



The **Parks** Trust
MILTON KEYNES

Annual Report and Financial Statements

2021/22

Company Information

Milton Keynes Parks Trust Limited

Company Registration Number 02519659

Charity Registration Number 1007183

Registered Office Campbell Park Pavilion, 1300 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 4AD

Bankers
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Registered Office
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 Company Registration: No. 04161258

MKPT Events Limited
 Campbell Park Pavilion, 1300 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 4AD
 Company Registration: No. 09411695

Whitecap Leisure Limited
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 Company Registration: No. 03979736

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Sheep grazing at Campbell Park

About Us

Established as a charity in 1992, The Parks Trust expertly cares for over 6,000 acres of green space in Milton Keynes including river valleys, ancient woodlands, lakes, parks and many areas along the city's grid roads.

In addition to managing and developing local landscapes, the charity's staff and volunteers also deliver a range of other activities such as supporting local wildlife and biodiversity, providing valuable facilities for park users, delivering extensive education programmes and connecting communities with events and activities.

In most towns and cities, parkland is owned by the local authority but Milton Keynes' founders were pioneers and decided to do things differently. Their vision was to create a new town where the parkland and landscapes would be protected forever by a charity that was separate from local government. Doing so would ensure that, as the new town grew, its green spaces would never be compromised or required to fight for funding.

The Parks Trust was given an endowment of cash and commercial property when it was set up thirty years ago and returns on these investments generate the primary source of income required to fund the charity's wide-ranging commitments.

As Milton Keynes grows, so does the work of The Parks Trust as it takes on new green spaces and endowments from developers in order to ensure that new areas of the city benefit from the same quality of inspiring, connected landscape.

Welcome

From David Foster, Chief Executive



David Foster

I am pleased to introduce this annual report – my final one. It has been a real privilege to serve as CEO of The Parks Trust. I am immensely proud of all that we have achieved and so pleased that this way of managing public green space is clearly working well. Indeed, it is more successful than anyone could have hoped when the Trust was first established 30 years ago.

Back then, the idea of transferring 4,500 acres of public land (that had been so brilliantly landscaped by the highly-talented people at the Development Corporation) to an untried and untested new charitable Trust with a £20m endowment, was radical and considered risky by some.

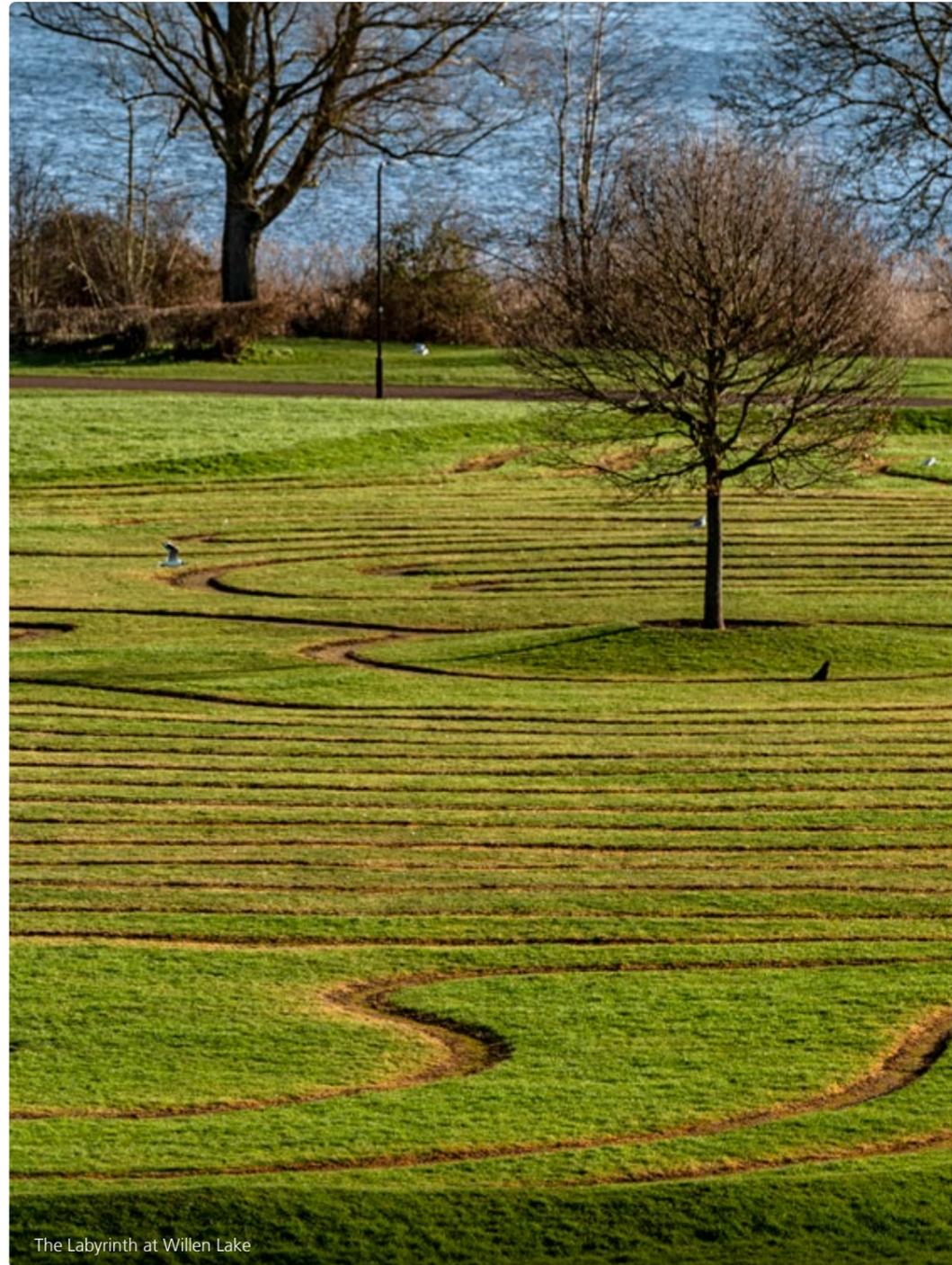
This year's performance has once again demonstrated just what a good decision it was. The Trust has continued to go from strength to strength. I am particularly pleased we have edged nearer to our goal of achieving long term financial sustainability with a healthy increase in our asset base. I must give credit to our Head of Property, Ben Allott, who left us at the end of the financial year. He, as much as anyone, helped put the Trust on a firm financial footing with some astute commercial property management.

The good financial health of the Trust has enabled us to expand the staff team with new posts that will make a real difference – such as an additional biodiversity manager to help us make more progress with our nature recovery work; a sustainability manager to enable us to set and achieve testing targets for reducing our carbon footprint; several new landscape and forestry trainees building the skill base for the future workforce and three enforcement officers to help make the parks feel safe. You'll see elsewhere in this report we have also been able to make some significant investments in the parks, most notably at Willen Lake.

We continue to take on some fabulous new parks as the city grows and we look forward to even greater collaboration and cooperation with the Council and developers on this. Last year, we published our vision for how the green infrastructure network should be extended. This complements the Council's carefully crafted vision for MK2050 and is called Milton Keynes' Inspirational Landscapes.

Finally, I would like to thank my colleagues and all the Trustees and volunteers I have worked with these last 19 years – it has been an immense pleasure. I wish my successor, Victoria Miles MBE, many great times ahead and feel entirely confident that the parks, lakes, woods and landscapes of Milton Keynes are in very good hands. The Parks Trust model is robust and durable and, with Victoria at the helm, it will continue to serve the city exceedingly well.

David Foster, Chief Executive



The Labyrinth at Willen Lake



Zoe Raven

From Zoe Raven, Chair

We have had another busy and successful year at The Parks Trust, and one which saw the team adjusting to the vastly-increased use of parks and green spaces arising from last year's lockdowns. Across all areas of the charity, team members and volunteers have delivered inspiring and innovative work, caring for the Milton Keynes landscape so that residents, businesses and visitors can enjoy its many benefits.

Leading that team for the past 19 years has been our CEO, David Foster, to whom we are now saying a very fond farewell. David's achievements at The Parks Trust have had long-lasting impacts which extend far beyond maintaining the beautiful appearance of our city's parks and greenspaces. As well as recognising that well-managed landscapes directly improve outcomes for local people, David's heartfelt passion for the environment has also propelled him to find better methods of landscaping and farming to support local biodiversity.

As David moves on, our parks have never looked better or been more popular. Residents have more chances than ever to connect with the environment via a raft of exciting and enriching events and activities. He has also ensured that the original endowment given to the Trust when it was set up in 1992 has been nurtured just as well as the parks and is giving us a solid basis to continue our work in the year ahead – and forever. As part of that work, we continue to do all we can to enhance local wildlife in the face of the impending ecological disaster and climate crisis.

David would be the first to remind me that it is The Parks Trust team, with all of their talents and energy, who have delivered against his vision. He is right, of course, and I should like to thank them for their continued dedication during the past year. However, I believe the team would want me to focus my gratitude on David whose endless love for The Parks Trust – and the city of Milton Keynes – is a legacy we will carry forward under the new leadership of Victoria Miles MBE.

Lastly, I should like to share with you that our Governance Review was successfully completed in the financial year 2021/22 and the outcomes were very reassuring. The Parks Trust is strong, well-managed and ready to face the future.

Thank you for your continued interest and support.

Zoe Raven, Chair of the Board

Highlights

Here are some of our key activities and achievements from the past 12 months:



▲ Willen Lake continues to be one of the most popular attractions in Milton Keynes, welcoming around 1m visitors annually thanks to its wide range of free and paid activities, both on and off the water. Our investment in enhancing visitor experience at Willen Lake continued in this financial year with Phase Two of our development plan completed in time for summer 2021. Much-improved facilities now feature the city's largest outdoor play area and a fully-accessible Watersports Centre including a Changing Places toilet. The new Benugo Bar & Kitchen welcomed its first customers in July and enables Willen Lake visitors to access a wide range of consistently high-quality food, drink and snack options.

▼ Ash dieback – a fungal disease - caused the loss of many precious trees and our work to address it included planting 400 new oak saplings which were given to us by local people who responded to our call to plant acorns. The trees have been planted at Shenley Wood, Howe Park Wood and Linford Wood where they will make a positive difference to the local environment for generations to come.



▼ The work of our five-strong Outdoor Learning team delivers against our charitable object to advance public education around the environment and wildlife. In the past year, they delivered over 560 educational sessions and activities for all ages, and created a wide range of resources including activity sheets and information boards at sites of interest. Adults and children who took part in our Outdoor Learning activities awarded us 4.8 out of 5 in feedback surveys.



▲ Over 35,000 new trees and shrubs were planted during the last season – including some to be featured as part of The Queen's Green Canopy. In places, planting work was supported by members of the community. Our Outdoor Learning team organised sessions for local schools, groups and residents to help plant trees and learn about caring for saplings as they mature.



▲ In April, we extended our commercial property portfolio with Drakes Mews, a business centre offering industrial units, and self-contained office or studio spaces. Following the completion of phase one of its refurbishment, we welcomed the first tenants. The improvements aim to minimise environmental impact and include state-of-the-art air filtering systems, a complete removal of reliance on gas and carpet tiles manufactured from recycled ocean fishing nets.



