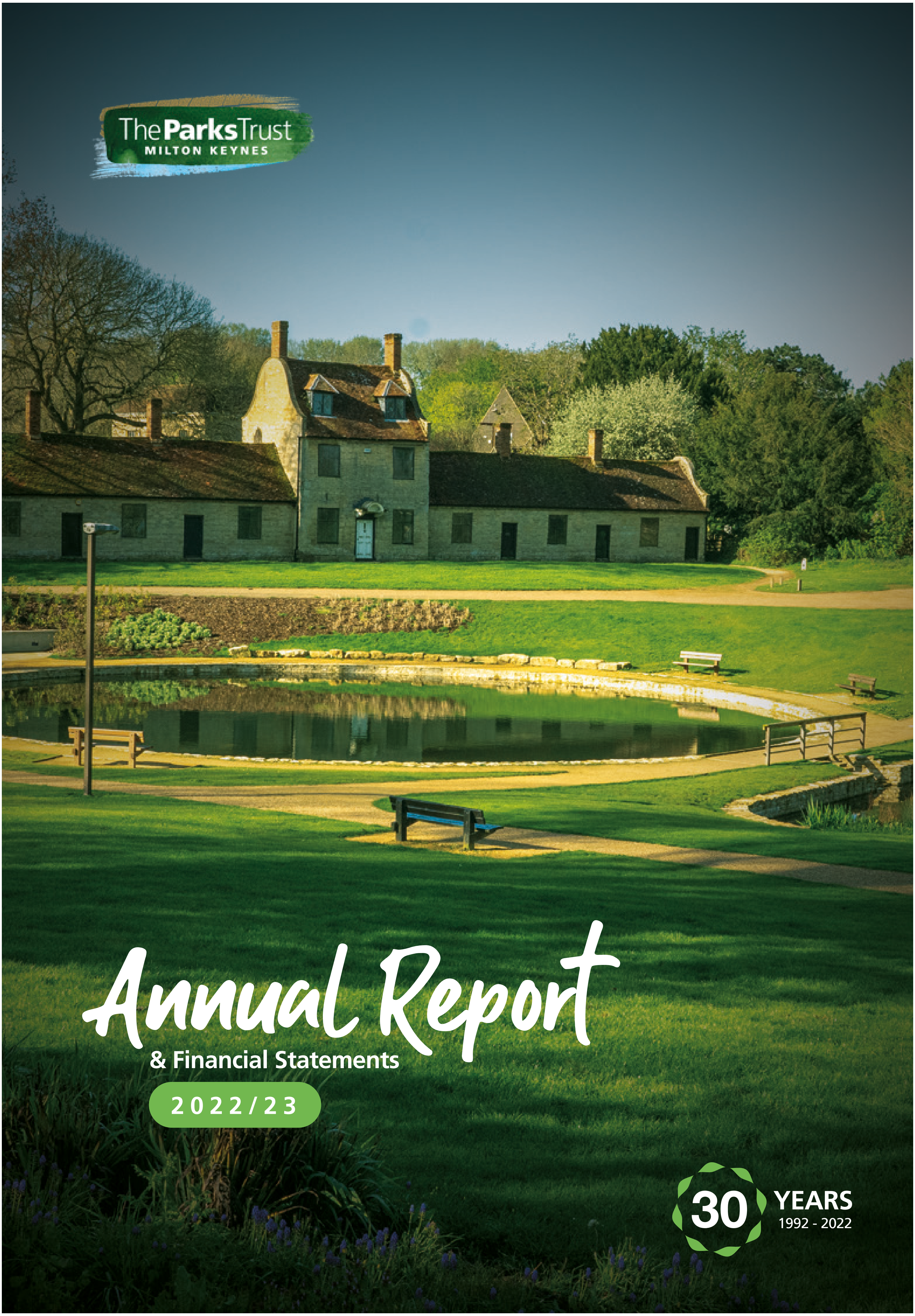

The Parks Trust
MILTON KEYNES

Annual Report
& Financial Statements
2022/23

30 YEARS
1992 - 2022

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	**Barclays Bank Plc** Ashton House, 497 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 2LD **Handelsbanken Plc** 2nd Floor, Moorgate House, 201 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 1LZ
Auditor	**Moore Kingston Smith LLP** 4 Victoria Square, St Albans Hertfordshire, AL1 3TF
Solicitors	**Geoffrey Leaver Solicitors LLP** Bouverie Square, 251 Upper Third Street, Milton Keynes, Buckinghamshire, MK9 1DR **Freeths LLP** Routeco Office, Park Davy Avenue, Knowlhill, Milton Keynes, Buckinghamshire, MK5 8HJ
Subsidary Companies Registered Office	**MKPT Properties Limited** Campbell Park Pavilion,1300 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 4AD 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** Campbell Park Pavilion, 1300 Silbury Boulevard, Milton Keynes, Buckinghamshire, MK9 4AD Company Registration: No. 03979736

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About Us

The Parks Trust exists to provide beautiful parks, lakes, woods, and landscapes that will be loved by the people of Milton Keynes, forever.

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 landscaped areas along the city's grid roads.

In addition to managing and developing local landscapes, the charity's team and volunteers also work hard to support local wildlife and biodiversity, provide valuable facilities for park users, deliver extensive education programmes and connect 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 its wide-ranging work.

As Milton Keynes grows, so does The Parks Trust. Each year, the charity takes on new green spaces and endowments from developers and aims to ensure that all new areas of the city benefit from the same quality of inspiring, connected landscape.

Welcome

Welcome to our review of the past 12 months to 31 March 2023. We are delighted to present this summary of a year that was an exciting milestone in the history of our charity.

The Trust's 30th birthday, in July 2022, provided opportunities for celebration and reflection. Taking time to think about the people and principles behind our formation played a valuable part in shaping the new strategy that will take us into the future.

At the heart of that strategy, which you can read about on page 17, is a mission to provide people with beautiful and sustainable parks, lakes, woods and landscapes forever. When we talk about people, we mean everyone in Milton Keynes. Our parks are for everyone. Regardless of your passions, abilities, culture, beliefs or postcode, there is always some greenspace close by that's open 24/7 to provide a setting for your wellbeing, education, environmental connection and more.

When The Parks Trust was formed in 1992, Milton Keynes had a population of just over 176,000. Today, almost 300,000 residents call our city home. As a result, we've taken on the management of 2,000 extra acres (and counting!), and witnessed a huge increase in park users in recent years. These are both positive developments but not without their challenges. As the city grows, so does our workloads and operating costs. We have confidence in our financial model but maintaining our position is an ongoing task, especially during these trying economic circumstances.

