



YORKSHIRE DALES
National Park Authority

YORKSHIRE DALES NATIONAL PARK AUTHORITY

STATEMENT OF ACCOUNTS

2015/2016

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STATEMENT OF ACCOUNTS

Explanatory Foreword

INTRODUCTION

1. The Yorkshire Dales National Park Authority (the Authority) was constituted on 1 April 1997 under the Environment Act 1995, and took over the responsibilities previously undertaken by North Yorkshire County Council through its Yorkshire Dales National Park Committee.
2. The Authority's role is clearly defined in Parliament by two statutory purposes:
 - To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park, and
 - To promote opportunities for the understanding and enjoyment of the special qualities of the area by the public.
3. In performing the above the Authority is also required to foster the economic and social well-being of local communities within the National Park.
4. The management and direction of the Authority is determined by the National Park Management Plan which is developed together with partner organisations within the Park on a five year cycle. It can be found on our website under:

www.yorkshiredales.org.uk – 'About us', 'Looking After', 'Management Plan'.
5. The Corporate Plan is developed from the National Park Management Plan to implement the objectives in the latter; and then further refined into an annual action plan. Both documents can be found on our website under:

www.yorkshiredales.org.uk – 'About us', Click on the arrow ▼ to the left of the green box  and select 'How We Work', scroll down and click on 'Corporate Plan Published'
6. The Authority's achievements against objectives are reported annually. Reports for 2015/16 will be available shortly and will be found on our website under:

Paper: NPMP Annual Progress Report

www.yorkshiredales.org.uk – go to: 'About us', 'Forthcoming Meetings', 'National Park Authority', search for the appropriate year and the above report will be in the June papers.

Paper: Review of Authority Performance

www.yorkshiredales.org.uk – go to: 'About us', 'Forthcoming Meetings', 'Audit and Review Committee', search for the appropriate year and the above report will be in the July papers.

7. The membership of the Yorkshire Dales National Park Authority is set out in legislation (Environment Act 1995). The overall role of the twenty two Members is to ensure the Authority fulfils National Park Purposes and does so in a way that best reflects the special qualities of the Park.

Members have a duty to achieve the efficient, effective and accountable governance of the organisation in the best interests of the National Park, and to provide leadership, scrutiny and direction in pursuing the aim of sustainable development – balancing and integrating environmental, social and economic considerations.

- Twelve Members are appointed from the local County Councils (North Yorkshire and Cumbria) and District Councils (Craven, Richmondshire and South Lakeland).
- Ten Members are appointed by the Secretary of State, of these ten, six are 'national' appointments, in recognition of the national status of the area, and four represent the parishes in the National Park.

Details about our Members can be found on our website under:

- www.yorkshiredales.org.uk – go to: 'About us', 'Meet the Members'

8. Details of our various committees and reports from those committees can be found on our website under:

- www.yorkshiredales.org.uk – go to: 'About us', 'Forthcoming Meetings'

9. In 2015/16 the Authority employed 127 full and part time staff (76 female and 51 male).

10. Included in the above staff numbers were 5 Directors or Senior Managers (2 female and 3 male).

11. The Authority's accounts for the year ended 31 March 2016 are presented in the format laid down in the Code of Practice on Local Authority Accounting in the United Kingdom: 2014/15 ('The Code') published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and approved by the Accounting Standards Board.

The Statements included in the accounts are as follows:

- a) Explanatory Foreword** – the purpose of this is to indicate the most significant matters impacting on the Authority's financial position. In particular it shows the Authority's financial performance and the economy, efficiency and effectiveness in its use of resources.
- b) Movement in Reserves Statement** – this shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' and other reserves. The Surplus on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. The net increase/decrease before Transfers to

Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

- c) **Comprehensive Income and Expenditure Statement** - this shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. It shows income receivable and expenditure incurred in the year by the Authority in order to undertake its activities and services. It includes gains or losses relating to the revaluation of assets and the actuarial valuation of the pension fund assets and liabilities, which do not arise out of the Authority's provision of services.
- d) **Balance Sheet** – this shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The total net asset value of the Authority (assets less liabilities) is matched by the value of the total reserves held by the Authority. Reserves are reported in two categories, the first being usable reserves that may be used to provide services subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second being reserves that cannot be used to provide services. This includes reserves that hold unrealised gains and losses (such as the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement of Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.
- e) **Cash Flow Statement** – this shows the change in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generated and used cash and cash equivalents, classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been paid for resources which are intended to contribute to the Authority's future service delivery.

- 12. These accounts are supported by a Summary of Significant Accounting Policies detailing the basis upon which the accounts have been prepared, estimation techniques used and supplementary notes which provide further information on the figures stated in the accounting statements.
- 13. The tables in this document are prepared in spread sheets and are rounded to one decimal place; this can cause slight rounding differences in the table totals.
- 14. **Annual Governance Statement** – this statement sets out the framework for financial control and corporate governance which the Authority has in place to ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded. It is included at the end of this document but does not form part of the Statement of Accounts.

15. The Authority is an admitted body to the North Yorkshire Pension Fund ('The Fund'), which is part of the Local Government Pension Scheme (the 'LGPS').

16. The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by the following disclosure are set out in 'The Local Government Pension Scheme Regulations 2013' and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014'.

Change in net position on the Local Government Pension Scheme (LGPS)

Members' attention is drawn to Note 17, which discloses the status of the Authority's overall liability in relation to its participation in the LGPS. As at 31 March 2016, the net liability (assets minus liabilities) stood at **£4.005m**, a decrease in the liability of **£0.991m** on the previous year's value (£4.996m).

There are a number of factors that have resulted in a net decrease to the deficit:

- Assets increased in real terms by £0.259m, albeit below the Actuary's expected return of £0.681m. The scheme's liabilities are calculated using a discount rate set with reference to corporate bond yields. The Fund holds a significant proportion of growth assets which while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to accounting figures;
- Liabilities decreased by £0.732m, which includes £2.004m due to changes in financial assumptions. An increase in corporate bond yields (as happened in 2015/16) will decrease the value placed on liabilities for accounting purposes;
- The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit and vice versa; inflation remains at historically low levels.
- The majority of the Fund's obligations are to provide benefits for the life of the members following their retirement, so increases in the life expectancy will result in an increase in the liabilities.
- Although the organisation's pension liabilities will be paid out over many years into the future, accounting rules require that the value is based on bond yields on the last day of the financial year. This can cause volatility in year-end valuations.

SUMMARY OF REVENUE SPENDING

17. The main components of the budget for 2015/16 and a comparison with the actual position are set out overleaf. These figures are prior to the reallocation of corporate costs as required by the Service Reporting Code of Practice for Local Authorities (SERCOP) and charges for the use of assets. The figures reconcile to

the Annual Outturn. A segmental analysis is included in Note 19 reconciling the Outturn to the Comprehensive Income and Expenditure Statement.

Outturn Summary of Revenue Spending

| Expenditure | Actual £'000 | Budget £'000 | Variance £'000 |
|---------------------------------------|------------------------|------------------------|--------------------------|
| Conservation of Natural Environment | 519 | 579 | 60 |
| Conservation of Cultural Heritage | 159 | 254 | 95 |
| Recreation Management | 1,490 | 1,511 | 21 |
| Promoting Understanding | 1,038 | 1,080 | 42 |
| Rangers, Estate Services & Volunteers | 388 | 395 | 7 |
| Development Control | 530 | 537 | 7 |
| Forward Planning | 246 | 416 | 170 |
| Corporate Management | 1,424 | 1,453 | 29 |
| Total Expenditure | 5,794 | 6,224 | 430 |
| Income | Actual £'000 | Budget £'000 | Variance £'000 |
| Conservation of Natural Environment | (49) | (66) | (18) |
| Conservation of Cultural Heritage | (31) | (50) | (19) |
| Recreation Management | (1,133) | (1,097) | 36 |
| Promoting Understanding | (341) | (314) | 26 |
| Rangers, Estate Services & Volunteers | (23) | (11) | 12 |
| Development Control | (184) | (192) | (8) |
| Forward Planning | (12) | (12) | 0 |
| Corporate Management | (164) | (160) | 4 |
| Total Income | (1,936) | (1,902) | 34 |
| Net Expenditure | 3,858 | 4,321 | 463 |
| | Actual £'000 | Budget £'000 | Variance £'000 |
| Financed By: | | | |
| National Park Grant | (4,070) | (4,070) | 0 |
| Balance (from)/to reserves | 213 | (251) | (463) |
| | (3,858) | (4,321) | (463) |

18. The Authority has reported an apparent net favourable variance against budget of **£463k** in 2015/16, however part of this is a product of accounting treatment, the most notable being that a number of projects, totalling **(£325.5k)**, which were incomplete in 2015/16 and the budget for this will be carried forward to be completed in 2016/17.

19. Further movements which are not reflected in the above figures at 31 March 2016 are outlined in the reconciliation within Note 19, Segmental Reporting.
20. The Useable Reserves balance stands at **£2418.8k** and consists of **£204.0k** Contingency Reserve; **£325.5k** Carry Forward Budgets; **£140.0k** Opportunities Fund for 2016/17; **£280.0k** provisionally allocated to 2017/18 and 2018/19 Opportunities Funds; **£130.0k** Property Reserve; **£130.0k** Operational Risk Reserve; **£161.8k** Future Years Reserve (2014/15 Savings and additional income); **£441.0k** Reorganisation Reserve; **£606.5k** Strategic Reserve (which will potentially be used against budgets in 2017/18 and beyond).
21. Revenue Working Balance: The Authority prudently seeks to maintain a permanent balance sheet reserve as a contingency against unexpected events. At present, the Authority has a target objective for the level of this contingency reserve to be no lower than 5% of the DEFRA Core Grant, which is met by the current level of the Contingency Reserve (**£204.0k**
22. The Authority transfers any unallocated surpluses on its projects or programmes during the year to reserves; out of these reserves £140k was allocated to the Opportunities Fund which is made available to fund additional project or programme costs, or to provide a source of matched funding for new externally funded projects, of which £96k was returned to reserves.
23. Future Funding: The Authority is funded mainly by a DEFRA Core Grant. Grant for the next four years has been confirmed as £4540.6k (2016/17), £5054.4k (2017/18), £5141.4k (2018/19) and £5229.8k (2019/20). The increase in funding from the level in 2015/16 (£4074.4k) relates both to the extension of the National Park by 23% which is happening on 1st August 2016 and to inflation. This reverses the trend from the previous six years of an annual cut to the DEFRA funding. Despite this increase, even by 2019/20, funding will still be significantly below the cash level of the 2009/10 settlement, the year in which the cuts started (£5520.0k), so the Authority has to maintain the momentum to raise additional income.
24. The Authority is taking a more commercial approach to raising funds to continue its work within the Park. In 2014/15, against the target budget, the Authority made savings of £11k, and brought in additional income of £150.3k, with a further £84.7k savings and £100.6k income in 2015/16; this has been achieved by renegotiating contracts or reducing internal services, and bringing in income through donations, charging for toilets, and additional grant funding. This reflects the approach to income generation that the Authority has purposely adopted in the light of reduced central funding from DEFRA.
25. Major Capital Investments:
- The Dales Countryside Museum café is now open and being run by an external company. Set up costs were £12.5k.
 - The Authority does not currently require any borrowing to finance its capital works.

26. Provisions and Contingencies:

- Swaledale Barns and Walls Legacy which was received in 2011 (**105.9k**); a project has been approved and this provision will be used to match fund a project funded by Heritage Lottery Fund which will start in 2016/17. The legacy will be used for the restoration of traditional farm buildings in Swaledale.

27. Asset Revaluation:

- The Authority commissions a full revaluation of their Land and Building assets every five years, the next one falling due on 31 March 2018. Interim desk top revaluations are completed each year to ensure assets are valued correctly; if there is a material difference in valuation, then this is reflected in the Accounts. For 2015/16, this exercise was undertaken by a MRICS-Registered Valuer employed by Bruton Knowles, using the guidance in the CIPFA 2015/16 Code which includes the adoption of 'IFRS13 Fair Value Measurement'.
- In 2015/16 the asset value increased by £680.0k. £247.1k was allocated to the Comprehensive Income and Expenditure Statement against previous decreases in value which had been written down to the Comprehensive income and Expenditure Statement in prior years. £432.9k was allocated against the Revaluation Reserve in the Balance Sheet.
- This increase in value for buildings and car parks was predominantly down to the additional car park income and the increase in building costs. There were also increases in the value of woodlands and pastureland.

