising of buildings in use by The Royal Parks, tenants or concessionaires which, in addition to being held by The Royal Parks in pursuit of its overall objectives, are also used for revenue generating or other non-heritage purposes. They are professionally valued and held on the Statement of Financial Position. The valuation method used depends upon the type of the building and its use. Operational (non-heritage) land and buildings are professionally valued and held on the Statement of Financial Position.

Property, plant and equipment

Buildings are subject to revaluation under a rolling 5-year programme, the values are the lower of depreciated replacement cost and recoverable amount, which for The Royal Parks is the value in use based on actual rents, rather than market rents.

Assets are capitalised at and above the threshold of £5,000 on an individual value basis Plant & Machinery, IT and Fixtures & Fittings are not re-valued as management consider any adjustment to be immaterial.

Assets in the course of construction are included in the Statement of Financial Position at cost to The Royal Parks. On completion of works assets are transferred to the appropriate category on the Statement of Financial Position and reflected at fair value.

Intangible assets

Intangible assets comprise IT software which is amortised in line with other IT assets.

Donated assets (including those funded by capital grants)

Assets donated by third parties, either by gift of the asset or by way of funds to buy the asset are capitalised at current value on receipt. Donated assets are revalued, depreciated and subject to impairment in the same way as other assets. Revaluations are taken to the donated asset reserve. Each year, an amount equal to the depreciation charge on the asset and any impairment is released from the donated asset reserve to the Statement of Comprehensive Net Expenditure.

Depreciation

Depreciation is provided on all non-current assets, other than freehold land and non operational heritage assets, at rates calculated to write-off the cost or valuation, to the estimated residual value, of each asset on a straight line method over its estimated useful life. Lives are normally as follows:

- Buildings including dwellings: up to 100 years
- Plant and machinery: 5 to 10 years
- Fixtures, Fittings: 3 to 20 years.
- IT: up to 5 years

Contractor's assets

Property, plant and equipment excludes vehicles and equipment provided by the contractor responsible for grounds maintenance in The Royal Parks. The service contracts do not specify the assets required and the Board considers the value to be not material to the total contract value.

1.1c Cost of Capital

Until 2010-11 The Royal Parks charged a notional cost of capital (Government standard rate of 3.5%), which applied to the net of assets less liabilities in the Statement of Financial Position. However, donated assets, non-operational heritage assets and cash balances with the Government Banking Service attracted a nil rate. The cost of capital charge ensured an appropriate return on taxpayer's equity. The HM Treasury requirement to include a charge in the Statement of Comprehensive Net Expenditure, reflecting the cost of capital utilised, was removed from FReM for 2010-11. The preceding years charge has been eliminated as a prior year adjustment arising from the change in policy, in accordance with HM Treasury guidance (see note 16).

1.1d Inventory

Publication costs are expensed as we cannot provide a guarantee of sale. Royal Wedding gifts for resale are valued at the lower of cost or net realisable value.

1.1e Income

All Income is shown net of VAT. All income is accounted for in the period(s) to which it relates.

1.1f Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Agency recognises the contributions payable for the year.

1.1g Provisions

Early Departure Costs

The Royal Parks is required to meet the additional cost of benefits beyond the normal Principal Civil Service Pension Scheme benefits in respect of employees who retire early or are made redundant. The Royal Parks provides in full for these costs when the early retirement or redundancy programme has been announced and is binding on the Agency. Discount rates (1.8% for 2010-11 and thereafter) provided by HM Treasury are used when arriving at the provision included in the Statement of Financial Position.

Contingent Liabilities

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed only by uncertain future events or present obligations arising from past events that are not recognised because either an outflow of economic benefits is not probable or the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognised but information about them is disclosed unless the possibility of any outflow of economic benefits in settlement is remote.

1.1h. Value Added Tax

Where VAT is irrecoverable then costs include VAT. The Royal Parks elected to waive the exemption from charging VAT in respect of a right or interest in land or a licence to occupy land with effect from 1 October 2008.

