



## Statement of Accounts for the Financial Year

1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018

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**Signed:**

**Date:**

**Chair of the Audit, Resources & Performance Committee**

In accordance with the requirements of the Accounts & Audit Regulations 2015 paragraph 9 (2) c

# Peak District National Park Authority Annual Accounts for the Year Ended 31<sup>st</sup> March 2018

## 1. Statement of Responsibilities for the Statement of Accounts

### The Authority's responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that person is the Chief Finance Officer.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the statement of accounts.

### The Chief Finance Officer's responsibilities

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

In preparing this statement of accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

### Authorisation for Issue and Certificate of Chief Finance Officer

I certify that the accounts gives a true and fair view of the financial position of the National Park Authority as at 31<sup>st</sup> March 2018 and its income and expenditure for the year ended 31<sup>st</sup> March 2018.

Philip Naylor  
Chief Finance Officer to the Authority  
31st May 2018

# Peak District National Park Authority

## Annual Accounts for the Year Ended 31<sup>st</sup> March 2018

### 2 Narrative Report

2.1 These Accounts contain all the information required by the Accounts & Audit Regulations 2015 and the Code of Practice on Local Authority Accounting, with accounts prepared in accordance with International Financial Reporting Standards (IFRS). As the Authority does not have any material interests in subsidiaries, associates or jointly controlled entities, these Accounts represent the accounts of a single entity and no consolidated Group Accounts are required.

2.2 Accompanying notes, cross referenced from the statements, explain in greater detail some of the calculations and reasoning behind the figures; these notes, on pages 25 – 54, form part of the financial statements. The figures are rounded up to the nearest pound. The accounts comprise the following principal statements:-

#### Expenditure and Funding Analysis

This statement shows how annual expenditure is used and funded from National Park Grant, external funding and other income sources, in accordance with Local Authority financial regulations, and the impact of the year's activities on its revenue reserves (the General Fund Balance). The statement is organised into the National Park outcomes achieved, in line with how the Authority's services are organised and accounted for. The same statement shows what adjustments have been made in order to present the income and expenditure in accordance with generally accepted accounting practices (which is shown in full in the Comprehensive Income and Expenditure Statement).

#### Comprehensive Income & Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

#### Movement in Reserves

This statement shows the movement in the year on the different reserves held by the Authority, analysed into "usable" reserves (i.e. those that can be applied to fund expenditure) and other unusable reserves. The Statement shows how the movement in year of the Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices, and the statutory adjustments required to return to the amounts required to be reported to show the impact on the General Fund Balance, in line with statute for Local Authorities.

#### Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets (assets less liabilities) of the Authority are matched by the reserves held by the Authority, which are reported in two categories. The first category of reserves are usable reserves i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The Capital Receipts Reserve may only be used to fund capital expenditure or repay debt, and the remaining revenue reserves comprise the "General Fund Balance", although this is split further into Restricted Reserves, Earmarked reserves, and the General Reserve. The second category of reserves comprises those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses - e.g. 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 in Reserves Statement line "Adjustments from income and expenditure charged under the accounting basis to the funding basis".

### Cash Flow Statement

The Cash Flow statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by 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 National Park Grant, other grant income, or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2.3 Each year the Department for Food and Rural Affairs (Defra) sets the level of funding for the National Park Authority. In 2017-18 the funding was set at £6,474,218 (£6,364,744 in 2016-17). An annual balanced budget is set by the Authority based on the National Park Grant, income from sales, fees and charges and internal financing measures such as interest on cash flow and use of reserves.

2.4 Overall, the Authority's usable reserves increased by £850,541, with a £671,689 net transfer into specific reserves, and the sale of a number of assets during the year contributed to a £101,212 increase in the Capital Reserve, required to finance the forward Capital Programme. The General reserve was increased by £22,640 whilst the Restricted reserves were increased by £55,000.

2.5 The Service Expenditure Analysis recommended for all National Park Authorities has been retained, with income and expenditure being allocated across 8 functional headings. Note 36 highlights the possible future impact on the Authority's accounts of any accounting changes required by accounting standards which have been issued, but not yet adopted.

2.6 The Authority continued its rolling programme of asset re-valuations, concentrating on a number of woodlands and land holdings, including the North Lees estate and Castleton Visitor Centre.

2.7 In accordance with accounting practice, the Authority must show the present value surplus or deficit position on its share of the Pension Fund on the Balance Sheet. The net position as at 31<sup>st</sup> March 2018 shows a liability of £14.652m, a decrease of £236,000 compared to the liability of £14.888m for the preceding year (representing a pension liability which is considered to be covered by pension scheme assets up to 78% rather than 77% the previous year). The liability is assessed on an actuarial basis using a present value estimate of the pensions that will be payable in future years, over and above the assets within the Fund retained for this purpose. The level of employer and employee contributions into the Fund are assessed every three years with a view to ensuring that the assets within the Fund are capable of financing in full future pension commitments. Fluctuations often occur as the valuations made for the purpose of the accounts are based on prevailing economic conditions (e.g. bond yields, stock market values, inflation rates etc) at balance sheet date. Full details are explained in Note 32.

2.8 For the 2017-18 financial year the Authority set a borrowing limit (the "authorised" limit) of £2.0m. The Authority's external borrowing as at 31<sup>st</sup> March 2018 was £472,706. The Authority's Capital Financing Requirement, i.e. its underlying need to borrow for capital purposes, was £1,074,651 at 31/03/2018 (£961,171 at 31/03/2017). The Authority did not enter into any financing transactions during the year, and relied upon internal cash resources.

### 2.9 Analysis of amounts recognised in the financial statements.

On March 9th 2017 the Authority approved the 2017/18 Budget and the variances from the previous year were mainly in line with budget expectation and allocations. A more detailed financial commentary on the 2017/18 results can be found in the outturn report which was reported to Audit, Resources and Performance Committee on the 18<sup>th</sup> May 2018; obtainable

from the Authority's website ([www.peakdistrict.gov.uk](http://www.peakdistrict.gov.uk) - under Committee meetings) or by request to the Head of Finance, Aldern House, Baslow Rd, Bakewell, Derbyshire tel 01629 816366. Many of the changes shown in the Comprehensive Income and Expenditure Statement arise from normal business and project related fluctuations; the main differences (above £50,000 and 10% of the previous year's net expenditure) are outlined below.

	<b>Difference £,000</b>	<b>Comment</b>
<b>Comprehensive Income and Expenditure Statement (CIES)</b>		
Natural Environment & Rural Economy	+54	Increased pension cost accruals for conservation staff and higher farm grant expenditure
Conservation & Environment Projects	+104	Underwriting for the South West Peak project and increased pension cost accruals for Moorlife 2020 project staffing
Car Parks & Concessions	+127	A combination of higher expenditure on car parks (mainly replacement machines & statutory notices), impairment / and downward revaluations and lower income levels
Visitor Centres	+625	Lower trading income because of Castleton closure in early part of year, but predominantly the impact of significant downward revaluation of the centre following valuation exercise (new freehold status with overage conditions and carrying value of refurbishment expenditure written down)
Communications & Design	+107	Higher communications expenditure in 17/18
Rangers	+115	Increased pension cost accruals and volunteer co-ordination staff cost
Community Development	+197	The one off effect of New burdens government grant and also exchange rate gain on the Moorlife project in 2016/17
Headquarters Building	-161	Mainly the effect of an upward revaluation of the building, reversing a previous downward revaluation in 2007/8
Corporate Mgt.	-76	Higher corporate overhead income from external projects
Human Resources	+56	Higher staffing costs, pension accrual costs and the impact of organisational change training
Non-distributed Costs	-79	Reduction in early termination costs of employees
<b>Balance Sheet</b>		
Long Term Assets	-1506	Capital additions of some £599k (mainly enhancement of tenanted farms, vehicle purchases, headquarters alterations, and IT expenditure); asset valuation decreases of £1,155k; disposals of £105k; impairments of £237k and depreciation of £603k;
Current Assets	-95	Current Assets have decreased by £95k, mainly a reduction in short term debt levels.
Current Liabilities	-99	The level of creditors normally fluctuates between years because of one-off project expenditure variations; there were less outstanding invoices for these projects at year end, although the system cash balances were lower than the previous year, meaning the full reduction in creditors did not feed through to the totals.
Long Term Liabilities	+898	the impact of the actuarial estimates used to provide notional figures to comply with International Accounting Standard 19 – Retirement Benefits - (see Note 32) reduced the liabilities by £236k but the main reason was the reduction in Grant Receipts in Advance as the grants were accounted for during the 17/18 year to finance the

		underlying projects the grants were received for.
Useable Reserves	+851	The Authority's useable reserves increased by £851k, with a £672k net transfer into specific reserves; the sale of a number of assets increased the Capital Reserve by £101k, required to finance the forward Capital Programme; the General reserve was increased by £23k whilst the Restricted reserves were increased by £55k.
Economic Impact		The Authority's income sources largely continue to achieve their budget estimates. Note 33 highlights the Authority's exposure to interest rate risk, which is now minimised in revenue budgets. The Authority relies on the government announcement to protect National Park Grant funding up to 2019/20, giving a degree of financial planning certainty not previously possible, albeit at much lower levels than in the recent past, as a result of the significant funding cuts in the last Spending Review period. The government has announced a second "Hobhouse" Review of National Parks as part of Defra's 25 year Environment Plan.

Other significant movements are sufficiently explained in the accompanying Notes to the Accounts.

#### The Development and Performance of the Authority in the 2017-18 Financial Year

2.10 The Authority has two significant operational plan documents relevant to the financial year covered in this Statement of Accounts:-

- The Annual Governance Statement
- The Performance and Business Plan 2017-18, with the Authority's Audit, Resources and Performance Committee receiving a quarterly performance monitoring report on progress in achieving year end performance targets, based on this plan.

The fourth quarter monitoring report and Appendices 1 – 3 can be found on the website following these links:-

- [https://democracy.peakdistrict.gov.uk/documents/s24467/HW%20Quarter%204%20and%20Year%](https://democracy.peakdistrict.gov.uk/documents/s24467/HW%20Quarter%204%20and%20Year%20)
- <https://democracy.peakdistrict.gov.uk/documents/s24485/HW%20Q4%20Appendix%201.pdf>
- <https://democracy.peakdistrict.gov.uk/documents/s24469/HW%20Q4%20Appendix%202.pdf>
- <https://democracy.peakdistrict.gov.uk/documents/s24470/HW%20Q4%20Appendix%203%202017-18%20Q4%20Complaints%20and%20FOI.pdf>

The Annual Governance Statement can be found on the website here:-

- <https://democracy.peakdistrict.gov.uk/ecSDDisplayClassic.aspx?>

The quarterly performance monitoring report summarises progress into three categories:- year-end priorities achieved; year-end priorities almost achieved, and year-end priorities not achieved. The Chief Finance Officer has reviewed the above documents with a view to reporting any additional explanations which may help users of these accounts to understand what impact any significant departure from planned expectations has had on the reported financial statements. Where items are identified as not achieved, an explanation will be provided if this has a material financial impact on the Statement of Accounts. In relation to the 2017/18 year, the quarter 4 and final outturn monitoring report do not raise any such performance concerns in this category.

The Annual Governance Statement reviews the Authority's governance arrangements and identifies any issues relevant during the year which may have an affect on effectiveness. The

Annual Governance Statement for 2017/18 identifies 8 issues for improvement action. The Chief Finance Officer has reviewed the statements on governance for the 2017/18 year, and these issues, alongside their impact on the reported financial statements. There are no issues identified which require separate disclosure in this Narrative Report.

### The Authority's Cashflow

2.11 The Cashflow statement shows how cash resources were expended or received during the year. The main factors affecting the Authority's cashflows are:-

- The timing of grant monies, usually claimed after funds are expended
- The timing of drawdown of National Park Grant from the Department of Environment, Food and Rural Affairs (Defra)
- Any significant capital expenditure and the timing of any borrowing to support this expenditure
- The availability of reserve monies.

The Authority estimates cashflow expenditure and draws down National Park grant in advance on a quarterly basis; because of the variability of grant funding and the significant amount of external grant funding the Authority receives, a large margin of safety is built into the drawdown of National Park Grant so that the Authority does not have to borrow monies temporarily for cashflow purposes.

### Capital Expenditure and Commitments

2.12 The Authority approved a revised Capital Strategy in December 2015 which set out a forward Capital Programme up to March 2019. The strategy estimated potential capital expenditure in support of the corporate strategy of up to £3.59m, financed by borrowing of up to £2.49m and allocations from the Authority's Capital Reserve of up to £1.1m. Three principal business cases have been approved for capital expenditure since the Strategy was approved; the first is a £600,000 commitment from the Capital Reserve to support structural work on the Trails structures for high priority work (ARP Minute 51/16 16<sup>th</sup> September 2016); the second was approval of a £330,000 enhancement of Castleton Visitor Centre (ARP Minute 18/16 4<sup>th</sup> March 2016), which has been completed, and the third was a £657,000 project for Stage 1 of Miller's Dale station (ARP Minute 21/18 16 March 2018). Two prior approvals are also in progress, a minor works programme (£213,000 original commitment Minute 58/11) and an environmental programme (£250,000 original commitment Minute 58/11); of which programme there are remaining commitments of £35,000 and £115,000 respectively from the Capital Reserve. A number of smaller projects have also been approved within the confines of the above Capital Strategy. All Capital expenditure is governed by the key principles and working assumptions outlined in the Capital Strategy which can be found on the Authority's website under the agenda and reports section of the Authority meeting for December 2015. The Capital Reserve reported in the Balance Sheet will be supplemented by a programme of future asset sales. The Capital Financing Requirement is estimated to increase based on the additional borrowing and this has been covered by a higher Authorised Limit as approved in the March 2018 Authority report, rising from £2m in 2017/18 to £3m in 2019/20. Debt repayments for the additional borrowing are either found within current revenue budgets (e.g. vehicle replacements) or are deemed to be prudent based on income generating proposals, with the risk covered by a combination of strong interest cover ratios and increased asset values, rather than underwritten by reliance on National Park Grant.

