APPENDIX 1

Statement of Accounts for the Financial Year

1st April 2013 to 31st March 2014

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Signed: **Date:**

Chair of the Audit, Resources & Performance Committee

In accordance with the requirements of the Accounts & Audit Regulations 2011 paragraph 8 (2)

Peak District National Park Authority
Annual Accounts for the Year Ended 31st March 2014

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 31st March 2014 and its income and expenditure for the year ended 31st March 2014.

Philip Naylor
Chief Finance Officer to the Authority
19th September 2014

Peak District National Park Authority
Annual Accounts for the Year Ended 31st March 2014

1. Explanatory Foreword

1.1 These Accounts contain all the information required by the Accounts & Audit Regulations 2011 and the Code of Practice on Local Authority Accounting. This is the fourth year that the Authority has prepared accounts in accordance with International Financial Reporting Standards (IFRS). As the Authority does not have any interests in subsidiaries, associates or jointly controlled entities, these Accounts represent the accounts of a single entity and no consolidated Group Accounts are required.

1.2 Accompanying notes, cross referenced from the statements, explain in greater detail some of the calculations and reasoning behind the figures. The figures are rounded up to the nearest pound. The accounts comprise the following principal statements:-

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 reserves. The “Surplus (Deficit) on the provision of services” line shows the true economic cost of providing the Authority’s services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for National Park Grant expenditure purposes. The “Net Increase (Decrease) before transfers to Earmarked Reserves” line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

Comprehensive Income & Expenditure Account
This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices; the actual expenditure figure funded from National Park Grant may be different as the Authority is required to account for expenditure in accordance with Local Authority financial regulations, which may be different from the accounting cost.

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 (e.g. the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). 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 between accounting basis and funding basis under regulations”.

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.

1.3 Each year the Department for Food and Rural Affairs (Defra) sets the level of funding for the National Park Authority. In 2013-14 the funding was set at £6,960,536 (£7,406,630 in 2012-13), including any supplementary allocations received in-year. 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.

1.4 Overall, the Authority's usable reserves increased by £201,109, reflecting a number of asset sales into the Capital Reserve, balanced by a similar amount being drawn from earmarked reserves, but allowing overall the General Fund to increase by £217,356, mainly due to monies which are required to be carried forward to offset potential shortfalls arising from announcements that National Park Grant will continue to reduce in further years. This allows a small degree of financial resilience until permanent reductions in resource are approved.

1.5 The Service Expenditure Analysis common to all National Park Authorities has been complied with; income and expenditure being allocated across 8 mandatory functional headings.

1.6 The Authority continued its rolling programme of asset re-valuations, concentrating on car parks, an Authority estate and miscellaneous other properties.

1.7 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 31st March 2014 shows a decreased liability of £10.551m, a decrease of £3.376m compared to the liability of £13.927m for the preceding 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 33.

1.8 For the 2013-14 financial year the Authority set a borrowing limit (the "authorised" limit) of £1.8m. The Authority's borrowing as at 31st March 2014 was £752,269. The Authority's Capital Financing Requirement, i.e. its underlying need to borrow for capital purposes, was £937,790.

1.9 Explanation of Main Variances Between Years.

On February 1st 2013 the Authority approved the 2013/14 Budget and the variances from the previous year were mainly in line with budget expectation and allocations. A more detailed financial commentary on the 2013/14 results can be found in the outturn report which was reported to Audit, Resources and Performance Committee on the 6th June 2014; obtainable from the Authority's website (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 variances shown in the Comprehensive Income and Expenditure Statement arise from normal business and project related fluctuations; the main variances (above £50,000 and 10% of the previous year's net expenditure) are outlined below.