1.1i Financing and Grants

Cash received through the Estimate process is treated as financing and credited to the General Fund.

Grants used to acquire specific capital items are credited to a Donated Asset reserve. Income is released into the Statement of Comprehensive Net Expenditure in line with the depreciation charged on the asset.

1.1j Use of Estimates

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent liabilities at 31 March each year. Actual outcomes could differ from those estimates. Estimates have been made in arriving at impairment provisions for bad and doubtful debts based on the age of debt. Estimates have been made against injury claims made against the agency based on legal advice, but often incomplete information is available of the extent and cause of injury.

1.1k Impact of new International Financial Reporting Standards

Early Application of IFRS Before Compulsory Introduction

No IFRS was adopted early.

There are no other standards and interpretations in issue but not yet adopted that The Royal Parks anticipate will have a material effect on the reported income or net assets of The Royal Parks

1.11 Segmental Reporting- IFRS 8

The Royal Parks is managed as a single entity by the Board and ExCom and as such financial and management reports are produced upon one segment.

2. STAFF NUMBERS AND RELATED COSTS

2.1 Staff costs comprise:

	2010-11 £000			2009-10 £000
	Total	Permanently employed staff	Others	Total
Note				
Wages and salaries	4,327	3,579	748	4,392
Social security costs	335	273	62	315
Other pension costs	737	695	42	688
Early departure costs	1	1	0	(19)
Total net costs	5,400	4,548	852	5,376

Of which:

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but The Royal Parks is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

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For 2010-11 employers contributions of £729,887, were payable to the PCSPS (2009-10 £680,080) at one of four rates in the range 16.7 to 24.3 per cent (2009-10 16.7 to 24.3 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2010-11, the rates are in the range 16.7 per cent to 24.3 per cent. The contribution rates are set to meet the cost of benefits accruing during 2010-11 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer contributions of £12,203 (2009-10 £7,004) were paid to one or more of a panel of 3 appointed stakeholder pension providers. Employer contributions are age-related and range from 3.0 to 12.5 per cent (2009-10 3.0 to 12.5 per cent) of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £933 (0.8 per cent; 2009-10; £278, 0.8 per cent) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £610 (2009-10 £1,886). Contributions prepaid at that date were £0 (2009-10 £0).

2.2 Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows.

	2010-11 Total	Permanently employed staff	Others	2009-10 Total
Directly employed	115	100	15	109
Other	9	0	9	19
Total	124	100	24	128

2.3.a Salary and pension entitlements

Details of the remuneration and pension interests of the Chief Executive, Executive Board members and Executive Committee members of The Royal Parks are contained in the Remuneration Report.

2.3.b The Board

The Royal Parks has not made payments to Board members. Any claims made by the Board are borne by the Department for Culture, Media and Sport.

3. PROGRAMME COSTS

	Note	2010-11 £000	2009-10 £000
Grounds Maintenance	3.a	7,475	7,338
Works Maintenance	3.b	6,880	7,217
Landscape Development	3.c	375	1,330
Programme Management	3.d	257	988
Nursery		1,274	1,224
Utilities	3.e	905	1,131
Cleaning Contracts		1,129	1,126
Service Contracts		1,122	1,071
Advisory Consultancy	3.f	21	515
Implementation Support	3.g	251	69
Trees	3.h	259	412
Marketing & Communications	3.i	303	477
IT Equipment & Consumables		129	325
Furniture & Equipment		178	227
Telecommunications		253	231
Entertainment & Licences	3.j	459	329
Horticulture	3.k	187	249
Rentals under operating lease		150	176
Training		77	85
Animal Feed & Welfare		75	106
Other Programme costs	3.l	915	860
Programme cash costs		22,674	25,486
Non Cash Items			
Depreciation and Amortisation	5, 6, 7	1,438	1462
Loss on disposal of non-current assets	5, 6, 7	62	1
Fixed Asset impairment	5, 6, 7	761	92
Auditors remuneration & expenses	3.m	41	48
Increase in provisions	12	178	77
Total		25,154	27,166

3.a Grounds Maintenance

Slightly up on last year, consolidating the increased maintenance requirement in Bushy Park, as well as further reinstatement work in Hyde Park required after major events.