### Major Changes in Statutory Functions or delivery, and Reduction in Services

2.13 There are no major changes in statutory functions. In 2017/18 a number of changes to operational teams took place, primarily in the Commercial Development and Outreach Directorate, to ensure the Authority is best placed to achieve the outcomes set out in the Strategic Framework, and a number of baseline and one-off allocations have been approved which will be confirmed into budgets up to the 2019/20 financial year. These allocations are focussed on four programmes of work as below:-

<b>Programme</b>	<b>Focus for investment</b>
<b>Develop the knowledge and expertise of the organisation</b>	The knowledge and expertise of third tier managers (managers that report to a Director) and professional experts
<b>Develop the commercial programme</b>	To give us confidence that our commercial approach focusses on those areas giving the best returns and in a way that more than pays for itself
<b>Develop and enhance the way we work with communities and partners</b>	To improve how we work with and enable communities to support the special qualities: how we plan with them, advise them and support them through grants
<b>Ensure our asset portfolio is at a standard that is fit for the Corporate Strategy</b>	To support our work on properties we own and operate: maintenance; environmental performance; development to enhance the visitor experiences

The budget for the 2017/18 year was approved on the basis that the Authority would be able to balance its revenue budget with reasonable assurance up to March 2020, based on the current Spending Review period.

#### National Park Grant

2.14 On the 21<sup>st</sup> January 2016 DEFRA confirmed National Park Grant figures for the next Spending Review period from 2016/17 to 2019/20, following an announcement by the (former) Chancellor of the Exchequer that the funding for National Parks and Areas of Outstanding Natural Beauty would be protected in real terms. The announcement brought a degree of medium term financial stability. We have not received any indication that the current National Park Grant settlement from Defra will be changed during the current review period and our financial planning is based on this settlement letter. The Government has announced a “Hobhouse” review into the funding and status of National Parks (in the positive context of Defra’s 25 year plan) and the terms of reference have been published; the National Park Chief Executive and Chairs group and National Parks England will work with Defra on the implications of this review.

#### The European Union Referendum

2.15 The impact of the decision of the people of the United Kingdom to leave the European Union is being carefully monitored. In respect of the Authority’s financial position, there were two main possible impacts identified, Euro funding for the Moorlife 2020 project, and UK government funding for National Parks. We have received a letter (February 2016) from the Permanent Secretary of Defra confirming that the UK government will underwrite the European grant funding for the Moorlife 2020 project.

#### Conclusion

2.16 The Authority has maintained a satisfactory financial position in 2017/18, and this strength stems from the operation of four principal aspects of our financial strategy. The first is achieving a balance between maximising funding sources, and ensuring that agreed budgets do not include speculative or imprudent assumptions. The second follows on as a consequence, ensuring that our budgetary control procedures remain robust, particularly in early monitoring of the risks implicit in our provision of demand-led services. The third is the need to ensure that the Authority’s fixed asset base is sustainable, with an approved Asset Management Plan in place and a matching capital strategy approved, with rationalisation of the Authority’s property portfolio reducing maintenance liabilities and providing possible capital receipts. The fourth concerns a cautious approach to longer term commitments, ensuring the Authority is able to maintain a degree of flexibility in responding to future settlements, whilst retaining sufficient contingency reserves.



### **3. Summary of Significant Accounting Policies**

#### **3.1 General Principles**

3.1.1 The Statement of Accounts summarises the Authority's transactions for the 2017/18 financial year and its position at the year-end of March 2018. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require preparation in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the UK (2017/18), supported by International Financial Reporting Standards (IFRS).

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

3.1.3 The analysis of expenditure used in the Comprehensive Income and Expenditure Statement is based on the requirements contained in the Grant Memorandum issued by the Department for Environment, Food and Rural Affairs (DEFRA), and is consistent with internal management reporting.

#### **3.2 Accruals of Income and Expenditure**

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

- Revenue from the 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 a 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 (including employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for as income and expenditure respectively on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or agreed by the contract, which may be different.
- When 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 amount which might not be collected is written down from the debtors' balance and charged to the Comprehensive Income and Expenditure Statement (CIES).

#### **3.3 Acquisitions and Discontinued Operations**

3.3.1 Any income or expenditure directly related to the acquisition of operating services, or discontinued operations, is shown in a separate disclosure note to the accounts (Note 22), together with any outstanding liabilities arising from closure of a service.

#### **3.4 Cash and Cash Equivalents**

3.4.1 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 within 3 months or less from the date of acquisition and are readily convertible to known amounts of cash with no significant risk of a change in value.

3.4.2 In the Cashflow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

### **3.5 Exceptional Items**

3.5.1 When items of income and expenditure are material, their amount is disclosed separately in a note to the accounts.

### **3.6 Prior Period Adjustments, Changes in Accounting policies and estimates and errors**

3.6.1 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 in the year affected by the change and do not give rise to a prior period adjustment.

3.6.2 Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information. Material errors discovered in prior period figures are corrected. Where a change is made it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied, or as if the error had not been made.

### **3.7 Charges to Revenue for Non-Current Assets**

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

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

3.7.2 The Authority is not required to charge the National Park Grant with the amount required to fund depreciation, revaluation and impairment losses or amortisations. It is however required to make an annual contribution from revenue to the reduction in its overall borrowing requirement, which is derived from an amount prudently determined by the Authority in accordance with its Treasury Management Policy. This contribution is known as the Minimum Revenue Provision and any difference between the two amounts is adjusted for between the capital adjustment account and the General Fund balance.

### **3.8 Employee Benefits**

3.8.1 Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, 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 holiday entitlements (or any form of leave, eg time off in lieu) 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 salary rate applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services in the CIES, but is then reversed out through the Movement in Reserves Statement so that holiday benefits are actually charged to revenue in the financial year in which the holiday absence occurs.

3.8.2 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 appropriate

service in the CIES when the Authority is committed to the termination. Where termination before retirement involves additional cost to the pension fund, 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 therefore 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 the year-end.

### **3.9 Post - Employment Benefits**

3.9.1 Employees of the Authority can choose to be a member of the Local Government Pensions Scheme, administered by Derbyshire County Council, which provides defined pension benefits to members earned as employees whilst working for the Authority. The cost of providing pensions for employees in this scheme is funded in accordance with the statutory requirements governing the scheme, and is accounted for in accordance with the requirements of IAS 19, as interpreted by the Code of Practice.

3.9.2 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. Liabilities are discounted to their value at current prices, using a discount rate.

3.9.3 The assets of Derbyshire County Council's pension fund attributable to the Authority are included in the Balance Sheet at their fair value – at current bid price for quoted securities; professional estimate for unquoted securities; and market value for property.

3.9.4 The change in the net pensions liability is analysed into six components:-

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the CIES to the services for which the employee 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 CIES as part of Non-Distributed Costs.
- Net interest cost – the change during the period in the scheme's net liability arising from the passage of time - debited to the Financing and Investment Income & Expenditure line in the CIES.
- Re-measurements: – the return on scheme assets attributable to the Authority, excluding amounts included in the net interest cost above, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Re-measurements:- 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, charged to the Pensions' Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense.

3.9.5 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 movements to and from the Pensions' Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid or payable to the pension fund. The negative balance that arises on the Pensions' Reserve therefore measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than when benefits are earned by employees.

### 3.10 Events After the Balance Sheet Date

3.10.1 Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those which provide evidence of conditions that existed at the end of the reporting period, in which case the Statement of Accounts is adjusted to reflect such events.
- those which are indicative of conditions that arose after the reporting period, in which case the Statement of Accounts is not adjusted to reflect these events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

3.10.2 Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

### 3.11 Financial Instruments

3.11.1 Financial Liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income & Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

3.11.1 For most of the Authority's borrowings this means that the amount presented in the Balance Sheet is the outstanding principal repayable, and interest charged to the CIES is the amount payable for the year according to the loan agreement.

3.11.2 Gains and losses on the re-purchase or early settlement of borrowing are credited and debited to the Financing and Investment Income & Expenditure line in the CIES in the year of re-purchase / settlement. Where re-purchase has taken place as part of restructuring the loan portfolio, and involves modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the CIES is spread over the life of the loan by an adjustment to the effective interest rate.

3.11.3 Financial Assets are classified into two types – loans and receivables, which are assets which have fixed or known payments but are not quoted in an active market; and available-for-sale assets, which have a quoted market price and may or may not also have fixed or known payments.

3.11.4 Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income & Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

3.11.5 Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service, or to the Financing and Investment Income & Expenditure line in the CIES if not attributable. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

3.11.6 Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income & Expenditure line in the CIES.

3.11.7 Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

### **3.12 Foreign Currency Translation**

3.12.1 Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts are outstanding at the year-end, they are re-converted at the spot exchange rate at 31<sup>st</sup> March. Resulting gains or losses are recognised in the Financing and Investment Income & Expenditure line in the CIES.

### **3.13 Government Grants and Contributions**

3.13.1 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 reasonable assurance that the Authority will comply with the conditions attached to the payments and that the grants or contributions will be received.

3.13.2 Amounts recognised as due to the Authority are not credited to the CIES until conditions attached to the grant or contribution 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, otherwise the future economic benefits or service potential must be returned to the transferor.

3.13.3 Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line, if attributable, or to Taxation and non-specific Grant Income in the CIES if not ring-fenced or if they are capital grants.

3.13.4 Where capital grants are credited to the CIES, 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.

### **3.14 Heritage Assets**

3.14.1 Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture. The accounting standard has been introduced in order to move these assets onto a valuation basis on the Balance Sheet, rather than as previously, a historic cost basis; the predominant reason for the introduction of the change is to ensure that items held within Local Authority museum and gallery collections are properly reflected in valuation terms on the Balance Sheet.

The standard also allows a Local Authority to move other Community Assets, which are currently accounted for on the same historic cost basis, onto a valuation basis.

Notwithstanding its historical or other heritage qualities, any asset used by an organisation in its operations is still accounted for as an operational asset, and not as a heritage asset. It is therefore accounted for as set out in the Summary of Accounting policies note paragraph 3.19. The current approach to Heritage assets in this Statement of Accounts is summarised in Note 31.

### 3.15 Intangible Assets

3.15.1 Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

3.15.2 Intangible assets are measured initially at cost, and are carried on the Balance Sheet at their amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line in the CIES, as are any losses arising from impairment of the asset. Any gain or loss arising on the disposal of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

3.15.3 Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, if it is a sale over £10,000, the Capital Receipts Reserve.

### 3.16 Inventories and Long Term Contracts

3.16.1 Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the average costing formula.

3.16.1 Long Term Contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

### 3.17 Leases

3.17.1 Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. If an arrangement does not have the legal status of a lease but in substance conveys a right to use an asset in return for payment, and fulfilment of the arrangement is dependent on the use of specific assets, they are also accounted for under this policy.

3.17.2 The Authority as Lessee, Finance Leases: property, plant and equipment held under finance leases is recognised on the Balance Sheet at the start of the lease at either its fair value measured at the lease's inception or if lower, the present value of the minimum lease payments. The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset, and any premia paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred. The lease payments are apportioned between a charge for the acquisition of the interest in the asset – which is used to write down the lease liability, and a finance charge which is debited to the Financing and Investment Income & Expenditure line in the CIES. Property, plant & equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life, assuming ownership of the asset does not transfer to the Authority at the end of the lease period. The Authority is not required to account for depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with the Authority's Treasury Mgt Policy. Depreciation, revaluation and impairment losses are therefore substituted by a revenue contribution in the

General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

**3.17.3 The Authority as Lessee, Operating Leases:** rentals paid under operating leases are charged to the CIES as an expense of the services benefitting from use of the leased property, plant and equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

**3.17.4 The Authority as Lessor, Finance Leases:** where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the start of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant & Equipment or Assets held for sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet. Lease rentals receivable are apportioned between a charge for the acquisition of the interest in the asset – which is used to write down the lease debtor, and finance income which is debited to the Financing and Investment Income & Expenditure line in the CIES. The gain credited to the CIES on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve. The written off value of disposals is not a charge against National Park Grant, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

**3.17.5 The Authority as Lessor, Operating Leases** 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 Other Operating Expenditure line in the CIES. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the asset and charged as an expense over the lease term on the same basis as the rental income.

### **3.18 Overheads and Support Services**

3.18.1 The costs of overheads and support services are not recharged to those services that benefit from the supply or service, as this is how these services are reported in the internal management accounts, however the Authority does maintain an activity based costing model which helps to inform what these charges would be, which supports our budget setting and determination of financial objectives for services.

### **3.19 Property, Plant & Equipment**

3.19.1 Assets that have physical substance, 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 for more than one financial year, are classified as Property, Plant & Equipment. Assets below the de minimis value of £10,000 are not introduced into the balance sheet unless they are part of a pooled system of assets.

3.19.2 Recognition: expenditure on the acquisition, creation or enhancement of Property, Plant & 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 which 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.

**3.19.3 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 Authority does not capitalise borrowing costs incurred whilst assets are under construction. The cost of assets acquired other than by purchase is deemed to be fair value, unless the acquisition has no impact on cash flow, in which case, where an asset is exchanged, the cost of the acquisition is deemed to be the carrying amount of the asset given up in exchange. Donated assets are measured initially 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 CIES, unless the donation has been made conditionally, in which case until conditions are satisfied the gain is held in the Donated Assets Account. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves statement. Assets are carried into the Balance Sheet using the following measurement bases:-

- infrastructure, community assets and assets under construction – depreciated historic cost.
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value = EUV).

Where there is no market based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

**3.19.4 Revaluation:** Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, 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 CIES where they arise from the reversal of a loss previously charged to a service. Where decreases in value are identified, and there is a balance of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against that balance, up to the amount of the accumulated gains. Where decreases in value are identified, and there is no balance, or an insufficient balance, of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against the relevant service line in the CIES. The Revaluation Reserve contains revaluation gains recognised since 1<sup>st</sup> April 2007 only, the date of its formal implementation. Gains arising before that date were consolidated into the Capital Adjustment Account.

**3.19.5 Impairment:** Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for this shortfall. Where decreases in value are identified, and there is a balance of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against that balance, up to the amount of the accumulated gains. Where impairment losses are identified, and there is no balance, or an insufficient balance, of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against the relevant service line in the CIES. Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.



3.19.6 Depreciation: Depreciation is provided for on all Property, Plant & Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets which are not yet available for use (i.e. assets under construction). Depreciation is calculated on a reducing balance basis as follows:-

Type of Fixed Asset	Depreciation Period
Land & Community assets	Nil
Furniture & Equipment	over the life of the asset – 5-10 years ; computer hardware 3 years
Vehicles	over the life of the asset - 6-20 years
Car Parks	over the life of the asset - 15-20 years
Buildings	over the life of the asset - 60 years
Intangible Assets	over the life of the asset – 5 years
Surplus Assets	Surplus assets are usually Buildings, so they share the same 60 year asset life.
Infrastructure Assets	over the life of the asset - 60 years, unless a shorter asset life is warranted as a result of applying a component accounting approach

Where an item of Property, Plant & Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. 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 historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

3.19.7 Disposals and Non-current Assets Held for Sale: When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is re-classified as an Asset Held for Sale. The asset is re-valued immediately before re-classification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previous losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale. If assets no longer meet the criteria to be classified as Assets Held for Sale, they are re-classified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale) and their recoverable amount at the date of the decision that the criteria were not met. Assets that are to be scrapped are not re-classified as Assets Held for Sale.