▲ A brand-new electric community boat - 'Electra' – arrived on the Grand Union Canal, providing an exciting way to view the parks from the water. BMK Waterway Trust were behind the initiative and The Parks Trust houses the narrowboat at our Campbell Wharf Marina. Run entirely by volunteers, trips operate year-round.



▲ For the fifth year in a row, we earned a Green Flag Award for the high standard we maintain in parks across MK. The award scheme is managed by environmental charity Keep Britain Tidy under licence from the Ministry of Housing, Communities and Local Government. It recognises and rewards well-managed parks and green spaces, setting the benchmark standard for their management across the United Kingdom and around the world.



▲ This year we were delighted to discover that one of the UK's rarest breeding birds, the Marsh Warbler, had nested at the Floodplain Forest Nature Reserve. This is the first known instance in of this bird nesting in Buckinghamshire and its presence on the site is an indication that the Floodplain Forest, which we opened in 2016, is fulfilling its objective of providing enhanced habitat for wildlife.

Highlights continued



▲ Our programme of events and activities, and our support for partners who host events in our green spaces, help us to put the parks in service of the whole community. In the last financial year, we organised and supported over 1,700 events attended by almost 100,000 people. From guided walks and play days to heritage experiences and festivals that celebrate the city's diversity, our events helps to foster ownership of the parks by local people and bring everyone together.

▼ During this financial year, our Direct Works team expanded by 25% to accommodate an increased volume of work. More in-house resource also means that we can invest time in designing and remodelling landscapes that are fit for the growing needs of their residents – local wildlife, plants, trees ...and people!



► We were proud to play a continued role in supporting the health and wellbeing of local residents with organised events like Walking For Health which proved popular throughout the year. Our teams also extended and maintained the range of gym and play equipment that's available across the city so that people can exercise outdoors any time for free. The most recent addition was a new trim trail at Lodge Lake which opened last summer.



◀ Clearing up the increasing volume of litter takes up more of our resources each year. To help us encourage people to use bins or take litter home, we launched a competition with MK Council to find an eye-catching poster to be displayed around the city. The winning designers were Amy Fulton from St Mary Magdalene Catholic School in Greenleys, and Riona Hoi-Yan Chin from Portfields Primary School in Newport Pagnell.



▲ Notable heritage sites of special historical interest feature across our estate. One such place is Great Linford Manor Park where work continued this year on restoration work supported by the National Lottery Heritage Fund. The spectacular ponds got closer to being completed and specialists repaired the Victorian Brick Kilns so that they are preserved for future visitors to enjoy.



▲ Three Enforcement Officers were recruited to our team this year in response to a huge uplift in usage of the parks and the unfortunate resulting increase in anti-social behaviour such as littering and dog fouling. Whilst they do have powers to discharge Fixed Penalty Notices, the new recruits spend most of their time helping park users to understand the value of being responsible and have been warmly-welcomed across the city.



▲ A full survey our hedgerows across agricultural land managed by The Parks Trust was completed to give us a better understanding of their condition. A plan is now in place to plant in identified gaps so that we can support even better local biodiversity.



▲ Positive progress was made against the commitments in our five year biodiversity action plan which supports the conservation of local species and habitats. Our continued surveys of the local landscape support diversity of flora and fauna, and provide direction for our future projects.

Our Volunteers

In the 2021/22 financial year, more than 6,000 hours of support were donated to The Parks Trust by our amazing team of 224 registered volunteers. Their time was dedicated to a wide range of important tasks that keep local parks, lakes and landscapes beautiful, enjoyable and safe.

The selfless work of volunteers plays a critical part in the achievement of our charitable goals and we thank them sincerely for all that they do.

Volunteers tell us that they enjoy committing their spare time to The Parks Trust for lots of reasons including the chance to keep fit, meet people and make a real difference to the local environment. They are supported with training, uniform, regular get-togethers and an annual awards celebration in January.

There is plenty of choice when it comes to volunteering at The Parks Trust, with opportunities that are suited to different skills and interests. Available roles include rangers, wardens, assistants for events, outdoor learning and conservation and organised walk leaders.

As the remit of The Parks Trust expands, our reliance on volunteers becomes ever-more significant. We were delighted to report the successful recruitment of 31 new volunteers this year and a continuing steady stream of applications and interest. Many of our newest volunteers were recruited for a Volunteer Warden Scheme being introduced at Linford Lakes Nature Reserve.

In the year ahead, The Parks Trust will be working towards formal accreditation for its volunteering programme via the 'Investing In Volunteers' scheme which is the UK quality standard for good practice in volunteer management.

Annual Volunteers Awards Celebration

Each January, we hold an evening celebration event for our volunteers, looking back over the previous year and highlighting their achievements.

Volunteers of the Year
David Ollier and Steve Thomason

Community Engagement Volunteer of the Year
Deborah Cooper

Outdoor Learning Volunteer of the Year
Pamela Loose

Warden of the Year
Colin Kempster

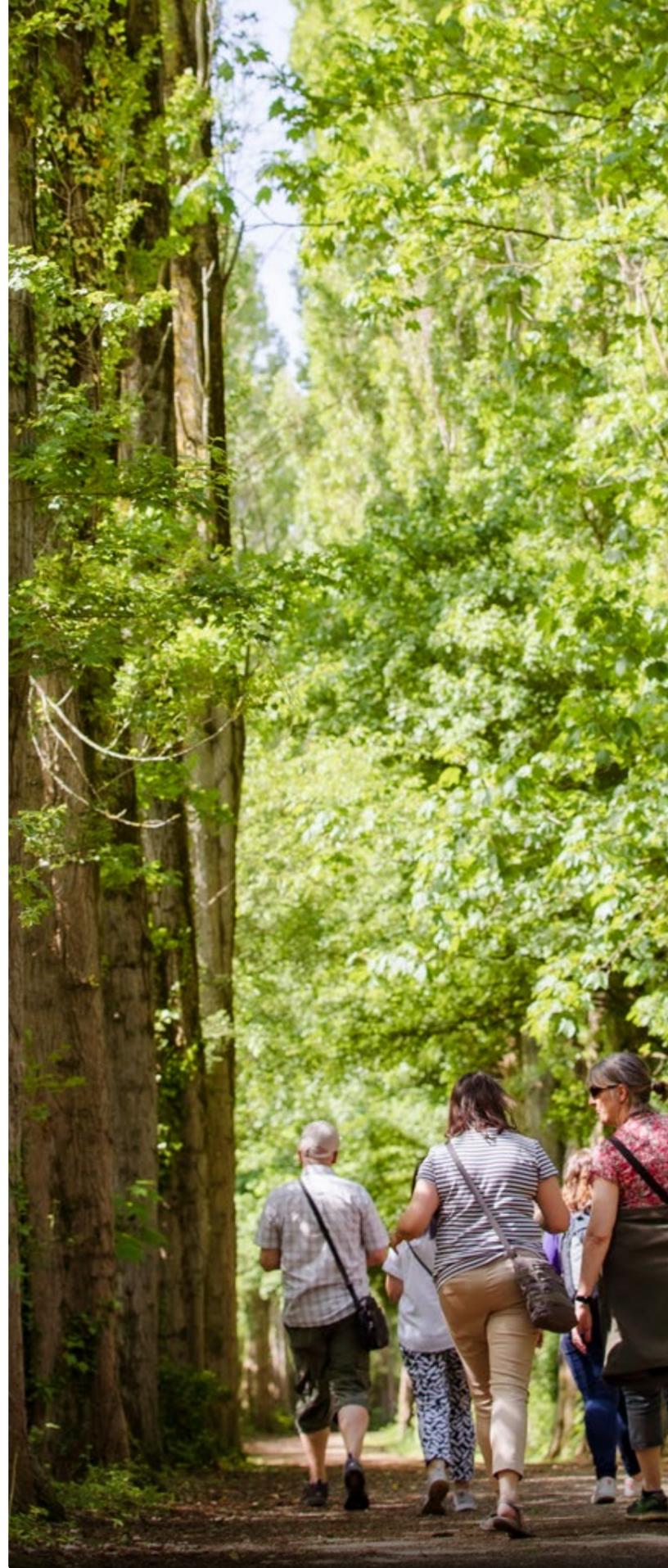
Newcomer of the Year
Paz Prieto Martin

Long Service Award
Andy Palmer

Long Service Award
Dudley James

Wildlife Surveyor of the Year
Sue Bunker

Special mention
Elfield Bushcraft Group and the new wardens at
Linford Lakes Nature Reserve



Sustainability

As the custodian of most green infrastructure in Milton Keynes, our goal is to be a leader when it comes to sustainable action that supports the environment and plays a part in addressing the climate emergency.

Against a backdrop of continued progress in our operations, which ensures the ongoing stability and health of local landscapes, habitats and species, we have completed an assessment of our charity's overall approach to environmental sustainability.

This has resulted in the appointment of our first Sustainability Manager and development of a Sustainability Action Plan.

Our over-arching goal is to become carbon neutral by 2030 and we have worked towards this in the past financial year by:

- Initiating a system of measuring our operational CO₂ emissions and identifying required change
- Launching partnerships with Octopus Electric Vehicles and Volkswagen Financial Services, and acquiring e-cargo bikes, to start the transition of our fleet to electric vehicles
- Implementing flexible working so that colleagues can reduce their weekly commute
- Beginning the transition to electric power tools for landscape maintenance
- Promoting a scheme to encourage our team to cycle to work and help them save on the cost of a new bike
- Installing solar panels on our Campbell Park head office
- Initiating the use of high-grade building insulation and energy efficient lighting at a number of our properties
- Installing 23 electric vehicle charging points across the parks

Future plans include:

- Obtaining external verification of our carbon footprint
- De-carbonising our Campbell Park head office
- Providing carbon awareness training to all staff and creating a competency framework
- Implementing strategies for zero waste to landfill, water conservation, prudent use of resources and energy usage reduction
- Investigating a switch from diesel in landscape management vehicles to a more sustainable biofuel
- Embedding sustainability and carbon neutral policies across the charity, including in procurement, investments, contractors and suppliers
- Ongoing monitoring of Milton Keynes' biodiversity