3.b Works Maintenance

included major costs for St James's Park water quality improvement, Albert Memorial railings restoration, design and survey work at the Serpentine Reservoir, resurfacing sections of road in various parks and restoration of the bronzes on the Queen Victoria Memorial.

3.c Landscape Development

Significantly less spend on the Hyde Park Parade Ground restoration project, TFL funded cycling projects and Playbuilder playground development works than the previous year.

3.d Programme Management

Much reduced programme management costs reflects lower level of activity on the ICT, Bushy Restoration, TFL, Playbuilder and Hyde Park Parade Ground projects.

3.e Utilities

have decreased as a result of credits received against old incorrect gas bills.

3.f Advisory Consultancy

Much reduced from last year in line with government spend controls, costs being classified as implementation support or incurred for projects which have been included in fixed asset additions.

3.g Implementation Support

relates to professional fees incurred in supporting the delivery of our detailed business objectives. Costs which are advisory in nature (e.g. appraisal of project options) are included in advisory consultancy.

3.h Trees

safety inspections are based on zoned risk assessment leading to a prioritised programme for each year. Annual expenditure is based on strategic and cyclical work requirements.

3.i Marketing & Communications

Lower as a result of government spending controls and a reduced marketing budget. There is now a greater focus on marketing for income generation and online activity.

3.j Entertainment & Licences

have increased significantly as a result of hosting Anish Kapoor's free outdoor exhibition of stainless steel sculptures in Kensington Gardens.

3.k Horticulture

reduction as the previous year included spend on new trees in Hyde Park and Kensington Gardens.

3.l Other Programme costs

These include costs such as legal advice, recruitment, external printing, bad debts and office rates.

3.m Auditors remuneration & expenses

The charge for 2009-10 includes £7,000 IFRS restatement audit costs.

4. INCOME

		2010-11 £000	2009-10 £000
	Note		
Concessions: Catering	4.a	2,574	2,396
Car parking		1,659	1,530
Other		281	337
Licences and rents	4.b	3,236	3,228
Fees from events	4.c	3,287	2,900
Other fees and permits		800	774
Lottery and other grants	4.d	320	1,204
Services		60	63
Fundraising	4.e	10	415
Contributions to Works Costs	4.f	558	491
Other	4.g	1,043	713
Total		13,828	14,051
Notional Income			
Depreciation on donated asset (transfer from donated asset reserve)		663	107
Grand Total		14,491	14,158

4.a Concessions

Catering continued to benefit from the improved facilities and product offer at our restaurants in Hyde Park, as well as the growing popularity of The Pheasantry Cafe, Bushy Park. Car parking increased in all three parks, but especially The Regent's Park.

4.b Licences and rents

Licences and rents are little changed in total although there were increases in income from commercial licences and additional properties becoming available for rental under our Better Buildings programme. This was partly offset by reduction in income from the No 1 Hyde Park development.

4.c Fees from Events

These were up on last year mainly as a result of an increase in revenue from the Winter Wonderland event in Hyde Park. Fees also include recharges for event related costs.

4.d Lottery and other grants

Grants were lower than last year as no monies were claimed in respect of the Bushy Restoration project.

4.e Fundraising

Fundraising relates to monies received from The Royal Parks Foundation. The majority of income last year related to the Bushy Restoration project.

4.f Contributions to Works Costs

These include significant funding towards the Hyde Park Parade Ground restoration programme as well as a number of smaller projects.