CHANGES IN ACCOUNTING POLICIES AND PRESENTATION OF THE ACCOUNTS

28. The policies are set out formally in the Statement of Accounting Policies. The policies adopted in 2015/16 are compliant with the Code of Practice on Local Authority Accounting in the United Kingdom: 2015/16.

29. There have been no changes in policy.

RICHARD BURNETT
TREASURER TO THE YORKSHIRE DALES NATIONAL PARK AUTHORITY

Finance Department, Yorkshire Dales National Park Authority, Yoredale, Bainbridge,
Leyburn, North Yorkshire, DL8 3EL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORKSHIRE DALES NATIONAL PARK AUTHORITY

Opinion on the Authority's financial statements

We have audited the financial statements of Yorkshire Dales National Park Authority for the year ended 31 March 2016 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Movement in Reserves Statement;
- Comprehensive Income and Expenditure Statement;
- Balance Sheet;
- Cash Flow Statement and the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Accounting in the United Kingdom 2015/16.

This report is made solely to the members of Yorkshire Dales National Park Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the S151 Treasurer and auditor

As explained more fully in the Statement of the S151 Treasurer's Responsibilities, the S151 Treasurer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the S151 Treasurer; and the overall presentation of the financial statements. We read all the financial and non-financial information in the Statement of Accounts 2015/16 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Yorkshire Dales National Park Authority as at 31 March 2016 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.

Opinion on other matters

In our opinion, the information given in the Statement of Accounts 2015/16 for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Authority;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects

Conclusion on Yorkshire Dales National Park Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2015, as to whether the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance issued by the C&AG in November 2015, we are satisfied that, in all significant respects, Yorkshire Dales National Park Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016.

Certificate

We certify that we have completed the audit of the accounts of Yorkshire Dales National Park Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.



Hassan Rohimun (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Appointed Auditor
Manchester

28 September 2016

Statement of Responsibilities for the Statement of Accounts

The Authority is required:

- a) to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. For the Authority, that officer is the S151 Treasurer.
- b) to manage its affairs to secure the economic, efficient and effective use of resources and to safeguard its assets; and
- c) to approve the Statement of Accounts.

The S151 Treasurer is responsible for the preparation of the Authority's Statement of Accounts, in accordance with proper practices set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing the statement of accounts, the S151 Treasurer has:

- a) selected suitable accounting policies and applied them consistently;
- b) made judgements and estimates that were reasonable and prudent, and;
- c) complied with the Code

The S151 Treasurer has also:

- a) kept proper accounting records that were up to date; and
- b) taken reasonable steps for the prevention and detection of fraud and other irregularities

CERTIFICATE OF THE S151 TREASURER

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Yorkshire Dales National Park Authority at the accounting date and the income and expenditure for the year ended 31 March 2016.



R Burnett
S151 Treasurer
Yorkshire Dales National Park Authority

27 September 2016

CORE FINANCIAL STATEMENTS

Movement in Reserves Statement

| | | General Fund Balance £000 | Earmarked General Fund Reserve £000 | Capital Grants Unapplied £000 | Total Usable Reserves £000 | Unusable Reserves £000 | Total Authority Reserves £000 |
|---|---------|------------------------------------|---|--|-------------------------------------|------------------------------|--|
| Balance at 31 March 2015 | Page 16 | (2,002.3) | (204.0) | 0.0 | (2,206.3) | (1,905.6) | (4,111.9) |
| Deficit on the provision of services | Page 15 | 3.9 | 0.0 | 0.0 | 3.9 | 0.0 | 3.9 |
| Other Comprehensive Income and Expenditure | Page 15 | 0.0 | 0.0 | 0.0 | 0.0 | (1,326.0) | (1,326.0) |
| Total Comprehensive Income and Expenditure | | 3.9 | 0.0 | 0.0 | 3.9 | (1,326.0) | (1,322.1) |
| Adjustment between accounting basis and funding basis under regulations | Note 2 | (216.4) | 0.0 | 0.0 | (216.4) | 216.4 | 0.0 |
| Net increase before transfers to Earmarked Reserves | | (212.5) | 0.0 | 0.0 | (212.5) | (1,109.6) | (1,322.1) |
| Transfers to/from Earmarked Reserves | Note 3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transfers to/from Revaluation Reserve | Note 15 | 0.0 | 0.0 | 0.0 | 0.0 | (432.9) | (432.9) |
| Increase in 2015/16 | | (212.5) | 0.0 | 0.0 | (212.5) | (1,542.4) | (1,754.9) |
| Balance at 31 March 2016 | Page 16 | (2,214.8) | (204.0) | 0.0 | (2,418.8) | (3,448.1) | (5,866.9) |
| Balance at 31 March 2014 | | (1,800.4) | (274.0) | 0.0 | (2,074.4) | (4,269.8) | (6,344.2) |
| Deficit on the provision of services | Page 15 | 152.3 | 0.0 | 0.0 | 152.3 | 0.0 | 152.3 |
| Other Comprehensive Income and Expenditure | Page 15 | 0.0 | 0.0 | 0.0 | 0.0 | 2,080.0 | 2,080.0 |
| Total Comprehensive Income and Expenditure | | 152.3 | 0.0 | 0.0 | 152.3 | 2,080.0 | 2,232.3 |
| Adjustment between accounting basis and funding basis under regulations | Note 2 | (284.1) | 0.0 | 0.0 | (284.1) | 284.1 | 0.0 |
| Net increase before transfers to Earmarked Reserves | | (131.8) | 0.0 | 0.0 | (131.8) | 2,364.1 | 2,232.3 |
| Transfers to/from Earmarked Reserves | Note 3 | (70.0) | 70.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Transfers to/from Revaluation Reserve | Note 15 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase in 2014/15 | | (201.8) | 70.0 | 0.0 | (131.8) | 2,364.1 | 2,232.3 |
| Balance at 31 March 2015 | Page 16 | (2,002.3) | (204.0) | 0.0 | (2,206.3) | (1,905.6) | (4,111.9) |

Comprehensive Income and Expenditure Statement

For the year ending 31 March 2016

| 2014/15 | | | 2015/16 | | | | |
|-------------------|------------------|-----------------|---|-------------------|----------------|------------------|------------------|
| Gross Expenditure | Income | Net Expenditure | Notes | Gross Expenditure | Income | Net Expenditure | |
| £000 | £000 | £000 | Heading | £000 | £000 | £000 | |
| 728.3 | (50.7) | 677.6 | Conservation of the Natural Environment | 19 | 707.9 | (48.6) | 659.3 |
| 255.3 | (77.4) | 177.9 | Conservation of Cultural Heritage | 19 | 245.2 | (31.1) | 214.1 |
| 1,759.2 | (842.9) | 916.3 | Recreation Management and Transport | 19 | 1,929.3 | (1,133.2) | 796.1 |
| 1,439.6 | (381.2) | 1,058.4 | Promoting Understanding | 19 | 1,294.6 | (340.6) | 954.0 |
| 464.6 | (8.9) | 455.7 | Rangers, Estate Services and Volunteers | 19 | 511.8 | (22.9) | 488.9 |
| 756.7 | (149.0) | 607.7 | Development Control | 19 | 788.4 | (183.5) | 604.9 |
| 220.6 | (12.0) | 208.6 | Forward Planning | 19 | 301.5 | (12.0) | 289.5 |
| 267.4 | (178.7) | 88.7 | Corporate and Democratic Core | 19 | 321.6 | (146.5) | 175.1 |
| 10.0 | 0.0 | 10.0 | Non Distributed Costs | 27 | 0.0 | 0.0 | 0.0 |
| 5,901.7 | (1,700.8) | 4,200.8 | Cost of Services | | 6,100.3 | (1,918.4) | 4,181.9 |
| | | (17.1) | Interest and Investment Income | 10 | | | (17.5) |
| | | 0.0 | Revaluation gains against previous losses in Comprehensive income and Expenditure | 15 | | | (247.1) |
| | | 111.0 | Pension Interest Cost and Expected Return on Pension Assets | 27 | | | 157.0 |
| | | 93.9 | Financing and Investing Income and Expenditure | | | | (107.6) |
| | | 4,294.7 | Net Operating Expenditure | | | | 4,074.3 |
| | | (4,142.4) | National Park Grant | | | | (4,070.4) |
| | | 152.3 | Net (Surplus)/Deficit on Provision of Services | | | | 3.9 |
| | | 0 | Revaluation gains on Property, Plant and Equipment | 15 | | | (432.9) |
| | | 2,080.0 | Actuarial losses/(gains) on pension assets and liabilities | 17 | | | (1,326.0) |
| | | 2,080.0 | Other Comprehensive Income and Expenditure | | | | (1,758.9) |
| | | 2,232.3 | Total Comprehensive Income and Expenditure | | | | (1,755.0) |

Balance Sheet
As at 31 March 2016

| 31 March 2015 | | Notes | 31 March 2016 |
|------------------|------------------------------|---------|------------------|
| £000 | | | £000 |
| 6,928.2 | Property Plant and Equipment | 5 | 7,478.4 |
| 6.5 | Heritage Assets | 6 | 6.5 |
| | Intangibles | | |
| 6,934.7 | Long Term Assets | | 7,484.9 |
| 131.1 | Inventories | 8 | 129.9 |
| 697.3 | Short term Debtors | 9 | 881.9 |
| 1,998.0 | Cash and Cash Equivalents | 10 | 2,125.3 |
| 2,826.5 | Current Assets | | 3,137.1 |
| (219.1) | Cash and Cash Equivalents | 10 | (178.6) |
| (34.5) | Short Term Provisions | 12 | (30.9) |
| (293.7) | Short Term Creditors | 11 | (432.4) |
| (547.4) | Current Liabilities | | (644.3) |
| (105.9) | Long Term Provisions | 12 | (108.2) |
| (4,996.0) | Pension Liability | 27 | (4,005.0) |
| (5,101.9) | Long Term Liabilities | | (4,110.9) |
| 4,111.9 | NET ASSETS | | 5,866.9 |
| 204.0 | Earmarked Reserves | 3 | 204.0 |
| 2,002.3 | General Fund Balance | Page 14 | 2,214.8 |
| 2,206.3 | Usable Reserves | | 2,418.8 |
| 1,421.2 | Revaluation Reserve | 15 | 1,854.1 |
| 5,512.5 | Capital Adjustment Account | 16 | 5,629.8 |
| (4,996.0) | Pension Reserve | 17 | (4,005.0) |
| (32.0) | Accumulated Absences Account | 18 | (30.8) |
| 1,905.7 | Unusable Reserves | | 3,448.1 |
| 4,111.9 | TOTAL RESERVES | | 5,866.9 |

I confirm that these accounts were approved by the Yorkshire Dales National Park Authority on 27 September 2016.

Signed on behalf of the Yorkshire Dales National Park Authority


.....
Chair of the Authority

Cash Flow Statement
Year Ended 31 March 2016

| 31 March 2015 £000 | | 31 March 2016 £000 |
|--------------------------|--|--------------------------|
| | Operating Activities | |
| (152.3) | Net Surplus on provision of services | (3.9) |
| 168.2 | Depreciation | 162.0 |
| (53.5) | Increase/(Decrease) in creditors | 138.7 |
| (325.2) | (Increase) in debtors | (184.6) |
| (13.6) | Decrease/(Increase) in inventories | 1.2 |
| 137.0 | Pension Liability (Note 27) | 335.0 |
| 0.0 | (Increase) in Revaluation of assets | (247.1) |
| (127.2) | (Decrease)/Increase in provisions | (1.3) |
| (214.3) | Adjustment to net surplus on the provision of services for non-cash movements | 203.9 |
| 0.0 | Adjustments for items included in the net surplus on the provision of services that are investing and financing activities | 0.0 |
| (366.6) | Net Cashflows from Operating Activities | 200.0 |
| | Investing Activities | |
| (17.1) | Purchase of property, plant and equipment (Note 5) | (32.2) |
| (17.1) | Net Cashflows from Investing Activities | (32.2) |
| 0.0 | Net Cashflows from Financing Activities | 0.0 |
| (383.7) | Net increase in cash and cash equivalent | 167.8 |
| 2,162.6 | Cash or cash equivalents at the beginning of the reporting period | 1,778.9 |
| <u>1,778.9</u> | Cash or cash equivalents at the end of the reporting period | <u>1,946.7</u> |

Notes to the Core Financial Statements

1. IAS8, Accounting Policies, Changes in Accounting Estimates and Errors

None.

2. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

| Adjustments involving the Capital Adjustment Account | Usable Reserves | | | 2015/16 |
|---|------------------------------|----------------------------------|----------------------------------|------------------------------------|
| | General Fund Balance £000 | Capital Receipts Reserve £000 | Capital grants Unapplied £000 | Unusable Reserves Movement £000 |
| <u>Reversal of items debited or credited to the Comprehensive Income and Expenditure statement:</u> | | | | |
| Charges for depreciation | (162.0) | 0.0 | 0.0 | 162.0 |
| <u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u> | | | | |
| Capital Expenditure charged against the General Fund | 32.2 | 0.0 | 0.0 | (32.2) |
| Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement | | | 0.0 | 0.0 |
| Revaluation Gains allocated to the Provision of Services to reverse losses in previous year charged to the Provision of Services | 247.1 | | | (247.1) |
| Use of Capital Receipts Reserve to finance new capital expenditure | | | 0.0 | 0.0 |
| <u>Adjustments primarily involving the Pensions Reserve:</u> | | | | |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (note 27) | (815.0) | 0.0 | 0.0 | 815.0 |
| Employers Pension Contributions and direct payments to pensioners payable in the year | 480.0 | 0.0 | 0.0 | (480.0) |
| <u>Adjustments primarily involving the Accumulated Absences Account:</u> | | | | |
| Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements | 1.3 | 0.0 | 0.0 | (1.3) |
| Total Adjustments | (216.4) | 0.0 | 0.0 | 216.4 |

**Adjustments involving the Capital
Adjustment Account**

| | Usable Reserves | | | 2014/15 |
|---|---------------------------------|--|--|--|
| | General Fund Balance £000 | Capital Receipts Reserve £000 | Capital grants Unapplied £000 | Unusable Reserves Movement £000 |
| <u>Reversal of items debited or credited to the Comprehensive Income and Expenditure statement:</u> | | | | |
| Charges for depreciation | (168.2) | 0.0 | 0.0 | 168.2 |
| <u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u> | | | | |
| Capital Expenditure charged against the General Fund | 17.1 | 0.0 | 0.0 | (17.1) |
| Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement | 1.1 | (1.1) | 0.0 | 0.0 |
| Use of Capital Receipts Reserve to finance new capital expenditure | (1.1) | 1.1 | 0.0 | (1.1) |
| <u>Adjustments primarily involving the Pensions Reserve:</u> | | | | |
| Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (note 27) | (601.0) | 0.0 | 0.0 | 601.0 |
| Employers Pension Contributions and direct payments to pensioners payable in the year | 464.0 | 0.0 | 0.0 | (464.0) |
| <u>Adjustments primarily involving the Accumulated Absences Account:</u> | | | | |
| Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements | 4.0 | 0.0 | 0.0 | (4.0) |
| Total Adjustments | (284.1) | 0.0 | 0.0 | 283.0 |

3. Transfers To/From Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to meet General Fund expenditure in 2015/16. The Authority's policy is that the Contingency Reserve must be at least 5% of the DEFRA grant income in year.

| Contingency Reserve | 31 March 2015 | 31 March 2016 |
|----------------------------|----------------------|----------------------|
| Opening Balance | 274.0 | 204.0 |
| Movement | (70.0) | |
| Closing Balance | <u>204.0</u> | <u>204.0</u> |

4. Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2015/16.

| | 31 March 2015 £000 | 31 March 2016 £000 |
|--|-----------------------|-----------------------|
| Credited to Non Specific Grant Income | | |
| National Park Grant | 4,142.4 | 4,070.4 |
| | <u>4,142.4</u> | <u>4,070.4</u> |
| Credited to Services | | |
| Natural England | 293.9 | 440.8 |
| English Heritage | 67.1 | 23.9 |
| Other | 157.9 | 189.1 |
| Total | <u><u>518.8</u></u> | <u><u>653.9</u></u> |

5. (a) Property, Plant and Equipment

| Movements in 2015/16 | Land and Buildings | Vehicles, Plant & Equipment | Total Assets |
|---|-----------------------|-----------------------------------|-----------------------|
| Cost or Valuation | £000 | £000 | £000 |
| At 1 April 2015 | 6,912.6 | 436.9 | 7,349.5 |
| Additions | 0.0 | 32.2 | 32.2 |
| Disposals | 0.0 | (57.6) | (57.6) |
| Revaluation increases recognised in the Revaluation Reserve | 432.9 | 0.0 | 432.9 |
| Revaluation increases recognised in the Surplus/Deficit on the Provision of services | 247.1 | 0.0 | 247.1 |
| Assets written down to the Capital Adjustment Account | (376.0) | 0.0 | (376.0) |
| At 31 March 2016 | <u><u>7,216.6</u></u> | <u><u>411.5</u></u> | <u><u>7,628.1</u></u> |
| Accumulated Depreciation and Impairment | | | |
| At 1 April 2015 | 250.6 | 170.6 | 421.3 |
| Depreciation Charge | 125.3 | 36.7 | 162.0 |
| Depreciation written down to the Capital Adjustment Account | (376.0) | | (376.0) |
| Disposals | 0.0 | (57.6) | (57.6) |
| At 31 March 2016 | <u><u>(0.0)</u></u> | <u><u>149.7</u></u> | <u><u>149.7</u></u> |
| <u>Net Book Value</u> | | | |
| At 31 March 2015 | 6,662.0 | 266.2 | 6,928.2 |
| At 31 March 2016 | 7,216.6 | 261.8 | 7,478.4 |

| Movements in 2014/15 | Land and Buildings | Vehicles, Plant & Equipment | Total Assets |
|--|---------------------------|--|---------------------|
| Cost or Valuation | £000 | £000 | £000 |
| At 1 April 2014 | 6,912.6 | 497.7 | 7,410.3 |
| Additions | 0.0 | 17.1 | 17.1 |
| Disposals | 0.0 | (77.9) | (77.9) |
| At 31 March 2015 | 6,912.6 | 436.9 | 7,349.5 |
| Accumulated Depreciation and Impairment | | | |
| At 1 April 2014 | 125.3 | 205.6 | 330.9 |
| Depreciation Charge | 125.3 | 42.9 | 168.2 |
| Disposals | 0.0 | (77.9) | (77.9) |
| At 31 March 2015 | 250.6 | 170.6 | 421.3 |
| <u>Net Book Value</u> | | | |
| At 31 March 2014 | 6,787.3 | 292.1 | 7,079.4 |
| At 31 March 2015 | 6,662.0 | 266.2 | 6,928.2 |

Heritage assets are noted separately (Note 6).

(b) Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Buildings (but not the land they stand on) – between 30 and 50 years.
- IT Equipment - 4 years or relevant estimated useful lives if different.
- Other Plant and Equipment is depreciated over their various estimated useful lives.

(c) Major Capital Schemes

A café has been installed into the Dales Countryside Museum; set up costs were £12.5k.

(d) Capital Expenditure

The capital expenditure of £32.2k on Fixed Assets was financed by revenue expenditure.

(e) Analysis of Fixed Assets

The following table gives an indication of the significant fixed assets of the Authority at 31st March:

| | 2015 | 2016 |
|-----------------------------|---------------|---------------|
| Buildings | Number | Number |
| National Park Centres | 3 | 3 |
| Museum/National Park Centre | 1 | 1 |
| Public Conveniences | 11 | 11 |
| Administrative Building | 2 | 2 |
| Total | 17 | 17 |

The Authority operates five National Park Centres; one is situated within the Dales Countryside Museum, and the National Park Centre at Reeth is housed in a shared building not owned by the Authority.

6. Heritage Assets

The Authority owns one Heritage Asset; a 10th Century Gold Viking Ring, which was purchased on the open market for £6.5k in December 2010; it is valued at cost which is considered to be its fair market value, and there is no depreciation.

7. Financial Instruments

(a) Financial Assets: Cash, loans and receivables

The Authority cash balance includes cash held with North Yorkshire County Council (NYCC), as well as cash held in a bank account in the name of the Authority. Cash held by the Authority is swept over to the account held by NYCC each evening and money in this account is available to the Authority within one day.

Financial Instruments are formally defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. For the Authority, this definition covers the instruments used in Treasury Management activity, in the lending of money for investment purposes.

The Authority's Treasury Management is defined by the CIPFA Code of Practice on Treasury Management. The code sets out a framework of operating procedures to reduce treasury risk and improve understanding and accountability regarding the Treasury position of the Authority.

The CIPFA Code of Practice on Treasury Management requires:

- A Treasury Management Policy Statement (TMPS) stating the Authority's policies and objectives for its treasury management activities; and
- A framework of Treasury Management Practices (TMPs) setting out the manner in which the Authority will seek to achieve the policies and objectives set out above and prescribing how it will manage and control those activities.

The twelve recommended Treasury Management Practices are reviewed and updated as and when necessary in the light of regulatory and/or local policy changes and cover the following areas:-

- Risk management;
- Performance measurement;
- Decision making and analysis;
- Approved instruments, methods and techniques;
- Organisation, clarity and segregation of responsibilities and dealing arrangements;
- Reporting requirements and management information arrangements;
- Budgeting, accounting and audit arrangements;
- Cash and cash flow management;
- Money laundering;
- Training and qualifications;
- Use of external service providers; and
- Corporate governance

(b) Financial Instruments Balances

| | 31 March 2015 | 31 March 2016 |
|---|----------------|----------------|
| | £000 | £000 |
| Loans and Receivables Less than 1 year | | |
| North Yorkshire County Council Treasury | 1,996.6 | 2,125.3 |
| Yorkshire Wildlife Loan (Repaid May 2016) | 450.0 | 450.0 |
| | <u>2,446.6</u> | <u>2,575.3</u> |

The financial instruments balance figures shown consist of the nominal value of loans plus any accrued interest at that date. This complies with the requirements for financial instruments in accordance with The Code.

(c) Fair Value of Assets and Liabilities carried at Amortised Cost

The fair value can be assessed by calculating the present value of cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For loans receivable, the prevailing benchmark market rates have been used to provide fair value;
- Where an instrument (loan/investment) will mature in the next 12 months, the carrying amount is assumed to approximate fair value;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

(d) Disclosure of nature and extent of risk arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks, the key risks being:

- Credit Risk – the possibility that other parties may fail to pay amounts due to the Authority, including the Authority's cash balances held by NYCC;
- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments to make payments;
- Market Risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rate movements.

(e) **Procedures for Managing Risk**

The Authority complies with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and the Investment Guide issued through the Local Government Act 2003. Risk is managed in the following ways:

- By adopting the requirements of the code of practice; and
- By approving in advance, prudential indicator limits for the following three years in relation to:
 - The Authority’s overall borrowing limits;
 - Its maximum and minimum exposures to fixed and variable interest rates;
 - Its maximum annual exposures to investments maturing beyond a year;
 - A legal agreement was signed by the Yorkshire Wildlife Trust in regard to the short term loan and its security and repayment

Credit Risk

Credit risk arises from deposits with banks and financial institutions as well as exposures to the Authority’s customers. Deposits are managed through the contract with NYCC. Sales of goods are predominantly on a cash basis, and services are not completed unless there is a signed legal grant agreement in place. The Authority receives income predominantly from other Government Bodies so reducing commercial risk. Payment terms are 30 days from invoice.

The debtors past due date but not impaired amount to £1.0k.

| Days Past Due | Current | 30 | 60 | 90 | 90+ |
|----------------------|----------------|-----------|-----------|-----------|------------|
| | £000 | £000 | £000 | £000 | £000 |
| Debtors Due | 87.4 | 1.0 | 0.0 | 0.0 | 0.0 |

Liquidity Risk

The Authority has next-day access to investments and is funded centrally by DEFRA, grant funding is known in advance so working balances can be managed, and funding is received quarterly in advance. The Authority does not have any borrowing.