New Spaces

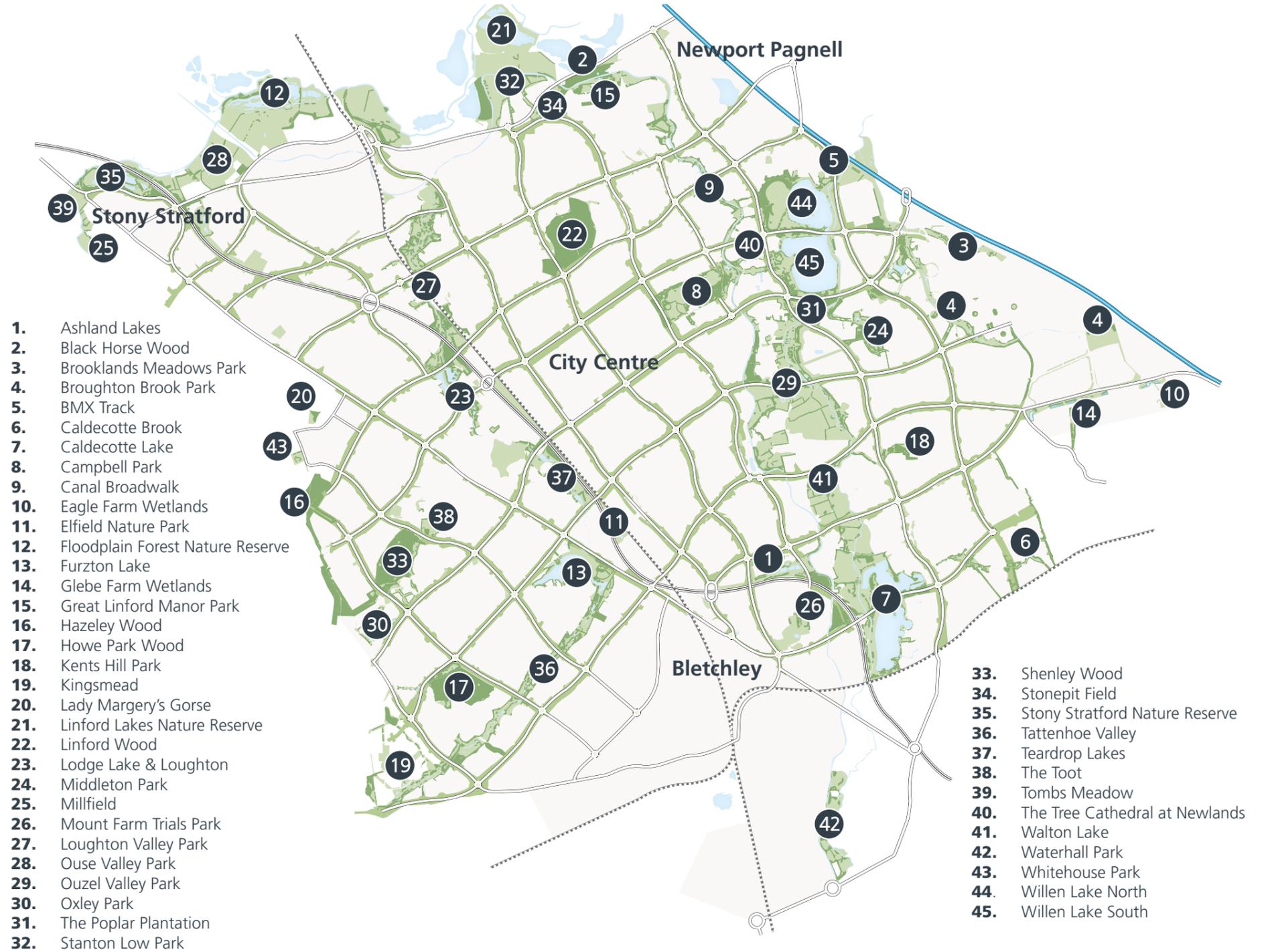
Milton Keynes continues to grow at a rapid pace and so does the work of The Parks Trust as we take on an increasing number of new green spaces around the city.

Where new developments have been in progress during the past financial year, we were pleased to have been nominated as the adopting body to take on the stewardship of new green infrastructure, parks and play areas.

Our model of green space stewardship - which is ownership by a registered charity with future maintenance costs met by investing endowments provided by developers at the time of land adoption - is consistent with the founding principles of Milton Keynes. It is a model which ensures residents in new estates benefit from the same quality of green space as those living in older parts of the city. As we have done since 1992, The Parks Trust will continue to work as a leading advocate for local green infrastructure network, alongside developers and Milton Keynes Council.

During the year 2021-22, The Parks Trust accepted the transfer of the following parks and green spaces:

- Park and play area at Vanguard Circle in Brooklands
- An area of amenity green space adjacent to Berrenda Avenue in Whitehouse
- Amenity green space at Harris Way, Glebe Farm
- Wildwood Play Area and Woodland, Glebe Farm
- Lady Margery's Gorse Park and Play Area, Whitehouse
- Open space containing sustainable urban drainage ponds adjacent to Farr Meadow, Eagle Farm



1. Ashland Lakes
2. Black Horse Wood
3. Brooklands Meadows Park
4. Broughton Brook Park
5. BMX Track
6. Caldecotte Brook
7. Caldecotte Lake
8. Campbell Park
9. Canal Broadwalk
10. Eagle Farm Wetlands
11. Elfield Nature Park
12. Floodplain Forest Nature Reserve
13. Furzton Lake
14. Glebe Farm Wetlands
15. Great Linford Manor Park
16. Hazeley Wood
17. Howe Park Wood
18. Kents Hill Park
19. Kingsmead
20. Lady Margery's Gorse
21. Linford Lakes Nature Reserve
22. Linford Wood
23. Lodge Lake & Loughton
24. Middleton Park
25. Millfield
26. Mount Farm Trials Park
27. Loughton Valley Park
28. Ouse Valley Park
29. Ouzel Valley Park
30. Oxley Park
31. The Poplar Plantation
32. Stanton Low Park

33. Shenley Wood
34. Stonepit Field
35. Stony Stratford Nature Reserve
36. Tattenhoe Valley
37. Teardrop Lakes
38. The Toot
39. Tombs Meadow
40. The Tree Cathedral at Newlands
41. Walton Lake
42. Waterhall Park
43. Whitehouse Park
44. Willen Lake North
45. Willen Lake South



Financial Performance

Financial position and reserves at the end of 2021/22

The Trust's financial position at the end of 2021/22 shows an increase in net assets of £21.0m to £150.3m (2021: £129.3m) driven largely by growth in our Expendable Endowment fund of £20.3m and a small surplus made on our charitable activities of £0.7m. Our net assets are held in three reserve funds and these are made up as follows:

Restricted Fund £0.6m (2021: £0.7m) – The Campbell Park Community Facilities project is to provide community facilities within Campbell Park. The Riverine Forest project is to restore and manage the floodplain of the River Ouse at Manor Farm, Old Wolverton to Floodplain Forest and associated habitats utilising gravel royalties secured from the site.

General Fund £5.3m (2021: £4.6m) – The General Fund is unrestricted and comprises the surplus for the year after transfers to designated funds. All income arising on the assets held in our Expendable Endowment Fund is credited directly to this fund. The General Fund is available to use in carrying out the charitable objects of the Trust.

The General Fund also includes two designated funds; the Environmental Gain Fund and the Stanton Low Fund. The Environmental Gain Fund has been established to enable us to put aside reserves for the specific purpose of improving biodiversity and creating new habitat within Milton Keynes and its environs. The Stanton Low fund was established following receipt of gravel royalties obtained from the Ouse Valley Park and are designated for use in enhancing the site at Linford Lakes Nature Reserve.

The Expendable Endowment Fund £144.4m (2021: £124.1m) – In 2021/22 our Expendable Endowment Fund has grown in value as a result of the gains on revaluation of investment assets of £17.8m (2021: £4.4m), the endowments we have received for taking ownership of new green space of £2.4m (2021: £2.8m) and the gains made on the disposal of investment assets of £0.2m (2021: £3.8m).

This fund includes assets donated to The Parks Trust by the Milton Keynes Development Corporation when the Trust was established in 1992. In most years since then the Trust has taken responsibility for managing additional green space and received additional endowments, initially from the Commission for New Towns, then English Partnerships, and more recently various developers and Milton Keynes Council (from the 'Tariff' and Section 106 monies). The fund may be converted into income.



The Milton Keynes Rose



Financial review of 2021/22

We are pleased to report this year that we recorded our highest ever spend on our charitable activities of £14.8m, which was £2.4m higher than the prior year. The majority of the increase in spend was incurred in the management and maintenance of our parks, lakes and landscapes.

The increase in expenditure would not have been possible without a strong and stable asset base from which we yield the income to spend on our charitable activities. Our investment income this year reached a new high of £9.4m and performed better than we had anticipated. This continues to be testament to the in-house expertise of our commercial property team, their active management of our property portfolio and the diversified nature of the portfolio. The Trust's principal income from the investment assets it holds was made up of:

- Commercial property portfolio of £8.49m (2021: £7.39m);
- Financial investments of £0.86m (2021: £0.72m).

Our income from charitable activities increased to £6.94m this year (2021: £5.62m). As well as the endowments for new land transfers, this year has seen a significant increase in grant income and income from our trading subsidiary. The capital works on the restoration project at Great Linford Manor have concluded and we have received £1.67m of funding towards this from the National Lottery Heritage Fund. We had a very strong trading season at Willen Lake and through subsidiary Whitecap Leisure Limited generated income of £1.74m. The principal income from our charitable activities was made up of:

- Endowments of £2.41m (2021: £2.83m);
- Grant income of £1.86m (2021: £1.08m);
- Operating subsidiary of £1.74m (2021: £0.91m); and
- Farming income of £0.55m (2021: £0.51m).

In respect of our resources expended this year, our management and maintenance of parks costs increased from £7.80m to £9.95m whilst investment management costs increased from £4.1m to £4.4m. The expenditure on managing and maintaining our parks exceeded pre-pandemic levels and reflects both the increased investment in our parks and green space and the new areas of land that we are managing. It also reflects the investment we are making in people with a significant growth in our workforce. Average permanent employees for the year totalled 87 which is up from 71 in the prior year. After accounting for our governance costs the total resources expended of the Trust in the year increased from £12.4 to £14.8m.

The Trust continues to hold a diversified range of investments comprising our in-house managed commercial property portfolio and externally managed non-property investments. Our investment funds now total £191.5m (2021: £152.5m).

In March 2022 an independent desktop valuation of the majority of our investment properties was carried out by Colliers International Valuation UK LLP. The land and properties are valued at £143.8m (2021: £115.5m) and a fair value uplift of £15.7m (2021: £0.5m) has been recognised in the Statement of Financial Activities. The basis of the valuation adopted was open market value subject to existing tenancies and the revaluation is recorded as an unrealised gain in the Statement of Financial Activities.

Throughout 2021 and into early 2022 our non-property investments recorded strong capital growth. As we moved through early 2022, the Russian invasion of Ukraine and the high rates of global inflation caused investment values to fall, reducing some of the earlier gains. Our non-property investments finished the year by recording an upwards revaluation of £2.0m (2021: £3.9m). The revaluation is also recorded as an unrealised gain in the Statement of Financial Activities.

The Trust has bank loans drawn to the value of £42.8m (2021: £30.0m) which are secured against some of our property investments. During the year the Trust refinanced its debt facilities with lender Handelsbanken plc repaying a maturing loan of £20m and obtaining two new term loans of £10m and £15m. The Trust also drew down on £7.8m in respect of its floating rate revolving credit facility (RCF). The RCF facility was extended to November 2024 and has a maximum value of £10.0m and is available should the Trust need to access additional funds.

Our key financial metrics are as follows:

	2022	2021
Total incoming resources	£16.4m	£16.7m
Commercial property portfolio yield	7.0%	6.6%
Managed funds yield	1.9%	2.0%
Total resources expended	£14.8m	£12.4m
Net movement in funds	£21.0m	£12.9m
Expendable endowment fund	£144.4m	£124.1m



Our investments

In 2020/21 we reported that following a review of our investment policy the board agreed to disinvest in full its holding with Cazenove and invest into new asset classes. This would help to diversify the Trust's investment portfolio spreading risk and therefore reducing the portfolio's Value at Risk, increase income yields and increase the Trust's level of socially responsible investments. The diversification process concluded at the end of December when the Trust invested a committed sum of £8.75m into J.P. Morgan's Infrastructure Investment Fund.