Alongside that priority, The Parks Trust is also very focussed on playing our part in addressing the climate emergency. Today, we are on a clearer path than ever towards being Carbon Neutral by 2030 and achieving those all-important biodiversity net gains. You can read more about our environmental sustainability progress and plans on pages 10 and 11.

This review includes our new Equality, Diversity and Inclusion statement and our Gender Pay Gap information. These details can be found in the People section on page 7.

Finally, we would like to extend our sincere thanks to our team, volunteers and partners whose collaboration has been so valuable this past year.

Here's to the next 30 and beyond!

Best wishes,

Victoria J. Miles

Victoria Miles MBE
Chief Executive

Zoë Raven

Zoe Raven
Chair of Trustees

India Day

Our People

Volunteers

Last year, 225 local volunteers notched up an impressive 10,146 hours working in the city's parks. Volunteers undertake a wide range of work in support of our operational, events, outdoor learning and ranger teams. They willingly donate their time and energy, often serving the charity over many years.

We pride ourselves on having an inclusive, welcoming and supportive volunteer community, with training, social get-togethers and recognition schemes in place for them. Our annual awards provide a chance to shine a light on volunteers and, in 2022, the winners were:

Volunteer of the Year:
June Gaynor

Events Volunteer of the Year:
Gareth Turner

Special Projects Award:
John Gosling

Outdoor Learning Volunteer of the Year:
Yve Morris

Volunteer Rangers of the Year:
Corinne and Terry Brown

Newcomer of the Year:
Dawn Mynard

Long-service Award:
Alan Maynard


Volunteers at Big Doggie Do

In the coming year, progress will be made against our objective of achieving Investors In Volunteering accreditation for our volunteer programme.

Thank You Zoe

2023-24 will see our Chair of Trustees, Zoe Raven, serve her tenth and final year with The Parks Trust. In that time, Zoe has governed and guided our work in an objective, inspiring and selfless way that's helped us navigate through growth and a global pandemic.

Our deepest gratitude goes to Zoe who can retire from the board of Trustees knowing she has left an incredible legacy for the people of Milton Keynes.

Team Members

The Parks Trust now employs a 104-strong team and, over the past 12 months, 12 new roles have been created - additional headcount that reflects our growing workload, particularly in the areas of parks cleansing.

We are delighted to have attracted and retained the expertise and enthusiasm of such brilliant people, and we thank them for their valuable contributions. With a larger team than ever, we are turning our attention to our culture and the infrastructure that is in place to support everyone at work.

In the coming year, we will begin an digital transformation aimed at giving team members access to better ways of collaborating. On the back of this year's very successful Management Training course and the creation of an Extended Leadership Team, we will continue to offer a range of excellent training, development and apprenticeship opportunities to foster talent.

We monitor our Gender Pay Gap annually and, as at the end of the financial year 2022-23, there was a -0.03% difference in average pay, in favour of women.

Strengthening our commitment to Equity, Diversity and Inclusion is a significant priority for the years ahead. We have developed an EDI Strategy and the following statement summarises our intent.

The Parks Trust strives to create one inclusive team. We celebrate diversity and embrace variety of thought, preferences, personalities, cultures and abilities. We commit to being an anti-racist organisation and to removing barriers that perpetuate discriminatory behaviours. We commit to these values and principles both internally and for the communities that we serve externally.


Caldecotte Lake

104 strong team employed by The Parks Trust

Operational Tree Work

New Green Spaces

Each year, developers construct new homes and commercial buildings in Milton Keynes. The Parks Trust engages with these developers to ensure that new estates enjoy the same quality of inspiring, connected landscape as older areas of the city.

We do this for the benefit of new residents, the local environment and biodiversity.

When developments have been completed, the new parkland, ponds and play areas associated with them are often handed over to The Parks Trust, along with endowments that we invest to provide the income to care for these assets in perpetuity at no cost to the local community.

In the Financial Year 2022-23, we took on the stewardship of these new parks and landscapes in Milton Keynes:

- Oakgrove play areas at Harvard Way, Ferranti Place and Aiken Grange
- Oakgrove ecology corridor and ponds
- Areas of incidental green space, including old hedgerows in the Whitehouse estate
- A section of 'swale' green space in Brooklands

1. Ashland Lakes
2. Blackhorse Wood
3. Brooklands Meadows Park
4. Broughton Brook Park
5. Pineham 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. Tattenhoe Park
20. Lady Margery's Gorse
21. Linford Lakes Nature Reserve
22. Linford Wood
23. Lodge Lake & Loughton
24. Middleton Wood Meadow
25. Millfield
26. Mount Farm Trials Park
27. Loughton Valley Park
28. Ouse Valley Park
29. Ouzel Valley Park
30. Oxley Park
31. Poplar Plantation
32. Stanton Low Park
33. Shenley Wood
34. Stonebridge Lakes Nature Reserve
35. Stonepit Field
36. Stony Stratford Nature Reserve
37. Tattenhoe Valley
38. Teardrop Lakes
39. The Toot
40. Tombs Meadow
41. The Tree Cathedral
42. Walton Lake
43. Waterhall Park
44. Whitehouse Park
45. Willen Lake North
46. Willen Lake South

Environmental Sustainability

This financial year showed excellent progress against the environmental sustainability goals we set in 2021. We have spent the past 12 months undertaking an in-depth analysis of our position, measuring our current impact and defining areas for improvement. As a result, our roadmap to achieving carbon neutrality by 2030 and achieving much-needed biodiversity net gains is clearer than ever.

Tree Planting at Shenley Wood

Key progress in 2022-23 included:

- Creation of an internal, cross-functional Environmental Sustainability Action Group
- Implementation of new carbon measurement tools
- Investment in newer and more efficient machinery
- Embedding more sustainable thinking among suppliers
- Creation of environmental KPIs
- Continuation of our transition to electric vehicles
- Significant progress towards quantifying the carbon sequestration and storage of our green spaces
- Roll out of staff training on key sustainability topics
- Establishment of a sustainability checklist for our new projects

The Parks Trust is committed to the delivery of sustainable outcomes by 2030 which go beyond achieving carbon neutrality. By maintaining the momentum created in the past year, we intend to achieve the following over the coming years:

Be Carbon Neutral by 2030

Establish a baseline carbon footprint and work to reduce our scope 1 and 2 emissions in our programmes and operations

Build Resilient Landscapes

Manage our green spaces in ways which minimise environmental impact and help to mitigate the impacts of a changing climate

Deliver Quality Spaces For Nature

Utilise wildlife assessments to set action for creating and restoring habitats to their highest possible condition

Embed Sustainable Procurement

Where possible The Trust and its contractors will purchase goods and services that are sustainably certified

Reduce Energy Consumption

Improve the energy performance of our properties and reduce reliance on fossil fuels in our operations

During 2024, KPIs will be in place for each of the above, as well as a baseline to monitor trends and progress towards targets. We increasingly use data and science to inform our target-setting and decision making.