Market Risk

The Authority is exposed to interest rate movements on its investments. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods. As the Authority has no borrowings the risk is restricted to a loss of earnings on interest income.

8. Inventories

The movement in inventories recorded on the balance sheet can be analysed as follows:

| | 2014/15 | | | 2015/16 | | |
|----------------------------------|----------------------|------------------------|---------------|----------------------|------------------------|---------------|
| | Resale Stock £000 | Footpath Stock £000 | Total £000 | Resale Stock £000 | Footpath Stock £000 | Total £000 |
| Opening Balance | 106.3 | 11.2 | 117.5 | 116.7 | 14.4 | 131.1 |
| Purchases | 179.5 | 24.3 | 203.8 | 138.4 | 30.1 | 168.5 |
| Recognised as an expense in year | (169.0) | (21.0) | (190.1) | (141.4) | (28.2) | (169.5) |
| Written off balances | (0.1) | 0.0 | (0.1) | (0.1) | 0.0 | (0.1) |
| Closing Balance | 116.7 | 14.4 | 131.1 | 113.6 | 16.3 | 129.9 |

9. Debtors

The debtors which are under 1 year are recorded as current assets on the balance sheet, and are analysed as follows:

| | 31 March 2015 £000 | 31 March 2016 £000 |
|--------------------------------|-----------------------|-----------------------|
| Central Government Bodies | 148.2 | 247.1 |
| Other Local Authorities | 16.2 | 19.5 |
| Other Entities and individuals | 532.9 | 615.3 |
| Total Debtors | 697.3 | 881.9 |
| Including Prepayments of | 54.1 | 59.1 |

Provision for Doubtful Debt

A provision has not been provided for doubtful debts, as debtors past due are not considered to be doubtful debts.

10. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

| | 31 March 2015 £000 | 31 March 2016 £000 |
|---|-----------------------|-----------------------|
| Cash held by the Authority | 1.5 | 1.5 |
| Bank Current Account | (219.1) | (178.6) |
| Short Term Deposit with North Yorkshire County Council Treasury | 1,996.6 | 2,123.9 |
| Total Cash and Cash Equivalents | 1,778.9 | 1,946.8 |

Interest received from the deposit with North Yorkshire County Council Treasury in 2015/16 was £17.5k (£17.1k 2014/15).

11. Creditors

The creditors which are due in less than 1 year and which are recorded as current liabilities on the balance sheet can be analysed as follows:

| | 31 March 2015 £000 | 31 March 2016 £000 |
|--------------------------------|-----------------------|-----------------------|
| Central Government Bodies | 60.2 | 39.3 |
| Other Local Authorities | 33.2 | 154.8 |
| Other Entities and individuals | 200.7 | 238.3 |
| Total Creditors | <u>294.1</u> | <u>432.4</u> |
| Including Income in Advance | 63.9 | 75.3 |

12. Provisions

The provisions recorded on the balance sheet can be analysed as follows:

Sustainable Development Fund

Prior to 2014/15 the Sustainable Development Fund was managed in conjunction with Yorkshire Dales Millennium Trust (YDMT). This fund is now managed in house and is no longer a ring fenced provision. The provision for the Sustainable Development Fund for YDMT has now ended.

Legacies and Section 106 Agreements

Section 106 payments are used to fund particular projects linked to planning applications and as such are carried as a provision until the obligations are fully satisfied. Legacy payments with specific work requests are held as provisions until suitable projects meeting the requirements of the legacy are completed. The Legacy for £105.9k has been earmarked for a project in the Swaledale area on barns and walls, which will be span the next two financial years, £75k has been allocated to 2016/17.

Accumulated Absences

Staff can carry over 5 days leave and up to 10 hours flexi time from one year to the next, the balance reflects the cost of the carried time valued using the hourly rate for 2016/17 being the year the benefit will be taken.

| Provisions | Sustainable Development Fund | Section 106 Provisions | Legacies | Accumulated Absences | Total |
|---------------------------------------|------------------------------------|---------------------------|----------|-------------------------|---------|
| | £000 | £000 | £000 | £000 | £000 |
| Balance At 31 March 2015 | 0.0 | 2.5 | 105.9 | 32.0 | 140.4 |
| Additional Provisions Made in 2015/16 | 0.0 | 0.0 | 0.0 | 30.8 | 30.8 |
| Amounts used in 2015/16 | 0.0 | 0.0 | 0.0 | (32.0) | (32.0) |
| Unused amounts reversed in 2015/16 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Balance At 31 March 2016 | 0.0 | 2.5 | 105.9 | 30.8 | 139.1 |
| Short Term Provision 2015/16 | 0.0 | 2.5 | 75.0 | 30.8 | 108.2 |
| Long term Provision 2015/16 | 0.0 | 0.0 | 30.9 | 0.0 | 30.9 |
| Balance At 31 March 2014 | 107.1 | 18.6 | 105.9 | 36.0 | 267.6 |
| Additional Provisions Made in 2014/15 | 0.0 | 0.0 | 0.0 | 32.0 | 32.0 |
| Amounts used in 2014/15 | (85.7) | (16.1) | 0.0 | (36.0) | (137.8) |
| Unused amounts reversed in 2014/15 | (21.4) | 0.0 | 0.0 | 0.0 | (21.4) |
| Balance At 31 March 2015 | 0.0 | 2.5 | 105.9 | 32.0 | 140.4 |
| Short Term Provision 2014/15 | 0.0 | 2.5 | 0.0 | 32.0 | 34.5 |
| Long term Provision 2014/15 | 0.0 | 0.0 | 105.9 | 0.0 | 105.9 |

***£0.1k rounding issue in the long and short term provision splits

13. Usable Reserves

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

14. Unusable Reserves

Movements in the Authority's unusable reserves are detailed in the Movement in Reserves Statement.

15. Revaluation Reserve

The Code requires that the Revaluation Reserve reflects only changes that have arisen since 1 April 2007. On 31 March 2016 the Fixed Assets were revalued by Bruton Knowles using a desktop exercise and the change in asset values is above the materiality limit so is reflected in the accounts for 2015/16.

The increase in the total asset valuation amounts to £680.0k, £432.9k of which was allocated against the Revaluation Reserve. A number of assets had prior revaluation losses which had been charged against previous years Comprehensive Income and Expenditure Statement so this was reversed in 2015/16. A total of £247.1k was credited to the Income and Expenditure Statement and reversed out to the Capital Adjustment Account. Assets have been assessed using the 'Fair Value Measurement' (IFRS13). Desktop revaluations will be repeated at March 2017, and a full revaluation will be undertaken in March 2018.

| 31 March 2015 £000 | | 31 March 2016 £000 |
|-----------------------|--|-----------------------|
| 1,423.5 | Balance at 1 April | 1,421.2 |
| | Increase in value of Assets | 680.0 |
| (2.3) | Difference between current value depreciation and historical cost depreciation | 0.0 |
| 0.0 | Increases recognised in the Provision of Service (Page 15) | (247.1) |
| (2.3) | Increase/(Decrease) in 2015/16 | 432.9 |
| 1,421.2 | Balance at 31 March | 1,854.1 |

16. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007.

| 31 March 2015 £000 | | 31 March 2016 £000 |
|-----------------------|---|-----------------------|
| 5,661.3 | Balance at 1 April | 5,512.5 |
| | <u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</u> | |
| (168.2) | Charges for depreciation and impairment of non current assets | (162.0) |
| 0.0 | Revaluation increases on Property, Plant and Equipment against prior decreases in Income Statement | 247.1 |
| 0.0 | Revenue expenditure funded from capital under statute | 0.0 |
| 5,493.1 | | 5,597.6 |
| 2.3 | Adjusting amounts written out of the Revaluation Reserve | |
| 5,495.4 | Net written out amount of the cost of non-current assets consumed in year | 5,597.6 |
| | <u>Capital Funding applied in the year:</u> | |
| 17.1 | Capital expenditure charged against the General Fund | 32.2 |
| 5,512.5 | Balance at 31 March | 5,629.8 |

17. Pension Reserve

The Pension reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in its Comprehensive Income and Expenditure Statements as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require that benefits earned are financed as the Authority makes Employer's contributions to the pension fund, or eventually pays any pensions for which it is directly responsible.

The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The Authority participates in the North Yorkshire Pension Fund.

| 2014/15 £000 | | 2015/16 £000 |
|------------------|--|------------------|
| (2,779.0) | Balance at 1 April | (4,996.0) |
| (2,080.0) | Actuarial gains/(losses) on assets and liabilities | 1,326.0 |
| | Reversal relating to retirement benefits debited or credited to the Provision of services in the | |
| (601.0) | Comprehensive Income and Expenditure Statement | (815.0) |
| 464.0 | Employers pensions contributions and direct payments to pensioners payable in the year | 480.0 |
| <u>(4,996.0)</u> | Balance at 31 March | <u>(4,005.0)</u> |

18. Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the account.

| 2014/15 £000 | | 2015/16 £000 |
|-----------------|---|-----------------|
| 36.0 | Balance at 1 April | 32.0 |
| | Amount by which Officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements | |
| -4.0 | | -1.2 |
| <u>32.0</u> | Balance at 31 March | <u>30.8</u> |

19. Segment Reporting

Reconciliation from the outturn to the Final Accounts

| | Outturn figures | IFRS Adjustments IAS19 | Accumulated Absences Account | Capital Assets | Depreciation Adjust. | Recharges | Interest & Technical Adjustment | Net Expenditure in Final Accounts |
|---|-----------------|---------------------------|---------------------------------|----------------|----------------------|------------|------------------------------------|--------------------------------------|
| | £000 | £000 | | | £000 | £000 | £000 | £000 |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Conservation of Natural Environment | 470.4 | 22.7 | 1.9 | | | 164.2 | | 659.3 |
| Conservation of Cultural Heritage | 127.5 | 5.4 | (0.4) | | 0.6 | 81.0 | | 214.1 |
| Recreation Management | 357.0 | 27.9 | 1.7 | (13.3) | 65.7 | 357.2 | | 796.1 |
| Promoting Understanding | 697.4 | 29.2 | (0.6) | (6.3) | 60.5 | 173.8 | | 954.0 |
| Rangers, Estate Services & Volunteers | 365.0 | 18.1 | (0.5) | | | 106.3 | | 489.0 |
| Development Control | 346.4 | 26.3 | (1.3) | | | 233.5 | | 604.9 |
| Forward Planning | 234.0 | 7.6 | (1.0) | | | 48.9 | | 289.5 |
| Corporate Management | 1,260.1 | 40.8 | (1.1) | (12.6) | 35.2 | (1,164.8) | 17.5 | 175.1 |
| Non distributed costs | 0.0 | | | | | | | 0.0 |
| Net Cost of Services | 3,857.9 | 178.0 | (1.3) | (32.2) | 162.0 | 0.0 | 17.5 | 4,181.9 |
| Interest Received | | | | | | | (17.5) | (17.5) |
| Revaluation gains against previous losses in Comprehensive income and Expenditure | | | | | (247.1) | | | (247.1) |
| Pension Interest costs | | 157.0 | | | | | | 157.0 |
| National Park Grant & Levies | (4,070.4) | | | | | | | (4,070.4) |
| Net (Surplus) on Provision of Services | (212.5) | 335.0 | (1.3) | (32.2) | (85.1) | 0.0 | 0.0 | 3.9 |
| Surplus on revaluation of Land and Buildings | | | | | (432.9) | | | (432.9) |
| Actuarial gains on pension assets and liabilities | | (1,326.0) | | | | | | (1,326.0) |
| Total Comprehensive Income and Expenditure | (212.5) | (991.0) | (1.3) | (32.2) | (518.0) | 0.0 | 0.0 | (1,755.0) |

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice. This is the same basis used to make decisions about resource allocation, which are taken by the Members of the Authority. However, the outturn reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

No charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged in the Comprehensive Income and Expenditure Statement).

Actual capital expenditure and income is included in committee reports but taken out of the Comprehensive Income and Expenditure Statement, which just shows revenue.

The cost of retirement benefits is based on cash flows (payment of employer's pension contributions) rather than current service cost of benefits accrued in the year.

The outturn position reported to committee is summarised in the Foreword under Summary of Revenue Spending on page 7, and therefore the detailed report is not included here. A reconciliation to explain the differences is shown in the previous table.