The value of our managed funds portfolio is now £47.8m (2021: £37.0m) and is invested in a mix of equities, credit and alternative financial investments. The Trust continues to hold funds with Sarasin and Partners LLP, Apollo Global Management and Legal & General Investment Management and during the year invested into the infrastructure assets class with J.P. Morgan.

The proportion of funds invested in specific sustainability funds continues to grow each year following our investment into new asset classes and as more suitable and attractive funds become available.

The commercial property portfolio had a strong year in 2021/22 delivering an income yield of 7.0% and capital growth of 13.1%. Capital growth was driven by our programme of capital investments, redevelopments and refurbishments and is supplemented by yield compression and rental growth particularly on our industrial assets which reflects the strength in demand for this sector from both investors and occupiers. During the year we continued with our active investment strategy with two acquisitions totalling £7.4m and one disposal of £9m. We purchased the Drakes Mews office/industrial multi let scheme in Crownhill and an industrial unit in Knowlhill and completed on the sale of an office unit in Coventry. Our portfolio is spread between retail, office, hotel and leisure, industrial and residential and by value 66.5% (2021: 52.9%) of our property portfolio is located within Milton Keynes. Active management of our commercial property portfolio is a key part of our investment strategy. Through the knowledge and expertise of our in-house team we feel we as the Trust are best placed to manage the risks to our property income.

We have a written investment policy which is reviewed annually by the board. Our investment policy requires our managers to meet these ethical investment requirements:

- The Parks Trust will avoid directly investing in companies that have a significant negative impact on climate change;
- The Parks Trust will invest mainly in funds where the underlying managers employed have a credible Responsible Investment Policy;
- The Parks Trust will invest a proportion of its funds into ethical funds particularly those that aim to promote solutions to climate change providing it is not to the Trust's financial detriment to do so;
- The Trustees reserve the right to withhold from making investments which, in their opinion, may damage the Trust's reputation; and

- The Parks Trust does not expect its investment advisors to make investments that are out of step with the Trust's guiding values or that would be contrary to the achievements of the Trust's objectives.

Subsidiary - Whitecap Leisure Limited

2021/22, despite being another challenging year for Whitecap Leisure Limited, it was on the whole a very positive year at Willen Lake. Whilst the business continued to operate throughout the season with COVID-19 restrictions in place, visitor numbers were significantly up which was reflected in the bookings and sales data across most of their activities. In July the new watersports centre situated on the peninsula of the Lake opened. This brand new asset was delivered by the Trust at a cost of £4.6m and is home to a café/restaurant, toilets, flat and the headquarters of Whitecap. The delivery also included new children's play facilities and landscaping works. Whitecap returned to profitability this year with an operating profit of £91k (2021: operating loss of £84k).

Towards financial sustainability

We will be looking after the parks, lakes, woods and landscapes forever and we are entirely self-financing. We have no tax raising powers and have to generate all the money we need from our investments and from our commercial activities, so it's vitally important we follow a plan to make the Trust financially sustainable for the long term.

We have done well at increasing our Expendable Endowment Fund in recent years, benefiting from particular strong growth across our investment assets, however there is still further to go.

Of course, it is unrealistic to assume there will not be external pressures on asset values at some stage in the future and our financial planning endeavours to take this into account.



Looking Forward

In 2022/23, we will continue to manage the parks, lakes and landscapes in our ownership with the same consistent love and care we have shown for the past 30 years.

The primary reason for establishing our charity was to give local greenspaces every chance of success without having to compete for scarce funds and the spending prioritisation that local authority parks have to endure.

As well as undertaking the general routine maintenance that's required, we always make significant interventions in the landscape over and above this core work. Indeed, over 50% of our resource and budget is dedicated to enhancement and development activities such as landscape remodelling works along some of the older grid roads.

This activity will continue in the year ahead, with work along the boundaries to ensure the trees and shrubs are not a nuisance or risk to our neighbours. General tree works will also feature heavily as we help plantations develop and deal with tree health issues such as Ash Die Back. Over the next 12 months, we plan to rebuild up to ten wooden bridges across the parks and resurface 11 kilometres of leisure routes so that they continue to be good condition for users.

Our efforts to reduce our use of herbicide in a considered and responsible way will continue, as will our work to encourage the biodiversity in our grasslands, cutting more for hay and leaving areas to grow long. The recently-expanded biodiversity team will enable us to improve our system of monitoring and assessing the state of biodiversity on our land and further enhance it with the advice of our Ecology Advisory Group.

We will also need to navigate our way through the changes to the farming support system that are being phased in by the government, including the introduction of the Environmental Land Management Scheme, which should help us fund some of the biodiversity enhancements we are planning.

In the coming financial year, our newly-formed cleansing team will be launched so that we can manage litter left in the parks more efficiently via in-house resource. The team will also help us to get closer to the littering problem and understand how to tackle it.

Taking on additional green spaces and accompanying endowments will remain a key objective for our charity. We believe passionately that all spaces in the city should be of the same high standard, whether they are older places that are starting to look neglected or brand-new spaces created by developers.

We remain committed to helping the Council with its work on a Nature Recovery Strategy which could serve as a positive vehicle for looking more holistically at the green infrastructure in Milton Keynes. The Parks Trust also has much to contribute to consultations on future city expansion where we can advocate for, and advise on, the simultaneous extension of the joined-up green infrastructure network.

We are particularly pleased that The Parks Trust will be launching a carbon accounting system so that we can consistently and accurately measure our carbon footprint. This data will feed into the first stage of our new sustainability action plan.



A biodiversity survey in progress



Our ongoing outdoor learning, community engagement, volunteering and events programmes will continue throughout 2022-23 and help to ensure people have great experiences in the parks, have the chance to learn more about them, love them and get involved in caring for them. We want everyone to be able to enjoy visiting the parks and, with that in mind, we will continue to push forward with accessibility audits. Our audit of Campbell Park will be completed and inform a plan of action to improve accessibility in that particular park.

Having seen the success of the new café, public toilets and Watersports Centre at Willen Lake last year, we look forward to opening new facilities at Furzton Lake, including a dinosaur-themed adventure golf course. Plans are also being revisited for a café and visitor centre at the city centre end of Campbell Park.

Among other significant projects to get underway in the next financial year is a major project at Great Linford Manor Park involving the restoration of the old almshouses. Once the buildings have been made safe and habitable, we will bring them back into use, including the provision of toilets for visitors and facilities for our volunteers.

2022/23 will be the first full year of the revised governance arrangements we put in place for our subsidiary company that runs Willen Lake. We look forward to the new look board developing exciting plans for the future and ensuring the visitor experience is first class.

When it comes to our financial position, the year ahead will see us maintain a steady focus on our investment assets, continuing to ensure that they are invested responsibly (in a greater proportion of sustainable funds) and are sufficiently diversified so as to reduce the impact from an economic downturn. We have had a good run where our investments in both property and funds have increased in value significantly but the threat we now face of rising inflation is going to test the mettle of our long term financial sustainability strategy.

Structure, Governance and Management

Company Structure

Milton Keynes Parks Trust operates on a day to day basis as The Parks Trust. It is a company limited by guarantee, governed by its articles of association and administered by a Board of Trustees. The Board sets and monitors the strategic direction of the company and ensures that our strategy is aligned with our values and mission. The Board is responsible for ensuring The Parks Trust is properly managed, complying with all relevant law, and has the highest standards of governance.

Trustees

All the Trustees are directors of Milton Keynes Parks Trust Limited. The Trustees who served during the year and up to the date of this report are:

George Bowyer Nominated by Milton Keynes Council

Robin Bradburn Nominated by Milton Keynes Council

Chris Bridgman

Ian Burgess Nominated by the Association of Urban Parish Councils

Sam Crooks (resigned 10 May 2021)

Junita Fernandez (resigned 31 December 2021)

Robert Green Chair of Audit and Risk Committee

Ian Jackson

Nick Lloyd Vice Chair and Chair of Finance and Property Committee

James Macmillan

Jennifer Marklew (resigned 30 September 2021)

Zoe Raven Chair of the Trust and Chair of Governance and HR Committee

Ian Russell Chair of Operations Committee

Danielle Sheppard (appointed 8 July 2021)

Richard Smith (appointed 4 April 2022)

Lauren Townsend Nominated by Milton Keynes Council (appointed 30 September 2021)

Ellen Wilson

Gamiel Yafai

Since the last report three Trustees have retired and we have appointed four new Trustees, taking note of where skills gaps would be occurring on the Board. Newly appointed Trustees go through an induction process which includes explanation of the regulatory framework within which The Parks Trust operates, the legal and fiduciary duties of charity Trustees and company directors, as well as risk management and mitigation. All Trustees are provided with training opportunities, Charity Commission briefings and other information about good charity governance.

Senior Management Team as at 31st March 2022

The Senior Management Team is responsible for the day-to-day running of the Charity. It proposes to the Board where the Charity should invest its time, money and expertise. It reviews strategic changes to the Charity's activities prior to consideration by Board or Committees. Through the Finance Director it proposes an annual operating budget to the Finance and Property Committee and to Board for approval and monitors financial performance accordingly. It recommends any changes to the budget and activity in light of performance and changes in the external environment. Those who served on the Senior Management Team during the year:

Ben Allott Head of Property (resigned on 31 March 2022)

Hannah Bodley Head of Marketing, Events & Community Engagement

Phil Bowsher Head of Environment

Nicola Donovan HR Manager

David Foster Chief Executive

Jeremy Godfrey Finance Director

Jennifer Harris HR Manager

Rob Riekie Landscape and Operations Director

Rob Wood General Manager, Willen Lake

Company Structure

The board of The Parks Trust has four sub-committees and received regular reports from each of them.

- The Finance and Property Committee is responsible and accountable to the Board for the financial performance, treasury and debt management, investment strategy, including the strategy for The Parks Trust's commercial property portfolio. It is also responsible for the consideration of proposals for investment acquisitions and disposals and the terms of adoption of future greenspace.
- The Operational Strategy Committee takes an overview of the way we manage our land and ensures it is well-managed, promoted, animated and interpreted. It also considers proposals for The Parks Trust to take on additional green spaces.
- The Audit and Risk Committee oversees financial regulations, financial systems, internal controls, policies and procedures and ensures that they are sound. It meets the auditors annually and, monitors the management and mitigation of risk.
- The Governance and HR Committee ensures the Trust has good governance and HR management, overseeing the independent governance review carried out every three years and the annual staff survey.

The Trust also has two advisory groups made up of Trustees and external specialists with a wealth of experience in the subject. One group advises on ecology and the other on investments.