Our Impact

2022-23 was another busy and exciting year for The Parks Trust as we focussed on delivering positive impacts for local greenspaces, biodiversity and our community.

Greenspace Management

77,000
new bulbs, shrubs and trees planted

46
parks cleaned year-round by our new Cleansing Team

8.10 HA
acres of new outdoor space transferred to our care

38
pieces of public art cared for

896
cows and sheep naturally 'mowed' meadows

£3M+
restoration of Great Linford Manor Park completed

3
rare species recorded – Rare Snipe, Pintail Duck and Clouded Yellow Migrant Butterflies

993
bales of hay produced to feed our farm animals

2
new ponds were created at Pineham


Restoration of Great Linford Manor Park

Strong Charity Model

£10M+
of investment income to fund our work

1
new property added to our investment portfolio

12
new jobs created

MK Parks On The Map

6th
consecutive Green Flag award

2
recordings of BBC Gardener's Question Time hosted by us

1
meeting with HM King Charles III when he conferred city status


Youth Rangers

Outdoor Learning

14,500+
Local people joined our Outdoor Learning activities

712
total outdoor learning activities

113
schools offered access to our support and resources

1
Launch of our first outdoor history sessions

Events & Community Engagement

1
Beacon lighting in honour of Her Late Majesty The Queen's Platinum Jubilee

194,000
visitors attended events in the parks

10,146
hours donated by volunteers

440
oak saplings grown and donated by city residents

625
total events and activities


Junior Park Rangers

Looking Ahead

The Parks Trust celebrated its 30th anniversary in 2022. When it was formed in 1992, having a charity care for public parks and landscapes was considered highly unusual and somewhat risky when most green space is usually maintained by local authorities.

Today, as local authorities face more financial pressures than ever, and limited budgets are stretched to support priorities such as social care, our unique model here in Milton Keynes is proving to be a prudent decision that ensures green spaces don't have to compete for funding.

Over time, our charity has successfully grown the 4,000 acres of land and £20m in endowment that it received from Milton Keynes Development Corporation to create a legacy for the city of Milton Keynes.

Today, we care for over 6,000 acres of local greenspace and generate our own annual income of £10m from endowment property and investments now worth £138m.

Our growth continues with new land being handed to us by developers, the continued effect of the pandemic driving up use of the parks and a population that is rapidly increasing – from 287,000 in 2022 to a projected 400,000 in 2050.

Milton Keynes has not only grown but it has also changed and is more diverse than ever. The 2021 census revealed that 35,645 (12%) of residents identified as Asian or Asian British and 27,851(10%) selected black or black British as their ethnicity. A further 11,725 (4%) said they were mixed ethnicity.

Several challenges face the Trust during this next period, including major national and global drivers such as the cost-of-living crisis, low unemployment affecting the recruitment and retention of staff, a larger local population, the financial impact of the war in Ukraine and the huge climate crisis.

Against this backdrop, we have produced a new five-year strategic plan. It responds to our city's growth and change, and provides a roadmap for us to become a more nimble, agile, and responsive organisation that is truly reflective of the changing community that we serve.

The Strategic Objectives

01 Provide beautiful parks and green spaces

02 Support action on climate change

03 Invest in our communities to engage and educate

04 Invest in our people

05 Build awareness to create a sense of ownership and pride

06 Aspire to be a financially sustainable, self-financing charity

07 Ensure high performance and efficiency

Great Linford Manor Park

Our Financial Performance

Financial position and reserves at the end of 2022/23

The Trust's financial position at the end of 2022/23 shows a decrease in net assets of £4.7m to £145.6m (2022: £150.3m) driven largely by downward revaluations of investments held in our Expendable Endowment Fund. This was mainly attributable to impact felt in the investment market following tightening global monetary policy conditions and the uncertain economic conditions. Our net assets are held in three reserves funds and these are made up as follows:

Restricted Fund £0.6m (2022: £0.6m) – 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 £6.7m (2022: £5.3m) – 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.

Expendable Endowment Fund £138.3m (2022: £144.4m) – In 2022/23 our Expendable Endowment Fund has primarily fallen in value as a result of downward revaluations of investment assets of £10.9m (2022: upward revaluations of £17.8m). Partially offsetting this valuation fall are new endowment receipts relating to ownership of new greenspace of £2.5m (2022: £2.4m) and the gains made on the disposal of investment assets of £2.3m (2022: £0.2m). 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 greenspace 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.

Financial review of 2022/23

Despite the economic uncertainty of the last year we are pleased to report this year that once again we recorded our highest ever spend on our charitable activities of £14.9m, which was £0.1m 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 which is at the heart of what we deliver as a charity.

The increase in expenditure would not have been possible without a strong and stable investment asset base from which we yield the income to spend on our charitable activities. This was our first full accounting year where we were fully invested in our new diversified asset classes. We started the process of diversifying our non-property assets in 2020 and completed the transition at the end of 2021. Investing into new illiquid credit and infrastructure assets has provided asset protection in market downturns and delivered higher income streams. Our investment income this year therefore reached a new high of £10.4m (2022: £9.4m). The Trust's principal income from the investment assets it holds was made up of;

- Commercial property portfolio of £8.88m (2022: £8.49m);
- Financial investments of £1.51m (2022: £0.86m).