4.g Other

The increase is due to backdated charges to the Metropolitan Police Service for property related costs, higher value of event bonds utilised for reinstatement and growth in sport related income.

5. PROPERTY, PLANT AND EQUIPMENT (including Heritage Assets)

	Land & Buildings excluding Dwellings	Dwellings	Heritage	Info Tech	Plant & Machinery	Furn & Fittings	Pmts on Account & Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2008	39,651	1,281	44,452	314	699	3,828	185	90,410
Additions		23	3,570		5	0	2,015	5,613
Disposals	(170)			(192)	(5)	(35)		(402)
Reclassifications	102						(102)	
Revaluation	(102)	2,020	1,554					3,472
At 31 March 2009	39,481	3,324	49,576	122	699	3,793	2,098	99,093
Depreciation								
At 1 April 2008	20,011		19,839	266	184	2,525		42,825
Charged in year	1,394	51	848	8	62	196		2,559
Disposals	(108)			(162)	(5)	(32)		(307)
Revaluation	(189)	1,992	3,153					4,956
At 31 March 2009	21,108	2,043	23,840	112	241	2,689	0	50,033
Net book value at 31 March 2009	18,373	1,281	25,736	10	458	1,104	2,098	49,060
Cost or valuation								
At 1 April 2009	39,481	3,324	49,576	122	699	3,793	2,098	99,093
Additions	715	105	837	27		413	131	2,228
Disposals				(88)		(72)		(160)
Reclassifications	2,097						(2,097)	
Revaluation	(885)	218	2,421					1,754
At 31 March 2010	41,408	3,647	52,834	61	699	4,134	132	102,915
Depreciation								
At 1 April 2009	21,108	2,043	23,840	112	241	2,689	0	50,033
Charged in year	878	49	253	7	62	201		1,450
Disposals				(87)		(72)		(159)
Reclassifications								
Revaluation	4	206	4,440					4,650
At 31 March 2010	21,990	2,298	28,533	32	303	2,818	0	55,974
Net book value at 31 March 2010	19,418	1,349	24,301	29	396	1,316	132	46,941

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	Land & Buildings excluding Dwellings	Dwellings	Heritage	Info Tech	Plant & Machinery	Furn & Fittings	Pmts on Account & Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2010	41,408	3,647	52,834	61	699	4,134	132	102,915
Additions	344	103	366	72	112	148	1,681	2,826
Disposals	(394)			(11)		(23)		(428)
Reclassifications	132						(132)	0
Revaluation	(6)	3	(314)					(317)
At 31 March 2011	41,484	3,753	52,886	122	811	4,259	1,681	104,996
Depreciation								
At 1 April 2010	21,990	2,298	28,533	32	303	2,818	0	55,974
Charged in year	802	42	248	13	67	202	0	1,374
Disposals	(333)			(11)		(22)		(366)
Reclassifications								
Revaluation	914	114	(118)					910
At 31 March 2011	23,373	2,454	28,663	34	370	2,998	0	57,892
Net book value at 31 March 2011	18,111	1,299	24,223	88	441	1,261	1,681	47,104

Land and buildings are valued in accordance with the accounting policy described at Note 1.1b. Grant, Mills & Wood, Surveyors and Valuers, a member of the Royal Institute of Chartered Surveyors, undertook the professional valuation of property for 2010-11 as at 31 March 2011. Property usage dictates whether VAT should be included in the valuation of a property. The Royal Parks have reviewed property usage and taken the valuation accordingly.

Depreciation has not been charged on freehold land, which is stated at its 1999 valuation of £20,000 plus £3,000 for land purchased in 1999-2000. The table above includes Freehold buildings as shown below :-

Freehold Buildings	2010-11 £000	2009-10 £000	2008-09 £000
Opening valuation			
At 1 April	2,421	2,421	2,421
Revaluation increase	187		
At 31 March	2,608	2,421	2,421
Depreciation			
At 1 April	1,617	1,607	1,544
Charged in year	10	10	63
Revaluation	319		
At 31 March	1,946	1,617	1,607
Net book value at 31 March	662	804	814

Depreciation is not charged on pure heritage non operational assets.