3.19.8 Where 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 CIES as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the CIES (i.e. netted off). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. The written off value of disposals is not a charge against National Park Grant, as the cost of fixed assets is fully provided for under separate Local Authority arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

3.19.9 Amounts received for a disposal in excess of £10,000, or where the asset has been previously capitalised, are categorised as capital receipts and are credited to the Capital Receipts Reserve, available only for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

### **3.20 Provisions, Contingent Liabilities and Contingent Assets**

3.20.1 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 CIES 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. When payments are eventually made they are charged to the provision carried in the Balance Sheet. If the provision proves not to be required, the provision is reversed and credited back to the CIES. Income potentially recoverable from a third party which would offset the provision is only recognised if it is virtually certain to be received.

3.20.2 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 are not recognised in the Balance Sheet but are disclosed in a note to the accounts. Where the event might give rise to an asset (i.e. a contingent asset) these are not recognised in the Balance Sheet but are disclosed in a note to the accounts only where it is probably that there will be an inflow of economic benefits or service potential.

### **3.21 Reserves**

3.21.1 The Authority sets aside specific amounts as reserves for future National Park purposes or to cover contingencies. Reserves are created by transferring 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 CIES. The reserve is then transferred back in to the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against National Park Grant for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority.

### **3.22 Revenue Expenditure Funded from Capital Under Statute**

3.22.1 Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the National Park Grant.

### **3.23 VAT**

3.23.1 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.

## 4. Expenditure and Funding Analysis

2016/17				2017/18		
Net Expenditure chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure chargeable to the General Fund	Adjustments between the Funding and Accounting Basis (See Note 21)	Net Expenditure in the Comprehensive Income and Expenditure Statement
591,966	228,801	<b>820,767</b>	Conservation of the Natural Environment	715,972	290,466	<b>1,006,438</b>
195,852	12,174	<b>208,026</b>	Conservation of the Cultural Heritage	196,060	26,597	<b>222,657</b>
38,626	284,909	<b>323,535</b>	Recreation Mgt & Transport	23,390	480,032	<b>503,422</b>
1,134,710	(525,945)	<b>608,765</b>	Promoting Understanding	750,472	599,033	<b>1,349,505</b>
880,587	29,780	<b>910,367</b>	Rangers, Estates Services & Volunteers	907,409	157,977	<b>1,065,386</b>
491,606	39,802	<b>531,408</b>	Development Control	406,002	102,692	<b>508,694</b>
393,010	27,964	<b>420,974</b>	Forward Planning & Communities	522,103	73,832	<b>595,935</b>
2,374,365	167,272	<b>2,541,637</b>	Corporate Management & Support Services	2,402,423	(14,160)	<b>2,388,263</b>
<b>6,100,722</b>	<b>264,757</b>	<b>6,365,479</b>	<b>Net Cost of Services</b>	<b>5,923,831</b>	<b>1,716,469</b>	<b>7,640,300</b>
(6,592,183)	<b>572,530</b>	<b>(6,019,653)</b>	Other Income and Expenditure	(6,673,160)	<b>459,513</b>	<b>(6,213,647)</b>
<b>(491,461)</b>	<b>837,287</b>	<b>345,826</b>	<b>(Surplus) or Deficit</b>	<b>(749,329)</b>	<b>2,175,982</b>	<b>1,426,653</b>
<b>3,691,415</b>			<b>Opening General Fund Balance</b>	<b>4,182,876</b>		
<b>491,461</b>			<b>Surplus (Deficit) on General Fund</b>	<b>749,329</b>		
<b>4,182,876</b>			<b>Closing General Fund Balance at 31<sup>st</sup> March</b>	<b>4,932,205</b>		

## 5. Comprehensive Income and Expenditure Statement

2016/17			2017/18		
Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure
£	£	£	£	£	£
<b>Conservation of the Natural Environment</b>					
533,052	(35,685)	497,367	574,037	(23,042)	550,995
48,946	(13,597)	35,349	43,551	(18,637)	24,914
482,097	(415,118)	66,979	563,366	(457,659)	105,707
3,720,648	(3,499,576)	221,072	3,436,155	(3,111,333)	324,822
4,784,743	(3,963,976)	820,767	4,617,109	(3,610,671)	1,006,438
<b>Conservation of Cultural Heritage</b>					
166,862	(1,049)	165,813	173,778	(89)	173,689
84,000	(41,787)	42,213	60,736	(11,768)	48,968
0	(0)	0	0	(0)	0
250,862	(42,836)	208,026	234,514	(11,857)	222,657
<b>Recreation Management &amp; Transport</b>					
235,122	(301,617)	(66,495)	257,737	(290,860)	(33,123)
535,113	(119,904)	415,209	470,552	(100,075)	370,477
260,718	(395,510)	(134,792)	363,001	(370,430)	(7,429)
167,921	(34,464)	133,457	170,584	(29,038)	141,546
50,548	(98,346)	(47,798)	102,592	(101,118)	1,474
75,468	(51,514)	23,954	81,722	(51,245)	30,477
1,324,890	(1,001,355)	323,535	1,446,188	(942,766)	503,422
<b>Promoting Understanding</b>					
691,691	(427,215)	264,476	1,328,904	(439,167)	889,737
162,946	(65)	162,881	270,816	(1,190)	269,626
219,226	(77,327)	141,899	249,945	(106,194)	143,751
140,259	(100,750)	39,509	434,504	(388,113)	46,391
1,214,122	(605,357)	608,765	2,284,169	(934,664)	1,349,505
<b>Rangers, Estates Service &amp; Volunteers</b>					
848,407	(210,970)	637,437	953,898	(201,425)	752,473
94,325	(42,125)	52,200	102,864	(43,384)	59,480
177,860	(58)	177,802	195,940	(75)	195,865
46,404	(3,476)	42,928	58,090	(522)	57,568
1,166,996	(256,629)	910,367	1,310,792	(245,406)	1,065,386

2016/17			Comprehensive Income & Expenditure Account (Continued)	2017/18		
Gross Expenditure	Income	Net Expenditure		Gross Expenditure	Income	Net Expenditure
812,811	(281,403)	531,408	<b>Development Control</b>	887,965	(379,271)	508,694
812,811	(281,403)	531,408	Development Control	887,965	(379,271)	508,694
			<b>Forward Planning &amp; Communities</b>			
143,242	(6,335)	136,907	Planning Policy	151,076	(0)	151,076
373,343	(4,488)	368,855	Strategy	332,481	(0)	332,481
106,154	(190,942)	(84,788)	Community Development	154,891	(42,513)	112,378
622,739	(201,765)	420,974		638,448	(42,513)	595,935
			<b>Corporate Management &amp; Support Services</b>			
252,247	(55,130)	197,117	Headquarters Building	89,297	(53,647)	35,650
249,351	(18,404)	230,947	Legal Services	283,274	(9,834)	273,440
229,468	(142)	229,326	Democratic Services & Members	236,939	(62)	236,877
599,327	(524)	598,803	Information Management	624,192	(11)	624,181
400,348	(16,360)	383,988	Customer & Business Support Team	439,053	(16,648)	422,405
268,312	(1,261)	267,051	Finance	290,143	(4,485)	285,658
273,786	124	273,910	Corporate Management	198,214	(1)	198,213
205,526	(16,656)	188,870	Human Resources	264,208	(18,846)	245,362
103,625	(0)	103,625	Non-Distributed Costs	25,477	(0)	25,477
68,000	(0)	68,000	Past Service Cost (Gain)	41,000	(0)	41,000
2,649,990	(108,353)	2,541,637		2,491,797	(103,534)	2,388,263
<b>12,827,153</b>	<b>(6,461,674)</b>	<b>6,365,479</b>	<b>Total Cost of Services</b>	<b>13,910,982</b>	<b>(6,270,682)</b>	<b>7,640,300</b>
0	(24,562)	(24,562)	Other Operating Expenditure (Note 8)	0	(14,511)	(14,511)
459,638	(38,186)	421,452	Financing and Investment Income (Note 9)	423,088	(51,179)	371,909
0	(0)	0	Surplus or deficit on discontinued operations (Note 22)	0	(0)	0
0	(6,416,543)	(6,416,543)	National Park Grant, non-specific grant and capital income (Note 10)	0	(6,571,045)	(6,571,045)
<b>13,286,791</b>	<b>(12,940,965)</b>	<b>345,826</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>14,334,070</b>	<b>(12,907,417)</b>	<b>1,426,653</b>
0	(513,716)	(513,716)	(Surplus) or deficit on revaluation of Property, Plant & Equipment assets	876,013	(0)	876,013
1,780,680	(0)	1,780,680	Actuarial (gains) losses on pension assets / liabilities	0	(1,697,104)	(1,697,104)
<b>1,780,680</b>	<b>(513,716)</b>	<b>1,266,964</b>	<b>Other Comprehensive (Income) Expenditure (Note 5)</b>	<b>876,013</b>	<b>(1,697,104)</b>	<b>(821,091)</b>
<b>15,067,471</b>	<b>(13,454,681)</b>	<b>1,612,790</b>	<b>Total Comprehensive (Income) Expenditure</b>	<b>15,210,083</b>	<b>(14,604,521)</b>	<b>605,562</b>

## 6. Movement in Reserves Statement 2017/18

	General Fund Balance	Capital Receipts Reserve	<u>Total Usable Reserves</u>	Un-usable Reserves	<u>Total Authority Reserves</u>
	£	£	£	£	£
<b>Balance at 31<sup>st</sup> March 2017</b>	<b>4,182,876</b>	<b>1,188,163</b>	<b>5,371,039</b>	<b>4,276,767</b>	<b>9,647,806</b>
<u>Movement in reserves during 2017/18 year</u>					
Total Comprehensive (Expenditure) & Income	<b>(1,426,653)</b>	<b>0</b>	<b>(1,426,653)</b>	821,091	<b>(605,562)</b>
Adjustments between accounting basis & funding basis under regulations (Note 6)	2,175,982	101,212	<b>2,277,194</b>	(2,277,194)	<b>0</b>
<b>Net Increase (Decrease) in 2017/18</b>	<b>749,329</b>	<b>101,212</b>	<b>850,541</b>	<b>(1,456,103)</b>	<b>(605,562)</b>
<b>Balance at 31st March 2018</b>	<b>4,932,205</b>	<b>1,289,375</b>	<b>6,221,580</b>	<b>2,820,664</b>	<b>9,042,244</b>

## Previous Year 2016/17

	General Fund Balance	Capital Receipts Reserve	<u>Total Usable Reserves</u>	Un-usable Reserves	<u>Total Authority Reserves</u>
	£	£	£	£	£
<b>Balance at 31<sup>st</sup> March 2016</b>	<b>3,691,415</b>	<b>1,012,321</b>	<b>4,703,736</b>	<b>6,556,860</b>	<b>11,260,596</b>
<u>Movement in reserves during 2016/17 year</u>					
Total Comprehensive (Expenditure) & Income	<b>(345,826)</b>	<b>0</b>	<b>(345,826)</b>	(1,266,964)	<b>(1,612,790)</b>
Adjustments between accounting basis & funding basis under regulations (Note 6)	837,287	175,842	<b>1,013,129</b>	(1,013,129)	<b>0</b>
<b>Net Increase (Decrease) in 2016/17</b>	<b>491,461</b>	<b>175,842</b>	<b>667,303</b>	<b>(2,280,093)</b>	<b>(1,612,790)</b>
<b>Balance at 31st March 2017</b>	<b>4,182,876</b>	<b>1,188,163</b>	<b>5,371,039</b>	<b>4,276,767</b>	<b>9,647,806</b>

7. Balance Sheet as at 31<sup>st</sup> March 2018

2016-17 £		Notes	2017-18 £
	Property, Plant & Equipment		
19,118,745	- Land & Buildings	11	17,492,310
987,971	- Vehicles, Plant & Equipment	11	1,126,029
187,204	Intangible Assets	12	169,290
0	Long Term Investments		0
0	Long Term Debtors		0
<b>20,293,920</b>	<b>Total Long Term Assets</b>		<b>18,787,629</b>
174,895	Inventories	13	226,280
2,562,183	Short Term Debtors	14	2,441,685
62,000	Assets held for Sale	16	16,000
7,089,107	Cash & Cash Equivalents	15	7,108,739
<b>9,888,185</b>	<b>Total Current Assets</b>		<b>9,792,704</b>
(3,272)	Cash & Cash Equivalents	15	(259,758)
(24,600)	Short Term Borrowing	35	(12,735)
(1,853,834)	Short Term Creditors	17	(1,478,222)
(223,980)	Accruals	20	(256,312)
<b>(2,105,686)</b>	<b>Total Current Liabilities</b>		<b>(2,007,027)</b>
(472,706)	Long Term Borrowing	35	(459,971)
(14,888,000)	Other Long Term Liabilities	32	(14,652,000)
(3,067,907)	Grants Receipt in Advance	26	(2,419,091)
<b>(18,428,613)</b>	<b>Total Long Term Liabilities</b>		<b>(17,531,062)</b>
<b>9,647,806</b>	<b>TOTAL NET ASSETS</b>		<b>9,042,244</b>
	<b>Financed by:</b>		
	<u>Usable Reserves</u>		
647,851	General Reserve		670,491
208,159	Restricted Funds	7	263,159
3,326,866	Specific Reserves	7	3,998,555
4,182,876	General Fund Balance	Page 19	4,932,205
1,188,163	Capital Receipts Reserve	19	1,289,375
<b>5,371,039</b>			<b>6,221,580</b>
	<u>Unusable Reserves</u>		
8,239,009	Revaluation Reserve	20	7,100,997
11,149,738	Capital Adjustment Account	20	10,627,979
(14,888,000)	Pensions' Reserve	20	(14,652,000)
(223,980)	Accumulated Absences Account	20	(256,312)
<b>4,276,767</b>			<b>2,820,664</b>
<b>9,647,806</b>	<b>Total Reserves</b>		<b>9,042,244</b>

## 8. Cashflow Statement

2016-17 £		2017-18 £
<b><u>Operating Activities</u></b>		
(278,584)	Rents	(295,398)
(3,286,755)	Charges for Goods and Services	(1,389,795)
(2,923,487)	Grants and Partnership Income	(4,026,434)
(6,364,744)	National Park Grant and Levies	(6,474,218)
(38,186)	Interest Received	(51,179)
(0)	Discontinued Operations	(0)
<b>(12,891,756)</b>	<b>Cash Inflows</b>	<b>(12,237,024)</b>
6,802,564	Employment Costs	7,044,328
4,495,814	Payments for Goods and Services	4,803,807
142,164	Other Costs	163,104
24,638	Interest Paid	23,088
0	Discontinued Operations	0
<b>11,465,180</b>	<b>Cash Outflows</b>	<b>12,034,327</b>
<b>(1,426,576)</b>	<b>Operating Activities Net Cash Flow</b>	<b>(202,697)</b>
<b><u>Investing Activities</u></b>		
761,254	Purchase of Property, plant and equipment and intangible assets	644,686
0	Purchase of Investments	0
(218,133)	Sale of Property, plant and equipment and intangible assets	(132,907)
(51,799)	Capital Grants received	(96,827)
0	Discontinued Operations	0
<b>491,322</b>	<b>Investing Activities Net Cash Flow</b>	<b>414,952</b>
<b><u>Financing Activities</u></b>		
61,864	Repayments of amounts borrowed	24,600
0	New Loans	0
0	Discontinued Operations	0
<b>61,864</b>	<b>Financing Activities Net Cash Flow</b>	<b>24,600</b>
<b>(873,390)</b>	<b>Net (Increase) Decrease in Cash and Cash equivalents</b>	<b>236,855</b>
6,212,446	Cash and Cash Equivalents at the beginning of the Reporting Period (Note 15)	7,085,836
873,390	Net Increase (Decrease) in Cash and Cash equivalents as above	(236,855)
<b>7,085,836</b>	<b>Cash and Cash Equivalents at the end of the Reporting Period (Note 15)</b>	<b>6,848,981</b>



## 9. Notes to the Accounts

### Note 1 Critical Judgements in applying Accounting Policies

In applying the accounting policies set out in Section 3, the Authority has to make certain judgements about complex transactions or those involving uncertainty about future events, and their potential impact on the amounts recognised in the financial statements. The Authority believes there are no judgements made arising from its application of accounting policies which require disclosure.