Our income from charitable activities fell to £5.69m this year (2022: £6.94m). In the prior year the restoration project at Great Linford Manor was in its main capital works phase which delivered significant grant income. As the project moved to its finalisation stage this year grant funding from the National Lottery Heritage Fund has subsequently reduced. The endowments for new land transfers were broadly similar year on year and we're pleased to report that we have now taken ownership of a large site at Oakgrove. This year has seen a significant increase in grant income and income from our trading subsidiary. We had a consistent trading season at Willen Lake and through subsidiary Whitecap Leisure Limited generated income of £1.75m. The principal income from our charitable activities was made up of;

- Endowments of £2.47m (2022: £2.41m);
- Operating subsidiary of £1.75m (2022: £1.74m);
- Farming income of £0.72m (2022: £0.55m); and
- Grant income of £0.32m (2022: £1.86m);

In respect of our resources expended this year, our management and maintenance of parks costs increased from £9.95m to £10.12m. The expenditure on managing and maintaining our parks reached a record high this year and reflects both the increased investment in our parks and greenspace and the new areas of land that we are managing. It also reflects the investment we are making in people with a second year of growth in our headcount. Our average permanent employees for the year, which excludes our seasonal leisure staff, totalled 104 increasing from 87 in the prior year. The breakdown of staff is shown in note 9. We maintained the spend on investment management costs at £4.4m which includes direct spend on maintaining our investment property portfolio, debt service costs and derivative valuations. The total resources expended in the year increased from £14.8m to £14.9m.

The Trust continues to hold a diversified range of investments comprising our in-house managed commercial property portfolio and externally managed non-property investments. However this year, due to market conditions, our investment funds fell in value and now total £176.7m (2022: £191.5m).

The investment market has had a tough year with very little hiding place across asset classes. It was a very challenging first half of the year, particularly for equities, as the war in Ukraine, the spike in energy prices and the inflation highs took hold. To counter the rise in inflation central bank across developed economies increased interest rates. Tightening monetary policy had an effect on equity prices which by the autumn had fallen to their lowest levels in the year before starting to recover some ground in the final quarter of 2022 and subsequently on into early 2023.

Our non-property investments recorded a fair value decrease in the year of £3.1m (2022: fair value uplift of £2.0m). The revaluation is recorded as an unrealised gain in the Statement of Financial Activities.

In March 2022 an independent redbook valuation of the majority of our investment properties was carried out by Colliers International Valuation UK LLP. The rising interest rates has also pushed out yields in the investment market which is the primary reason for this year's downward valuation. The land and properties are valued at £131.9m (2022: £143.8m) and a fair value decrease of £7.9m (2022: fair value uplift £15.7m) 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 also recorded as an unrealised gain in the Statement of Financial Activities.

The Trust has bank loans drawn to the value of £37.7m (2022: £42.8m) which are secured against some of our property investments. During the year we reduced the amounts drawn on our floating rate revolving credit facility (RCF) from £7.8m to £2.7m financed by the proceeds from the sale of investment properties. The RCF facility remains in place until November 2024 and has a maximum value of £10.0m. The facility is available for working capital purposes and as a cash flow tool facilitating the purchase of new investment assets.

Our key financial metrics are as follows:

	2023	2022
Total incoming resources	£16.3m	£16.4m
Total resources expended	£14.9m	£14.8m
Net movements in funds	(£4.8m)	£21.0m
Expendable endowment fund	£138.3m	£144.4m
Commercial property portfolio net yield	4.8%	5.6%
Managed funds blended net yield	3.1%	2.0%
Total return	**0.1%**	**14.8%**
Total return (5 year average)	**7.7%**	**9.0%**

Our Investments

Apple Day

Following the diversification that we started in 2020 and completed in 2021 we are satisfied that the investment structure remains a sustainable long-term model, particularly in terms of providing a regular and reliable income stream to enable the Trust to fulfil its charitable purposes. The Trust continues to hold funds with Sarasin and Partners LLP (Sarasin), Legal & General Investment Management (LGIM), Apollo Global Management (Apollo) and J.P. Morgan. The diversification process started with the liquidation of assets held with Cazenove. Of these funds, £3m were added to our existing portfolio with Sarasin, £8.75m were invested into Apollo's Total Return Fund, £8.75m were invested into J.P Morgan's Infrastructure Investment Fund and £10.8m were invested into an equity tracker fund with LGIM. Our managed funds portfolio, which is invested in equities, credit and alternative financial investments, fell in value during the year to £44.7m (2022: £47.8m).

Economic conditions meant that our commercial property portfolio had a challenging year in 2022/23 delivering an income yield of 6.3% and a negative capital return of 4.4%. Lower business confidence and general business uncertainty has meant that the occupation market has become harder to navigate and due to changes in staff this year we have found this more challenging than usual. High inflation and interest rates have continued to weigh heavily on the investment sector with sharp asset price corrections however the high quality and diversified nature of our portfolio means that declines were less severe than seen across the whole investment market. During the year we continued with our active investment strategy with one acquisition totalling £1.6m and two disposals generating cash receipts of £7.4m.

We purchased the old Premier Inn hotel asset at Willen Lake and completed on the sale of a petrol filing station in Southampton and a car showroom in Birmingham. Our portfolio is spread between retail, office, hotel and leisure, industrial and residential and by value 70.1% (2022: 66.5%) 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 that 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

2022/23, despite being another challenging year for Whitecap Leisure Limited, it was on the whole a very positive year at Willen Lake. Whitecap Leisure was able to deliver a small surplus as we continue to position the subsidiary towards a sustainable future. In the year we introduced a new pay on arrival parking system, consistent across our four car parks with the ability to pay for parking on the ever popular Ringo app. We were delighted to secure Change Please as new operator of our popular lakeside café having said goodbye to Benugo, who operated the café since its opening in July 2021. After a carefully considered review we decided to close our wake-boarding facility in November. Wake-boarding is a niche activity that appeals to relatively low numbers of local people and has been loss-making over the past few years. The closure allows us to free up around one third of the south lake to be used to provide extra availability for popular activities such as boat hire (which had a record year in terms of turnover), open water swimming and stand up paddle-boarding.

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. Our Expendable Endowment Fund did experience a fall in valuation this year due to external pressures on asset values but sound financial planning endeavours to allow us to continue with a programme of charitable work as close to normal. The Trust's fall in our endowment fund does set us back a little but we will aim to improve our financial sustainability to meet the needs of the charity forever.

Looking forward

Looking forward to 2023/24 we will continue to care for over 6,000 acres of greenspace in Milton Keynes and plan to further increase our workforce to cope with the increasing demands and stresses that our existing land is facing and that comes with taking on new greenspace.

The Trust's endowment position, though strong, must now meet the challenges that come with significant increases in inflation and pressure on the cost of living of staff. The cost that the charity needs to pay for key supplies that are critical to its charitable work and operations will see marked increases in 2023/24, most significantly in terms of staff and contractor costs and insurance and energy costs and the Trust will also need to respond to challenges that emerge in its supply chain.