Recharges: In line with SERCOP requirements, central costs are allocated to service lines using a reallocation basis relevant to the type of cost. Accounting Policy 12 indicates the costs that are excluded from the reallocation.

20. Members' Allowances

The Authority paid the following amounts to Members of the Authority during the year; Member allowances were increased in line with the employee pay settlement. Full details of the Authority's Member Allowance Scheme, and of allowances paid to individual Members, are available on the Authority's website at www.yorkshiredales.org.uk

| | 2014/15 | 2015/16 |
|--------------|-------------|-------------|
| | £000 | £000 |
| Allowances | 73.3 | 76.3 |
| Expenses | 9.0 | 10.5 |
| Total | 82.3 | 86.8 |

21. Agency Services

In 2015/16 the Authority had contracts with North Yorkshire County Council to provide personnel, IT, Investment, legal and health and safety services. Charges for those services in 2015/16 amounted to £8.5k (£8.6k in 2014/15).

22. External Audit Costs

The Authority incurred £12.1k expenditure in relation to the audit of the Statement of Accounts by Ernst & Young LLP in 2015/16 (£12.1k in 2014/15).

23. Officers' Remuneration

Regulations require the Authority to disclose the number of staff receiving payments, including taxable benefits including pension contributions, of more than £50k in the relevant financial year. The number of employees who receive a remuneration of over £50k are as follows:

| Remuneration Band | 2014/15 No of Staff | 2015/16 No of Staff |
|--------------------------|--------------------------------|--------------------------------|
| £50,000 - £54,999 | 1 | 1 |
| £55,000 - £59,999 | 0 | 0 |
| £60,000 - £64,999 | 3 | 3 |
| £65,000 - £69,999 | 0 | 0 |
| £70,000 - £74,999 | 0 | 0 |
| £75,000 - £79,999 | 0 | 0 |
| £80,000 - £84,999 | 0 | 0 |
| £85,000 - £89,999 | 0 | 0 |
| £90,000 - £94,999 | 1 | 1 |

The Regulations also require the Authority to disclose the individual remuneration details of senior employees, under the following categories:

- salary, fees and allowances; bonuses; expenses allowance; compensation for loss of employment; employer's pension contribution, and any other emoluments.

Reimbursement of actual receipted expenses for business use are not shown in this analysis, and no allowances are paid for expenses.

The regulations also require that persons whose basic salary is in excess of £150k per annum must be identified by name, and that certain senior employees whose basic salary is £50k or more per year but less than £150k, must be listed individually by way of job title. None of the senior officers received fees, bonuses or compensation for loss of employment or any other emoluments in 2014/15 or 2015/16.

The code states that staff who are employed on a part time basis must be included in this analysis if their full time equivalent salary exceeds £50k. The current part time (22.5 hours) Solicitor/Monitoring Officer falls into this bracket and the salary is shown as the actual pay received.

| | 2014/15 £ | 2015/16 £ |
|---|---------------|---------------|
| Chief Executive | | |
| Basic Salary | 81,855 | 83,077 |
| Pension | 10,969 | 11,132 |
| Total | 92,824 | 94,209 |
| Director of Conservation & Communities | | |
| Basic Salary | 54,933 | 55,835 |
| Pension | 7,361 | 7,482 |
| Total | 62,295 | 63,317 |
| Director of Corporate Services | | |
| Basic Salary | 54,877 | 55,778 |
| Pension | 7,354 | 7,474 |
| Total | 62,231 | 63,252 |
| Director of Park Services | | |
| Basic Salary | 45,017 | 46,689 |
| Pension | 6,032 | 6,256 |
| Total | 51,050 | 52,945 |
| Solicitor/Monitoring Officer | | |
| Basic Salary | 32,751 | 33,348 |
| Pension | 4,389 | 4,469 |
| Total | 37,140 | 37,817 |
| (Part time post - 22.5 hours per week) | | |

24. Related Parties

The Authority is required to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Members of the Authority have direct control over the Authority's financial and operating policies. The total of members allowances paid in 2015/16 is shown in note 20. The Register of Members' Interests (which the Authority is required to maintain, in accordance with the National Park Authority Members Code of Conduct) and any disclosures of direct or indirect pecuniary interests made in accordance with section 94 of the Local Government Act 1972, were examined.

Many of the Authority's Members are also Members of parish, district and county councils and other organisations whose activities may or may be seen to affect those of the Authority. A number of Members are trustees of the Yorkshire Dales Millennium Trust and Hudson House Limited with which the Authority has close working relationships.

Purchases of lunches for Committee meetings from Cornhill Tea Rooms which is run by Yvonne Peacock who is Member of the Authority amount to £2.8k.

Officers have day-to-day control of the running of the Authority's affairs. No material related party transactions have occurred with officers in 2015/16.

Related Parties 2015/16:

| | Payments £000 | Receipts £000 | O/S Creditors 31 March 2016 £000 | O/S Debtors 31 March 2016 £000 |
|--|------------------|------------------|--|--------------------------------------|
| Related Parties Other | | | | |
| Hudson House Ltd | 9.0 | | | |
| Yorkshire Dales Millennium Trust | 39.6 | (68.6) | | (1.1) |
| Local Government | | | | |
| Calderdale Council | 2.7 | | | |
| Craven District Council | 92.2 | (17.3) | | (0.6) |
| Cumbria County Council | 28.0 | | 6.9 | |
| Dent Parish Council | | (3.5) | | (4.2) |
| Derbyshire County Council | 39.7 | | 25.0 | |
| Durham County Council | 9.6 | | 0.1 | |
| Lancashire County Council | 74.6 | | 39.8 | |
| National Parks Ltd | 17.8 | (3.0) | | |
| National Parks England | 17.9 | | | |
| North Pennine AONB Partnership | | (5.0) | | |
| North York Moors National Park Authority | 0.9 | (2.0) | | |
| North Yorkshire County Council | 22.1 | (19.3) | 6.6 | (6.3) |
| Northumberland County Council | 2.4 | | 2.4 | |
| Northumberland National Park Authority | 2.6 | | 2.6 | |
| Oldham Council | 10.7 | | 8.3 | |
| Peak District National Park Authority | 82.3 | | 56.5 | |
| Richmondshire District Council | 71.4 | (3.0) | | (0.5) |
| Scottish Borders Council | 0.8 | | | |
| Sedbergh Parish Council | 4.5 | (0.4) | | |
| South Lakeland District Council | | (1.6) | | (0.2) |
| Tameside Metropolitan Borough Council | 4.5 | | | |
| West Yorkshire Combined Authority | | (1.9) | | |
| Central Government | | | | |
| Forestry Commission | | (8.8) | | |
| Natural England | 6.0 | (465.3) | | (272.0) |
| The Environment Agency | | (3.0) | | |
| Historic England | | (27.9) | | |
| | 539.2 | (630.7) | 148.2 | (284.9) |

Comparative Data 2014/15:

| | Payments £000 | Receipts £000 | O/S Creditors 31 March 2015 £000 | O/S Debtors 31 March 2015 £000 |
|--|------------------|------------------|--|--------------------------------------|
| Related Parties Other | | | | |
| Hudson House Ltd | 9.1 | | | |
| Yorkshire Dales Millennium Trust (Operating) | 42.1 | (25.9) | | (2.0) |
| Yorkshire Dales Millennium Trust (SDF) | 6.1 | | | |
| Local Government | | | | |
| Craven District Council | 78.0 | (15.9) | 0.2 | (0.4) |
| Cumbria County Council | 0.0 | (1.4) | | (1.7) |
| Dent Parish Council | | (3.0) | | (3.0) |
| Derbyshire County Council | 21.3 | | | |
| Durham County Council | 9.4 | | | |
| Lancashire County Council | 40.2 | | | |
| National Parks UK | 10.0 | | | |
| North York Moors National Park Authority | | (0.7) | | (0.4) |
| North Yorkshire County Council | 61.5 | (56.9) | 7.7 | |
| North Yorkshire Pension Fund | 345.1 | | | |
| Northumberland County Council | 1.4 | | 1.4 | |
| Northumberland National Park Authority | 2.4 | | 2.2 | |
| Peak District National Park Authority | 35.4 | | 19.5 | |
| Richmondshire District Council | 69.5 | (2.5) | | (0.7) |
| Sedbergh Parish Council | 3.4 | | | |
| South Lakeland District Council | | (0.7) | | |
| West Yorkshire Combined Authority | | (37.7) | | |
| Central Government | | | | |
| Natural England | 35.4 | (288.3) | | (111.6) |
| The Environment Agency | 0.4 | (5.8) | | |
| Historic England | | (63.1) | | |
| | <u>770.7</u> | <u>(502.0)</u> | <u>31.0</u> | <u>(119.8)</u> |

25. Leases

Under the Code, leases are classified as either operating or financing leases using the substance over form tests to assess if the asset is essentially 'owned'; if a lease is classified as a finance lease the asset is transferred to the Balance Sheet and a corresponding Finance Lease Liability is created. All current leases have been tested, and have been found to be correctly classified as operating leases, therefore there is no change to the accounting treatment or changes to the 2015/16 financial statements.

The Authority as a Lessee

The Authority has operating leases, as follows:

| Assets | Section Charged in the Comprehensive Income & Expenditure Statement | Paid in 2014/15 £000 | Paid in 2015/16 £000 |
|---------------|--|---------------------------------|---------------------------------|
| Vehicles | Recreational Management | 59.7 | 57.8 |
| Photocopiers | Apportioned in each section | 3.3 | 3.2 |
| Triple Kiln | Promoting Understanding | 1.0 | 1.0 |
| Centre | Promoting Understanding | 8.8 | 7.2 |
| Ranger Base | Recreational Management | 10.8 | 10.8 |
| | | 83.5 | 79.9 |

The future minimum lease payments due under non-cancellable leases in future years are:

| | 2014/15 £000 | 2015/16 £000 |
|---------------------------------------|-------------------------|-------------------------|
| Leases due within next 12 months | 71.8 | 69.1 |
| Leases due between one and five years | 73.2 | 12.9 |
| Leases due later than 5 years | 0.0 | 0.0 |
| | 145.0 | 82.0 |

The Authority as Lessor

The Authority has operating leases, as follows:

| Assets | Section Revenue taken in the Comprehensive Income & Expenditure Statement | Received in 2014/15 £000 | Received in 2015/16 £000 |
|--------------------|--|-------------------------------------|-------------------------------------|
| Land | Park management | 3.5 | 6.5 |
| Car Park & Toilets | Park management | 3.0 | 3.5 |
| Bowling Green | Park management | 0.7 | 0.7 |
| Centre Café | Prom. Understanding | 7.2 | 11.4 |
| Office | Prom. Understanding | 3.0 | 3.0 |
| | | 17.4 | 25.1 |

The future minimum lease payments due under non-cancellable leases in future years are:

| | 2014/15 £000 | 2015/16 £000 |
|---------------------------------------|-------------------------|-------------------------|
| Leases due within next 12 months | 17.9 | 17.9 |
| Leases due between one and five years | 63.79 | 53.09 |
| Leases due later than 5 years | 440.9 | 434.0 |
| | 522.6 | 505.0 |

All the leases are operated by a signed agreement where the rental income is fixed for a period of time and payable in instalments. No leases give the option to buy at a reduced rate and the Authority retains ownership and responsibility for the assets. Tenant leases include terms for responsibilities to upkeep the assets.

26. Termination Benefits

There were no redundancies in 2015/16.

| Exit package cost band | No of compulsory redundancies | | No of other agreed departures | | Total No of exit packages by cost band | | Total Cost of exit packages by cost band | |
|------------------------|-------------------------------|---------|-------------------------------|---------|--|---------|--|---------|
| | 2014/15 | 2015/16 | 2014/15 | 2015/16 | 2014/15 | 2015/16 | 2014/15 | 2015/16 |
| £000 | | | | | | | | |
| 1-20 | 0 | 0 | 1 | 1 | 1 | 1 | 7.5 | 1.3 |
| Total | 0 | 0 | 1 | 1 | 1 | 1 | 7.5 | 1.3 |

27. Defined Benefit Pension Scheme

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Authority participates in the Local Government Pension Scheme administered by North Yorkshire Pension Fund; this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

The Authority recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. The charge we are required to make is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement.

The actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to the 31 March 2016 is a gain of £1326k.

| 2014/15 £000 | Comprehensive Income and Expenditure Statement | 2015/16 £000 |
|------------------|--|------------------|
| | Cost of Service | |
| 480.0 | Current Service Cost | 647.0 |
| | Past Service Costs | |
| 10.0 | Admin Costs | 11.0 |
| | Effect of curtailments and settlements | |
| <u>490.0</u> | | <u>658.0</u> |
| | Financing and Investment Income and Expenditure | |
| 111.0 | Net Interest Expense | 157.0 |
| 0.0 | Expected return on Assets in the Scheme | 0.0 |
| <u>111.0</u> | | <u>157.0</u> |
| <u>601.0</u> | Total Post Employment Benefit Charged to the surplus or deficit on the provision of service | <u>815.0</u> |
| | Re-measurement of the net defined benefit liability comprising: | |
| (2,064.0) | (Loss)/Return on plan assets | (681.0) |
| 0.0 | Actuarial gains arising on changes in demographic assumptions | 0.0 |
| 4,144.0 | Actuarial (gain)/loss arising on changes in financial assumptions | 1,747.0 |
| <u>2,681.0</u> | Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement | <u>1,881.0</u> |
| 2014/15 £000 | Movement in Reserves Statement | 2015/16 £000 |
| | Reversal of net charges made to the surplus or deficit on the provision of services for post employment benefits in accordance with the code | 815.0 |
| 601.0 | Actual amount charged against the General Fund Balance for pensions in the year | (480.0) |
| (464.0) | | |
| <u>137.0</u> | | <u>335.0</u> |
| 2014/15 £000 | | 2015/16 £000 |
| (2,779.0) | Balance at 1 April | (4,996.0) |
| (2,080.0) | Actuarial gains/(losses) on pensions assets and liabilities | 1,326.0 |
| | Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of services in the Comprehensive Income and Expenditure Statement | |
| (601.0) | Employers pensions contributions and direct payments to pensioners payable in the year | (815.0) |
| 464.0 | | 480.0 |
| <u>(4,996.0)</u> | Balance at 31 March | <u>(4,005.0)</u> |

Assets and Liabilities in Relation to Post-employment Benefits

North Yorkshire Pension Fund

| 2014/15 | | 2015/16 |
|---------------|---|---------------|
| £000 | | £000 |
| 21,117 | Benefit Obligation at beginning of period | 26,392 |
| 480 | Current Service Cost | 658 |
| 943 | Interest on Pension Liabilities | 867 |
| 170 | Member Contributions | 172 |
| 0 | Past Service Cost | 0 |
| 0 | Experience (Gain)/Loss | (259) |
| 4,144 | (Gain)/Loss on Financial Assumptions | (1,747) |
| 0 | (Gain)/Loss on Democratic Assumptions | 0 |
| 0 | Curtailments | 0 |
| (462) | Benefits/transfers paid | (423) |
| <u>26,392</u> | | <u>25,660</u> |
| | | |
| 2014/15 | | 2015/16 |
| £000 | Change in Plan Assets during period | £000 |
| 18,338 | Fair Value of plan assets at beginning of the period | 21,396 |
| 832 | Interest on plan assets | 710 |
| 2,064 | Remeasurements (assets) | (681) |
| 0 | Expected return on plan assets | 0 |
| (10) | Administration expenses | 0 |
| 0 | Actuarial (Losses)/Gains on assets | 0 |
| 464 | Employer Contributions | 481 |
| 170 | Member Contributions | 172 |
| (462) | Benefits/transfers paid | (423) |
| <u>21,396</u> | Fair Value of the plan assets at the end of period | <u>21,655</u> |

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £29k (2014/15: £2896k).

| Scheme History | 2015/16 | 2014/15 | 2013/14 | 2012/13 | 2011/12 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Present value of liabilities: | £000 | £000 | £000 | £000 | £000 |
| Fair value of assets | 21,655 | 21,396 | 18,338 | 14,760 | 12,490 |
| (Surplus)/Deficit | 4,005 | 4,996 | 2,779 | 7,086 | 5,513 |
| Total Liabilities | 25,660 | 26,392 | 21,117 | 21,846 | 18,003 |

The liabilities show the underlying commitments that the Authority has in the long run to pay post employment benefits. The total liability of £4005k has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet; however statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- The deficit on the local governments scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31 March 2017 is £476k (£474k Actual 2015/16).

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The liabilities have been assessed by Mercer, an independent firm of actuaries, and the main assumptions used in their calculations are:

| | 31 March 2015 | 31 March 2016 |
|---|----------------------|----------------------|
| Financial Assumptions | % | % |
| Rate of CPI Inflation | 2.00 | 1.80 |
| Rate of Increase in salaries | 3.50 | 3.30 |
| Rate of increase in pensions | 2.00 | 1.80 |
| Rate for discounting scheme liabilities | 3.30 | 3.50 |

Mortality Assumptions

| | | |
|--|-------------------|-------------------|
| Life expectancy of male (female) | | |
| -future pensioner aged 65 in 20 years time | 25.4 (28) years | 25.6 (28.1) years |
| -current pensioner aged 65 | 23.1 (25.6) years | 23.3 (25.8) years |

| | 31 March 2015 | 31 March 2016 |
|-----------------------|----------------------|----------------------|
| Pension Assets | % | % |
| Equities | 60.0 | 62.2 |
| Government Bonds | 16.9 | 14.1 |
| Other Bonds | 6.8 | 5.4 |
| Property | 6.5 | 7.3 |
| Cash/Liquidity | 1.2 | 0.8 |
| Other | 8.6 | 10.2 |
| Total | 100.0 | 100.0 |

History of Experience Gains and Losses

The actuarial gains identified as movements on the Pension Reserve in 2015/16 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2016.

| | Experience gains and (losses) on liabilities | | Differences between the expected and actual return on assets | | Actuarial gains and (losses) on liabilities | | Actuarial gains and (losses) | |
|---------|--|-------|--|-------|---|--------|------------------------------|-------|
| | £000 | % | £000 | % | £000 | % | £000 | % |
| 2015/16 | (259.0) | (1.0) | 681.0 | 3.1 | (1,747.0) | (6.8) | (1,325.0) | (5.2) |
| 2014/15 | 0.0 | | 2,064.0 | 9.6 | (4,144.0) | (15.7) | (2,080.0) | (7.9) |
| 2013/14 | (507.0) | (2.4) | 2,800.0 | 15.3 | 2,394.0 | 11.4 | 4,687.0 | 11.4 |
| 2012/13 | 0.0 | | 1,351.0 | 9.2 | (2,717.0) | (12.4) | (1,366.0) | (6.3) |
| 2011/12 | 0.0 | | (604.0) | (4.8) | (710.0) | (3.9) | (1,314.0) | (9.8) |

As at 31 March 2016, the Authority did not owe anything for March contributions to the North Yorkshire Pension Fund.

28. Contingent Liabilities

There are no contingent liabilities.

29. Soft Loans

A series of short term loans were granted in 2015/16, the outstanding balance of £450.0k is included in short term debtors at 31 March 2016, and was repaid on 27 May 2016. The Yorkshire Dales National Park Authority and the Yorkshire Wildlife Trust entered into a collaborative agreement relating to the Yorkshire Peat Project, the aim of which is to restore the upland peat environment of North Yorkshire.

Due to a timing issue where contractors need to be paid before the grant funds are received from Natural England, the Yorkshire Dales National Park Authority agreed to fund the Yorkshire Wildlife Trust with short term loans up to a maximum of £450k, to enable them to participate in the project. The Authority considers that entering into this agreement will facilitate the conservation and enhancement of the natural beauty and wildlife of the Yorkshire Dales National Park. As this was a collaborative project the loans were granted interest free.

| Entity | | 2014/15 £000 | Repayment Date | 2015/16 £000 | Repayment Date |
|--------------------------|---|-----------------|-------------------|-----------------|-------------------|
| Yorkshire Wildlife Trust | 1 | 225.0 | 30/04/2015 | 225.0 | 27/05/2016 |
| Yorkshire Wildlife Trust | 2 | 225.0 | 30/04/2015 | 225.0 | 27/05/2016 |
| | | <u>450.0</u> | | <u>450.0</u> | |

- 30. Accounting Standards Issued But Not Yet Adopted**
There are no standards issued but not adopted in 2015/16.

Summary of Significant Accounting Policies

1. General

The Statement of Accounts summarises the Authority's transactions for the 2015/16 financial year and its position at the year end of 31 March 2016. It has been prepared in accordance with the statutory framework established for England by the 'Accounts and Audit (England) Regulations 2015', which require accounts to be prepared with proper accounting practices. These practices comprise the 'Code of Practice on Local Authority Accounting in the United Kingdom 2015/16' and 'Service Reporting Code of Practice 2015/16' supported by International Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2015 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non current assets and financial instruments.

2. Accruals of Income and Expenditure

Activity is accounted for in the year it takes place, not simply when the cash payments are made or received. In particular:

- Revenue from sales of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed; where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received are recorded as expenditure when the services are received rather than when the payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of

acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of any bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

4. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior Period Adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

5. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service; and
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which losses can be written off.
- Revaluation gains are credited to the Revaluation Reserve except where there has been a previous loss written off.

Depreciation, revaluation and impairment losses are replaced by the contribution in the General Fund Balance by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement. This is the Minimum Revenue Provision.

6. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of any type of leave entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the

employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but is then reversed out through the Movement in Reserves Statement so that such benefits are charged to revenue in the financial year in which such absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the service lines in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at year-end.

7. Post Employment Benefits

Employees, subject to certain qualifying criteria, are eligible to join the North Yorkshire Local Government Pension Scheme, administered by North Yorkshire County Council, which provides members with defined benefits earned as employees working for the Authority.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current employees.
- The assets are included in the Balance Sheet at fair value;
 - quoted securities at current bid price;
 - unquoted securities at professional estimate;
 - unitised securities at current bid price;
 - property at market value;
- The change in the net pensions liability is analysed into seven components:
 - current service cost – the increase in liabilities as a result of years of service earned this year, allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;

- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- expected return on assets – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term return, credited to the Financing & Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- gains or losses on settlements and curtailments – the results of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees, debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, debited to the Pensions Reserve; and
- contributions paid to the North Yorkshire Local Government Pension Scheme – cash paid as employers contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

8. Financial Instruments

Financial Instruments are formally defined within The Code as contracts that give rise to a financial asset of one entity and a matching financial liability or equity instrument of another entity. The term financial instrument covers both financial assets and financial liabilities and covers both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Accounting policies have been applied in line with The Code for Financial Instruments.

Treasury Management

The Authority has an arrangement with North Yorkshire County Council whereby the balance of the Authority's bank account is merged each day with the balances of the County Council and several other organisations. These balances are then invested by North Yorkshire County Council and interest is paid to the Authority based on the actual overall interest rate achieved.

9. Grants

Grants are assistance in the form of transfers of resources to the Authority in return for past or future compliance with certain conditions relating to the operation of activities. Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is a reasonable assurance that:

- the Authority has complied with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contributions have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, and if not future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet. When conditions are satisfied, the grant or contribution is credited to the relevant service line or Non Specific Grant Income in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

10. Inventories

Inventories are included in the Balance Sheet at the lower of cost price and net realisable value.

11. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

The leases are assessed according to the length and value of the lease, the responsibilities for maintenance and insurance, and the ability to purchase the asset at a reduced value at the end of the lease. All Authority leases have been classed as operating leases under the rules in IFRS standards on Leasing –IAS 17.

The Authority as a Lessee

The Authority has entered into leasing arrangements that are defined by The Code as operating leases. In these cases the rentals payable are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight line basis over the life of the lease.

The Authority as a Lessor

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Cost of Service line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease.

12. Overheads and Support Services

The costs of overheads and support services are charged to those service lines that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice (SERCOP). The total absorption costing principle is used, in which the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority’s status as a multi-functional, democratic organisation.
- Non-Distributed Costs – past employment retirements costs and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in the SERCOP and accounted for as separate headings in the Comprehensive Income & Expenditure Statement, as part of Cost of Service.