### Note 2 Assumptions made about the future and other major sources of estimation uncertainty

The National Park Grant, the principal funding source for the Authority, has been confirmed for the next Spending Review period up to 2019/20, and the allocations allow for inflationary increases of 1.72% each year, allowing for financial stability during this period; the assumption made is that this is binding on the government as a statement of public investment intent. The Authority's net liability to pay pensions depends on a number of complex judgements, e.g. the discount rate used, the rate of wages' inflation, changes in retirement ages, mortality rates and the return on pension fund assets. These judgements are made by the actuaries engaged by Derbyshire County Council to advise on the Pension Fund, within statutory guidelines. Note 32 contains more information on the assumptions made and the impact on the accounts. The estimated pensions' liability as at 31/03/18 is £14,652,000, and estimates of the liability in the last five years have ranged between £10,551,000 and £15,749,000.

The Land & Buildings figure (within the Property, Plant & Equipment heading on the Balance Sheet) is determined by the accounting policies outlined in paragraph 3.19.3 and 3.19.4., and as such, any revaluations of assets within this category may be subject to variations arising from the nature of the valuation process. The carrying amount as at 31/03/2018 was £17,492,310.

There are no other significant estimations or assumptions which require disclosure.

### Note 3 Material Items of Income and Expenditure

The Narrative Report helps to explain a number of variances from the previous year where the figures are materially different, but there are no significant items meriting specific disclosure in this note.

### Note 4 Events after the Balance Sheet Date

The Chief Finance Officer authorised the Statement of Accounts for issue on 31st May 2018 and the audited accounts are expected to be reported to the Audit, Resources and Performance Committee for approval on the 20th July 2018. Events taking place after this date will not be reflected in the financial statements or notes. Events which have occurred since the Balance Sheet date (31/03/18) and up to the authorisation of the accounts (31st May 2018) by the Chief Finance Officer have been considered. These events are of two kinds:- either "adjusting events" (events arising relating to conditions which existed at the Balance Sheet date which materially affect the amounts included in the accounts) or "non-adjusting events" (events arising relating to conditions which arose after the Balance Sheet which are material, and for which disclosure is required for the purposes of fair presentation). There are no such events to report.

**Note 5 Other Comprehensive Expenditure & Income**

<b>2016-17</b>		<b>2017-18</b>
<b>£</b>		<b>£</b>
513,716	Surplus (Deficit) arising on revaluation of non-current assets	(876,013)
(1,783,000)	Actuarial Gain (Loss) on pension fund assets and liabilities	1,684,000
2,320	Other – difference between actuarial and actual charge against government grant	13,104
<b>(1,266,964)</b>	<b>Total</b>	<b>821,091</b>

**Note 6 Adjustments between Accounting Basis and Funding Basis under Regulations**

This note details the adjustments made for items included or not included in the Statement of Comprehensive Income and Expenditure required by accounting standards, in order to understand the total Income and Expenditure which is required to be reported by Local Authorities as required by statute.

<b><u>2017/18</u></b>	<b>General Fund</b>	<b>Capital Receipts Reserve</b>	<b>Un-usable Reserves</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Adjustments to Revenue Resources</b>			
Pension costs – removal of accrual of full pension costs as reported on an actuarial basis under IAS19	(2,463,000)		2,463,000
Pension costs - replacement by employers actual paid contributions in year	1,001,895		(1,001,895)
Holiday Pay – removal of accrual for holiday pay costs leaving actual pay costs paid in year	(32,332)		32,332
Reversal of entries in relation to depreciation and impairment of non-current assets	(728,007)		728,007
Reversal of entries - revaluation gain (loss) on Property, Plant & Equipment	(391,032)		391,032
Reversal of entries - amortisation of Intangible assets	(37,441)		37,441
Reversal of entries for carrying value of non-current assets as part of gain / loss no disposal	(118,396)		118,396
<b>Total Adjustments to Revenue Resources</b>	<b>(2,768,313)</b>		<b>2,768,313</b>
<b>Adjustments between Revenue &amp; Capital Resources</b>			
Transfer of non-current asset sale proceeds to the Capital Receipts Reserve	132,907	(132,907)	0
Statutory provision for the repayment of debt	141,495		(141,495)
Capital Expenditure financed from revenue balances	221,102		(221,102)
<b>Total Adjustments between Revenue &amp; Capital Resources</b>	<b>495,504</b>	<b>(132,907)</b>	<b>(362,597)</b>
<b>Adjustments to Capital Resources</b>			
Use of the Capital Receipts Reserve to finance capital expenditure		31,695	(31,695)
Application of capital grants to finance capital expenditure	96,827		(96,827)
<b>Total Adjustments to Capital Resources</b>	<b>96,827</b>	<b>31,695</b>	<b>(128,522)</b>
<b>Total Adjustments</b>	<b>(2,175,982)</b>	<b>(101,212)</b>	<b>2,277,194</b>

The corresponding comparatives for the previous year are shown as follows:-

<u>2016/17</u>	<b>General Fund</b>	<b>Capital Receipts Reserve</b>	<b>Un-usable Reserves</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Adjustments to Revenue Resources</b>			
Pension costs – removal of accrual of full pension costs as reported on an actuarial basis under IAS19	(1,894,000)		1,894,000
Pension costs - replacement by employers actual paid contributions in year	976,681		(976,681)
Holiday Pay – removal of accrual for holiday pay costs leaving actual pay costs paid in year	19,927		(19,927)
Reversal of entries in relation to depreciation and impairment of non-current assets	(532,729)		532,729
Reversal of entries - revaluation gain (loss) on Property, Plant & Equipment	(6,500)		6,500
Reversal of entries - amortisation of Intangible assets	(39,782)		39,782
Reversal of entries for carrying value of non-current assets as part of gain / loss no disposal	(193,573)		193,573
<b>Total Adjustments to Revenue Resources</b>	<b>(1,669,976)</b>		<b>1,669,976</b>
<b>Adjustments between Revenue &amp; Capital Resources</b>			
Transfer of non-current asset sale proceeds to the Capital Receipts Reserve	218,133	(218,133)	0
Statutory provision for the repayment of debt	168,222		(168,222)
Capital Expenditure financed from revenue balances	394,535		(394,535)
<b>Total Adjustments between Revenue &amp; Capital Resources</b>	<b>780,890</b>	<b>(218,133)</b>	<b>(562,757)</b>
<b>Adjustments to Capital Resources</b>			
Use of the Capital Receipts Reserve to finance capital expenditure		42,291	(42,291)
Application of capital grants to finance capital expenditure	51,799		(51,799)
<b>Total Adjustments to Capital Resources</b>	<b>51,799</b>	<b>42,291</b>	<b>(94,090)</b>
<b>Total Adjustments</b>	<b>(837,287)</b>	<b>(175,842)</b>	<b>1,013,129</b>

**Note 7 Earmarked Reserves and Transfers to and from the Reserves**

This note sets out the amount set aside from, and allocated to, the General Fund in earmarked reserves to provide financing for future expenditure plans. The Authority also administers Restricted Funds made up of donations or bequests, expended according to the wishes of the donor, or funds which have a legal restriction on their use.

	<b>£ Balance at 1<sup>st</sup> April 2016</b>	<b>Transfers Out 2016/17</b>	<b>Transfers In 2016/17</b>	<b>Balance at 31<sup>st</sup> March 2017</b>	<b>Transfers Out 2017/18</b>	<b>Transfers In 2017/18</b>	<b>Balance at 31<sup>st</sup> March 2018</b>
Minerals Reserve	435,959		45,000	480,959		27,000	507,959
Reducing Resources / Restructuring Reserve	242,160	(95,467)		146,693			146,693
ICT Reserve	196,816			196,816		50,000	246,816
Warslow Reserve	15,966			15,966		24,500	40,466
North Lees Reserve	40,329			40,329		38,617	78,946
Minor Properties Reserve	10,000			10,000		6,164	16,164
Conservation Acquisitions Reserve	19,000			19,000			19,000
Visitor Centre Reserve	129,146	(100,000)		29,146	(29,146)		0
Aldern House Reserve	21,000		12,800	33,800		13,820	47,620
Design Reserve	39,382		2,724	42,106			42,106
Forestry Reserve	18,140			18,140			18,140
Trail Reserve	174,604		52,306	226,910		145,000	371,910
Vehicle Maintenance Reserve	18,009			18,009			18,009
Planned Maintenance Reserve	18,845		2,700	21,545			21,545
Car Park Reserve	38,274	(1,373)		36,901			36,901
Cycle Hire Reserve	47,298		22,500	69,798		20,973	90,771
Matched Funding Reserve	523,045	(29,125)	524,766	1,018,686		26,400	1,045,086
Slippage Reserve	882,359	(779,486)	799,189	902,062	(799,189)	1,147,550	1,250,423
<b>Total Earmarked Reserves</b>	<b>2,870,332</b>	<b>(1,005,451)</b>	<b>1,461,985</b>	<b>3,326,866</b>	<b>(828,335)</b>	<b>1,500,024</b>	<b>3,998,555</b>
<b>Restricted Funds</b>							
Cyril Bennett Bequest	9,270	(165)		9,105			9,105
Graham Attridge Bequest	2,046			2,046			2,046
Sheila Streek Bequest	36,020			36,020			36,020
Margaret Nicholls Bequest	3,000			3,000			3,000
Memorial Landscape Fund	4,254	(2,320)		1,934			1,934
Alan Beardsley Memorial Fund	0		12,000	12,000			12,000
Restoration Bond	4,225			4,225			4,225
Friends of Losehill Hall	2,500			2,500			2,500
Deepdale S.106	0			0		55,000	55,000
Moss Rake East Restoration Bond	137,329			137,329			137,329
<b>Total Restricted Funds</b>	<b>198,644</b>	<b>(2,485)</b>	<b>12,000</b>	<b>208,159</b>	<b>(0)</b>	<b>55,000</b>	<b>263,159</b>

<b>Total Transfers</b>				
	(1,007,936)	<u>1,473,985</u>	(828,335)	<u>1,555,024</u>
<b>Net Increase (Decrease) in Earmarked Reserves</b>		<u><b>466,049</b></u>		<u><b>726,689</b></u>

**Note 8 Other Operating Expenditure**

2016-17		2017-18
£		£
0	Write Down of carrying amount of asset to fair value as a result of transfer to asset held for sale category	0
<u>(24,562)</u>	(Gains) Losses - disposal of non-current assets	<u>(14,511)</u>
<b><u>(24,562)</u></b>	<b>Total</b>	<b><u>(14,511)</u></b>

**Note 9 Financing and Investment Income and expenditure**

2016-17		2017-18
£		£
24,638	Interest payable and similar charges	23,088
435,000	Pensions' interest cost and expected return on pensions' assets	400,000
<u>(38,186)</u>	Interest receivable and similar income	<u>(51,179)</u>
<b><u>421,452</u></b>	<b>Total</b>	<b><u>371,909</u></b>

**Note 10 National Park Grant, non-specific and capital grant income**

2016-17		2017-18
£		£
<u>6,364,744</u>	National Park Grant (DEFRA)	<u>6,474,218</u>
<u>0</u>	Non-specific grant income	<u>0</u>
	<i>Capital Grants</i>	
0	European Life Grant Aid, Moorlife 2020	85,464
51,799	Other Capital Grants each under £10,000	11,363
<u>51,799</u>	<b>Total Capital Grants</b>	<u>96,827</u>
<b><u>6,416,543</u></b>	<b>Total</b>	<b><u>6,571,045</u></b>

**Note 11 Property, plant & Equipment – Movements on Balances**

The Authority is a major landowner and its principal assets comprise woodlands, tenanted farms, car parks, toilets, cycle hire centres, Visitor Centres and a headquarters building. The Authority has an Asset Management Plan, which helps to guide its future asset strategy and ownership of assets. The Authority's Intangible assets comprise only purchased software. The Authority's network of trails along disused railway lines are regarded as infrastructure assets.