Structure, Governance and Management

Company structure

Milton Keynes Parks Trust Limited 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 MBE

Ian Burgess
Nominated by the Association of Urban Parish Councils

Tim Dolder
(appointed 29 September 2022)

Robert Green
Chair of Audit and Risk Committee

Ian Jackson

Nick Lloyd
Vice Chair and Chair of Finance and Property Committee

James Macmillan

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

Ian Russell
Chair of Operations Committee

Danielle Sheppard

Richard Smith

Lauren Townsend
Nominated by Milton Keynes Council

Ellen Wilson

Gamiel Yafai
(resigned 14 December 2022)

Since the last report one Trustee has retired and we have appointed one new Trustee, 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.

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 greenspaces.
- 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 greenspace 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.

The Parks Trust senior leadership team

The Senior Leadership 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 Leadership Team during the year and up to the date of this report are as follows:

Hannah Bodley
Deputy CEO

Phil Bowsher
Head of Environment

Jeremy Godfrey
Finance Director

Jennifer Harris
HR Manager

Victoria Miles
Chief Executive

Rob Riekie
Landscape and Operations Director

Tim Roxburgh
Head of Property

Rob Wood
General Manager, Willen Lake

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. Our salaries are reviewed each year in February and changes take effect from April. Bi-annually a salary benchmarking exercise was 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 2025.

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.

Structure, Governance and Management

CONTINUED

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 Senior Leadership Team monitor our business plan and operational risk register on a quarterly basis which helps keep track of workflow, capacity and progress against our objectives across our operations. In line with statutory requirements, trustees regularly review and assess all risks faced by the Trust and plan for the management of those risks. This is carried out by the Audit and Risk Committee who have 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 and stress testing our position with the loan financial covenants.

The highest scoring risks in the risk register (i.e. those that would have the most detrimental impact on The Parks Trust) include cyber security, digital transformation, taxation and sustainable funding. The key corporate risks and uncertainties we face include:

- The risk that our investment portfolio fails to support the Trust's desired level of charitable spend which may occur because of a failure to deliver the required long-term returns; a fall in the real value of our endowment; risk to availability of credit; or liquidity. 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. We have an investment policy that requires us to maintain a diversified portfolio and regularly review the performance of investments against the financial strategy. Availability of credit is monitored, and covenants regularly stress tested.
- The risk that higher levels of inflation impact upon the ability to deliver the mission objectives and upon operational costs. We mitigate this by regularly reviewing the support we can provide to our employees and operational service partners.
- The failure to execute organisational change and transformation programmes effectively and to achieve the intended benefits of these, resulting primarily in an inefficient use of the Trust's resources and the failure to change the way the Trust uses technology to fulfil its goals. We mitigate this by providing training to our employees and working with independent experts to assist in the delivery of digital transformation.
- The risk that security weaknesses in our technology systems may be exploited. We mitigate this by having appropriate systems and processes are in place overseen by our managed service provider to manage external threats and then by independently testing those systems and processes using external consultants.
- 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.

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 2023 by Colliers International Valuation LLP. The land and properties were valued at £131.9m (2022: £143.8m). 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.

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 6-24.

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 26-50 were approved by the Board of Directors on 20 July 2023 and signed on its behalf by Zoe Raven.

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

Walking Festival, Elfield Park

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 2023 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 2023 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.

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 9, 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 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

27 July 2023

4 Victoria Square
St Albans
Hertfordshire
AL1 3TF

World Wetland's Day

Financial Statements

Consolidated statement of financial activities

For the year ended 31 March 2023
(incorporating income and expenditure account)

	Note	Unrestricted funds	Restricted funds	Expendable endowment funds	**2023 Total funds**	2022 Total funds
		£'000	£'000	£'000	**£'000**	£'000
Incoming resources						
Income from investments						
Investment income	2	10,409	-	-	**10,409**	9,376
Charitable income						
Endowments	3	-	-	2,473	**2,473**	2,412
Charitable Income	3	3,212	-	-	**3,212**	4,528
Other income	4	246	-	-	**246**	46
Total incoming resources		13,867	-	2,473	**16,340**	16,362
Resources expended						
Costs of generating funds						
Investment management costs	5	(4,417)	-	-	**(4,417)**	(4,385)
Charitable activities						
Management & maintenance of parks	5	(10,080)	(14)	-	**(10,094)**	(9,951)
Governance costs	5	(433)	-	-	**(433)**	(508)
Total resources expended		(14,930)	(14)	-	**(14,944)**	(14,844)
Net income before gains and losses on investments		(1,063)	(14)	2,473	**1,396**	1,518
Realised gains - Property		-	-	1,757	**1,757**	156
Realised gains - Other investments		-	-	562	**562**	46
Total net gains on investments		-	-	2,319	**2,319**	202
Net income		(1,063)	(14)	4,792	**3,715**	1,720
Transfers between funds		-	-	-	**-**	-
Total transfers between funds		-	-	-	**-**	-
Unrealised (losses)/gains on revaluation – Property	11	-	-	(7,912)	**(7,912)**	15,766
Unrealised (losses)/gains on revaluation – Other investments	11	-	-	(3,057)	**(3,057)**	2,004
Unrealised gains on revaluation - Derivative financial instruments		2,476	-	-	**2,476**	1,531
Total other recognised gains and losses		2,476	-	(10,969)	**(8,493)**	19,301
Net movement in funds	6	1,413	(14)	(6,177)	**(4,778)**	21,021
Reconciliation of funds						
Total funds brought forward		5,259	645	144,443	**150,347**	129,326
Total funds carried forward		6,672	631	138,266	**145,569**	150,347

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 2023

	Note	**2023**	2022
		£'000	£'000
Fixed assets			
Tangible assets	10	4,798	2,183
Investments	11	176,665	191,543
Total fixed assets		**181,463**	**193,726**
Current assets			
Inventories	12	636	595
Debtors	13	4,119	2,153
Cash and cash equivalents		2,900	2,808
Total current assets		**7,655**	**5,556**
Creditors: amounts falling due within one year	14	(8,549)	(13,935)
Net current liabilities		**(894)**	**(8,379)**
Total assets less current liabilities		**180,569**	**185,347**
Creditors: amounts falling due after one year	15	(35,000)	(35,000)
Net net assets		**145,569**	**150,347**
Represented by:			
Restricted funds	20	631	645
Unrestricted funds	21	6,672	5,259
Expendable endowment funds	22	138,266	144,443
Total funds	23	**145,569**	**150,347**