Pembroke Lodge in Richmond Park is leased out to a concessionaire on a 97 year lease of which 80 years remained unexpired at 31 March 2011. The property is included in heritage assets at a gross current replacement cost of £3.677m (2009-10 £3.677m, 2008-9 £3.677m).

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During 2010-11 the 5-year rolling revaluation programme, for buildings, was continued with 20 per cent of properties subject to physical revaluation, in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The net result of this was a decrease in Gross Current Replacement Cost of £0.317m and a decrease in Net Current Replacement Cost of £1.227m of which £ 0.234m was charged through the OCS (net of donated asset depreciation recovery), and £0.993m was accounted for through reserves. In prior years the proportion of the net revaluation (2009-10 £0.092m, 2008-9 £1.161m) which took net current replacement cost below historic net book value was charged to the OCS while the remainder (2009-10 £2.804m, 2008-9 £0.323m) was accounted for through the reserves.

Dwellings and heritage assets include residential lodges which are being refurbished under the Better Buildings Program (see page 5). Assets under construction include costs of refurbishment of some residential dwellings. During 2010-11 £1.227m of expenditure was incurred on the Look Out Education Centre which was capitalised under Assets under construction (see also note 15).

6. Heritage Assets

Details of Heritage assets and asset movements over the current and previous two years are set out below.

	Non operational		Operational		Heritage Assets
	At cost £000	At Valuation £000	At cost £000	At Valuation £000	Total £000
Cost or valuation					
At 1 April 2008	0	4,795	126	39,531	44,452
Additions	2,478		1,092		3,570
Revaluation		(1,405)		2,959	1,554
At 31 March '09	2,478	3,390	1,218	42,490	49,576
Depreciation					
At 1 April 2008	0	270	1	19,568	19,839
Charged in year		96	23	729	848
Revaluation		(296)		3,449	3,153
At 31 March '09	0	70	24	23,746	23,840
Net book value at 31 March '09	2,478	3,320	1,194	18,744	25,736
Cost or valuation					
At 1 April 2009	2,478	3,390	1,218	42,490	49,576
Additions	390		447		837
Revaluation				2,421	2,421
At 31 March '10	2,868	3,390	1,665	44,911	52,834
Depreciation					
At 1 April 2009	0	70	24	23,746	23,840
Charged in year			61	192	253
Revaluation				4,440	4,440
At 31 March '10	0	70	85	28,378	28,533
Net book value at 31 March '10	2,868	3,320	1,580	16,533	24,301
Cost or valuation					
At 1 April 2010	2,868	3,390	1,665	44,911	52,834
Additions			366		366
Revaluation				(314)	(314)
At 31 March '11	2,868	3,390	2,031	44,597	52,886
Depreciation					
At 1 April 2010	0	70	85	28,378	28,533
Charged in year			81	167	248
Revaluation				(118)	(118)
At 31 March '11	0	70	166	28,427	28,663
Net book value at 31 March '11	2,868	3,320	1,865	16,170	24,223

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Additions in 2008-9 included £2.213m of donated assets.

The net book value of Non Operational Heritage Assets at 31 March 2011 included in above and in note 5 is £6.188m and the net book value of Operational Heritage assets included in above and in note 5 is £18.035m. Impairments of heritage assets included in the above table were as follows: 2010-11, £0.098m, 2009-10 £0.030m, and 2008-9 £1.149m.

The table below sets out a breakdown of off balance sheet heritage assets by number:-

Monuments	35	Band stands	3
Statues	35	Fountains	9
Other	15		

7. INTANGIBLE ASSETS

Intangible assets comprise software.