<b>2017/18</b>	<b>Land &amp; Buildings</b>	<b>Vehicles, plant, equipment</b>	<b>Community Assets</b>	<b>Infra-structure Assets</b>	<b>Surplus Assets</b>	<b>Total</b>
<b>Cost or Valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>
Gross Book Value at 1 <sup>st</sup> April 2017	17,344,425	2,806,291	1,516,800	1,641,432	749,851	<b>24,058,799</b>
Additions	101,663	294,267	183,142	0	0	<b>579,072</b>
Donations	0	0	0	0	0	<b>0</b>
Revaluation increases (decreases) recognised in the Revaluation Reserve	(673,612)	0	0	0	(90,621)	<b>(764,233)</b>
Revaluation increases (decreases) recognised in the Surplus/Deficit on the Provision of Services	(391,032)	0	0	0	0	<b>(391,032)</b>
De-recognition: disposals	(60,300)	(45,177)	(0)	(0)	(0)	<b>(105,477)</b>
De-recognition: other	(0)	(0)	(0)	(0)	(0)	<b>(0)</b>
Assets re-classified (to) from Held for Sale / surplus assets	0	0	0	0	0	<b>0</b>
Other Movements – accumulated depreciation w/o on revaluation	(237,423)	0	0	0	(21,258)	<b>(258,681)</b>
<b>Gross Book Value at 31<sup>st</sup> March 2018</b>	<b>16,083,721</b>	<b>3,055,381</b>	<b>1,699,942</b>	<b>1,641,432</b>	<b>637,972</b>	<b>23,118,448</b>
<b>Accumulated depreciation and impairment</b>						
At 1 <sup>st</sup> April 2017	(1,298,598)	(1,818,320)	(89,509)	(551,216)	(194,440)	<b>(3,952,083)</b>
Depreciation Charge	(367,609)	(144,113)	(12,809)	(69,697)	(8,972)	<b>(603,200)</b>
Impairment Charge	(236,589)	0	0	0	0	<b>(236,589)</b>
Depreciation written out to the Revaluation Reserve	41,128	0	0	0	8,693	<b>49,821</b>
Depreciation written out to the Surplus/deficit on the Provision of Services	146,235	0	0	0	12,566	<b>158,801</b>
Impairments recognised in the Revaluation Reserve	0	0	0	0	0	<b>0</b>
Impairments recognised in the Surplus/deficit on the Provision of Services	50,060	0	0	0	0	<b>50,060</b>
Re-classifications	0	0	0	0	0	<b>0</b>
De-recognition - disposals	0	33,081	0	0	0	<b>33,081</b>
<b>Accumulated depreciation &amp; impairment at 31<sup>st</sup> March 2018</b>	<b>(1,665,373)</b>	<b>(1,929,352)</b>	<b>(102,318)</b>	<b>(620,913)</b>	<b>(182,153)</b>	<b>(4,500,109)</b>
<i>Net Book Value 31 March 2017</i>	<i>16,045,827</i>	<i>987,971</i>	<i>1,427,291</i>	<i>1,090,216</i>	<i>555,411</i>	<i>20,106,716</i>
<b>Net Book Value at 31<sup>st</sup> March 2018</b>	<b>14,418,348</b>	<b>1,126,029</b>	<b>1,597,624</b>	<b>1,020,519</b>	<b>455,819</b>	<b>18,618,339</b>
<b>At Historical Cost</b>						
As at 31/03/2018	7,923,980	-	-	-	401,631	
Fair Value Movement 2017/18	(1,414,769)	-	-	-	(93,575)	
Fair Value Movement 2016/17	268,961	-	-	-	(1,752)	
Fair Value Movement 2015/16	1,391,475	-	-	-	46,417	
Fair Value Movement 2014/15	699,539	-	-	-	(617,869)	
Fair Value - up to 2013/14	5,549,162	-	-	-	720,967	
<b>Net Book Value at 31/03/2018</b>	<b>14,418,348</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>455,819</b>	

**Note 11 continued**

<b>2016/17</b>	<b>Land &amp; Buildings</b>	<b>Vehicles, plant, equipment</b>	<b>Community Assets</b>	<b>Infra-structure Assets</b>	<b>Surplus Assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>
<b>Cost or Valuation</b>						
Gross Book Value at 1 <sup>st</sup> April 2016	16,704,178	2,661,421	1,445,414	1,641,432	749,851	<b>23,202,296</b>
Additions	597,406	156,852	71,386	0	0	<b>825,644</b>
Donations	0	0	0	0	0	<b>0</b>
Revaluation increases (decreases) recognised in the Revaluation Reserve	513,716	0	0	0	0	<b>513,716</b>
Revaluation increases (decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	<b>0</b>
De-recognition: disposals	(87,019)	(11,982)	(0)	(0)	(0)	<b>(99,001)</b>
De-recognition: other	(0)	(0)	(0)	(0)	(0)	<b>(0)</b>
Assets re-classified (to) from Held for Sale / surplus assets	(43,000)	0	0	0	0	<b>(43,000)</b>
Other Movements – accumulated depreciation w/o on revaluation	(340,856)	0	0	0	0	<b>(340,856)</b>
<b>Gross Book Value at 31<sup>st</sup> March 2017</b>	<b>17,344,425</b>	<b>2,806,291</b>	<b>1,516,800</b>	<b>1,641,432</b>	<b>749,851</b>	<b>24,058,799</b>
<b>Accumulated depreciation and impairment</b>						
At 1 <sup>st</sup> April 2016	(1,339,185)	(1,688,147)	(77,434)	(476,075)	(187,399)	<b>(3,768,240)</b>
Depreciation Charge	(300,389)	(138,083)	(12,075)	(75,141)	(7,041)	<b>(532,729)</b>
Impairment Charge	0	0	0	0	0	<b>0</b>
Depreciation written out to the Revaluation Reserve	155,275	0	0	0	0	<b>155,275</b>
Depreciation written out to the Surplus/deficit on the Provision of Services	185,581	0	0	0	0	<b>185,581</b>
Impairments recognised in the Revaluation Reserve	0	0	0	0	0	<b>0</b>
Impairments recognised in the Surplus/deficit on the Provision of Services	0	0	0	0	0	<b>0</b>
Re-classifications	0	0	0	0	0	<b>0</b>
De-recognition - disposals	120	7,910	0	0	0	<b>8,030</b>
<b>Accumulated depreciation &amp; impairment at 31<sup>st</sup> March 2017</b>	<b>(1,298,598)</b>	<b>(1,818,320)</b>	<b>(89,509)</b>	<b>(551,216)</b>	<b>(194,440)</b>	<b>(3,952,083)</b>
<i>Net Book Value 31 March 2016</i>	<i>15,364,993</i>	<i>973,274</i>	<i>1,367,980</i>	<i>1,165,357</i>	<i>562,452</i>	<i>19,434,056</i>
<b>Net Book Value at 31<sup>st</sup> March 2017</b>	<b>16,045,827</b>	<b>987,971</b>	<b>1,427,291</b>	<b>1,090,216</b>	<b>555,411</b>	<b>20,106,716</b>

**Effects of Changes in Estimates**

There are no material effects arising from changes in accounting estimates for residual values, useful lives or depreciation methods.

**Revaluations**

The Authority's property shown in the Land & Buildings column has been valued as at 31<sup>st</sup> March 2018 by the District Valuer. The valuations are in accordance with the CIPFA Code of Practice and the relevant sections of the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The Authority values these assets over a five-year rolling programme, concentrating this year on land holding, miscellaneous properties, the North Lees Estate, Castleton Visitor Centre and Aldern House.



Impairments

The impairment charge of £236,589 follows a review and reconciliation of the asset registers and a number of assets were identified which the Authority does not own, but which were still carrying balances on the register. These balances have been written off by way of an impairment charge.

**Note 12 Intangible Assets**

The Authority accounts for its software as intangible assets, at their historic purchase cost. The Authority does not capitalise internally generated assets. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful life in all cases is 5 years unless a shorter asset life is more appropriate. The carrying amount of intangible assets is amortised on a reducing balance basis. The amortisation charge forms part of the charge to the Information Technology Support Service and is then absorbed as an overhead across all the service headings in the Net Expenditure of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

<b>2016/17</b>		<b>2017/18</b>
£		£
610,273	Gross carrying amounts at Start of Year	638,348
(411,362)	Accumulated amortisation to date	(451,144)
<b>198,911</b>	<b>Net Carrying Amount at Start of Year</b>	<b>187,204</b>
28,075	Additions	19,527
0	Assets reclassified as Held for Sale	0
0	Other disposals	0
0	Impairment losses recognised in the Surplus / Deficit on the Provision of Services	0
0	Reversals of past impairment losses written back to the Surplus / Deficit on the Provision of Services	0
(39,782)	Amortisation for the period	(37,441)
0	Other changes	0
<b>187,204</b>	<b>Net carrying amount at end of year</b>	<b>169,290</b>
	<u>Comprising:</u>	
638,348	Gross carrying amounts	657,874
(451,144)	Accumulated amortisation	(488,584)
<b>187,204</b>		<b>169,290</b>

There are no intangible assets which are material to the financial statements requiring individual disclosure in this note. There are no contractual commitments for the acquisition of intangible assets which require individual disclosure in this note.

**Note 13 Inventories**

There is no work in progress. Stocks of publications & other items for resale are:-

<b>31 March</b>		<b>31 March</b>
<b>2017</b>		<b>2018</b>
£		£
<b>181,884</b>	<b>Balance o/s at start of year</b>	<b>174,895</b>
216,724	Purchases	262,007
(211,991)	Recognised as an expense in the year	(197,733)
(11,722)	Written off balances / Reversals of write offs in previous years	(12,889)
<b>174,895</b>	<b>Balance o/s at year end</b>	<b>226,280</b>

**Note 14 Debtors**

Debtors can be analysed as follows:

<b>31 March 2017</b>		<b>31 March 2018</b>
£		£
1,497,131	Central Government Bodies	1,289,243
32,942	Other Local Authorities	52,333
0	NHS Bodies	0
0	Public Corporations and Trading Funds	0
1,059,167	Bodies external to general government	1,127,166
(27,057)	Less: Provision for Bad Debts	(27,057)
<b><u>2,562,183</u></b>	<b>Total</b>	<b><u>2,441,685</u></b>

**Note 15 Cash and Cash Equivalents**

Cash and Bank can be analysed as follows:

<b>31 March 2017</b>		<b>31 March 2018</b>
£		£
(4,315)	Bank current accounts	(261,247)
1,043	Cash held by the Authority	1,489
7,089,107	Deposits with North Yorks. County Council	7,108,739
<b><u>7,085,835</u></b>	<b>Total</b>	<b><u>6,848,981</u></b>

The above bank figures represent the value of the bank accounts on the accounting system. The bank statements show a different amount owing to timing differences, which are reconciled in the bank reconciliation process. At the end of each working day a transfer is made to and from the investment account, ensuring the bank accounts overall remain in credit by a small amount. The investment account represents deposits invested with North Yorkshire County Council on which interest is received. The amounts are invested daily, with surplus funds from the Authority's pooled bank accounts being transferred and invested in accordance with the Authority's Treasury Management Policy, leaving a small surplus balance in current accounts. The Authority's Short Term investments are all cash resources.

**Note 16 Assets Held for Sale**

An analysis of the Assets Held for Sale category within current assets is shown below.

<b>2016/17</b>		<b>2017/18</b>
£		£
<b>128,100</b>	<b>Balance outstanding at start of year</b>	<b>62,000</b>
43,000	Property, Plant & Equipment newly identified	0
(6,500)	Revaluation (losses) gains	0
0	Impairment losses	0
0	Property, Plant & Equipment declassified as held for sale	0
(102,600)	Assets sold	(46,000)
<b><u>62,000</u></b>	<b>Balance outstanding at year end</b>	<b><u>16,000</u></b>

Five woodland properties in this category were sold in the year.

**Note 17 Creditors due within 12 months**

Creditors can be analysed as follows:

<b>31 March 2017</b>		<b>31 March 2018</b>
£		£
156,201	Central Government Bodies	115,934
42,176	Other Local Authorities	66,924
0	NHS Bodies	0
0	Public Corporations and Trading Funds	0
1,650,550	Bodies external to general government	1,290,206
4,907	Provision for unpaid cheques	5,158
<b>1,853,834</b>	<b>Total</b>	<b>1,478,222</b>

**Note 18 Provisions and Contingent Liabilities**

There are no provisions or contingent liabilities. The Authority considers that it has made sufficient financial arrangements to cover estimates of potential liabilities which may arise not covered by the accounting definition. Financing for these potential liabilities is achieved within the usable earmarked reserves (Note 7).

**Note 19 Usable Reserves**

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement and Note 7. The Capital Receipts Reserve, built up from the proceeds of the sale of fixed assets and available for use to finance capital expenditure, is as follows:-

<b>2016-17</b>		<b>2017-18</b>
£		£
<b>1,012,321</b>	Balance at 1 April	<b>1,188,163</b>
218,133	Receipts received in year	132,907
(42,291)	Receipts used to finance Capital Expenditure	(31,695)
<b>1,188,163</b>	<b>Balance at 31 March</b>	<b>1,289,375</b>

**Note 20 Unusable Reserves**

The Authority's unusable reserves are shown in full in the Balance Sheet.

The Revaluation Reserve records the accumulated gains on the Property, Plant & Equipment assets held by the Authority arising from increases in value, as a result of inflation or other factors, less any subsequent downward movements in value – impairments and/or depreciation. The balance on the reserve therefore represents the amount by which the current value of fixed assets carried in the Balance Sheet has been revalued above their depreciated historic cost. It is the Authority's policy to revalue 20% of total assets each year as a rolling programme over a five-year period and the account includes these changes, together with any written down value of assets which have been disposed of in the year.

2016-17 £	Revaluation Reserve	2017-18 £
<b>8,026,950</b>	<b>Balance at 1 April</b>	<b>8,239,009</b>
513,716	Upward revaluation of assets	0
(0)	Downward revaluation of assets & impairment losses not charged to the Surplus/Deficit on the Provision of Services	(876,014)
<b>8,540,666</b>	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	<b>7,362,995</b>
(145,066)	Difference between fair value depreciation and historical cost depreciation	(187,298)
(156,591)	Accumulated gains on assets sold or scrapped / Other	(74,700)
<b>(301,657)</b>	Amount written off to the Capital Adjustment Account	<b>(261,998)</b>
<b>8,239,009</b>	<b>Balance at 31 March</b>	<b>7,100,997</b>

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements on the one hand, for accounting for the consumption of non-current assets, and on the other hand, for the financing of the acquisition, construction or enhancement of those assets as required by statute. The Capital Adjustment Account is credited with the amount of capital expenditure financed from revenue, capital receipts and capital grants, together with the Minimum Revenue provision (the amount charged to the Income and Expenditure account to ensure that an appropriate level of financing is set aside for the repayment of the principal element of any borrowing outstanding). As assets are consumed, either by depreciation, impairment or disposal, the charge is made to this account as a debit.