These financial statements were approved by the Trustees and authorised for issue on 20 July 2023 and are signed on their behalf by:

Zoë Raven

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 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	10	4,490	1,988
Investments	11	176,664	191,541
Total fixed assets		**181,154**	**193,529**
Current assets			
Stocks	12	636	595
Debtors	13	4,146	2,320
Cash at bank and in hand		2,844	2,466
Total current assets		**7,626**	**5,381**
Creditors: amounts falling due within one year	14	(8,370)	(13,723)
Net current liabilities		**(744)**	**(8,342)**
Total assets less current liabilities		**180,410**	**185,187**
Creditors: amounts falling due after one year	15	(35,000)	(35,000)
Net Assets		**145,410**	**150,187**
Represented by:			
Restricted funds	20	631	645
Unrestricted funds	21	6,377	4,963
Expendable endowment fund	22	138,402	144,579
Total funds	23	**145,410**	**150,187**

These financial statements were approved by the Trustees and authorised for issue on 20 July 2023 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	£'000	2023 £'000	£'000	2022 £'000
Cash flows from operating activities					
Net cash provided by operating activities	17		**1,820**		2,064
Cash flows from investing activities					
Interest and income from financial investments	2	1,528		878	
Proceeds from the sale of tangible fixed assets		29		335	
Purchase of tangible fixed assets	10	(904)		(795)	
Proceeds from the sale of investment properties		7,382		9,000	
Purchase of investment properties	11	(3,793)		(21,191)	
Proceeds from the sale of other investments		1,436		3,569	
Purchase of other investments	11	(851)		(12,357)	
Net cash provided by/(used in) investing activities			**4,827**		**(20,561)**
Cash flows from financing activities					
Interest payments	6	(1,500)		(1,102)	
Loan finance costs	6	(5)		(318)	
Decrease / increase in bank loans	14, 15	(5,050)		12,750	
Net cash (used in)/provided by financing activities			**(6,555)**		11,330
Net increase/(decrease) in cash and cash equivalents			**92**		(7,167)
Net change in cash and cash equivalents			**92**		(7,167)
Cash and cash equivalents at 1 April			2,808		9,975
Cash and cash equivalents at 31 March			**2,900**		2,808

Analysis of change in net debt	At 1 April 2022	Cash flow movement	At 31 March 2023
Total cash and cash equivalents	2,808	92	**2,900**
Debt due within one year	(7,750)	5,050	**(2,700)**
Debt due after one year	(35,000)	-	**(35,000)**
Total	(39,942)	5,142	**(34,800)**

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 Standard102, "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 FRS 102

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 FRS 102. 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
Office equipment	20 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 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 Helpsheet 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.

Investment income

Investment income and interest 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.

Principal Accounting Policies

CONTINUED

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 for 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.

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.

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 set out on page 16, 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 2023 the Group had cash balances of £2.9m and liquid investment of £27.4m, 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.

Parkland Play, Stanton Low

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 2023 the number of members was 15 (2022: 14).

2 - Incoming resources from generated activities

	2023	2022
	£'000	£'000
Rental income from commercial property	8,881	8,498
Investment income	1,513	858
Bank interest	15	20
Total investment income	**10,409**	**9,376**

3 - Incoming resources from charitable activities

	2023	2022
	£'000	£'000
Sale of goods and services	424	380
Farming income	718	549
Income from other trading activities	1,748	1,740
Grants receivable	322	1,859
Endowments	2,473	2,412
Total charitable income and endowments	**5,685**	**6,940**

Included within Grants income of £322,000 are the following government grants: £nil (2022: £8,000) in respect of the Coronavirus Job Retention Scheme and £nil (2022: £52,000) in respect of Local Restrictions Support Grants.

4 - Other incoming resources

	2023	2022
	£'000	£'000
Other income	246	46
Total income from other sources	246	46

In the year we surrendered one parcel of our parkland leasehold land to Milton Keynes City Council (the freeholder) to enable economic development to take place that will benefit the city - 4,403 square meters at Cripps Lodge in Netherfield, to assist an affordable housing development which is being brought forward by the Council. In total this disposal gave the Trust a receipt of £246,000, 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 surrendered one parcel of our transport corridor leasehold land to Milton Keynes City Council (the freeholder) for £46,000 also to enable economic developments to take place that will benefit the city – 591 square meters at Coltsfoot Place, Netherfield an affordable housing development which was brought forward by the Council. This area of land were originally reserved in the city plan for possible grid road extensions but were declared as not needed for that purpose.

5 - Resources expended

	Direct maintenance costs	Investment expenses	Audit fees	Direct Costs	Apportioned costs	**2023 Total**	2023 Total
	£'000	£'000	£'000	£'000	£'000	**£'000**	£'000
Investment management	-	3,766	-	194	457	4,417	4,385
Management & maintenance of leisure facilities, parks & parkways	6,753	-	-	2,884	457	10,094	9,951
Governance costs	-	-	45	287	101	433	508
Total resources expended	**6,753**	**3,766**	**45**	**3,365**	**1,015**	**14,944**	**14,844**

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

	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

	2023	2022
	£'000	£'000
Net movement in funds is stated after charging/(crediting):		
Auditor's fees		
- Statutory audit - charity	**28**	21
- Statutory audit - subsidiary companies	**17**	14
Depreciation and impairment of own tangible fixed assets	**763**	255
Profit on disposal of tangible fixed assets	**(23)**	(55)
Interest payable on bank loans	**1,500**	1,102
Loan management fees	**5**	318
Total resources expended	**(2,476)**	(1,531)

Notes to the Financial Statements

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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 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 £12,245,000 (2022: £12,398,000) and expenditure of £10,845,000 (2022: £11,852,000) resulting in the excess of income over expenditure for the year of £1,400,000 (2022: £546,000) which is dealt with in the financial statements of the Charity.

9 - Staff costs

The aggregate payroll costs were as follows:

	Group 2023	Group 2022	**Charity 2023**	Charity 2022
	£'000	£'000	**£'000**	£'000
Wages and salaries	**3,586**	2,978	**2,863**	2,348
Social security costs	**302**	238	**264**	210
Defined contribution pension scheme contributions	**258**	232	**233**	188
Total staff costs	**4,146**	3,448	**3,360**	2,746

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:

Administration staff	**14**	13	**14**	13
Operations and communications staff	**55**	47	**43**	34
Parks management and rangers	**32**	27	**32**	27
Seasonal leisure staff	**54**	39	**-**	-
Total number of employees	**155**	126	**89**	74

9 - Staff costs continued

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

	2023	2022
£60,001 - £70,000	**-**	2
£70,001 - £80,000	**2**	3
£80,001 - £90,000	**-**	-
£90,001 - £100,000	**2**	1
£100,001 - £110,000	**1**	-
£110,001 - £120,000	**-**	-
£120,001 - £130,000	**1**	-
£130,001 - £140,000	**-**	1

Contributions of £51,000 (2022: £55,000) were made in relation to 6 members of staff (2022: 7) earning in excess of £60,000 who participated in the defined contribution pension scheme.