13. Property Plant & Equipment

Assets that have a physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Expenditure that maintains but does not add to an asset’s potential to deliver future economic benefits or service potential, i.e. repairs and maintenance, is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising;

- the purchase price; and
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of an asset acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have a commercial substance. Where the asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are initially valued at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the balance sheet at Fair Value as determined by IFRS13 Fair Value Measurement. Fair Value is the price that would be received from selling an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Operational Property Plant and Equipment is measured per 'The CIPFA Code' as Current Value Measurement; this is existing use value. Specialised assets are valued at Depreciated Replacement Cost.

Property Plant and Equipment is valued on the basis required by CIPFA in accordance with the Statements of Asset Valuation Principles and Guidance notes issued by The Royal Institution of Chartered Surveyors (RICS). Bruton Knowles last undertook a full market valuation of the Authority's land and buildings as at 31 March 2013; a full revaluation is required at least every five years.

A desktop valuation was carried out by Bruton Knowles as at 31 March 2016, and the change in asset values was above the materiality value specified by our Auditors so land and buildings have been restated at their current fair value in the balance sheet.

Assets are classified into the groupings required by the 2015/16 Code of Practice on Local Authority Accounting (The Code) in the United Kingdom.

- Land, operational properties and other operational assets are included in the Balance Sheet at existing use value, net of depreciation.

Assets included in the Balance Sheet at fair value are re-valued where there have been any material changes in the value, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation

Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to the Revenue Account.

On an annual basis all assets are reviewed for evidence of impairment (a decline in their realisable value due to specific events) by suitably qualified property professionals in line with the guidance in The Code. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for as follows:

- Where attributable to the clear consumption of economic benefits – the loss is charged to the Comprehensive Income and Expenditure Statement: or
- Otherwise – written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the Comprehensive Income and Expenditure Statement.

Impairments on revalued assets are recognised in the Revaluation Reserve to the extent that the impairment does not exceed the amount in the Revaluation Reserve for the same asset and thereafter in the Comprehensive Income and Expenditure Statement.

De-Minimis

Single assets below the value of £1k will not be recorded in the asset register and will be expensed in the Comprehensive Income and Expenditure Statement in the appropriate service line unless the terms of a grant require it to be applied to capital expenditure. A separate asset directory is maintained recording all assets over £100 or of a portable nature, excluding stationery, retail inventory, and consumables.

Depreciation

Depreciation is provided for on all assets with a finite useful life (which can be determined at the time of acquisition or revaluation) according to the following policy:

- Buildings (but not the land on which they stand) are depreciated over their remaining useful lives depending on the state of repair of the building.
- Vehicles, plant, furniture and equipment are depreciated over their remaining useful lives depending on the nature of the asset. Assets which will not become impaired are not depreciated.

Remaining useful lives are periodically reviewed and the charge to revenue adjusted if appropriate.

Depreciation is calculated using the straight line method with no residual value at disposal. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Components

Where an asset has components whose cost is significant in relation to the total cost of the item (30% or more), or with a difference in economic life of 10 years or more, the components are depreciated separately. Items will be assessed under the above criteria when new assets are acquired, or existing assets are revalued.

Disposal of Property Plant & Equipment

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal are also credited to the same line in the Comprehensive Income and Expenditure Statement. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received on disposals in excess of £10k are categorised as capital receipts and the balance credited to the Usable Capital Receipts Reserve, and will only be used to finance new capital investment or set aside to reduce the Authority's underlying need to borrow. Receipts are appropriated to the General Fund Balance in the Movement in Reserves Statement.

Revaluation Reserve

This reserve is used solely to account for changes in asset values (either upwards or downwards) following revaluation.

The Capital Adjustment Account represents amounts set aside from revenue resources to finance expenditure on fixed assets and other capital transactions.

14. Heritage Assets

Heritage Assets are carried on Balance Sheet. Heritage Assets are non current assets that are intended to be preserved in trust for future generations because of their historical, artistic, scientific, technological, geophysical or environmental qualities. They are held and maintained principally for their contribution to knowledge and culture.

The Authority has conducted a full review to identify any relevant Heritage Assets. The Authority holds Heritage Assets in the Dales Countryside Museum.

Heritage Assets are measured at valuation where available and the asset is recognised within the Balance Sheet. Valuations are reviewed with sufficient frequency to ensure measurement remains current.

Heritage Assets are not subject to depreciation as they are considered to have indefinite lives.

Heritage Assets below the Authority's normal de-minimis value of £1k are not capitalised.

The assets are viewed on a daily basis by visitors, items of value are held in specially designed glass security cabinets, and the building is alarmed.

15. Provisions and Contingent Liabilities

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties.

Where payments are then made, they are charged to the provision carried in the Balance Sheet. The provisions are reviewed on an annual basis.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but it is either not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. The Authority has not identified any such contingent liabilities as at 31 March 2016.

16. Critical Judgements in Applying Accounting Policy

In applying the accounting policies set out above, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a degree of uncertainty about future levels of funding for local government. However, the Authority had determined that this uncertainty is not currently sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.

17. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2016 for which there is a significant risk of material adjustment in the forthcoming financial year as follows:

| Item | Uncertainties | Effect if Actual Results Differ from Assumptions |
|--------------------|---|--|
| Pensions Liability | Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. | The effects on the net pension liability of changes in individual assumptions can be measured. A 0.1% p.a. change in the discount rate assumption would result in an approximate net change of £560k plus or £604k minus. A 0.1% p.a. change in salary inflation would result in a net change of £582k plus or minus. A 0.1% change in the pension increase rate would result in a net change of £604k plus or £560k minus. A 1 year addition to members' life expectancy would result in a net change of £601k plus or £563k minus. |
| Buildings | Repairs and maintenance are provided by the Authority to buildings; with the cut back in Government funding there is a potential that buildings will not be maintained to the same standard and the value could be impaired. | If the useful lives of the buildings are reduced, depreciation charges will increase and the carrying amount of the asset will fall. It is estimated that for every year that the useful life of the asset is reduced, the effect on the accounts is that the annual depreciation charge will change but this is negated by the annual desktop valuation of our assets, which resulted in a revaluation. |
| Buildings | Restructuring the Authority may lead to the sale of land and buildings, outside those planned and expected. | The value of the assets in the balance sheet could be reduced as the assets would be sold and the Comprehensive Income and Expenditure Account could be affected if the sales did not bring in the market value of the assets. |
| Provisions | Restructuring the Authority may lead to unexpected redundancy costs, outside those planned. | There is potential that there could be additional costs which are currently unquantifiable. |

18. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The

reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement.

Certain reserves are kept to manage the accounting process for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Authority.

19. Presentation of Accounting Statements

The accounts are presented in the format required by the Service Reporting Code of Practice, in accordance with the Service Expenditure Analysis developed specifically for National Park Authorities.

20. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

21. Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Chief Financial Officer on 27 September 2016. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2016, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of the information.

On 1st August 2016 the Yorkshire Dales National Park was extended by 24%; an increase in area of 161 square miles, making the total area 841 square miles, the DEFRA grant settlement has also been increased. This does not impact on the Financial Statements or reported performance for the financial year 2015/16.

22. Going Concern

These accounts are prepared on a going concern basis; a comprehensive budget strategy has been approved to 2018/19.

23. Accounting Standards that have been issued but have not yet been adopted

Amendments to the 2015/16 Code have been reviewed and are not considered to be relevant or material to the Authority.

Annual Governance Statement

1. Scope of Responsibility

- 1.1 The Yorkshire Dales National Park Authority ('the Authority') is responsible for ensuring that its business is conducted in accordance with law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 1.2 The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.3 In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions. These include arrangements for the management of risk.
- 1.4 The Authority has approved and adopted a Corporate Governance Policy and a set of principles which are consistent with the CIPFA/SOLACE Guidance note on *Delivering Good Governance in Local Government*. A copy of the policy is available on our website www.yorkshiredales.org.uk or it can be obtained from; the Monitoring Officer, Yorkshire Dales National Park Authority, Yoredale, Bainbridge, Leyburn, North Yorkshire DL8 3EL.
- 1.5 This Statement explains how the Authority has complied with the Code, and also complies with the Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires that relevant bodies prepare an annual governance statement.

2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems, processes, culture and values, by which the Authority is directed and controlled and the activities through which it accounts to, engages with, and leads its stakeholders and the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate services and have ensured best use of resources and value for money, in pursuit of National Park purposes.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, evaluate the likelihood and potential impact of those risks being realised, and to manage those risks efficiently, effectively and economically.

2.3 The Authority's governance framework has been in place at the Authority for the year ended 31 March 2016 and up to the date of approval of the Statement of Accounts.

3. The governance framework

3.1 Introduction

National Park Authorities are independent special purpose bodies, working within the framework of local government. Their unique governance arrangements combine elements of accountability to Central Government (via Department for Environment Food and Rural Affairs and the Department for Communities and Local Government) and to local communities. This reflects the needs and interests of both national and local stakeholders. Local accountability is achieved via the appointment to membership of the Authority of locally elected County, District and Parish Councillors.

3.2 The Authority's Corporate Governance Framework seeks to ensure that the principles of good governance are embedded in all aspects of its work. The Authority has therefore adopted a Corporate Governance Policy which aims to implement the core values of the Authority. These core values are:

- Accountability: We explain our decisions and actions.
- Commitment: We will do what we say we will do.
- Improvement: We will continually improve our performance in addressing our statutory purposes.
- Integrity: Our relationships with the public, partners and each other are built on honesty, equality, impartiality and consistency. We welcome and respect diversity and demonstrate equality in working relationships.
- Involvement: We are open and approachable, and are proactive in encouraging wider and diverse participation in achieving our statutory purposes.
- Valuing People: We value the people who work for us and will ensure that they are equipped and empowered to provide professional services to the public.

3.3 The Corporate Governance Policy states that all Members of the Authority share responsibility for governance arrangements and requires the Monitoring Officer to review governance arrangements and to report annually to the Audit & Review Committee on the findings of that review.

3.4 Ultimately, decision making power rests with Authority members, advised by professional officers. Decisions are taken at meetings of the full Authority; at meetings of Committees (Finance & Resources, Audit & Review, Planning and Standards); or by officers under delegated powers. Operational management is the responsibility of the Chief Executive Officer, with the help and support of the Senior Management Team (SMT), comprising the Directors of Conservation and Community, Director of Parks Services, Director of Corporate Services and the Solicitor and Monitoring Officer. SMT also advises Authority Members on key issues such as performance management, priority setting, and change management. The training and development needs of Members and Officers are addressed in annual training plans.

4. Key Aspects

The key aspects of the corporate governance framework include:

4.1 Setting out the Authority's vision and intended outcomes for service users.

The Authority publishes its objectives and commitment to the achievement of statutory purposes in a number of plans.

The key plan is The Yorkshire Dales National Park Management Plan (NPMP) 2013 - 18 www.yorkshiredalesmanagementplan.org.uk, developed with partners. It sets out the long term vision for the whole National Park by 2040. It contains the highest level of objectives which the Authority is committed to see achieved over the next 5-10 years, working in partnership with stakeholders.

The Yorkshire Dales National Park Authority's Corporate Plan provides an overview of the National Park Authority – its mission, core values and information on funding and priorities. The Corporate Plan sets out the medium term (usually 2 – 3 years) objectives of the National Park Authority. This includes relevant Management Plan objectives as well as objectives to ensure the organisation is efficient and effective.

4.2 Reviewing delivery of the Authority's vision, translating that vision into objectives for the Authority and its partnerships, measuring the quality of services and ensuring they represent best use of resources and value for money.

This process is delivered through The Yorkshire Dales National Park Management Plan (NPMP). The NPMP steering group, made up of 15 organisations, meets twice a year to monitor implementation of the plan. The Authority leads the delivery of a number of the Management Plan objectives as well as supporting other organisations with implementation. A NPMP progress report giving an update against each objective in the Management Plan is produced annually – with inputs from the implementing organisations. This report is signed off by the NPMP steering group.

The Corporate Plan translates the Authority's commitments in the NPMP into service specific objectives, with targets, performance indicators and financial plans. This forms an integral part of the Performance Management regime which aims to:

- Support a culture of consistently strong performance
- Provide an obvious 'line of sight' – so that individual staff can see how their work contributes to the Authority's (and National Park Management Plan) objectives
- Be appropriate to the size of the organisation,
- Flow smoothly from year to year
- Be simple to understand
- Produce good quality, timely information about the Authority's performance.