The Trustees have had due regard to public benefit guidance published by the Charity Commission. We consider all the work undertaken by The Parks Trust is for the benefit of the public. For example:

- Nearly all of the 6,000 acres of green space The Parks Trust owns in Milton Keynes is available for the public to use freely, every day of the year.
- The benefits of parks to society, the economy, health and well-being and to the local and global environment are well known and widely accepted.
- The outdoor learning and the events programmes organised by The Parks Trust help people further understand and appreciate the green environment within the new city.
- Our volunteers programme enables local people to become actively engaged in their environment.

The management of The Parks Trust's investments is undertaken solely for the purpose of providing income and long-term financial security so that The Parks Trust is able to carry out its charitable objects in perpetuity.

Key Personnel - Remuneration

The Chief Executive's remuneration is determined by the Board on the recommendation of a small sub-committee, made up of the Chair and Vice-Chair of the Board. They also carry out the annual performance review of the Chief Executive. Salaries are reviewed each year in February and changes take effect from April. Bi-annually a salary benchmarking exercise is carried out on all salaries and benefits at the Trust and to ensure all are now within the 'assessed market range'. Our next review is scheduled for January 2023.

Subsidiary undertakings

The charity has three wholly-owned subsidiary undertakings:

- Whitecap Leisure Limited – a subsidiary which manages the leisure operation at Willen Lake.
- MKPT Properties Limited – which has been used from time to time to undertake property development projects but is currently dormant.
- MKPT Events Limited – which was the vehicle used to manage the Rugby World Cup 2015 Festival and Fanzone but is currently dormant.
- The Parks Trust has formal funding agreements with these subsidiaries and appoints the directors who are listed in the subsidiary accounts.

Principal risks and uncertainties

The Parks Trust has a risk policy which describes our attitude to risk and provides context for our risk management process. The Parks Trust has three separate registers for The Parks Trust's farming enterprise, its operations and for Whitecap Leisure Limited. The Audit and Risk Committee has specific responsibility for monitoring the effectiveness of our risk management. The Trustees are satisfied that appropriate protection, systems and checks remain in place in order to mitigate exposure to major risks.

The Parks Trust maintains sufficient cash balances to minimise any risk to liquidity. Cash flow forecasts are monitored by the Finance Director and Chief Executive monthly and by the Finance and Property Committee quarterly. The exposure to risk from our borrowings is mitigated by having interest rate swaps in place and by regularly monitoring our position with the loan covenants.

The highest scoring risks in the risk register (i.e. those that would have the most detrimental impact on The Parks Trust) are around sustainable funding. We mitigate the risk that the income from our investments may fall short of our targets by having a long-term financial strategy that is regularly reviewed, as well as annual and three-year budget plans. We have an investment policy that requires us to maintain a diversified portfolio and regularly review the performance of investments against the financial strategy. We face risk and uncertainty in a number of other areas including:

- A shortage of skilled contractors available to undertake our landscape management work. We mitigate this by nurturing our existing contractors, keeping a broad contractor base, recruiting new contractors when possible and continuing to invest in our own Direct Works team, including apprentices.
- Retaining and recruiting high calibre staff and Trustees. We mitigate this by keeping a good reputation and making sure The Parks Trust is a good and rewarding place to work by following good HR policies and succession planning. The Governance and HR Committee led by the Chair continues to give this important area more focus and scrutiny.
- Risk to welfare of all children, young people and adults at risk with whom The Trust comes in to contact. We appointed SAFEcic to audit and review The Trust's safeguarding practices and policy.
- The impact of the inflationary impact on our cost base, our investment asset values and our income.

Investments

The investments of The Parks Trust are set out in note 11 of the financial statements. The endowment funds are primarily held in the form of commercial property and financial investments. To protect The Parks Trust's long-term interests, plans for investment diversification are assessed regularly. An independent Red Book valuation of the investment properties was carried out in March 2020 and a desktop valuation in March 2022, both by Colliers International Valuation LLP. The land and properties were valued at £143.8m (2021: £115.5m).

The basis of the valuation adopted was open market value subject to existing tenancies. The Parks Trust's non-property investment portfolio is managed by Sarasin & Partners LLP, Legal & General Investment Management, Apollo Global Management and JP Morgan Asset Management who are authorised persons within the meaning of the Financial Services and Markets Act 2000. The mix of asset classes within the portfolio has been structured to target a return in the long-term, which is forecast to deliver a performance above expected inflation rates.

Statement Of Trustees' Responsibilities

The Trustees (who are also directors of Milton Keynes Parks Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period.

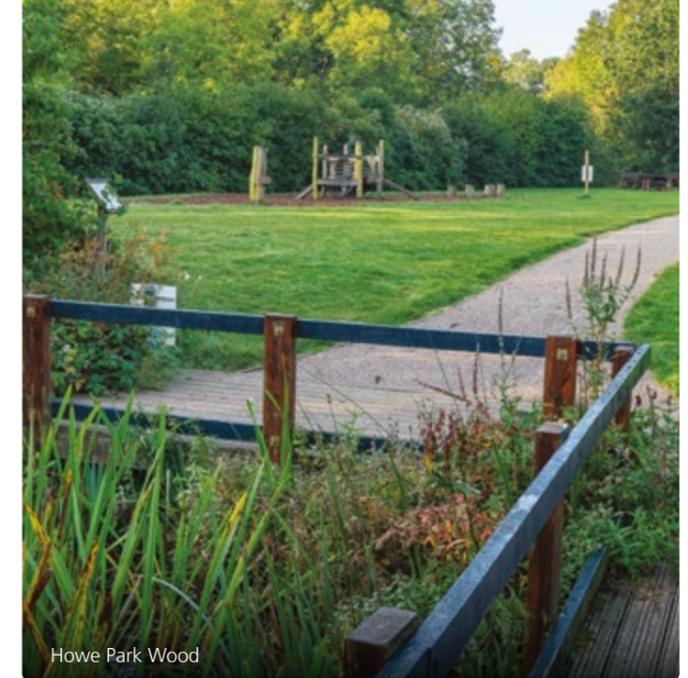
IN PREPARING THESE FINANCIAL STATEMENTS, THE TRUSTEES ARE REQUIRED TO:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the Statement of Recommended Practice for charities, SORP (FRS 102) (second edition October 2019).
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company and group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Bug hunting with the Outdoor Learning Team



Howe Park Wood

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

IN THE CASE OF EACH TRUSTEE IN OFFICE AT THE DATE OF THE TRUSTEE'S REPORT IS APPROVED, THAT:

- As far as each of the Trustees is aware, there is no relevant audit information of which the charitable company's auditor is unaware.
- They have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

In approving the Trustees' Report, the Trustees are also approving the Strategic Report in their capacity as Trustees of the Charitable company, from pages 6-23.

AUDITOR

A resolution for the reappointment of Moore Kingston Smith LLP as auditor of the Charity will be proposed at the forthcoming Annual General Meeting.

The financial statements on pages 28-50 were approved by the Board of Directors on 7 July 2022 and signed on its behalf by Zoe Raven.

Zoe Raven

On behalf of the Board
Zoe Raven, Chair of the Board

Independent Auditor's Report

Independent Auditor's Report to the members of Milton Keynes Parks Trust Limited

Opinion

We have audited the financial statements of Milton Keynes Parks Trust Limited for the year ended 31 March 2022 which comprise Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Wildflowers at Great Linford Manor Park

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Responsibilities of Trustees'

As explained more fully in the Trustees' responsibilities statement set out on page 22 to 23, the Trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees' are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees' either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to



Reggae Festival at Campbell Park

influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report continued

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Silvia Vitiello (Senior Statutory Auditor)



for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

18 July 2022

4 Victoria Square
St Albans
Hertfordshire
AL1 3TF



Financial Statements

Consolidated Statement of Financial Activities

For the year ended 31 March 2022
(incorporating income and expenditure account)

	Note	Unrestricted funds £'000	Restricted funds £'000	Expendable endowment funds £'000	2022 Total funds £'000	2021 Total funds £'000
INCOMING RESOURCES						
Income from investments						
Investment income	2	9,376	-	-	9,376	8,109
Charitable income						
Endowments	3	-	-	2,412	2,412	2,827
Charitable Income	3	4,528	-	-	4,528	2,789
Other income	4	46	-	-	46	2,970
Total incoming resources		13,950	-	2,412	16,362	16,695
RESOURCES EXPENDED						
Costs of generating funds						
Investment management costs	5	(4,385)	-	-	(4,385)	(4,141)
Charitable activities						
Management & maintenance of parks	5	(9,914)	(37)	-	(9,951)	(7,790)
Governance costs	5	(508)	-	-	(508)	(454)
Total resources expended		(14,807)	(37)	-	(14,844)	(12,385)
Net income before gains and losses on investments		(857)	(37)	2,412	1,518	4,310
Realised gains - Property		-	-	156	156	-
Realised gains - Other investments		-	-	46	46	3,816
Total net gains on investments		-	-	202	202	3,816
Net income		(857)	(37)	2,614	1,720	8,126
Transfers between funds		-	-	-	-	-
Total transfers between funds		-	-	-	-	-
Unrealised gains on revaluation - Property	11	-	-	15,766	15,766	477
Unrealised gains on revaluation - Other investments	11	-	-	2,004	2,004	3,949
Unrealised gains on revaluation - Derivative financial instruments		1,531	-	-	1,531	377
Total other recognised gains and losses		1,531	-	17,770	19,301	4,803
Net movement in funds	6	674	(37)	20,384	21,021	12,929
RECONCILIATION OF FUNDS						
Total funds brought forward		4,585	682	124,059	129,326	116,397
Total funds carried forward		5,259	645	144,443	150,347	129,326

All gains and losses recognised in the current and prior year are included in the Consolidated Statement of Financial Activities. There is no material difference between the net outgoing resources above and the historical cost equivalent. All incoming resources and resources expended derive from continuing activities. The accompanying notes form part of these financial statements.

Consolidated Balance Sheet

As of 31 March 2022

	Note	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible assets	10	2,183	1,923
Investments	11	191,543	152,523
Total fixed assets		193,726	154,446
CURRENT ASSETS			
Inventories	12	595	532
Debtors	13	2,153	1,251
Cash and cash equivalents		2,808	9,975
Total current assets		5,556	11,758
Creditors: amounts falling due within one year	14	(13,935)	(26,253)
Net current (liabilities)/assets		(8,379)	(14,495)
Total assets less current liabilities		185,347	139,951
Creditors: amounts falling due after one year	15	(35,000)	(10,625)
Net assets		150,347	129,326
REPRESENTED BY:			
Restricted funds	20	645	682
Unrestricted funds	21	5,259	4,585
Expendable endowment fund	22	144,443	124,059
Total funds	23	150,347	129,326

These financial statements were approved by the Trustees and authorised for issue on 7 July 2022 and are signed on their behalf by:



Zoe Raven
Chair of the Board
Company Number: 02519659
The accompanying notes form part of these financial statements.