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 £11,336 (2021: £13,341).

None of the Trustees held a contract of employment with Charity during the year (2022: 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

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10 - Tangible fixed assets

	Freehold land & buildings	Fixtures & fittings	Plant & equipment	Office equipment	Motor vehicles	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group							
Cost or valuation							
At 1 April 2022	2,316	123	731	407	739	-	4,316
Additions	-	5	279	38	213	369	904
Assets transferred	2,480	-	-	-	-	-	2,480
Disposals	-	(4)	(449)	-	(34)	-	(487)
At 31 March 2023	4,796	124	561	445	918	369	7,213
Depreciation							
At 1 April 2022	825	97	459	332	420	-	2,133
Depreciation charge	84	9	122	37	98	-	350
Impairment provision	413	-	-	-	-	-	413
Disposals	-	(3)	(444)	-	(34)	-	(481)
At 31 March 2023	1,322	103	137	369	484	-	2,415
Net book values							
At 31 March 2023	**3,474**	**21**	**424**	**76**	**434**	**369**	**4,798**
At 31 March 2022	1,491	26	272	75	319	-	2,183
Charity							
Cost or valuation							
At 1 April 2022	2,187	86	642	375	720	-	4,010
Additions	2,480	-	81	28	213	369	3,171
Disposals	-	-	(36)	-	(34)	-	(70)
At 31 March 2023	4,667	86	687	403	899	369	7,111
Depreciation							
At 1 April 2022	734	81	484	312	411	-	2,022
Depreciation charge	74	1	52	33	96	-	256
Impairment provision	413	-	-	-	-	-	413
Disposals	-	-	(36)	-	(34)	-	(70)
At 31 March 2023	1,221	82	500	345	473	-	2,621
Net book values							
At 31 March 2023	**3,446**	**4**	**187**	**58**	**426**	**369**	**4,490**
At 31 March 2022	1,453	5	158	63	309	-	1,988

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 2023	Group 2022	**Charity 2023**	Charity 2022
	£'000	£'000	£'000	£'000
Investment properties				
Opening value at 1 April 2022	**143,753**	115,477	**143,751**	115,474
Purchases and capital expenditure at cost	**3,793**	21,191	**3,793**	21,191
Carrying value of properties disposed	**(5,625)**	(8,750)	**(5,625)**	(8,750)
Gain on revaluation	**425**	18,531	**425**	18,531
Loss on revaluation	**(8,337)**	(2,765)	**(8,337)**	(2,765)
Assets transferred	**(2,480)**	-	**(2,480)**	-
Movement in unamortised tenant lease incentives	**426**	69	**427**	70
Closing value at 31 March 2023	**131,955**	**143,753**	**131,954**	**143,751**
Other investments				
Managed funds				
Opening values at 1 April 2022	**47,790**	37,046	**47,790**	37,046
Additions	**851**	12,357	**851**	12,357
Disposals	**(874)**	(3,617)	**(874)**	(3,617)
Revaluation at year end	**(3,057)**	2,004	**(3,057)**	2,004
Closing value at 31 March 2023	**44,710**	**47,790**	**44,710**	**47,790**
Group investments	**176,665**	**191,543**	**176,664**	**191,541**
Charitable company - equity investments in group undertakings				
Opening cost at 1 April and 31 March			**3,391**	3,391
Impairment at 1 April 2022			**(3,391)**	(2,339)
Impairment at 31 March 2023			**(3,391)**	(3,391)
Total investments	**176,665**	**191,543**	**176,664**	**152,520**

An independent Red Book valuation of the investment properties was carried out in March 2023 by Colliers International Valuation UK LLP ("Colliers"). The value of the land and properties was £131,955,000 (2022: £143,753,000). The basis of the valuation adopted was open market value subject to existing tenancies.

The original cost of investment properties and other investments held at 31 March, was as follows:

Property	**106,216**	103,888	**106,216**	103,888
Unit trust and managed funds	**41,855**	41,936	**41,855**	41,936
Total investments	**148,071**	**145,824**	**148,071**	**145,824**

Notes to the Financial Statements

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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 £176,665,000 (2022: £191,543,000).

	Group 2023	Group 2022	**Charity 2023**	Charity 2022
	£'000	£'000	£'000	£'000
Commercial property - Premier Inn Hotel - Willen Lake, Milton Keynes	**14,600**	15,000	**14,600**	15,000
Commercial property - Burners Lane - Kiln Farm, Milton Keynes	**13,100**	11,950	**13,100**	11,950
Total investments	**27,700**	**26,950**	**27,700**	**26,950**

12 - Inventories

	Group 2023	Group 2022	**Charity 2023**	Charity 2022
	£'000	£'000	£'000	£'000
Cattle	**563**	530	**563**	530
Sheep	**72**	65	**72**	65
Retail stock	**1**	-	**-**	-
	636	**595**	**635**	**595**

The value of stock recognised in expenditure during the year was £414,000 (2022: £384,000). No provision for impairment has been recognised against stock.

13 - Debtors

	Group 2023	Group 2022	**Charity 2023**	Charity 2022
	£'000	£'000	£'000	£'000
Trade debtors	**244**	278	**217**	225
Amounts owed by group undertakings	**-**	-	**284**	288
Prepayments and accrued income	**544**	480	**391**	406
Other debtors	**77**	220	**-**	190
Taxation and social security	**-**	397	**-**	433
Fair value of derivatives	**3,254**	778	**3,254**	778
	4,119	**2,153**	**4,146**	**2,320**

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

14 - Creditors: amounts falling due within one year

	Group 2023	Group 2022	**Charity 2023**	Charity 2022
	£'000	£'000	£'000	£'000
Bank loans - revolving credit facility	**2,700**	7,750	**2,700**	7,750
Trade creditors	**960**	723	**941**	683
Accruals	**728**	1,564	**633**	1,493
Deferred income (see note 16)	**2,157**	2,073	**2,087**	1,996
Taxation and social security	**368**	-	**404**	-
Other creditors	**1,636**	1,825	**1,605**	1,801
	8,549	**13,935**	**8,370**	**13,723**

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%.