	2010-11 £000	2009-10 £000	2008-09 £000
Cost or valuation			
At 1 April	484	247	247
Additions	21	281	
Disposals	(7)	(44)	
At 31 March	498	484	247
Depreciation			
At 1 April	197	229	209
Charged in year	64	12	20
Disposals	(7)	(44)	
At 31 March	254	197	229
Net book value at 31 March	244	287	18

8. FINANCIAL INSTRUMENTS

As the cash requirements of the Agency are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Agency's expected purchase and usage requirements and the Agency is therefore exposed to little credit, liquidity or market risk.

The majority of funding from DCMS is taken directly to Reserves (See Statement of Changes in Taxpayers' Equity). Given that 55% (2009-10: 57%, 2008-9: 60%) of income is from the Estimates process the Agency is not subject to a material liquidity risk.

The Royal Parks has a Government Banking Service bank account and does not hold any other significant cash balances. It does not have any finance leases or loans, and as a result it is not subject to interest rate risk. The Royal Parks has no dealings with foreign currency and is not subject to currency fluctuation risk.

Provision has been made against certain specific receivables where the collectability is uncertain, having regard to the payment history of the receivable and specific knowledge of any dispute of the amount owed.

9. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2010-11 £000	2009-10 £000	2008-09 £000
Amounts falling due within one year:			
Trade receivables	2,244	1,774	1,704
Impairment of Receivables	(257)	(231)	(377)
Other receivables	26	27	67
Value Added Tax	544	409	710
Prepayments & accrued income	434	1,336	903
	2,991	3,315	3,007

Contained within Trade receivables are amounts due from Other Central Government Departments (£0.558m) and Local Authorities (£0.242m). The Royal Parks is not materially exposed to concentrations of credit risk to a single trade receivable or group of receivables.

10. CASH AND CASH EQUIVALENTS

	2010-11 £000	2009-10 £000	2008-09 £000
Balance at 1 April	4,570	2,915	2,888
Net change in cash and cash equivalent balances	(1,956)	1,655	27
Balance at 31 March	2,614	4,570	2,915

The following balances at 31 March were held at:

Government Banking Service	674	4,418	2,751
Commercial banks and cash in hand	1,940	152	164
Balance at 31 March	2,614	4,570	2,915

11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2010-11 £000	2009-10 £000	2008-09 £000
Amounts falling due within one year:			
Trade payables	828	998	1,923
Accruals	5,516	7,352	4,206
Value Added Tax	0	35	150
Deferred Income	678	758	769
	7,022	9,143	7,048

Contained with Trade payables are amounts payable to Other Central Government Departments (£0m) and Local Authorities (£0.342m). The Royal Parks is not materially exposed to concentrations of liquidity risk to a single trade creditors or group of creditors. See Financial Instruments for ageing of Trade Payables.

12. PROVISIONS FOR LIABILITIES AND CHARGES

	Early departure costs £000	Outstanding claims £000	Total £000
<u>2008-09</u>			
Balance at 1 April 2008	124	256	380
Provided in the year	185	42	227
Provisions not required written back	5	(74)	(69)
Provisions utilised in the year	(58)	(15)	(73)
Balance at 31 March 2009	256	209	465
<u>2009-10</u>			
Provided in the year	0	114	114
Provisions not required written back	(19)	(38)	(57)
Provisions utilised in the year	(39)	(17)	(56)
Balance at 31 March 2010	198	268	466
<u>2010-11</u>			
Provided in the year	1	242	243
Provisions not required written back		(64)	(64)
Provisions utilised in the year	(21)	(132)	(153)
Balance at 31 March 2011	178	314	492

Analysis of expected timing of discounted flows

	Early departure costs £000	Outstanding claims £000	Total £000
In the year to 2012	17	314	331
Between 2013 and 2017	50		50
Between 2018 and 2022	19		19
Thereafter	92		92
Balance at 31 March 2011	178	314	492

12.1 Early departure costs

The agency meets the additional costs of benefits beyond the normal Principal Civil Service Pension Scheme (PCSPS) benefits in respect of employees who retire early by paying the required amounts monthly to the PCSPS over the period between early departure and normal retirement date. The agency provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments. Where material discount rates provided by HM Treasury are used when arriving at the provision included in the statement of financial position.