Financial Statements continued

Charity Balance Sheet

As of 31 March 2022

	Note	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible assets	10	1,988	1,447
Investments	11	191,541	152,520
Total fixed assets		193,529	153,967
CURRENT ASSETS			
Stocks	12	595	531
Debtors	13	2,320	1,861
Cash at bank and in hand		2,466	9,612
Total current assets		5,381	12,004
Creditors: amounts falling due within one year	14	(13,723)	(26,089)
Net current (liabilities)/assets		(8,342)	(14,085)
Total assets less current liabilities		185,187	139,882
Creditors: amounts falling due after one year	15	(35,000)	(10,625)
Net Assets		150,187	129,257
ACCUMULATED FUNDS			
Restricted funds	20	645	682
Unrestricted funds	21	4,963	4,380
Expendable endowment fund	22	144,579	124,195
Total funds	23	150,187	129,257

These financial statements were approved by the Trustees and authorised for issue on 7 July 2022 and are signed on their behalf by:



Zoe Raven
Chair of the Board
Company Number: 02519659
The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

	Note	2022 £'000	2021 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash inflow from operating activities	17	2,064	7,951
Cash flow from investing activities			
Interest and income from financial investments	1	878	724
Proceeds from the sale of tangible fixed assets		335	6
Purchase of tangible fixed assets	10	(795)	(112)
Proceeds from the sale of fixed asset investments		12,569	23,922
Purchase of fixed asset investments	10	(33,548)	(24,489)
Net cash (outflow)/inflow from investing activities		(20,561)	51
Cash flow from financing activities			
Interest payments	1	(1,102)	(1,106)
Loan finance costs	1	(318)	(71)
Increase/(decrease) in bank loans	14,15	12,750	(5,500)
Net cash inflow/(outflow) from financing activities		11,330	(6,677)
Net (decrease)/increase in cash and cash equivalents		(7,167)	1,325
Net change in cash and cash equivalents		(7,167)	1,325
Cash and cash equivalents at 1 April		9,975	8,650
Cash and cash equivalents at 31 March		2,808	9,975

	At 1 April 2021	Cash flow movement	At 31 March 2022
ANALYSIS OF CHANGE IN NET DEBT			
Total cash and cash equivalents	9,975	(7,167)	2,808
Debt due within one year	(20,000)	12,250	(7,750)
Debt due after one year	(10,000)	(25,000)	(35,000)
Total	(20,025)	(19,917)	(39,942)

The accompanying notes form part of these financial statements.

Principal Accounting Policies

Basis of preparation

The consolidated financial statements of Milton Keynes Parks Trust Limited have been prepared in compliance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006 and the Statement of Recommended Practice for charities, SORP (FRS 102) (second edition - October 2019). The charitable company is a public benefit entity.

The Group and Charity financial statements have been prepared on a going concern basis (see below), under the historical cost convention, as modified by the revaluation of investments. The principal accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of consolidation

The consolidated financial statements incorporate those of Milton Keynes Parks Trust Limited ("the Charity") and its subsidiary undertakings as detailed in note 7. The consolidated entity is referred to as 'the Group'.

Exemptions for qualifying entities under FRS102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of the use of the exemptions to the Company's members. No separate Statement of Financial Activities (SoFA) or Cash Flow Statement has been prepared for the Charity as permitted by Section 408 of the Companies Act 2006 and FRS 102 Section 1.12 (b) respectively.

Fixed assets investments

Investment properties are recognised at fair value, which is generally their open market value, as defined in the Appraisal and Valuation Manual prepared by the Royal Institution of Chartered Surveyors. Costs capitalised in respect of properties under development include acquisition costs of land and buildings, costs incurred in bringing the property to its present location and condition in accordance with FRS102. Investment properties in the course of development are also held at fair value. Properties, for which unconditional exchange of contracts occurs during the period, are accounted for as acquisitions or disposals within that period. Conditional exchanges are accounted for as acquisitions or disposals only when all substantive conditions have been met. The surplus or deficit arising from the annual revaluation is credited or debited to the SoFA within the Expendable Endowment Fund.

Listed investments have been included in the financial statements at closing market bid price. Unlisted investments are held at cost less any provision for impairment as an approximation to fair value where this cannot be reliably measured. The surplus or deficit arising from the annual revaluation is also credited or debited to the SoFA within the Expendable Endowment Fund. As are any realised gains or losses on investments sold in the year.

Investments in subsidiary undertakings are valued at cost less any impairment.

Tangible and intangible fixed assets

Tangible and intangible fixed assets are capitalised at cost. The Group capitalises items costing more than £2,000. Depreciation and amortisation are provided to write off the cost of assets less the estimated residual value of fixed assets by equal instalments over their estimated useful lives, as follows:

Fixed asset	% per annum
Freehold building	2
Improvements to buildings	2 to 20
Fixtures and fittings	10 to 20
Plant and equipment	10 to 33
Motor vehicles	20

No depreciation is provided in respect of freehold and long leasehold investment properties or in respect of assets in the course of construction. Fixed assets are reviewed for any impairment at the reporting date. Any impairment loss is recognised in the SoFA.

Financial instruments

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised



The Teddy Bear's Picnic Walk

cost, using the effective interest rate method. Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in income and expenditure. The relating asset or liability is included within debtors or creditors. The Group does not apply hedge accounting in respect of the interest rate swap.

Inventories

Inventories are valued at the lower of cost and net realisable value. In the case of livestock, cost is based on all direct expenditure (where known) or on the deemed cost basis as provided for in guidance issued by HMRC (BIM55440 - Farming: stock valuation: General Principles Help sheet 232). Net realisable value is the price at which the stock can be realised in the normal course of business.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash held in current accounts with UK banks and highly liquid interest-bearing securities with maturities of three months or less.

Income

Income is recognised in the SoFA when the Group has entitlement to the income, the amount can be reliably measured, and it is probable that the income will be received.

Rental income

Rent and service charges are recognised on an accruals basis. The assets for which rent is received are included in investment properties in fixed assets. The rent is included as investment income as the properties are let on a commercial basis. Lease rental income is recognised over the lease term on a straight-line basis. Rents received in advance are accounted as prepaid rent (deferred income) within creditors.

Lease incentives

Benefits to lessees in the form of rent free periods are recognised on a straight line basis over the lease term, in accordance with FRS 102. The total of any lease incentives in place at the period end are included within the carrying value of investment properties rather than held as a separate debtor. Any remaining lease incentive balances in respect of properties disposed of are included in the calculation of surplus or deficit arising on disposal.

Principal Accounting Policies continued

Investment income

Interest and investment income is accounted for on a receivable basis.

Incoming resources from charitable activities

Income from charitable activities is accounted for on a receivable basis and includes income from farming, licenses, education, events and other activities carried out in accordance with the charitable company's objectives. Grant income is recognised when the Group is entitled to receipt. Grants receivable on terms that require the Charity to carry out research or other work are recognised in income as the performance obligations are satisfied.

Expenditure

Expenditure is accounted for on an accruals basis. Support costs include the administrative functions and have been allocated to activity cost categories on a basis consistent with the use of resources. Indirect costs are allocated based on an estimate of the time spent by each member of staff (see note 5). Irrecoverable VAT is included as an expense item of its own.

Expenditure on charitable activities

Charitable activities include the maintenance of the parks and parkways and the incidental costs of other activities. Governance costs are those costs incurred with the administration of the charitable company and compliance with constitutional and statutory requirements. Expenditure that can be recognised as wholly attributable to governance costs, for example the audit fee and Trustee expenses are directly allocated. All other costs, including staffing costs, are apportioned on the basis of an estimate of the time spent by each member of staff on governance related issues.

Expenditure on generating funds

Generating funds includes costs of managing investments for both income generation and capital maintenance.

Refurbishment of properties

Any expenditure on the refurbishment of the existing investment property portfolio which, in the opinion of the Trustees, is made to maintain present standards is expensed in the year. Any expenditure on additional land or property is capitalised and included as an addition to fixed asset investments.

Leases

Rentals payable under operating leases are charged to the SoFA on a straight line basis over the lease term.

Bank borrowing

Interest bearing bank loans are recorded at proceeds received, net of direct issue costs. Finance charges, including direct issue costs, are recognised on an accruals basis. Issue costs are amortised over the period to loan maturity.



Pensions

Retirement benefits for employees, where provided, are funded by contributions from the employer. Payments are made to an insurance company which manages the Group's personal pension plan and the contributions are charged in the SoFA in the year in which they become due. The scheme is a defined contribution pension scheme.

Taxation

The Charity is exempt from Income Tax and Corporation Tax on income and gains to the extent that they are applied to its charitable objects. The Charity's trading subsidiary does not generally pay UK Corporation Tax because their policy is to pay profits to the Charity as Gift Aid where they have sufficient reserves to do so.

Green estate

The green estate is held for charitable purposes and occupied under 999 year leases starting from 31 March 1992. In most cases the freehold is held by Milton Keynes Council and there is a presumption against disposal or development for commercial purposes.

Fund accounting

Unrestricted Funds are funds available for use at the discretion of the Trustees in furtherance of the objectives of the charitable company and which have not been designated for other purposes. Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The Expendable Endowment Fund represent assets that are utilised to generate income for the furtherance of the charitable company's objectives.

Principal Accounting Policies continued

Critical accounting estimates and judgements

Judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure are continually evaluated. The estimates and associated assumptions are based on historical evidence and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements which have the most significant risk of causing a material adjustment to the carrying amount of assets and liabilities are the valuations of investment properties for which the Group obtains assurance from its professional valuers, Colliers International Valuation UK LLP, carried out an independent desktop valuation of the investment properties in March 2022.

The desktop valuation is carried out in accordance with the criteria set out by the Royal Institution of Chartered Surveyors. Some of our investment properties have been assessed internally.



Floodplain Forest Nature Reserve

Going concern

The Group consolidated financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons. As stated on page three, the charity was originally given a significant endowment which has been invested to generate income to fund the charity's operations into perpetuity.

At 31 March 2022 the Group had cash balances of £2.9m and liquid investments of £29.9m, as well as a significant investment property portfolio. Liquid investments therefore currently constitute more than two years income based on current activity levels.

The board have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the Group will have sufficient funds to meet its liabilities as they fall due for that period.



Community volunteers helping to pick litter

Notes to the Financial Statements

1 - Legal status

Milton Keynes Parks Trust Limited is a company limited by guarantee without share capital. The liability of each member is limited to contributing £1 to the assets of The Parks Trust in the event of it being wound up whilst a member, or within one year after ceasing to be a member. At 31 March 2022 the number of members was 14 (2021: 14).

2 - Incoming resources from generated activities

	2022	2021
	£'000	£'000
Rental income from commercial property	8,498	7,385
Investment income	858	723
Bank interest	20	1
Total investment income	9,376	8,109

3 - Incoming resources from charitable activities

	2022	2021
	£'000	£'000
Sale of goods and services	380	284
Farming income	549	509
Income from other trading activities	1,740	912
Grants receivable	1,859	1,084
Endowments	2,412	2,827
Total charitable income and endowments	6,940	5,616

Included within Grants income of £1,859,000 are the following government grants: £8,000 (2021: £213,000) in respect of the Corona virus Job Retention Scheme, £nil (2021: £120,000) in respect of Income Grants and £52,000 (2021: £15,000) in respect of Local Restrictions Support Grants.