	Variance £,000	**Comment**
Comprehensive Income and Expenditure Statement (CIES)		
Historic Buildings	-38	Reduced expenditure on grants for historic buildings compared to the previous year.(£38k)

Campsites, Hostels & Barns	-192	Last year's poor weather affecting trading (£10k) now reversed through better trading in 13/14, the figures no longer contain the one-off accounting entry reflecting (unrealised) impairment of acquisition to fair value (£182k) showing in the previous year's figures.
Environmental Education (New Learning Team	+74	Impairment (unrealised) of bungalow premises occupied by the service charged to the CIES following downwards revaluation compared to the Net Book value.
Development Control	-173	Increased staff costs as vacancies filled (+£25k) but saving in consultancy and agency costs incurred in previous year (-£66k) and increased fee income (-£46k) with the remainder reduced support service charges compared to the previous year
Balance Sheet		
Long Term Assets	+773	Capital additions of some £331k (mainly purchase vehicles; enhancement of tenanted farms, roof renewal, boiler and alarm replacement and IT expenditure); asset valuation increases of £2,410k; depreciation of £626k; and impairments of £543k and disposals of £799k.
Current Assets	+314	Debtors' levels have decreased by £618k mainly as a result of fluctuations in projects with claims outstanding at year end. Cash balances have increased by £920k, boosted by property sales of nearly £300,000 and outstanding grant claims from projects being received.
Current Liabilities	+455	The level of creditors normally fluctuates between years because of one-off project expenditure variations; the increase is mainly due to March invoicing by suppliers following significant groundworks undertaken by the Moors for the Future team.
Long Term Liabilities	-3,717	the impact of the actuarial estimates used to provide notional figures to comply with International Accounting Standard 19 – Retirement Benefits - (see Note 33) is the principal reason for the decrease (£3,376k); there is also a reduction in grants receipts in advance (£245k) as these projects have progressed and the income is accounted for as revenue income in the 2013/14 year (see Note 27).
General Fund	+217	The General Fund has increased mainly due to unallocated monies which are required to be carried forward to offset potential shortfalls in future years arising from uncertainties over National Park Grant.
Economic Impact		The Authority's income sources largely continue to achieve their budget estimates, despite difficult economic times and stretched estimates required as part of the programme to achieve balanced budgets with a significantly reduced central grant figure; however Members received a report in March concerning continuing shortfalls in achieving Cycle hire business targets with a £60,000 variance against the budget. The number of Planning applications fell by 3%, but with a broadly similar mix of applications; the full year impact of the planning fee increases announced in November 2012 and two large planning applications increased the fee level by £46,000 above the previous year. Note 34 highlights the Authority's exposure to interest rate risk, which is now minimised in revenue budgets. Uncertainties remain over National Park Grant funding for future periods beyond 2015/16.

The remaining variances are sufficiently explained in the accompanying Notes to the Accounts.

1.10 In December 2013 the Department of Environment, Food and Rural Affairs (DEFRA) confirmed National Park Grant figures which over the period from 2010-11 to 2015/16 comprised year on year cash reductions with a cumulative reduction by 2015-16 of 24.6% from its 2010/11 level, which represents approximately a 37% decrease in real terms after taking account of inflationary cost pressures. Concerns remain that overall government spending up to 2017/18, beyond our current horizon for National Park Grant, will continue to fall at a similar rate. Meeting the challenge up to 2015/16 requires the Authority to find ongoing revenue savings totalling £2.4m, in order to balance to the projected 2015-16 National Park Grant figure of £6,257,122 (2009-10 National Park Grant = £8,309,049). The Authority has to date approved reductions totalling £2.04m, including the approved budget for 2014/15. The proposals to achieve the required reductions and the underlying risks of them not being achieved, are subject to regular review.

1.11 The Authority has maintained a satisfactory financial position in 2013/14, 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. The fourth concerns a cautious approach to longer term commitments, ensuring the Authority can maintain a degree of flexibility in responding to future settlements, whilst retaining sufficient contingency reserves to cope with the lack of certainty over future National Park Grant provision.

2. Summary of Significant Accounting Policies

2.1 General Principles

2.1.1 The Statement of Accounts summarises the Authority's transactions for the 2013/14 financial year and its position at the year-end of March 2014. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2011, which require preparation in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the UK (2013/14) and the Service Reporting Code of Practice (2013/14), supported by International Financial Reporting Standards (IFRS).