15 - Creditors: amounts falling due after one year

	Group 2023	Group 2022	**Charity 2023**	Charity 2022
	£'000	£'000	£'000	£'000
Bank loans - term loans	**35,000**	35,000	**35,000**	35,000
	35,000	**35,000**	**35,000**	**35,000**

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 (2022: £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 (2022: £10,000,000) 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 (2022: £15,000,000) 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 £90,390,000 (2022: £82,155,000).

Notes to the Financial Statements

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16 - Deferred income

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
At 1 April 2022	**2,073**	2,223	**1,996**	2,160
Amounts released to incoming resources	**(1,547)**	(2,121)	**(1,894)**	(2,058)
Amounts deferred in the year	**1,631**	1,971	**1,985**	1,894
At 31 March 2023	**2,157**	**2,073**	**2,087**	**1,996**

The deferred income of £2,157,000 (2022: £2,073,000) primarily relates to property rental income received in advance for the April to June 2023 quarter and endowments received in advance of transfer of land ownership.

17 - Reconciliation of net cash flow from operating activities

	2023 £'000	2022 £'000
Net incoming resources before movements in revaluations and investment asset disposals	**1,396**	1,518
Increase in fair value of derivatives	**2,476**	1,531
Profit on disposal of fixed assets (see note 6)	**(23)**	(55)
Depreciation and impairments (see note 10)	**763**	255
Investment income and interest received (see note 1)	**(1,528)**	(878)
Interest paid (see note 6)	**1,500**	1,102
Annual loan arrangement fee (see note 6)	**5**	318
Increase in value of lease incentives (see note 11)	**(426)**	(69)
Increase in inventories (see note 12)	**(41)**	(63)
Increase in trade and other receivables	**(1,966)**	(902)
Increase in trade and other payables	**(336)**	(693)
Net cash inflow from operating activities	**1,820**	**2,064**

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:

	2023 £'000	2022 £'000
In less than one year	**32**	25
Between one and five years	**14**	27
Total lease commitment	**46**	**52**

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

18 - Operating leases continued

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

	2023 £'000	2022 £'000
In less than one year	**6,489**	7,643
Between one and five years	**19,547**	20,146
Greater than five years	**45,093**	33,212
Total lease commitment	**71,129**	**61,001**

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 £10,950 (2022: £12,535) with Safety Centre (Hazard Alley) Limited of which the Trust's Chief Executive is a Trustee. This included a donation of £8,000 (2022: £8,000) and the provision of safety services of £2,950 (2022: £4,535). At the year end, a balance of £9,600 was outstanding (2022: £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 £'000	Incoming resources £'000	Outgoing resources £'000	Transfer £'000	Balance carried forward £'000
Group and Charity					
Floodplain Riverine forest	582	-	-	-	582
Campbell Park Community	63	-	(14)	-	49
Total	**645**	**-**	**(14)**	**-**	**631**

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

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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	4,556	13,867	(12,447)	-	-	5,976
Designated Fund - Stanton Low (Haversham Road Gravel)	66	-	(7)	-	-	59
Designated Fund - Environmental Gain Fund	637	-	-	-	-	637
Group total	**5,259**	**13,867**	**(12,454)**	**-**	**-**	**6,672**

Included within the Group's General Funds are undistributed profits from trading subsidiaries of £11,000 (2022: £10,000).

	£'000	£'000	£'000	£'000	£'000	£'000
Charity						
General Funds	4,260	12,245	(10,824)	-	-	5,681
Designated Fund - Stanton Low (Haversham Road Gravel)	66	-	(7)	-	-	59
Designated Fund - Environmental Gain Fund	637	-	-	-	-	637
Charity total	**4,963**	**12,245**	**(10,831)**	**-**	**-**	**6,377**

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

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 under-let 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 environmental gain.

22 - Analysis of movements in expendable endowment funds

	Group Total	Charity Total
	£'000	£'000
At 1 April 2022	144,443	144,579
Losses	(8,650)	(8,650)
New endowments received	2,473	2,473
At 31 March 2023	**138,266**	**138,402**

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	Total Funds 2023	Total Funds 2022
	£'000	£'000	£'000	£'000	£'000
Group					
Tangible fixed assets	-	2,318	2,480	4,798	2,183
Property and other investments	-	-	176,665	176,665	191,543
Current assets	631	6,741	283	7,655	5,556
Creditors: amounts falling due within one year	-	(2,387)	(6,162)	(8,549)	(13,935)
Creditors: amounts falling due after one year	-	-	(35,000)	(35,000)	(35,000)
Total	**631**	**6,672**	**138,266**	**145,569**	**150,347**
Charity					
Tangible fixed assets	-	2,010	2,480	4,490	1,988
Property and other investments	-	-	176,664	176,664	191,541
Current assets	631	6,712	283	7,626	5,381
Creditors: amounts falling due within one year	-	(2,345)	(6,025)	(8,370)	(13,723)
Creditors: amounts falling due after one year	-	-	(35,000)	(35,000)	(35,000)
Total	**631**	**6,377**	**138,402**	**145,410**	**150,187**

24 - Capital commitments

At the balance sheet date, the Group did not have any capital commitments. In the prior year, the Group had capital commitments totalling £1,728,000 in respect of investment properties which 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 2023	Group 2022	Charity 2023	Charity 2022
	£'000	£'000	**£'000**	£'000
Financial assets that are debt instruments measured at amortised cost	**4,336**	2,153	**4,363**	2,320
Financial assets/(liabilities) at fair value through income and expenditure	**3,254**	778	**3,254**	778
Financial liabilities measured at amortised cost	**(43,766)**	**(48,935)**	**(43,587)**	**(48,729)**

The Group and Charity have entered four (2022: four) loan agreements;

- a three year revolving credit facility agreement of £10,000,000 which had £2,700,000 drawn at 31 March 2022;
- a 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 ten year agreement of £15,000,000 which was fully drawn at 31 March 2022.

Principal	Drawn	Interest rate	Maturity
£10,000,000	£2,700,000	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 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 2023 is £3,254,000 in favour of the Group (2022: £778,000). Cash flows on both the loan and the interest rate swaps are paid quarterly until 2026. During the year a hedging gain of £2,476,000 (2022: £1,531,000) 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 2023.

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