Progress towards achieving the Corporate Plan objectives is reported on a six monthly basis. The Authority receives an end of year progress report on all the objectives, while a more detailed report of performance is presented to the Audit and Review Committee.

The Yorkshire Dales National Park Authority Annual Action Plan sets out the detailed actions that will be undertaken in the year ahead in order to deliver each of the Authority's objectives.

Progress on the Actions is reported on a six monthly basis to the SMT and the Audit & Review Committee.

4.3 Partnership working

Arrangements are in place for the management of partnerships, through which many of the outcomes in the NPMP are delivered. There are clear criteria as to whether the Authority should become or remain a member of a partnership, and work is done to seek to ensure the good governance of partnerships.

4.4 Arrangements for decision making

The Authority's decision making framework is set out in publicly available documents, including standing orders, a statement of the powers delegated to Committees and Officers, a description of the role of Authority Members in governance arrangements, and a protocol on Member – Officer relations. All such documents are kept up to date and reviewed when necessary (and at least once every five years).

The Authority and its four committees have distinct terms of reference. Meetings of the Authority are held in public (save for individual items of a sensitive nature which members resolve may properly be considered in confidential session) with publicly available agendas and minutes, and members of the public may ask questions and make representations on relevant matters at meetings.

The Authority has adopted the "Good Governance Standard for Public Services" published by the Independent Commission on Good Governance in Public Services and has produced guidance on the roles and responsibilities of Members supported by job descriptions for Chairs and Members (reviewed in December 2015) and the Member Champion initiative.

Officer responsibilities are defined through their job descriptions, supplemented by defined competencies for each role, and a clear set of core values and behaviours which staff are expected to follow. An officer code of conduct sets out minimum standards expected of all officers. Our appraisal system considers all aspects of an individual's performance, including delivery of objectives, values, behaviours and competencies.

5. Risk Management

5.1 Risk Management procedures link the process for identifying and managing risks explicitly to the achievement of the Authority's objectives. The Authority's Risk Management Policy applies a tiered approach involving:

- an **Annual Risk Management Plan**, to demonstrate to our 'Corporate Plan' audience that we are aware of, and have plans to manage, the risks that could otherwise defeat the delivery of our priorities;
- a **Strategic Risk Register**, to demonstrate to Members that there is an active process of identifying and managing truly strategic risks. No new strategic risks have been identified in the past year; this is to be distinguished from issues or events affecting the assessment or control of existing risks.
- an **Operational Risk Register** (designed to hold the details about how each risk, and its components, are controlled), to demonstrate to other audiences that we have a detailed but proportionate approach to all of the various components of risk. These

'other audiences' include the external and internal auditors, UNISON and our insurers.

5.2 The Business Continuity Plan was reviewed during 2016. The purpose of this plan is to document and to make clear how the Authority will respond and cope with a major disruption to its premises, its staff and/ or other services.

5.3 Risk management processes continue to be further embedded within the Authority's work:

- SMT has completed its scheduled reviews of the Operational Risk Register (in line with the Risk Management Policy; May and October 2015).
- Service managers maintain appropriate risk logs of the specific risks facing their service.
- Scheduled meetings are taking place with our insurance advisers, to make sure that we identify new risks as they emerge.
- Strategic risks are reviewed by the Senior Management Team and reported to the Audit & Review Committee.

6. Developing, communicating and embedding codes of conduct defining the standards of behavior for Members and officers:

- The Authority maintains Codes of Conduct for Members and officers together with registers of interests.
- The Authority has retained a Standards Committee and during the year has reviewed its procedures for assessing Code of Conduct complaints.
- The Member Employee/ Protocol was updated in March 2015
- There has been one referral of a complaint to the Ombudsman in the year to date, the complaint was not upheld. The Annual Review letter from the Ombudsman is due for the year to 31st March.
- The Authority has a Whistleblowing Policy, with confidential reporting arrangements in place to enable internal and external whistle-blowing.
- The Complaints, Compliments and Comments Policy was fully reviewed in 2012 with the next review due in 2017.

7. Financial Accountability

7.1 The Medium Term Financial Strategy is established by the Authority's Budget Process, which is developed in accordance with the Priorities approved by the Authority, and prepared in line with requirements laid down by Government.

7.2 The financial management of the Authority is embedded in the systems for budget setting and for controlling and monitoring expenditure, which are applied consistently across its operations. These include Financial Regulations and the Finance Handbook; both are kept up to date and regularly reviewed.

7.3 The Authority has approved its Treasury Management Strategy. Monitoring of the operational budget was conducted during the year and findings incorporated into the budget planning process for 2016/17.

- 7.4 Contract Standing Orders and Financial Regulations set out arrangements governing the award of contracts, to ensure that procurement processes are fair, transparent and lawful, and that best value for money is being obtained. Payment of allowances to Members is made in accordance with the Local Authorities (Members' Allowances) (England) Regulations, 2003.
- 7.5 Internal Audit (undertaken under contract by Veritau Ltd) provides an independent review of compliance with all of the above.
- 7.6 The Authority has an Anti-fraud and Corruption Policy in place to prevent fraud; procedures exist to ensure that staff are aware of what steps to follow should fraud be suspected. The Authority has recently reviewed its policies and procedures against the guidance published in October 2014 by CIPFA "Managing the risk of Fraud and Corruption", following that review key staff received training. The Authority is satisfied that it has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

8. Sources of Assurance

- 8.1 The main independent sources of assurance on the operation of the Corporate Governance Framework are the work of the Authority's Internal and External Auditors, which complements that of other external review bodies, for example the Investors in People assessor and the Customer Service Excellence assessor.
- 8.2 The Authority has retained accreditation in relation to Investors in People and Customer Service Excellence.
- 8.3 The Chief Executive Officer is the Authority's Head of Paid Service, and advises the Authority on issues of policy, staffing and resources. The Authority employs a Solicitor/ Monitoring Officer, to advise on issues of ethical conduct and the lawfulness of decision making, and a Chief Financial Officer. Together they are responsible for ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- 8.4 The Authority is compliant with the CIPFA Statement on The Role of the Chief Financial Officer in Local Government (2010). The Authority's Chief Financial Officer (s151 Officer) is the Director of Corporate Services, who sits on the Senior Management Team, has direct access as required to the Chief Executive and Members of the National Park Authority, and is directly responsible for the organisational leadership and management of an internal finance function with suitably qualified staff.

9. Audit arrangements

The Authority's internal audit arrangements conform with the governance requirements of the *Cipfa Statement on the Role of the Head of Internal Audit* (2010). The role of Head of Internal Audit is currently provided by Veritau Ltd, a provider of internal audit services to the public sector, and reports directly to the Authority's Audit & Review Committee. This Committee undertakes the core functions of an Audit Committee as identified in *Cipfa's Audit Committees: Practical Guidance for Local Authorities*. These functions include raising the profile of internal control, risk

management and financial reporting issues within the Authority, as well as providing a forum for the discussion of issues raised by internal and external auditors. The Committee also provides some scrutiny functions (noting that the guidance states that ideally, Audit Committees should be separate from such activity); however, the size of the Authority means that the current arrangements are fit for purpose.

10. Communications

- 10.1 The Authority establishes clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation. The Authority has a dedicated Communications Team who are responsible for coordinating communications with the wide variety of stakeholders who are affected by or have an interest in the work of the National Park Authority and in the National Park more generally.
- 10.2 The Authority's website is a key communication tool for residents and visitors, other regular communication tools include the publication of two newspapers for Residents (twice a year) and Visitors (annually). In addition the Authority endeavours to consult widely on policies and issues that are of interest to or impact on our stakeholders.

11. Review of Effectiveness

- 11.1 The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by: officers who have responsibility for the development and maintenance of the governance environment; Internal Audit reports on the audits conducted throughout the year; and also by comments made by the external auditors and other review agencies and inspectorates.
- 11.2 This continuous review is based on our Local Code of Corporate Governance, and results in annual reports by the Monitoring Officer to SMT and to the Audit & Review Committee. This Annual Governance Statement is then drawn up by the Chief Executive Officer, the Monitoring Officer and the Chief Finance Officer, in consultation with the Chairman of the Authority and the Member Champion for Corporate Management.

11.3 Results of latest review

- The Standards Committee reviewed the arrangements for dealing with complaints under the Authority's Member Code of Conduct and recommended changes which were subsequently adopted by the Authority (June).
- The Authority revised the Authority's Standing Orders to incorporate procedures set out in legislation in relation to the procedures for dismissal of the Statutory Officers (June).
- A Member working group was set up to review documentation relating to Member duties and responsibilities. Revised guidance and job descriptions were approved by the Authority (December).
- Standing Orders were revised and a Protocol adopted to take account of the rights of the public to attend and record public meetings of the Authority (September).

- The following policies and strategies were reviewed during the year:
 - Communications Strategy
 - Equality Policy
 - Property Strategy
 - Volunteering Strategy
 - Health and Safety Policy
 - ICT Policy

- The Authority maintained its accreditation under the Customer Service Excellence Standard and as an “Investor in People” (both December).
- The Equality Working Group issued its annual report on the Authority’s compliance with its obligations under the Equality Act 2010 (November).
- In their Annual Audit Letter for 2014/15, the external auditors identified no issues with or weaknesses in the Authority’s accounting records and systems, and consequently made no recommendations for improvements that should be made during 2015/16.
- A total of seven reports were received from the Authority’s internal auditors: these contained assessments of high assurance in six reports, and reasonable assurance in the other report; appropriate action has been agreed to address the recommendations for improvement contained in these reports.
- There has been one referral of a complaint to the Ombudsman to date, the complaint was not upheld. The Annual Review letter from the Ombudsman is due for the year to 31st March. There have been no complaints of breach of the code of conduct by an Authority Member.

We have been advised by the SMT and the Audit & Review Committee on the implications of the result of the review of the effectiveness of the governance framework, and we are satisfied that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. This review has led to the identification of a number of governance related actions and these are listed below.

12. Significant Governance Issues

The review of effectiveness has identified the following areas to be addressed over the next 12 months:

- 12.1 Work on the preparation of the core strategy within the Local Development Plan, which includes updating the Yorkshire Dales Design Guide and Farm Buildings Design Guide has continued and the Authority has considered two reports. The Local Plan has now been submitted to the Planning Inspectorate for Examination and it is anticipated that a Public inquiry will be held later this year.

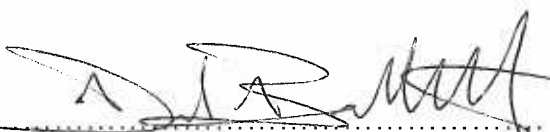
- 12.2 A significant expansion of the Yorkshire Dales National Park takes effect by Order of the Secretary of State on the 1st August 2016. This raises issues of service delivery, effective communication and governance in relation to the new area. Not only will the Authority need to establish a new board with membership from the three new constituent authorities but the decision making arrangements will need to be reviewed in order to ensure that the new board can exercise its functions effectively in relation to that new area.

- 12.3 The National Park Management Plan is due to be updated by 2018. In addition to being updated the plan will also be expanded to include the boundary extension area. This is likely to require considerable engagement with communities and lead representatives in the extension area, starting in 2016.
- 12.4 The announcement of the annual DEFRA settlement coincided with the preparation of the budget and bearing in mind the fact that the Authority had a legal obligation to agree a balanced budget by 31st March 2016 the Authority adopted a pragmatic approach, agreeing a budget on the same financial basis as that for 2015/16. This meant that detailed management and financial issues associated with the boundary extension will be considered at a later date in 2016.
- 12.5 We will need to clarify whether the external audit contract awarded to EY (Ernst and Young LLP) is being extended by 3 years. If not, we need to put our own procurement processes in place, potentially by autumn 2016.
- 12.6 The People Management Strategy is due for review during 2016/17.
- 12.7 The reviews of the IT and Property Strategy carried out in 2015/16 were light touch, pending more information on the future requirements of the Authority. With the DEFRA settlement and Boundary extension being announced, these two strategies will undergo a fundamental review during the year ahead.

We propose over the coming year to take steps to address the above matters to ensure that our governance arrangements remain fit for purpose. We are satisfied that these steps will address the need for the improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

Chairman 

Chief Executive 

Date 27/9/16

On behalf of the Yorkshire Dales National Park Authority.