2.1.2 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.

2.1.3 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), which complies with CIPFA guidance on Accounting for Overheads in Local Government, and the National Parks' Service Expenditure Analysis.

2.2 Accruals of Income and Expenditure

2.2.1 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).

2.3 Acquisitions and Discontinued Operations

2.3.1 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.

2.4 Cash and Cash Equivalents

2.4.1 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.

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

2.5 Exceptional Items

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

2.6 Prior Period Adjustments, Changes in Accounting policies and estimates and errors

2.6.1 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.

2.6.2 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.

2.7 Charges to Revenue for Non-Current Assets

2.7.1 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

2.7.2 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.

2.8 Employee Benefits

2.8.1 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.

2.8.2 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.

2.9 Post - Employment Benefits

2.9.1 Employees of the Authority can choose to be a member of the Local Government Pensions Scheme, administered by Derbyshire County Council, which provides defined benefits (retirement lump sums and pensions) to members earned as employees 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.

2.9.2 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 of 4.3%.

2.9.3 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.

2.9.4 The change in the net pensions liability is analysed into seven components:-

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the 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.

2.9.5 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.

2.10 Events After the Balance Sheet Date

2.10.1 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.

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

2.11 Financial Instruments

2.11.1 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.

2.11.2 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.

2.11.3 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.

2.11.4 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.

2.11.5 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.

2.11.6 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.

2.11.7 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.

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

2.12 Foreign Currency Translation

2.12.1 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 31st March. Resulting gains or losses are recognised in the Financing and Investment Income & Expenditure line in the CIES.

2.13 Government Grants and Contributions

2.13.1 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.

2.13.2 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.

2.13.3 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.

2.13.4 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.

2.14 Heritage Assets

2.14.1 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 2.19. The current approach to Heritage assets in this Statement of Accounts is summarised in Note 32.

2.15 Intangible Assets

2.15.1 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.

2.15.2 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.

2.15.3 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.

2.16 Inventories and Long Term Contracts

2.16.1 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.

2.16.2 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.

2.17 Leases

2.17.1 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.

2.17.2 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.

2.17.3 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.

2.17.4 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 Comprehensive Income & Expenditure Statement 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.

2.17.5 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.

2.18 Overheads and Support Services

2.18.1 The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Accounting Code of Practice 2013/14 (SERCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:-

- Corporate and Democratic Core – costs relating to the Authority's servicing of its democratic mandate (i.e. the Membership)
- Non-Distributed Costs – the cost of discretionary benefits awarded to employees retiring early and impairment losses chargeable on Assets held for sale.

These two cost categories are defined in SERCOP and are accounted for as separate headings in the CIES, as part of Total Cost of Services.

2.19 Property, Plant & Equipment

2.19.1 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.

2.19.2 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.

2.19.3 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.
- 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.

2.19.4 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 1st April 2007 only, the date of its formal implementation. Gains arising before that date were consolidated into the Capital Adjustment Account.

2.19.5 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.

2.19.6 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	Nil
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

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.

2.19.7 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.

2.19.8 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.

2.19.9 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.

2.20 Provisions, Contingent Liabilities and Contingent Assets

2.20.1 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.

2.20.2 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.

2.21 Reserves

2.21.1 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.

2.22 Revenue Expenditure Funded from Capital Under Statute

2.22.1 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.

2.23 VAT

2.23.1 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.