12.2 Outstanding Claims

The Royal Parks has a number of outstanding claims for compensation for personal injury. Where management judge that there is likely to be a settlement a provision has been made, but no provision has been made where the outcomes are unlikely or uncertain. Management judge that the claims included in the provision will be settled within the next year.

12. CAPITAL COMMITMENTS

	2010-11 £000	2009-10 £000	2008-09 £000
Contracted capital commitments at 31 March 2011 for which no provision has been made:			
Property, plant and equipment	849	217	554

13. COMMITMENTS UNDER OPERATING LEASES

Total commitments under operating leases to pay rentals during the years following the year of these accounts are given in the table below, analysed according to the period in which Payments fall due

	2010-11 £000	2009-10 £000	2008-09 £000
Obligations under operating leases comprise:			
Other:			
Not later than 1 year	78	87	165
Later than 1 year and not later than 5 years	92	52	145
Later than 5 years	0	0	0
	170	139	310

14. RELATED PARTY TRANSACTIONS

The Royal Parks is an agency of The Department for Culture, Media and Sport (DCMS). DCMS is regarded as a related party. During the year, the Agency has had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent Department: Sports England, the Heritage Lottery Fund, and Historic Royal Palaces.

In addition, The Royal Parks has had various material transactions with the Crown Estate and The Royal Parks Foundation. The Royal Parks Non-Executive Directors, the Hon Apurv Bagri and Andrew Fenwick are trustees of the Foundation and from 3rd June 2011, its date of incorporation, A. Fenwick became one of the directors of the Royal Parks Foundation Trading Company Limited, a wholly owned subsidiary of the Foundation. During the year, after news of funding cuts, The Royal Parks asked the Royal Parks Foundation to assume responsibility for the new Look Out Education Centre and delivery of education in Hyde Park and Kensington Gardens. Both parties entered into negotiations towards an agreement for a licence of 20 years duration, with an option to extend for a further 5 years, at a peppercorn rent. Based on the progress of negotiations, and the intent of both parties to conclude an agreement, The Royal Parks commenced construction of the new Look Out building. Under the agreement the Foundation will in future provide education and community engagement programmes to schools and the public and will occupy the Centre, with a team of education volunteers. It is anticipated that The Royal Parks will contribute a small subsidy towards the running costs incurred.

The Foundation has raised and is holding restricted reserves and pledges amounting to £1.342m including £0.921m towards the development of the Look Out Education Centre. During the year The Royal Parks received £0.010 m from the Foundation (2009-10 £0.657m, 2008-9 £0.044m).

During the year, no Board member, key manager or other related parties has undertaken any material transactions with The Royal Parks.

15. CHANGE IN ACCOUNTING POLICY- COST OF CAPITAL (see note 1.1 c)

	£000
Net operating cost as previously reported in 2009-10	19,507
Adjustment for cost of capital no longer charged	<u>1,123</u>
Net operating cost for 2009-10 restated	<u>18,384</u>

16. FIRST-TIME ADOPTION OF FRS 30

	General Fund £000	Revaluation reserve £000	Donated asset reserve £000	Total reserves £000
Taxpayers equity at 31 March 2009 as previously reported	27,109	13,751	4,627	45,487
Adjustments for:				
Valuation of heritage asset			2,000	2,000
Taxpayers equity at 1 April 2009 under FRS 30	27,109	13,751	6,627	47,487

In 2009 the Queen Mother's Memorial statue was erected in St James's Park, The memorial cost £2m and was funded by a £5 coin, produced by the Royal Mint to celebrate the Queen's 80th birthday. At that time neither the funding nor costs of construction passed through the books of The Royal Parks. We have treated this asset as an acquisition, upon adopting FRS30, as a donated asset – there is no change to net operating costs as we do not depreciate such assets. The change to taxpayer's equity is due to the inclusion of the value of the Queen Mother's Memorial at its estimated value of construction. The additions to fixed assets during 2008-09 and the net book value at 31 March 2009 have been increased by £2m to £5.613m and £49.06m (See Note 5).