4 - Other incoming resources

	2022	2021
	£'000	£'000
Other income	46	2,970
Total incoming resources from other sources	46	2,970

During the year we surrendered one parcel of our transport corridor leasehold land to Milton Keynes Council (the freeholder) to enable economic developments to take place that will benefit the city – 591 square meters at Coltsfoot Place, Netherfield to assist an affordable housing development which is being brought forward by the Council. This area of land was originally reserved in the city plan for possible grid road extensions but was declared as not needed for that purpose. In total this disposal gave the Trust a receipt of £46k, which will help to bolster the Trust's overall financial security and enable us to invest in enhancements to our parkland network. In the prior year we disposed of two parcels of land to Milton Keynes Council which also brings economic benefits; 0.47 ha (1.17 acres) for the new Santander HQ accommodating 6,000 Santander employees in CMK; and 4.21 ha (10.4 acres) for a new warehouse at Fenny Lock.

5 - Resources expended on continuing operations

	Direct maintenance costs	Investment expenses	Audit fees	Direct costs	Apportioned costs	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment management	-	3,176	-	182	1,027	4,385	4,141
Management & maintenance of leisure facilities, parks & parkways	6,586	-	-	2,338	1,027	9,951	7,790
Governance costs	-	-	35	245	228	508	454
Total resources expended	6,586	3,176	35	2,765	2,282	14,844	12,385

Direct costs are attributed to the appropriate category. All other costs including indirect staff costs are allocated on the estimate of time spent:

Allocation of indirect staff costs	Management & maintenance of parks & parkways	Investment management	Governance
Chief Executive	40%	10%	50%
Finance Director	20%	60%	20%
Property Director	5%	80%	15%
Head of Marketing and events and community engagement	90%	0%	10%
Finance team	85%	10%	5%
Operational and community team	95%	0%	5%

6 - Net movement in funds

	2022	2021
	£'000	£'000
NET MOVEMENT IN FUNDS FOR THE CHARITY IS STATED AFTER CHARGING/(CREDITING)		
Auditor's fees		
- Statutory audit - charity	21	20
- Statutory audit - subsidiary companies	14	9
Depreciation of own tangible fixed assets	255	341
Profit on disposal of tangible fixed assets	(55)	(6)
Amortisation on intangibles	-	313
Interest payable on bank loans	1,102	1,106
Loan management fees	318	71
Revaluation of derivative	(1,531)	(377)

Notes to the Financial Statements continued

7 - Subsidiary undertakings

The Milton Keynes Parks Trust Limited has three wholly owned subsidiary undertakings registered in England and Wales, all of which are consolidated and have year ends of 31 March. The registered addresses for all the subsidiary undertakings is 1300 Silbury Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 4AD. The wholly owned subsidiaries are as follows:

Company name	Registered number	Activity
Whitecap Leisure Limited	03979736	Trading subsidiary and operates watersports and adventure activities at Willen Lake, Milton Keynes
MKPT Properties Limited	04161258	Dormant, has not traded since 31 March 2018
MKPT Events Limited	09411695	Dormant, has not traded since 31 March 2018

The share capital of each subsidiary is as follows - Whitecap Leisure Limited (100,000 ordinary shares of £1), MKPT Properties Limited (100 ordinary shares of £1) MKPT Events Limited (1 ordinary share of £1). The taxable profits of subsidiary undertakings are paid to the Charity (parent) each year as Gift Aid where distributable reserves allow.

8 - Excess of income over expenditure

In accordance with section 408 of the Companies Act 2006, the Charity has not included its own income and expenditure accounts in these financial statements. The income for the charity (note 20 and 21) for the year was £12,398,000 (2021: £12,884,000) and expenditure of £11,852,000 (2020: £11,003,000) resulting in the excess of income over expenditure for the year of £546,000 (2021: £1,881,000) which is dealt with in the financial statements of the Charity. Included in the expenditure was a non-cash impairment of £nil (2021: £1,052,000) relating to the Charity's investment in Whitecap Leisure Limited (note 11).

9 - Staff costs

The aggregate payroll costs were as follows:

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Wages and salaries	2,978	2,450	2,348	2,121
Social security costs	238	218	210	194
Defined contribution pension scheme contributions	232	184	188	167
Total staff costs	3,448	2,852	2,745	2,482

The monthly average number of persons employed including part-time employees and employees on fixed-term contracts on a full-time equivalent basis is analysed as follows:

	Group		Charity	
	2022	2021	2022	2021
Administration staff	13	11	13	11
Operations and communications staff	47	37	34	31
Parks management and rangers	27	23	27	23
Seasonal leisure staff	39	26	-	-
Total number of employees	126	97	74	65

9 - Staff costs continued...

The number of employees whose emoluments and taxable benefits exceeded £60,000 during the year fell within the following bands:

	2022	2021
£60,001 - £70,000	2	2
£70,001 - £80,000	3	3
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1

Contributions of £55,000 (2021: £52,000) were made in relation to 7 members of staff (2021: 7) earning in benefits including pension contributions of the Senior Management Team (7 individuals) were £593,000 (2021: 7 individuals were paid £597,000).

The Chief Executive received the highest amount of remuneration in the year and the prior year and the pension contribution paid for this employee was £13,341 (2021: £11,579).

None of the Trustees held a contract of employment with Charity during the year (2021: none). Under the Memorandum of Association, the Trustees are not entitled to receive any remuneration from the Charity. There were no reimbursements to Trustees for expenses incurred on behalf of the Charity in this year or the prior year.

Notes to the Financial Statements continued

10 - Tangible fixed assets

	Freehold land & buildings	Fixtures & fittings	Plant & equipment	Office equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
GROUP						
Cost or valuation						
At 1 April 2021	2,509	127	724	377	566	4,303
Additions	321	9	154	43	268	795
Disposals	(514)	(13)	(147)	(13)	(95)	(782)
At 31 March 2022	2,316	123	731	407	739	4,316
Depreciation						
At 1 April 2021	986	103	521	307	463	2,380
Depreciation charge	74	7	84	38	52	255
Disposals	(235)	(13)	(146)	(13)	(95)	(502)
At 31 March 2022	825	97	459	332	420	2,133
Net book values						
At 31 March 2022	1,491	26	272	75	319	2,183
At 31 March 2021	1,523	24	203	70	103	1,923
CHARITY						
Cost or valuation						
At 1 April 2021	1,866	81	613	345	558	3,463
Additions	321	5	115	30	257	728
Disposals	-	-	(86)	-	(95)	(181)
At 31 March 2022	2,187	86	642	375	720	4,010
Depreciation						
At 1 April 2021	676	81	526	278	455	2,016
Depreciation charge	58	-	42	34	51	185
Disposals	-	-	(84)	-	(95)	(179)
At 31 March 2022	734	81	484	312	411	2,022
Net book values						
At 31 March 2022	1,453	5	158	63	309	1,988
At 31 March 2021	1,190	-	87	67	103	1,447

The freehold land and buildings comprises Trust occupied property.

The land, building and fittings at Campbell Park were given to The Parks Trust to provide office accommodation. The Parks Trust made a contribution of £139,399 for this facility. The assets were independently valued by Douglas Duff, Chartered Surveyors, as at 31 March 1996 at £850,000, assuming existing use values in accordance with RICS practice. This valuation was treated as cost. All fixed assets above are held for the direct charitable purposes of The Parks Trust.

11 - Investments

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£'000	£'000	£'000	£'000
INVESTMENT PROPERTIES				
Opening value as at 1 April 2021	115,477	110,420	115,474	110,420
Purchases and capital expenditure at cost	21,191	4,447	21,191	4,447
Carrying value of properties disposed	(8,750)	-	(8,750)	-
Gain on valuation	18,531	1,622	18,531	1,622
Loss on valuation	(2,765)	(1,145)	(2,765)	(1,145)
Movement in unamortised tenant lease incentives	69	133	70	130
Closing value as at 31 March 2022	143,753	115,477	143,751	115,474
OTHER INVESTMENTS - MANAGED FUNDS				
Opening values as at 1 April 2021	37,046	33,294	37,046	33,294
Additions	12,357	19,909	12,357	19,909
Disposals	(3,617)	(20,106)	(3,617)	(20,106)
Revaluation at year end	2,004	3,949	2,004	3,949
Closing value as at 31 March 2022	47,790	37,046	47,790	37,046
Group investments	191,543	152,523	191,541	152,520
CHARITABLE COMPANY - EQUITY INVESTMENTS IN GROUP UNDERTAKINGS				
Opening cost at 1 April and 31 March			3,391	3,391
Impairment at 1 April			(3,391)	(2,339)
Impairment at 31 March			(3,391)	(3,391)
Total investments	191,543	152,523	191,541	152,520
An independent Red Book valuation of the investment properties was carried out in March 2020 by Colliers International Valuation UK LLP ("Colliers"). At 31 March 2021 and 2022 an independent desktop valuation of the majority of investment properties was carried out by Colliers with the residual properties valued internally. The value of the land and properties was £143,753,000 (2021: £115,477,000). The basis of the valuation adopted was open market value subject to existing tenancies.				
The original cost of property and other investments held at 31 March, was as follows:				
	Group 2022	Group 2021	Charity 2022	Charity 2021
	£'000	£'000	£'000	£'000
Property	103,888	85,345	103,888	85,345
Unit trust and managed funds	41,936	33,317	41,936	33,317
	145,824	118,662	145,824	118,662

Notes to the Financial Statements continued

11 - Investments continued...

Management have assessed the carrying value of the investments and believe it to be appropriate. A material investment in the property portfolio is deemed to be of material value if the investment is 5% or greater of the portfolio value of £191,543,000 (2021: £152,523,000).

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£'000	£'000	£'000	£'000
Commercial property - Premier Inn Hotel - Willen Lake, Milton Keynes	15,000	-	15,000	-
Commercial property - Burners Lane - Kiln Farm, Milton Keynes	11,950	-	11,950	-
Commercial property - Camping and Caravan Club - Coventry	-	8,750	-	8,750
Commercial property - Travelodge Hotel - Winnersh	-	8,600	-	8,600
Commercial property - Warren Park - Wolverton, Milton Keynes	-	8,225	-	8,225
Commercial property - Travelodge Hotel - Oxford	-	7,900	-	7,900
	26,950	33,475	26,950	33,475

12 - Inventories

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£'000	£'000	£'000	£'000
Cattle	530	471	530	471
Sheep	65	60	65	60
Retail stock	-	1	-	-
	595	532	595	531

The value of stock recognised in expenditure during the year was £384,000 (2021: £360,00). No provision for impairment has been recognised against stock.

13 - Debtors

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£'000	£'000	£'000	£'000
Trade debtors	278	153	225	129
Amounts owed by group undertakings	-	-	288	599
Prepayments and accrued income	480	1,003	406	1,081
Other debtors	220	95	190	52
Taxation and social security	397	-	433	-
Fair value of derivatives	778	-	778	-
	2,153	1,251	2,320	1,861

Charity: Amounts due from subsidiary undertakings are unsecured, repayable on demand and accrue interest at a commercial rate of 4% above the Bank of England base rate of interest per annum.