3. Movement in Reserves Statement 2013/14

	General Fund	Earmarked Reserves	Capital Receipts Reserve	Total Usable Reserves	Un-usable Reserves	Total Authority Reserves
	£	£	£	£	£	£
Balance at 31st March 2013	**513,096**	**2,614,256**	**188,034**	**3,315,386**	**3,273,531**	**6,588,917**
Surplus (Deficit) on provision of services (accounting basis)	(1,821,904)	0	0	**(1,821,904)**	0	**(1,821,904)**
Other Comprehensive (Expenditure) & Income (Note 5)	0	0	0	**0**	6,171,383	**6,171,383**
Total Comprehensive (Expenditure) & Income	**(1,821,904)**	**0**	**0**	**(1,821,904)**	**6,171,383**	**4,349,479**
Adjustments between accounting basis & funding basis under regulations (Note 6)	1,785,450	0	237,563	**2,023,013**	(2,023,013)	**0**
Net Increase (Decrease) before Transfers to Earmarked Reserves	**(36,454)**	**0**	**237,563**	**201,109**	**4,148,370**	**4,349,479**
Transfers (to) from earmarked Reserves (Note 7)	253,810	(253,810)	0	**0**	0	**0**
Increase (Decrease) in Year	**217,356**	**(253,810)**	**237,563**	**201,109**	**4,148,370**	**4,349,479**
Balance as at 31st March 2014	**730,452**	**2,360,446**	**425,597**	**3,516,495**	**7,421,901**	**10,938,396**

3. cont. Movement in Reserves Statement 2012/13

	General Fund	Earmarked Reserves	Capital Receipts Reserve	Total Usable Reserves	Un-usable Reserves	Total Authority Reserves
	£	£	£	£	£	£
Balance at 31st March 2012	**235,953**	**3,051,600**	**890,177**	**4,177,730**	**4,881,714**	**9,059,444**
Surplus (Deficit) on provision of services (accounting basis)	(1,093,441)	0	0	**(1,093,441)**	0	**(1,093,441)**
Other Comprehensive (Expenditure) & Income (Note 5)	0	0	0	**0**	(1,377,086)	**(1,377,086)**
Total Comprehensive (Expenditure) & Income	**(1,093,441)**	**0**	**0**	**(1,093,441)**	**(1,377,086)**	**(2,470,527)**
Adjustments between accounting basis & funding basis under regulations (Note 6)	933,240	0	(702,143)	**231,097**	(231,097)	**0**
Net Increase (Decrease) before Transfers to Earmarked Reserves	**(160,201)**	**0**	**(702,143)**	**(862,344)**	**(1,608,183)**	**(2,470,527)**
Transfers (to) from earmarked Reserves (Note 7)	437,344	(437,344)	0	**0**	0	**0**
Increase (Decrease) in Year	**277,143**	**(437,344)**	**(702,143)**	**(862,344)**	**(1,608,183)**	**(2,470,527)**
Balance as at 31st March 2013	**513,096**	**2,614,256**	**188,034**	**3,315,386**	**3,273,531**	**6,588,917**

4. Comprehensive Income and Expenditure Statement

2012/13 Gross Expenditure £	2012/13 Income £	2012/13 Net Expenditure £		2013/14 Gross Expenditure £	2013/14 Income £	2013/14 Net Expenditure £
			Conservation of the Natural Environment			
64,003	(534)	63,469	Forestry & Tree Management	73,954	(13,997)	59,957
684,575	(495,719)	188,856	Estates Management	634,553	(401,450)	233,103
1,020,849	(177,522)	843,327	Countryside & Economy Service	855,631	(47,486)	808,145
2,945,352	(2,630,077)	315,275	Conservation & Environment Projects	3,819,755	(3,503,371)	316,384
300,315	(1,280)	299,035	Natural Environment Team	319,244	(1,875)	317,369
5,015,094	(3,305,132)	1,709,962		5,703,137	(3,968,179)	1,734,958
			Conservation of Cultural Heritage			
134,130	(0)	134,130	Historic Buildings	96,246	(0)	96,246
137,562	(18)	137,544	Village Management	138,405	(1,382)	137,023
135,153	(39,413)	95,740	Archaeology	147,664	(39,670)	107,994
32,449	(32,361)	88	Cultural Heritage Projects	33,687	(33,423)	264
439,294	(71,792)	367,502		416,002	(74,475)	341,527
			Recreation Management & Transport			
251,133	(53,088)	198,045	Campsites, Hostels & Barns	70,737	(64,420)	6,317
1,044,018	(193,969)	850,049	Access, Walking & Riding Routes	1,083,690	(219,247)	864,443
174,809	(50,000)	124,809	Area Projects	207,330	(130,584)	76,746
288,740	(276,561)	12,179	Car Parks & Concessions	287,550	(299,828)	(12,278)
379,136	(276,105)	103,031	Cycle Hire	373,270	(265,155)	108,115
200,147	(7,198)	192,949	Toilets	212,407	(14,210)	198,197
161,690	(1,749)	159,941	Transport Policy & Transport Projects	153,543	(7,850)	145,693
2,499,673	(858,670)	1,641,003		2,388,527	(1,001,294)	1,387,233
			Promoting Understanding			
853,465	(439,329)	414,136	Visitor Centres	829,045	(456,457)	372,588
199,645	(10,185)	189,460	Communications and Design Services	230,941	(4,582)	226,359
285,896	(65,840)	220,056	Rangers education & Community Liaison	282,131	(53,176)	228,955
294,953	(86,186)	208,767	Environmental Education (New Learning Team)	377,882	(95,017)	282,865
30	(1,087)	(1,057)	Promoting Understanding Projects	0	(0)	(0)
1,633,989	(602,627)	1,031,362		1,719,999	(609,232)	1,110,767