17. EVENTS AFTER REPORTING DATE

The Accounting Officer authorised these financial statements for issue on the Comptroller and Auditor General certification date. There were no events after the reporting date.

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Appendices – Heritage assets – examples of Monuments not included in the Statement of Financial Position

Name of monument	Albert Memorial – Kensington Gardens
Description	One of London's most ornate monuments. Includes: a gilded statue of Prince Albert, husband of Queen Victoria; groups of sculptures representing industrial arts and sciences and the continents of Europe, Asia, African and America; and a frieze of 169 leading musicians, poets, painters, sculptors and architects.
Location	Albert Memorial Road, opposite the Royal Albert Hall.
History\background	Commemorates the death of Prince Albert in 1861 from typhoid.
Designer	George Gilbert Scott.
Dates	Unveiled 1872
Name of monument	Diana Fountain – Bushy Park
Description	Bronze statue of goddess (sometimes described as Arethusa) on a marble and stone fountain, surrounded by bronzes of four boys, four water nymphs and four shells.
Location	Centre of the round basin at the junction of Chestnut and Lime Avenues.
History\background	Designed for Henrietta Maria, wife of King Charles I and originally set in her garden at Somerset House. It was moved to the Privy Garden of Hampton Court in 1656. In 1712 the fountain and statue were moved to Bushy Park to the middle of Chestnut Avenue, designed by Sir Christopher Wren. The fountain was restored in 2009 as part of the Bushy Park Restoration Project.
Designer	Hubert Le Sueur.
Dates	Statue designed in 1637
Name of monument	Duke of York statue – St James's Park
Description	Bronze statue of the Duke of York on a 124ft column.
Location	At the top of the Duke of York Steps, on the north side of The Mall.
History\background	Installed in memory of Frederick William (1763-1827), Commander in Chief of the British Army and second son of King George III. He is probably <i>The Grand Old Duke of York</i> of the nursery rhyme.
Designer	Statue by Sir Richard Westmacott; column by Benjamin Wyatt.
Dates	1834

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Name of monument	Hylas and the Nymph statue – Regent’s Park
Description	Grade II listed bronze statue of a boy and a mermaid on a stone pedestal, set in a stone-rimmed pond.
Location	St John’s Lodge Garden, north east of Inner Circle.
History\background	Donated by the Royal Academy of Arts.
Designer	Henry Pegram.
Dates	1933
Name of monument	Queen Victoria Memorial – Green Park
Description	Comprises the Dominion Gates (see above), Memorial Gardens and the vast central monument to Queen Victoria. The monument is 25m (82ft) high and uses 2,300 tonnes of white Carrara marble. As well as Victoria, there are statues representing courage, constancy, victory, charity, truth and motherhood.
Location	At the south west end of The Mall, opposite Buckingham Palace.
History\background	Commemorates the death of Queen Victoria in 1901.
Designer	Central monument by Sir Thomas Brock; overall design by Sir Aston Webb.
Dates	Assembled 1906-24. Formal unveiling in 1911 by King George V.
Name of monument	General James Wolfe (1727-1759) – Greenwich Park
Description	
Location	Viewpoint near the Royal Observatory Greenwich, overlooking the north section of Greenwich Park.
History\background	The statue commemorates Wolfe’s victory against the French at Quebec which secured Canada for the British. Wolfe, whose parents lived in Macartney House on the edge of the park, died in the battle. The monument, a Grade II listed structure, was a gift of the Canadian people.
Designer	Dr Tait Mackenzie.
Dates	1930.



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