2016-17 £	Capital Adjustment Account	2017-18 £
<b>10,963,817</b>	<b>Balance at 1 April</b>	<b>11,149,738</b>
	<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income &amp; Expenditure Statement (CIES)</i>	
(532,729)	Charges for depreciation of non-current assets	(603,199)
(0)	Charges for impairment of non-current assets	(124,808)
(6,500)	Revaluation (losses) gains on Property, Plant & Equipment	(391,032)
(39,782)	Amortisation of intangible assets	(37,441)
0	Revenue expenditure funded from capital under statute	0
(193,573)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(118,396)
(772,584)		(1,274,876)
301,657	Adjusting amounts written out of the Revaluation Reserve	261,998
<b>(470,926)</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>(1,012,878)</b>
	<i>Capital financing applied in the year:-</i>	
42,291	Use of the Capital Receipts Reserve to finance new capital expenditure	31,695
51,799	Capital grants and contributions credited to the CIES that have been applied to capital financing	96,827
168,222	Statutory provision for the financing of capital investment charged against the General Fund	141,495
394,535	Capital expenditure charged against the General Fund	221,102
<b>656,847</b>	<b>Total Capital Financing applied in year</b>	<b>491,119</b>
<b>11,149,738</b>	<b>Balance at 31 March</b>	<b>10,627,979</b>

The Pensions' Reserve absorbs the timing differences arising from the different arrangements, on the one hand for post-employment benefits, and on the other hand, for funding benefits in accordance with statute. The Authority accounts for post employment benefits in the Comprehensive Income & Expenditure Statement as the benefits are earned by employees accruing years of service, with the liabilities recognised updated to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. Statutory arrangements however require benefits to be financed at the rate the Authority makes employer's contributions to pension funds 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.

<b>2016-17</b>	<b>Pensions' Reserve</b>	<b>2017-18</b>
£		£
<b>(12,190,000)</b>	<b>Balance at 1 April</b>	<b>(14,888,000)</b>
(1,783,000)	Actuarial gains or (losses) on pensions assets and liabilities	1,684,000
(1,891,681)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(2,449,895)
976,681	Employer's pension contributions and direct payments to pensioners payable in the year	1,001,895
<b>(14,888,000)</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>(14,652,000)</b>

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 eg annual leave entitlement carried forward at 31<sup>st</sup> March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

<b>2016-17</b>	<b>Accumulated Absences Account</b>	<b>2017-18</b>
£		£
<b>(243,907)</b>	<b>Balance at 1 April</b>	<b>(223,980)</b>
243,907	Settlement or cancellation of accrual made at the end of the preceding year	223,980
(223,980)	Amounts accrued at the end of the current year	(256,312)
19,927	Amounts by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable on a salary basis in accordance with statutory requirements	(32,332)
<b>(223,980)</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>(256,312)</b>

**Note 21 Note to the Expenditure and Funding Analysis**

Adjustments from the General Fund to arrive at the Expenditure and Funding Analysis Amounts

<b>2017-18 £</b>	Adjustments for Capital Purposes (Footnote 1)	Net change for the Pensions Adjustments (Footnote 2)	Other Differences (Footnote 3)	<b>Total Adjustments</b>
Conservation of the Natural Environment	31,731	250,904	7,831	<b>290,466</b>
Conservation of the Cultural Heritage	0	25,800	797	<b>26,597</b>
Recreation Mgt & Transport	402,684	74,545	2,803	<b>480,032</b>
Promoting Understanding	486,463	108,979	3,591	<b>599,033</b>
Rangers, Estates Services & Volunteers	26,461	127,529	3,987	<b>157,977</b>
Development Control	395	99,152	3,145	<b>102,692</b>
Forward Planning & Communities	0	71,784	2,048	<b>73,832</b>
Support Services	(324,703)	302,411	8,132	<b>(14,160)</b>
<b>Net Cost of Services</b>	<b>623,031</b>	<b>1,061,104</b>	<b>32,334</b>	<b>1,716,469</b>
Other Income & Expenditure: Expenditure and Funding Analysis	59,513	400,000	0	459,513
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>682,544</b>	<b>1,461,104</b>	<b>32,334</b>	<b>2,175,982</b>

<b>2016-17 £</b>	Adjustments for Capital Purposes (Footnote 1)	Net change for the Pensions Adjustments (Footnote 2)	Other Differences (Footnote 3)	<b>Total Adjustments</b>
Conservation of the Natural Environment	142,985	90,178	(4,362)	<b>228,801</b>
Conservation of the Cultural Heritage	0	12,772	(597)	<b>12,175</b>
Recreation Mgt & Transport	259,272	27,283	(1,646)	<b>284,909</b>
Promoting Understanding	(563,132)	39,316	(2,129)	<b>(525,945)</b>
Rangers, Estates Services & Volunteers	(20,960)	53,146	(2,406)	<b>29,780</b>
Development Control	494	41,373	(2,065)	<b>39,802</b>
Forward Planning & Communities	0	29,316	(1,352)	<b>27,964</b>
Support Services	(16,295)	188,936	(5,369)	<b>167,272</b>
<b>Net Cost of Services</b>	<b>(197,636)</b>	<b>482,320</b>	<b>(19,926)</b>	<b>264,758</b>
Other Income & Expenditure: Expenditure and Funding Analysis	137,529	435,000	0	572,529
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>(60,107)</b>	<b>917,320</b>	<b>(19,926)</b>	<b>837,287</b>

Footnote 1

Adjustments for Capital purposes: for the Net Cost of Services, this column adds in depreciation and impairment, and any revaluation gains and losses chargeable to the CIES. In respect of Other Income & Expenditure, this comprises adjustments not allowable under generally accepted accounting principles, either operating expenditure (See Note 8) – an adjustment for the gain or loss on the disposal of a non-current asset compared to its net book value; or a fair value adjustment; Financing & investment (see Note 9) – deductions for the statutory charges for capital financing (minimum revenue provision and other revenue contributions); and Taxation and non-specific grant income – the removal of capital grants.

Footnote 2

Adjustments for the removal of employers' pension cash contributions and the addition of employee benefit pensions' related expenditure and income: for the Net Cost of Services, this column removes the employer pension cash contributions made by the Authority as required by statute, and replaces with a current and past service cost figure assessed by the actuary. In respect of Other Income & Expenditure, this comprises the net interest cost of the defined benefit liability

Footnote 3

Other differences , in this case the adjustment reflecting the difference between staff salaries paid in cash during the year, and the adjustment required to reflect unused leave and flexi-hours carried forward by staff.

Expenditure and Income analysed by Nature

<b>Expenditure</b>	<b>2016-17</b>	<b>2017-18</b>
Employee expenses	7,264,957	8,137,764
Other service expenses	5,969,764	4,758,234
Depreciation, amortisation, impairment	(407,568)	1,014,984
Interest Payments	459,638	423,088
Loss on the disposal of fixed asset	0	0
<b>Total Expenditure</b>	<b>13,286,791</b>	<b>14,334,070</b>
<b>Income</b>		
Fees, charges, and other service income	(1,985,021)	(2,089,147)
Grants	(2,540,453)	(2,715,256)
Government Grants	(8,298,055)	(8,015,556)
Donations	(54,688)	(21,768)
Interest & Investment Income	(38,186)	(51,179)
Gain on the disposal of fixed asset	(24,562)	(14,511)
<b>Total Income</b>	<b>(12,940,965)</b>	<b>(12,907,417)</b>
<b>(Surplus) Deficit on the Provision of Services</b>	<b>345,826</b>	<b>1,426,653</b>

**Note 22 Acquired and Discontinued Operations**

There were no acquisitions or discontinuation of operations during the year.

**Note 23 Members' Allowances**

The following amounts were paid to the 30 Members of the Peak District National Park Authority as allowances in the year ended 31<sup>st</sup> March 2018.

<b>2016-17</b>		<b>2017-18</b>
<b>£</b>		<b>£</b>
52,337	Basic Allowance	49,636
18,053	Special Responsibility Allowance	17,798
10,127	Travel and Subsistence	9,891
<b>80,517</b>		<b>77,325</b>

Further information on Members' Allowances and payments to individual Members is published annually on our website, or can be obtained upon request from Democratic Services, Aldern House, Baslow Rd, Bakewell, DE45 1AE (Telephone 01629 816200).

**Note 24 Employee Remuneration**

The number of employees whose remuneration in the year, excluding employer pension contributions, was £50,000 or more in bands of £5,000 were as follows:

<b>Payment Range</b>	<b>Number of Employees</b>	
	<b>2016-17</b>	<b>2017-18</b>
£50,000 - £54,999	1	1
£55,000 - £59,999	1	1
£60,000 - £64,999	1	1
£64,999 - £69,999	0	0
£70,000 - £74,999	0	0
£75,000 - £79,999	0	0
£80,000 - £84,999	1	0
£85,000 - £89,999	0	1

The remuneration for individual senior employees in this category is shown in the table below (with previous year in brackets):–

<b>Job Title</b>	<b>Salary</b>	<b>Benefits in Kind</b>	<b>Subtotal</b>	<b>Employers Pension contributions</b>	<b>Total Remuneration</b>
Chief Executive	£88,443 <i>(£84,992)</i>	£0 <i>(£0)</i>	<b>£88,443</b> <i>(£84,992)</i>	£16,424 <i>(£15,145)</i>	<b>£104,867</b> <i>(£100,137)</i>
Director of Commercial Development & Outreach	£61,716 <i>(£61,105)</i>	£0 <i>(£0)</i>	<b>£61,716</b> <i>(£61,105)</i>	£11,461 <i>(£10,889)</i>	<b>£73,177</b> <i>(£71,994)</i>
Director of Conservation & Planning	£58,316 <i>(£56,055)</i>	£0	<b>£58,316</b> <i>(£56,055)</i>	£10,829 <i>(£9,989)</i>	<b>£69,145</b> <i>(£66,044)</i>
Director of Corporate Strategy & Development	£52,359 <i>(£51,669)</i>	£0 <i>(£0)</i>	<b>£52,359</b> <i>(£51,669)</i>	£9,723 <i>(£9,045)</i>	<b>£62,082</b> <i>(£60,714)</i>



During the year decisions relating to the termination of contracts of staff were as follows:-

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band £	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
£0-£20,000	2	2	1	1	3	3	28,270	36,621
£20,001-£40,000	1	0	0	0	1	0	20,394	0
£40,001 - £60,000	1	0	0	0	1	0	51,159	0
<b>Total</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>99,823</b>	<b>36,621</b>

All voluntary termination of contracts were based on the Authority's Managing Change policy. All payments were calculated according to the statutory requirement with no enhancements.

## Note 25 External Audit Cost

Fees paid to KPMG LLP for audit services were as follows:-

	<b>2016-17</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
External audit services as appointed auditor	13,259	13,259
Fees in respect of statutory inspection	0	0
Fees payable for certification of grant claims and returns	0	0
Fees payable in respect of any other services provided by the appointed auditor	0	0
<b>Total</b>	<b>13,259</b>	<b>13,259</b>

## Note 26 Grant Income

The Authority credited the following grants, contributions and donated assets to the Comprehensive Income & Expenditure Statement in 2017/18, with amounts over £10,000 only shown:-

<b>2016-17</b>		<b>2017-18</b>
<b>£</b>		<b>£</b>
	<u>Revenue Grants Credited to Services</u>	
0	Visit Peak District – Pedal Peak Business Initiative	41,458
19,747	Dept of Culture, Media & Sport - Discover England Project	257,476
187,036	DEFRA – Environmental Stewardships	205,004
35,495	MHCLG – Neighbourhood Planning Grants	35,485
0	MHCLG – Communities Fund Grant	24,612
44,499	English Heritage – Archaeology Projects	26,398
94,747	Environment Agency – Moors for the Future / MoorLIFE Project	114,996

33,879	Natural England - Pennine Way Ranger	30,579
1,432,745	Natural England – Moors for the Future / MoorLIFE work	687,569
22,400	Natural England – Pennine Bridleway	0
160,406	Heritage Lottery Fund – MFF Community Science Project	174,215
38,867	Heritage Lottery Fund – South West Peak Project	214,742
0	RSPB - Moors for the Future / MoorLIFE work	37,140
23,600	Derbys County Council – Rights of Way	20,000
0	Derbys County Council – Rights of Way Moors for the Future / MoorLIFE work	15,000
17,760	Staffs County Council – Better Outside Project	0
0	Derbys Dales DC – Pedal Peak Business Initiative	12,152
0	7 Other National Parks – Discover England Project	45,000
20,000	Tarmac Ltd – Conservation Volunteers Project	20,000
26,534	The Woodland Trust – Clough Woodlands	0
174,318	Private Landowners - Moors for the Future / MoorLIFE work	95,309
102,000	United Utilities – Joint Ranger Costs	88,882
116,032	United Utilities – Moors for the Future / MoorLIFE Project	158,877
47,672	Severn Trent Water - Joint Ranger Costs	48,147
146,350	Severn Trent Water – MFF/MoorLIFE Project	160,928
50,000	Severn Trent Water – Car Park	50,000
14,926	Severn Trent Water - Operating Costs at Upper Derwent Visitor Centre	14,094
36,000	Yorkshire Water - Joint Ranger Costs	36,360
211,037	Yorkshire Water - Moors for the Future / MoorLIFE Project	372,233
17,533	National Trust – Moorland Discovery Project	15,959
172,430	National Trust - Moors for the Future / MoorLIFE Project	41,646
948,951	European Life Funding – MoorLIFE Project	960,037
21,550	OFGEM – Aldern House / North Lees Farmhouse Biomass Boilers	21,182
195,983	Other Revenue Grants each under £10,000	209,665
<b>4,412,497</b>	<b>Total</b>	<b>4,235,145</b>

The Authority may receive a number of grants, contributions and donations that are not yet recognised as income as they might have conditions attached to them that will require the monies or property to be returned to the giver. The items at year end are:-

<b>2016-17</b>		<b>2017-18</b>
£		£
	<u>Grants Received in Advance</u>	
25,712	English Heritage – Ecton Mine Project	15,715

47,520	National Trust – Moors for the Future Project / MoorLIFE Project	38,518
28,603	Environment Agency – Moors for the Future Project / MoorLIFE Project	13,609
36,942	RSPB – Moors for the Future Project / MoorLIFE Project	20,884
38,296	Natural England – Moors for the Future Project / MoorLIFE Project	20,684
19,396	Yorkshire Wildlife Trust - Moors for the Future Project / MoorLIFE Project	18,595
27,857	Sheffield City Council – Moors for the Future Project / MoorLIFE Project	27,857
353,053	Severn Trent Water – Moors for the Future Project / MoorLIFE Project	455,133
542,624	Yorkshire Water – Moors for the Future Project / MoorLIFE Project	581,955
200,337	United Utilities – Moors for the Future / MoorLIFE Project	432,579
1,682,942	European Life Grant – MoorLIFE2020	722,905
64,626	Other Revenue Grants received in advance each under £10,000	70,657
<b>3,067,907</b>	<b>Total</b>	<b>2,419,091</b>

## Note 27 Related Party Transactions

The Authority is required to disclose any material transactions with related parties that are not disclosed elsewhere in the accounts. The UK government, operating through the Department for the Environment, Food and Rural Affairs (DEFRA) and the Ministry of Housing, Communities & Local Government (MHCLG) has significant influence over the general operations of the Authority and is responsible for providing the statutory framework within which the Authority operates, provides the majority of funding in the form of grants, and prescribes the terms of many of the transactions that the Authority has with other parties.