2012/13			Comprehensive Income & Expenditure Account (Continued)	2013/14		
Gross Expenditure	**Income**	**Net Expenditure**		**Gross Expenditure**	**Income**	**Net Expenditure**
			Rangers, Estates Service & Volunteers			
410,675	(65,583)	345,092	Rangers	409,089	(69,507)	339,582
71,840	(6,165)	65,675	Countryside Volunteers	59,239	(16,479)	42,760
283,793	(106)	283,687	Property Team	286,187	(26)	286,161
49,456	(2,478)	46,978	Estates Workers	44,298	(2,877)	41,421
818,764	(74,332)	741,432		798,813	(88,889)	709,924
			Development Control			
1,460,555	(217,234)	1,243,321	Development Control	1,333,122	(262,975)	1,070,147
1,460,555	(217,234)	1,243,321		1,333,122	(262,975)	1,070,147
			Forward Planning & Communities			
530,389	(32,916)	497,473	Policy Planning	508,939	(3,175)	505,764
290,178	(18,849)	271,329	Community Development	299,258	(36,413)	262,845
820,567	(51,765)	768,802		808,197	(39,588)	768,609
			Service Management & Support Services			
2,007,457	(36,133)	1,971,324	Corporate Management	2,066,248	(215,514)	1,850,734
416,120	(0)	416,120	Corporate & Democratic Core	436,420	(0)	436,420
89,009	(0)	89,009	Non-Distributed Costs	115,491	(0)	115,491
0	(0)	0	Past Service Cost (Gain)	0	(0)	0
(1,971,324)	(0)	(1,971,324)	Less Recharged Support Service Costs	(1,850,732)	(0)	(1,850,732)
541,262	(36,133)	505,129		767,427	(215,514)	551,913
13,226,198	**(5,217,685)**	**8,008,513**	**Total Cost of Services**	**13,935,224**	**(6,260,146)**	**7,675,078**
684	(0)	684	Other Operating Expenditure (Note 8)	503,987	(0)	503,987
556,257	(25,775)	530,482	Financing and Investment Income (Note 9)	622,726	(16,096)	606,630
0	(0)	0	Surplus or deficit on discontinued operations (Note 22)	0	(0)	0
0	(7,446,238)	(7,446,238)	National Park Grant, non-specific grant and capital income (Note 10)	0	(6,963,791)	(6,963,791)
13,783,139	**(12,689,698)**	**1,093,441**	**(Surplus) or Deficit on Provision of Services**	**15,061,937**	**(13,240,033)**	**1,821,904**
0	(1,356,456)	(1,356,456)	(Surplus) or deficit on revaluation of Property, Plant & Equipment assets	0	(1,988,283)	(1,988,283)
2,733,542	0	2,733,542	Actuarial (gains) losses on pension assets / liabilities	0	(4,183,100)	(4,183,100)
2,733,542	**(1,356,456)**	**1,377,086**	**Other Comprehensive (Income) Expenditure (Note 5)**	**0**	**(6,171,383)**	**(6,171,383)**
16,516,681	**(14,046,154)**	**2,470,527**	**Total Comprehensive (Income) Expenditure**	**15,061,937**	**(19,411,416)**	**(4,349,479)**