14 - Creditors: amounts falling due within one year

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£'000	£'000	£'000	£'000
Bank loans - revolving credit facility	7,750	-	7,750	-
Bank loans - term loans	-	20,000	-	20,000
Trade creditors	723	992	683	973
Accruals	1,564	965	1,493	911
Deferred income (see note 16)	2,073	2,223	1,996	2,160
Taxation and social security	-	913	-	895
Other creditors	1,825	1,032	1,807	1,022
Fair value of derivatives	-	128	-	128
	13,935	26,253	13,729	26,089

The revolving credit facility with Handelsbanken plc supports the working capital requirements of the Charity and is repayable every quarter. The revolving facility has a commitment of £10,000,000 and a termination date of November 2024. Interest is payable at the relevant SONIA rate plus 1.325%. The term loans outstanding at 31 March 2021 of £20,000,000 were repaid during the year.

15 - Creditors: amounts falling due after one year

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£'000	£'000	£'000	£'000
Bank loans - term loans	35,000	10,000	35,000	10,000
Fair value of derivatives	-	625	-	625
	35,000	10,625	35,000	10,625

The term loans, which are all with Handelsbanken plc, consist of three facilities as follows:

A fully drawn loan facility in the amount of £10,000,000 (2021: £10,000,000) which pays interest at the relevant SONIA rate plus 1.75% and is repayable in December 2026.

A fully drawn loan facility taken out in November 2021 in the amount of £10,000,000 (2021: £nil) which pays interest at the relevant SONIA rate plus 2.05% and is repayable in December 2026.

A fully drawn loan facility taken out in November 2021 in the amount of £15,000,000 (2021: £nil) which pays interest at the relevant SONIA rate plus 2.25% and is repayable in November 2031.

The bank loans included in creditors amounts falling due in less than one year and creditors amounts falling due after one year are secured over a selection of the investment properties valued at £82,155,000 (2021: £85,685,000).

Notes to the Financial Statements continued

16 - Deferred income

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£'000	£'000	£'000	£'000
At 1 April 2021	2,223	1,796	2,160	1,740
Amounts released to incoming resources	(2,121)	(1,750)	(2,058)	(1,740)
Amounts deferred in the year	1,971	2,177	1,894	2,160
At 31 March 2022	2,073	2,223	1,996	2,160

The deferred income of £2,073,000 (2021: £2,223,000) primarily relates to property rental income received in advance for the April to June 2022 quarter and endowments received in advance of transfer of land ownership.

17 - Reconciliation of net cash flow from operating activities

	Group 2022	Group 2021
	£'000	£'000
Net incoming resources before movements in revaluations and investment asset disposals	1,518	4,310
Depreciation (see note 10)	255	341
Profit on disposal of fixed assets (see note 6)	(55)	(6)
Investment income and interest received (see note 1)	(878)	(724)
Interest paid (see note 6)	1,102	1,106
Annual loan arrangement fee (see note 6)	318	71
Amortisation of goodwill	-	1,017
Increase in value of lease incentives (see note 11)	(69)	-
Increase in inventories (see note 12)	(63)	(21)
(Increase)/decrease in trade and other receivables	(902)	104
Increase in trade and other payables	(693)	1,376
Increase in fair value of derivatives	1,531	377
Net cash inflow from operating activities	2,064	7,951

18 - Operating leases

The Group and Charity had the following future minimum lease payments under non-cancellable operating leases relating to vehicles for each of the following periods:

	2022	2021
	£'000	£'000
In less than one year	25	-
Between one and five years	27	-
Total lease commitment	52	-

The operating lease commitments above make no allowance for VAT that the Group may not be able to recover.

The Group and Charity had the following future minimum lease receipts under non-cancellable operating leases for each of the following periods:

	2022	2021
	£'000	£'000
In less than one year	7,643	7,746
Between one and five years	20,146	21,666
Greater than five years	33,212	38,901
Total lease commitment	61,001	68,313

19 - Related party transactions

The Trust has considered the disclosure requirements of SORP 2020 and of FRS 102 section 33 – Related Party Disclosures and believes that the following related party transactions, all of which were made on an arm's length basis, require disclosure. During the year there were transactions of £12,535 (2021: £8,000) with Safety Centre (Hazard Alley) Limited of which the Trust's Chief Executive is a Trustee. This included a donation of £8,000 (2021: £8,000) and the provision of safety services of £4,535 (2021: £nil). At the year end, a balance of £9,600 was outstanding (2021: £9,600). The Charitable Company has taken advantage of the FRS 102 exemption that allows certain intra group transactions not to be disclosed. The was under no single controlling party of the Charitable Company during the current and previous year.

20 - Analysis of movements in Restricted Funds

	Balance brought forward	Incoming resources	Outgoing resources	Transfer	Balance carried forward
	£'000	£'000	£'000	£'000	£'000
GROUP AND CHARITY					
Floodplain Riverine forest	608	-	(26)	-	582
Campbell Park Community	74	-	(10)	-	63
Total	682	-	(37)	-	645

The Riverine Forest

The Riverine Forest project is to restore and manage the floodplain of the River Ouse at Manor Farm, Old Wolverton to Floodplain Forest and associated habitats utilising gravel royalties secured from site.

The Campbell Park community facilities

The Campbell Park Community Facilities project will provide community facilities within Campbell Park, Milton Keynes.

Notes to the Financial Statements continued

21 - Analysis of movements in Unrestricted Funds

	Balance brought forward	Incoming resources	Outgoing resources	Transfers to endowment reserve	Transfers between funds	Balance carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
GROUP						
General Funds	3,790	13,950	(13,184)	-	-	4,556
Designated Fund - Stanton Low (Haversham Road Gravel)	158	-	(92)	-	-	66
Designated Fund - Environmental Gain Fund	637	-	-	-	-	637
Group total	4,585	13,950	(13,276)	-	-	5,259

Included within the Group's General Funds are undistributed profits from trading subsidiaries of £10,000 (2021: trading losses of £81,000).

CHARITY						
General Funds	3,585	12,398	(11,723)	-	-	4,260
Designated Fund - Stanton Low (Haversham Road Gravel)	158	-	(92)	-	-	66
Designated Fund - Environmental Gain Fund	637	-	-	-	-	637
Charity total	4,380	12,398	(11,815)	-	-	4,963

These funds, which are unrestricted, have been earmarked by the Trustees to cover future anticipated expenditure on the following:

General Fund

The general fund comprises the remaining surplus for the year after transfers to the designated funds and is unrestricted. All income arising on the assets held in the Expendable Endowment Fund is credited directly to this fund. The general fund can be used for any of the Trust's charitable activities at the discretion of the Trustees.

Designated Fund - Stanton Low Fund (Haversham Road Gravel)

The Parks Trust has an agreement with Milton Keynes Council to underlet leasehold parkland in the Ouse Valley Park for mineral extraction whereby all rent and royalty income from the gravel lease are designated for acquisition by The Parks Trust of the Linford Lakes Nature Reserve and as endowment for other open space assets to be transferred from Milton Keynes Council to The Parks Trust under 999-year parkland leases.

Designated Fund - Environmental Gain Fund

The Environmental Gain Fund, which is unrestricted, will be funded by allocating a proportion of the proceeds from any disposals of the Trust's green estate land. The Trustees shall determine the allocation value. The fund will be used, at the discretion of the Trustees, for investment in other land, assets or projects which enable the Trust to deliver at the discretion of the Trustees, for investment in other land, assets or projects which enable the Trust to deliver.

22 - Analysis of movements in Expendable Endowment Funds

	Group total	Charity total
	£'000	£'000
At 1 April 2021	124,059	124,195
Gains	17,972	17,972
New endowments received	2,412	2,412
At 31 March 2022	144,443	144,579

This fund includes assets donated to the Trust by the Milton Keynes Development Corporation when the trust was established in 1992. In most years since then the Trust has received additional endowments from the Commission for New Towns, English Partnerships and more recently various developers and Milton Keynes Council. The fund may be converted into income.

23 - Analysis of net assets between funds

	Restricted Funds	Unrestricted Funds	Endowment Funds	2022 Total Funds	2021 Total Funds
	£'000	£'000	£'000	£'000	£'000
GROUP					
Tangible fixed assets	-	2,183	-	2,183	1,923
Property and other investments	-	-	191,543	191,543	152,523
Net current assets/(liabilities)	645	3,076	(12,100)	(8,379)	(3,160)
Long term liability	-	-	(35,000)	(35,000)	(10,625)
Group total	645	5,259	144,443	150,347	140,661
CHARITY					
Tangible fixed assets	-	1,988	-	1,988	1,447
Property and other investments	-	-	191,541	191,541	152,520
Net current assets/(liabilities)	645	2,975	(11,962)	(8,342)	20,847
Long term liability	-	-	(35,000)	(35,000)	(34,222)
Charity total	645	4,963	144,579	150,187	140,592

24 - Capital commitments

At the balance sheet date, the Group had capital commitments totalling £1,728,000 (2021: £8,079,000), in respect of investment properties. These commitments principally related to contracts for investment properties under construction.

Notes to the Financial Statements continued

25 - Financial Instruments

The Group and Charity have the following financial instruments:

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£'000	£'000	£'000	£'000
Financial assets that are debt instruments measured at amortised cost	2,153	1,251	2,320	1,861
Financial assets/(liabilities) at fair value through income and expenditure	778	(753)	778	(753)
Financial liabilities measured at amortised cost	(48,935)	(36,125)	(48,729)	(35,961)

The Group and Charity have entered four (2021: four) loan agreements;

- a new three year revolving credit facility agreement of £10,000,000 which had £7,750,000 drawn at 31 March 2022;
- a new five year agreement of £10,000,000 which was fully drawn at 31 March 2022;
- a ten year agreement of £10,000,000 which was fully drawn at both 31 March 2022 and 2021; and
- a new ten year agreement of £15,000,000 which was fully drawn at 31 March 2022.

PRINCIPAL	DRAWN	INTEREST RATE	MATURITY
£10,000,000	£7,750,000	1.325%	Nov'24
£10,000,000	£10,000,000	1.750%	Dec'26
£10,000,000	£10,000,000	2.050%	Dec'26
£15,000,000	£15,000,000	2.250%	Nov'31

To protect itself against the risk of rising interest rates on its loan facilities the Group has entered into two derivative instruments. These two contracts hedge the Group's exposure to interest rate movements on the loan facility. The interest rate swap contracts have been taken out with Svenska Handelsbanken AB (pbl). The two contracts are as follows:

- An interest rate swap with that has a notional amount of £10,000,000 which swaps out SONIA (Sterling Overnight Index Average) for a fixed rate of interest at 1.74% until 4 October 2026; and
- An interest rate swap with that has a notional amount of £12,000,000 which swaps out SONIA for a fixed rate of interest at 1.08% until 18 November 2031.

The fair value of the interest rate swaps at 31 March 2022 is £778,000 in favour of the Group (2021: £753,000 in favour of Svenska Handelsbanken AB (pbl)). Cash flows on both the loan and the interest rate swaps are paid quarterly until 2026. During the year a hedging gain of £1,531,000 (2021: £377,000) was recognised in other gains and losses for changes in the fair value of the interest rate swap.

26 - Contingent liabilities

The Group did not have any contingent liabilities at 31 March 2022. At the 31 March 2021 the Charity had a commitment to purchase limited partnership interests in IIF UK 1 Hedged LP to the value of £8.75m. The IIF UK 1 Hedged LP is an investor in the JP Morgan Infrastructure Investments Fund (IIF). This commitment was settled by the Charity on 23 December 2021.



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