The Authority engages in a variety of formal and informal partnerships, and may contribute to those organisations financially to help further National Park purposes. It does not have control of those bodies. The Authority is a Member of National Parks Partnerships LLP, a body constituted to further the sponsorship ambitions of National Parks, and the Chair of the Authority is the Member representative. The Chair of the Authority is also a Director of National Parks UK Ltd and National Parks England Ltd, which are companies limited by guarantee furthering the interests of the UK National Parks and English National Parks respectively; the Authority has joint ownership with the other National Parks of these companies. There are no other related parties with joint control or significant influence, subsidiaries, associates, or joint ventures in which the Authority is a venturer. All Members and Chief Officers of the Authority are deemed to be key management personnel and are required to disclose any financial transactions with the Authority, other than those received as part of normal conditions of employment or approved duties, in the Members' Register of Financial and Other Interests which is open to public inspection; this disclosure also applies to their involvement with entities which they may have significant influence over. The current Chief Executive was a board member of the Derbyshire Wildlife Trust, with which body the Authority charged £8,636 for goods and services provided during the year. One Member was charged consultancy support for a farm grant application of £120 during the year; one Member provided land for temporary use at a cost of £780 and whose spouse also charged the Authority for Health & Safety training totalling £1,175 during the year. One Member is a committee member of a village hall charity to which the Authority paid £702 for hall hire during the

year. One Member has a writing business to which the Authority paid £10 for a publication during the year. One Member received a farm grant of £2,218 during the year. One member is a School governor to which school the Authority paid £18 and received income of £432 during the year. In summary during the normal course of business the following significant transactions were made between the Authority and other related parties:

	Income £	Outstanding £	Expenditure £	Outstanding £
Government Bodies – other	1,403,054	1,118,693	-	-
Other Local Authorities	68,344	49,833	267,066	63,536
Other National Parks	63,596	-	19,461	-
National Parks UK Ltd	3,409	-	25,130	3,240
National Parks Partnership LLP	-	-	-	-
National Parks England Ltd	-	-	19,350	-
Rural Development Funds	41,458	-	-	-
European Funds	960,037	-	-	-
Water companies	1,102,626	554,245	207,127	70,245
Lottery	387,636	64,315	-	-
OFGEM	21,182	7,387	-	-
Tarmac PLC	20,000	-	-	-
RSPB	58,538	34,701	24,733	5,834
National Trust	60,394	10,240	26,150	420
<b>Total</b>	<b>4,190,274</b>	<b>1,839,414</b>	<b>589,017</b>	<b>143,275</b>

## Note 28 Capital Expenditure

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

2016-17 £		2017-18 £
<b>770,299</b>	<b>Opening Capital Financing Requirement</b>	<b>967,171</b>
	<u>Capital Investment</u>	
597,406	Land & Buildings	101,663
156,852	Vehicles, Plant & Equipment	294,267
71,386	Community Assets	183,142
0	Infrastructure Assets	0
28,075	Intangible Assets	19,527
0	Revenue Expenditure Funded from Capital under Statute	0
<b>853,719</b>	<b>Total</b>	<b>598,599</b>
	<u>Sources of Finance</u>	
(42,291)	Capital Receipts	(31,695)
(51,799)	Government Grants and other contributions	(96,827)
	<u>Sums set aside from Revenue</u>	
(394,535)	Direct Revenue Contributions	(221,102)
(168,222)	Minimum Revenue Provision for repayment of principal	(141,495)
<b>967,171</b>	<b>Closing Capital Financing Requirement</b>	<b>1,074,651</b>

**Explanation of Movements in year**

0	Increase in underlying need to borrow (supported by government financial assistance)	0
0	Expenditure financed from new external borrowing (not supported by government financial assistance)	0
365,094	Expenditure not supported by government financial assistance financed from internal funds	248,975
0	Use of Capital Receipts to reduce CFR	0
(168,222)	Minimum Revenue Provision	(141,495)
0	Assets acquired under finance leases	0
<b>196,872</b>	<b>Increase (Decrease) in Capital Financing Requirement</b>	<b>107,480</b>

**Note 29 Statement of Capital Charges charged to Revenue**

The following statement shows the amount of capital charges calculated and charged to services, comprising depreciation, upwards and or downwards revaluation and/or impairment of the Authority's fixed assets.

<b>2016-17</b>		<b>2017-18</b>
<b>£</b>		<b>£</b>
	<b>Conservation of the Natural Environment</b>	
1,355	Forestry & Tree Mgt	(9,582)
12,745	Moors Project	19,618
47,897	Estates Management	91,512
<u>61,997</u>		<u>101,548</u>
	<b>Recreation Management</b>	
11,987	Campsites, Hostels & Barns	48,242
76,982	Access, Walking and Riding Routes	71,353
176,281	Car Parks & Concessions	262,583
6,821	Cycle Hire	6,972
20,516	Toilets	20,174
<u>292,587</u>		<u>409,324</u>
	<b>Promoting Understanding</b>	
25,903	Visitor Centres	608,642
832	Environmental Education	713
<u>26,735</u>		<u>609,355</u>
	<b>Rangers, Estate Service &amp; Volunteers</b>	
35,595	Rangers	57,624
13,132	Conservation Volunteers	15,661
307	Estate Workers	292
<u>49,034</u>		<u>73,577</u>
	<b>Development Control</b>	
494	Development Control	395
	<b>Service Management and Support Services</b>	
2,859	Vehicles	2,520
51,424	Headquarters Premises	(138,033)
93,881	Capitalised IT Expenditure	97,794
<u>148,164</u>		<u>(37,719)</u>
<b>579,011</b>	<b>Total</b>	<b>1,156,480</b>

**Note 30 Leases**

The Authority does not have any finance leases so the notes below refer only to operating leases. As such the liability for future rentals, or any asset value, is not shown in the balance sheet.

During the year ended 31<sup>st</sup> March 2017 the Authority made the following payments for operating leases, as lessee, which were charged to revenue:

	<b>2016-17</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
Vehicles	0	0
Premises	36,766	41,486
<b>Total</b>	<b>36,766</b>	<b>41,486</b>

Future rental obligations are as follows:-

	<b>2018-19</b>	<b>2<sup>nd</sup> – 5<sup>th</sup></b>	<b>6<sup>th</sup> year</b>	<b>Total</b>
	<b>£</b>	<b>year</b>	<b>onwards</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Vehicles	0	0	0	0
Premises	42,682	179,439	47,125	269,246
<b>Total</b>	<b>42,682</b>	<b>179,439</b>	<b>47,125</b>	<b>269,246</b>

Vehicles –The Authority continued in 2017-18 with the fleet management policy and again had no vehicle leases in operation.

Premises - The revenue charge reports the total lease payments (excluding arrears payments), with future rental obligations reflecting anticipated changes within the years reported. The future charges also include a nominal increase year on year to accommodate rent reviews.

The lease income includes changes arising from completed agreements within the property portfolio as per the asset management strategy.

The Authority collected the following rentals in 2017/18 from its assets as lessor:-

	<b>2016-17</b>	<b>2017-18</b>
	<b>£</b>	<b>£</b>
General Rents	5,960	2,558
Agricultural	109,686	117,463
Residential	64,799	83,318
Rents		
Business Rents	40,277	40,106
Agricultural	15,485	14,916
Licences		
Business	42,376	37,038
Licences		
<b>Total</b>	<b>278,583</b>	<b>295,399</b>

The table below shows in aggregate the minimum expected lease payments for non-cancellable operating leases. Residential rents and agricultural licences have been excluded from these disclosures because they do not fit a non-cancellable operating lease as defined in the Code of Practice on Local Authority Accounting.

The year on year increases have been retained and calculated according to expected returns as advised by the Authority's Property Service. There have been no changes to the method of calculation.

	<b>1<sup>st</sup> Year 2018-19</b>	<b>2nd to 5<sup>th</sup> year 2019-2022</b>	<b>5+yrs 2023+</b>	<b>Total</b>
General Rents	7,673	32,255	8,471	<b>48,399</b>
Agricultural Rents	119,812	503,696	132,283	<b>755,791</b>
Residential Rents	-	-	-	-
Business Rents	40,908	171,978	45,166	<b>258,052</b>
Agricultural Licences	-	-	-	-
Business Licences	37,779	158,824	41,711	<b>238,314</b>
<b>Total</b>	<b>206,172</b>	<b>866,753</b>	<b>227,631</b>	<b>1,300,556</b>

### Note 31 Heritage Assets

Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture. The accounting standard (FRS 30) has been introduced in order to move these assets onto a valuation basis on the Balance Sheet, rather than as currently, a historic cost basis; the predominant reason for the introduction of the change is to ensure that items held within Local Authority museum and gallery collections are properly reflected in valuation terms on the Balance Sheet. The standard also allows a Local Authority to move other Community Assets, which are currently accounted for on the same historic cost basis, onto a valuation basis. Notwithstanding its historical or other heritage qualities, any asset used by an organisation in its operations is still required to be accounted for as an operational asset, and not as a heritage asset; it is therefore accounted for as set out in the Summary of Accounting policies note paragraph 2.19.

Whilst some of the Authority's properties may contain historical, geophysical or environmental qualities which could meet some of the criteria relating to heritage assets, it is considered that they are owned primarily to achieve the Authority's operational purposes (the conservation and enhancement of the natural environment and cultural heritage) and these assets are accounted for as operational assets and valued and depreciated accordingly. Where the assets meet the definition of Community Assets they remain within this asset category. The Authority therefore is not recognising any of its assets within the Heritage asset category. The Authority's Community assets are property holdings - predominantly the Warslow Moors Estate – and the Authority does not intend to take the option of valuing these assets and they are expected to remain within the Balance Sheet at their historic cost.

**Note 32 Defined Benefit Pension Scheme**

All entries made in the Comprehensive Income & Expenditure Account and Balance Sheet relating to pensions are shown together in this note. As part of the terms and conditions of employment the Authority offers retirement benefits. Although these benefits will not actually be payable until the employees retire, the Authority has a commitment to make these payments, which needs to be disclosed at the time that the employees earn this entitlement. The Authority operates only one pension scheme, the Local Government Pension Scheme administered by Derbyshire County Council; this is a funded scheme, with the Authority and employees paying contributions calculated at a level intended to balance the pensions' liabilities with investment assets. The principal risks to the Authority of the scheme are the longevity assumptions of members, statutory or structural changes to the scheme, changes to inflation, bond yields (used to measure the value of future liabilities) and the performance of investments (predominantly equity based).

**Comprehensive Income and Expenditure Account**

The cost of retirement benefits is recognised in the Total Cost of Services when they are earned by employees, rather than when the Authority makes its statutory payments to the Pension Fund, which are determined by the Scheme's Actuary. The charge which needs to be accounted for against government grant however is the actual cash paid to the Pension Fund during the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the CIES and the General Fund Balance via the Movement in Reserves Statement during the year:-

2016-17 £			2017-18 £
	<u>Cost of Services</u>		
1,391,000	Current Service cost		2,022,000
0	Curtailments / Settlements		0
68,000	Past Service cost (gain)		41,000
<u>1,459,000</u>			<u>2,063,000</u>
	<u>Financing &amp; Investment Income &amp; Expenditure</u>		
435,000	Net Interest Expense	Note 9	400,000
<u>1,894,000</u>	Total Chargeable to Surplus or Deficit on the Provision of Services		<u>2,463,000</u>
	<u>Other amount chargeable to the CIES (Re- measurement of plan liabilities)</u>	Note 5	
(7,792,000)	Return on plan assets excluding amount included in net interest expense above		(435,000)
(740,000)	Actuarial (gains) and losses arising on changes in demographic assumptions		(0)
11,049,000	Actuarial (gains) and losses arising on changes in financial assumptions		(1,260,000)
(734,000)	Other Experience		11,000
<u>1,783,000</u>	Total Re-measurements		<u>(1,684,000)</u>
<u>1,783,000</u>	<b>Total Charged to the Comprehensive Income &amp; Expenditure Account</b>		<u><b>(1,684,000)</b></u>
	<u>Movement in Reserves Statement</u>		
(1,894,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services		(2,463,000)



976,681	<u>Employers' Contributions payable</u>	1,001,895
	Actual amount charged against the General Fund balance for pensions in the year	

**Balance Sheet**

The underlying assets and liabilities for retirement benefits attributable to the Authority as at 31<sup>st</sup> March 2018 are as follows:

2013-14	2014-15	2015-16	2016-17		2017-18
£	£	£	£		£
(49,002,000)	(58,268,000)	(54,366,000)	(65,737,000)	Estimated Liabilities in scheme	(66,819,000)
38,451,000	42,519,000	42,176,000	50,849,000	Estimated Assets in scheme	52,167,000
<b>(10,551,000)</b>	<b>(15,749,000)</b>	<b>(12,190,000)</b>	<b>(14,888,000)</b>	<b>Net Asset (Liability)</b>	<b>(14,652,000)</b>
78%	73%	78%	77%	% Funded	78%

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The total liability of £14.652m 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 sound as the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary in triennial valuations of the scheme. 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.

**Analysis of Present Value of Scheme Liabilities**

	£
<b>Opening Balance 1<sup>st</sup> April 2017</b>	<b>65,737,000</b>
Current Service cost	2,022,000
Interest Cost	1,716,000
Contributions from scheme participants	338,000
<u>Re-measurement (Gains) and losses:-</u>	
-changes in demographic assumptions	0
-changes in financial assumptions	(1,260,000)
-Other	11,000
Past Service Cost	41,000
Curtailment (gains) losses	0
Benefits paid	(1,786,000)
<b>Closing Balance 31<sup>st</sup> March 2018</b>	<b>66,819,000</b>

**Analysis of Value of Scheme Assets**

	£
<b>Opening fair value 1<sup>st</sup> April 2017</b>	<b>50,849,000</b>
Interest income	1,316,000
Re-measurement gain (loss):-	
Return on plan assets excluding amount in net interest expense charged to CIES	435,000
Other	0
Contributions from employer	1,015,000
Contributions from employees into the scheme	338,000
Benefits paid	(1,786,000)
<b>Closing fair value 31<sup>st</sup> March 2018</b>	<b>52,167,000</b>

**Analysis of Pension Fund Assets**

Asset Category	Period Ended 31 <sup>st</sup> March 2018				Period Ended 31 <sup>st</sup> March 2017			
	Quoted in active markets £,000	Not Quoted in active markets £,000	Total £,000	% of Total Assets	Quoted in active markets £,000	Not Quoted in active markets £,000	Total £,000	% of Total Assets
<b>Equity Securities:</b>								
Consumer	3,353.3	0	3,353.3	6	3,876.4	0	3,876.4	8
Manufacturing	4,581.2	0	4,581.2	9	4,553.6	0	4,553.6	9
Energy/Utilities	2,854.7	0	2,854.7	5	3,070.5	0	3,070.5	6
Financial institutions	3,611.5	0	3,611.5	7	3,643.8	0	3,643.8	7
Health & Care	1,799.4	0	1,799.4	3	2,022.6	0	2,022.6	4
Information Technology	1,550.6	0	1,550.6	3	1,293.1	0	1,293.1	3
Other	5,944.1	0	5,944.1	11	5,595.2	0	5,595.2	11
<b>Debt Securities:</b>								
Corporate Bonds (Investment Grade)	0	4,109.5	4,109.5	8	0	3,080.1	3,080.1	6
Corporate Bonds (non-Investment Grade)	0	0	0	0	0	0	0	0
UK Government	4,931.6	0	4,931.6	9	5,346.8	0	5,346.8	11
Other	812.9	0	812.9	2	931.1	0	931.1	2
<b>Private Equity:</b>								
All	709.0	345.8	1,054.8	2	699.5	168.7	868.2	2
<b>Real Estate:</b>								
UK property	-	3,432.0	3,432.0	7	-	3,254.3	3,254.3	6
Overseas Property	0	0	0	0	0	0	0	0
<b>Investment Funds &amp; Unit Trusts:</b>								
Equities	9,927.9	0	9,927.9	20	10,075.2	0	10,075.2	20
Bonds	0	0	0	0	0	0	0	0
Hedge Funds	0	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0	0
Infrastructure	800.7	896.4	1,697.1	3	583.1	311.3	894.4	2
Other	0	0	0	0	0	0	0	0
<b>Derivatives:</b>								
Inflation	0	0	0	0	0	0	0	0
Interest Rate	0	0	0	0	0	0	0	0
Foreign Exchange	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
<b>Cash &amp; Cash Equivalents:</b>								
All	0	2,506.4	2,506.4	5	0	2,343.7	2,343.7	5
<b>Totals</b>	<b>40,876.9</b>	<b>11,290.1</b>	<b>52,167.0</b>	<b>100</b>	<b>41,691</b>	<b>9,158</b>	<b>50,849</b>	<b>100</b>

The Authority's scheme has been assessed by Hymans Robertson LLP, using the methodology required by IAS 19, based on the current valuation which was based on information as at 31<sup>st</sup> March 2018. The actuaries have relied upon mortality assumptions based on a bespoke set of "VitaCurves" specifically tailored to fit the membership profile of the Fund, in line with the 2013 model published by the Continuous Mortality Investigation (CMI):-

	<b>Illustrative example: life expectancy currently aged 65</b>	<b>April 2017 assumption</b>	<b>March 2018 assumption</b>
<u>Current Pensioners</u>	Males normal health	21.9	21.9
	Females normal health	24.4	24.4
<u>Future Pensioners</u>	Males normal health	23.9	23.9
	Females normal health	26.5	26.5

The main assumptions used in their calculations have been

<b>2016-17</b>			<b>2017-18</b>	
	%			%
2.9		Rate of increase in salaries	2.9	
2.4		Rate of increase in pensions	2.4	
2.6		Discount rate for scheme liabilities	2.7	

### **Impact on the Authority's Cash Flows**

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible, with a view to achieving a funding level of 100%, and the scheme is valued formally every three years. The employer's contributions for 2018/19 are expected to be in the region of £932,000. The projected current service cost for 2018/19 is estimated to be £1,956,000.

The estimation of the scheme obligations is sensitive to the actuarial assumptions set out above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes, while all other assumptions remain constant. In practice some of the assumptions may be inter-related.

<b>Change in assumption at March 2018</b>	<b>Approximate % increase to Employer liability</b>	<b>Approximate monetary amount £,000</b>
0.5% decrease in Real Discount Rate	10	6,554
1 year increase in member life expectancy	3-5	-
0.5% increase in the Salary increase Rate	1	750
0.5% increase in the Pension increase Rate	9	5,731

**Note 33 Risks Arising from Financial Instruments**

The Authority has a number of exposures to risks arising from financial instruments.

£	Long Term			Current		
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018
<b>Investments</b>						
Loans and receivables	0	0	0	6,212,446	7,085,836	6,848,981
<b>Debtors</b>						
Financial assets carried at contract amounts	0	0	0	2,621,478	2,323,680	2,307,049
<b>Total Debtors &amp; Investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,833,924</b>	<b>9,409,516</b>	<b>9,156,030</b>
<b>Borrowings</b>						
Financial liabilities at amortised cost	(497,306)	(472,706)	(459,971)	(61,864)	(24,600)	(12,735)
<b>Total Borrowings</b>	<b>(497,306)</b>	<b>(472,706)</b>	<b>(459,971)</b>	<b>(61,864)</b>	<b>(24,600)</b>	<b>(12,735)</b>
<b>Creditors</b>						
Financial liabilities at amortised cost	0	0	0	(1,099,146)	(1,519,585)	(1,133,106)
<b>Total Creditors</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,099,146)</b>	<b>(1,519,585)</b>	<b>(1,145,841)</b>

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments. The fair values of loans, provided by PWLB, are reported in Note 35. Short term debtors and creditors are carried at cost as this is a fair approximation of their value. The risks and mitigating actions are described below.

Credit Risk

This is defined as the possibility that one party to a financial instrument will fail to meet its contractual obligations causing a loss for the other party. The Balance Sheet contains two items of this nature, Debtors (Note 14) and Cash and Cash Equivalents (Note 15). The Debtors figure contains £1,341,576 of debt from government agencies, Local Authorities and other public bodies. These funds are owed because of projects the Authority undertakes either in partnership or as a result of grant aid. The risks of non payment are assessed as relatively low as project outcomes and eligibility rules are believed to have been met for funds expended during 2016-17. The Debtors figure of £1,127,166 relating to bodies external to government arises from a combination of normal business activity and one-off projects. The bad debts provision of £27,057 is regarded as sufficient mitigation of the risks of general debts not being paid, representing 15% of debt outstanding over 4 months in age. The provision is reviewed annually and an increase is not considered to be required. All Short Term investments, in accordance with the Authority's Treasury Mgt Policy, are invested with North Yorkshire County Council under a Service Level Agreement. The risk of North Yorkshire County Council failing to meet its contractual obligations under this agreement is judged to be low. The Authority has adopted North Yorkshire County Council's Treasury Management Policy at its March 2018 meeting. The Authority's Treasury Management Policy emphasises that the security of its cash resources is the primary objective of its Treasury Management, over and above the need to obtain a reasonable investment return.

Liquidity Risk

This is defined as the possibility that the Authority might not have the funds available to meet its commitment to make payments. The Balance Sheet shows that the Authority has

sufficient cash to finance its current liabilities, and the Treasury Mgt Policy allows the Authority to borrow to finance its working capital needs if necessary. In practice this has not been needed as Defra allow National Park Grant to be drawn down quarterly based on cashflow forecasts, and these forecasts include prudent contingencies for working capital. For its capital resources the Authority is able to draw on long term loans from the Public Works Loan Board.

### Market Risk

This is defined as exposure to movement in prices arising from market conditions.

The Authority does not have any investment in equity shares.

The Authority has some exposure to exchange rate risk because of a European funded grant project, which is paid retrospectively in euros.

The exposure relates to the Moorlife 2020 project, which is a five year project with 75% grant aid from the European Commission of €11,984,887, starting in 2016/17. The project therefore has an element of exchange rate risk depending upon the exchange rate of the euro against sterling, at key points in the five year project. Sterling expenditure on the project is converted monthly by the Commission at the exchange rate on the first working day of the calendar month, which then represents the project expenditure for the year denominated in euros, from which the appropriate % of grant aid is derived in euros. The grant is drawn down in four stages, and the date on which the euro grant is drawn down and paid over determines the value of sterling income received. The first tranche (40%) of the grant, €3,595,466, was paid in advance in October 2015.

A financial risk to the Authority is identified if sterling strengthens significantly against the euro during the project, considered to be in the region of £1.5m at its maximum. The risk will therefore be mitigated by adjusting the overall sterling budget of the project (downwards by up to £1.5m), and considering how forward exchange contracts might be used to give greater certainty over future transaction exchange rates. A further risk was identified as a result of "Brexit" and specific assurances have been sought that the project would be covered by the Chief Secretary to the Treasury's guarantee that such projects would be underwritten by the UK government. A letter from Defra's Permanent Secretary was received on the 9<sup>th</sup> February 2016, to this effect.

In terms of interest rate risk, the unprecedented reduction in variable interest rates during the 2008-09 year and continuing very low base rates has had a large impact on the rate of interest earned on surplus funds during the year. Budgetary assumptions have been adjusted assuming these low variable interest rates would prevail. There is not therefore considered to be a significant risk in the Authority's financial position arising from changes in variable interest rates, other than continuing pressure on budgets because of the depressed receipts. The Authority's long term borrowings are at a fixed rate of interest, and it is the Authority's policy to manage these risks by monitoring prevailing long term interest rates, ensuring that exposure to uncompetitive interest rate payments is minimised where possible. The timing of capital investment and raising of loan finance is also reviewed and forecast, in order to take advantage of interest rates which compare favourably against long term averages; the Capital Financing Requirement (CFR) is also managed in the short term with internal use of funds. Of the £1,074,651 CFR £472,706 is financed from external fixed rate debt, with £601,945 at risk of interest rate fluctuations, and it is considered that there is a reasonable risk in continuing to finance this from internal funds while the markets are still pricing medium term interest rates at low levels.

### **Note 34      Prior Year Adjustments**

There have been no prior year adjustments.

**Note 35 Loans**

The Authority's short-term borrowing is as follows:-

<b>31 March 2017</b>	<b>Analysis by Type of Loan</b>	<b>31 March 2018</b>
£		£
24,600	Public Works Loan Board	12,735
<b>24,600</b>	<b>Total</b>	<b>12,735</b>

The Authority's Long-term borrowing is as follows:-

<b>31 March 2017</b>	<b>Analysis by Type of Loan</b>	<b>31 March 2018</b>	<b>Ave. Interest Rate</b>
£		£	%
472,706	Public Works Loan Board	459,971	4.7
<b>472,706</b>	<b>Total</b>	<b>459,971</b>	

<b>Analysis by maturity</b>			
25,769	Between 1 and 2 years	40,029	4.7
84,896	Between 2 and 5 years	88,933	4.7
170,634	Between 5 and 10 years	178,748	4.7
191,407	Between 10 and 15 years	152,261	4.7
0	Between 15 and 20 years	0	-
0	Between 20 and 25 years	0	-
<b>472,706</b>		<b>459,971</b>	<b>4.7</b>

The Code requires disclosure of the fair value of the loan, which is calculated by the PWLB based on the repayment rates prevailing on the dates below. This value is compared against the carrying value in the Balance Sheet, including debt repayments due within one year.

<b>31 March 2017</b>		<b>31 March 2018</b>
<b>658,375</b>	<b>PWLB Fair Value</b>	<b>597,550</b>
	<b>Balance Sheet Carrying Value</b>	
24,600	Under 1 year	12,735
472,706	Between 1 and 30 years	459,971
<b>497,306</b>		<b>472,706</b>

The Fair Value is more than the carrying amount at 31<sup>st</sup> March 2018 because the fixed rate loan interest payable on existing loans is higher than the rates available for similar loans at that date. This Fair Value is derived by discounting the current fixed repayments remaining on the loan using the interest rates available at Balance Sheet date, with the result that if the Authority requested an early repayment of the loan, the lower interest rates prevailing at Balance Sheet date would result in the PWLB requesting a higher current value for the repayment than the amount outstanding shown in the Balance Sheet. The Authority has one long term loan only:-

- a 25 year PWLB loan, repayable using the annuity method of repayment, with fixed half-yearly payments including principal and interest. The loan was taken out on 30/10/06 at a fixed rate of 4.7% with a final payment 30/09/2031.

**Note 36 Impact of Accounting Changes**

Under the Code, the Authority is required to disclose details on the impact of an accounting change required by a new accounting standard that has been issued but not yet adopted by the Code. The new and updated standards introduced by the Code that will need to be adopted by the Authority in 2018/19 are:

- IFRS 9 Financial Instruments – amendments are likely to be applied from 1<sup>st</sup> April 2018. This includes a single classification approach for financial assets, a different model for impairment, and new provisions on hedge accounting, but the differences may be small for Local Authorities.
- Clarifications to IFRS 15 Revenue from Contracts with Customers – will be adopted from 1<sup>st</sup> April 2018 and addresses inconsistent practices in revenue recognition, although its application is likely to be limited for this Authority.
- Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative – will require the Authority to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities.

In addition,

- IFRS 16 – Leases is anticipated to apply from 1<sup>st</sup> April 2019, and establishes a new model for accounting for leases of substantial long term leased assets. The likely impact is that leases classified as operating leases may need to be re-classified in a similar way to finance leases currently.

**Note 37 Reconciliation of Operating Activities in Cash Flow Statement to Revenue Expenditure**

2016-17 £		£	2017-18 £
<b>345,826</b>	<b>(Surplus) Deficit on Income &amp; Expenditure Account</b>		<b>1,426,653</b>
(837,287)	Adjustments between accounting basis and funding basis (Note 6)	(2,175,982)	
466,049	Transfers to (from) earmarked reserves (Note 7)	726,689	(1,449,293)
<b>(25,412)</b>	<b>(Increase)/Decrease in General Reserve Balance for the year</b>		<b>(22,640)</b>
(168,222)	Minimum / Voluntary Revenue Provision	(141,495)	
(456,534)	Contributions (to)/from Reserves	(671,689)	
(9,515)	Contributions (to)/from Restricted Funds	(55,000)	
(278,214)	(Increase)/Decrease in Creditors	298,789	
66,151	(Increase)/Decrease in Advance Income	656,153	
(153,306)	Increase/(Decrease) in Debtors	(97,098)	
(6,989)	Increase/(Decrease) in Stock	51,385	
(394,535)	Revenue Contribution to Capital Expenditure	(221,102)	
<b>(1,401,164)</b>			<b>(180,057)</b>
<b>(1,426,576)</b>	<b>Net Cash Flow Operating Activities</b>		<b>(202,697)</b>