5. Balance Sheet as at 31st March 2014

2012-13 £		Notes	2013-14 £
	Property, Plant & Equipment		
16,863,621	- Land & Buildings	11	17,709,751
1,263,742	- Vehicles, Plant & Equipment	11	1,206,849
236,558	Intangible Assets	12	220,818
0	Assets held for Sale	16	0
0	Long Term Investments		0
0	Long Term Debtors	14	0
18,363,921	**Total Long Term Assets**		**19,137,418**
126,907	Inventories	13	138,409
2,191,920	Short Term Debtors	14	1,574,259
3,803,797	Cash & Cash Equivalents	15	4,724,208
6,122,624	**Total Current Assets**		**6,436,876**
(251,305)	Cash & Cash Equivalents	15	(193,259)
(92,591)	Short Term Borrowing	35 & 36	(95,202)
(1,574,381)	Short Term Creditors	17	(2,090,314)
(232,421)	Accruals	20	(226,728)
(2,150,698)	**Total Current Liabilities**		**(2,605,503)**
(752,269)	Long Term Borrowing	35 & 36	(657,067)
(13,927,000)	Other Long Term Liabilities	33	(10,551,000)
(1,067,661)	Grants Receipt in Advance	27	(822,328)
(15,746,930)	**Total Long Term Liabilities**		**(12,030,395)**
6,588,917	**TOTAL NET ASSETS**		**10,938,396**
	Financed by:		
	Usable Reserves		
513,096	General Reserve	See p.17	730,452
188,034	Capital Receipts Reserve	19	425,597
2,595,414	Specific Reserves	7	2,340,928
18,842	Trust Funds	7	19,518
3,315,386			**3,516,495**
	Unusable Reserves		
5,319,451	Revaluation Reserve	20	6,502,000
12,113,501	Capital Adjustment Account	20	11,697,629
(13,927,000)	Pensions' Reserve	20	(10,551,000)
(232,421)	Accumulated Absences Account	20	(226,728)
3,273,531			**7,421,901**
6,588,917	**Total Reserves**		**10,938,396**

6. Cashflow Statement

2012-13 £		2013-14 £
	Operating Activities	
(238,193)	Rents	(227,719)
(1,794,815)	Charges for Goods and Services	(1,309,992)
(2,813,670)	Grants and Partnership Income	(5,107,757)
(7,406,630)	National Park Grant and Levies	(6,960,536)
(25,775)	Interest Received	(16,096)
(0)	Discontinued Operations	(0)
(12,279,083)	***Cash Inflows***	***(13,622,100)***
6,930,512	Employment Costs	7,129,250
5,455,994	Payments for Goods and Services	4,884,627
393,061	Other Costs	471,259
35,257	Interest Paid	32,726
0	Discontinued Operations	0
12,814,824	***Cash Outflows***	***12,517,862***
535,741	**Operating Activities Net Cash Flow**	**(1,104,238)**
	Investing Activities	
1,177,841	Purchase of Property, plant and equipment and intangible assets	344,713
0	Purchase of Investments	0
(130)	Sale of Property, plant and equipment and intangible assets	(294,849)
(26,189)	Capital Grants received	(16,674)
0	Discontinued Operations	0
1,151,522	**Investing Activities Net Cash Flow**	**33,190**
	Financing Activities	
90,060	Repayments of amounts borrowed	92,591
0	New Loans	0
0	Discontinued Operations	0
90,060	**Financing Activities Net Cash Flow**	**92,591**
1,777,323	**Net (Increase) Decrease in Cash and Cash equivalents**	**978,457**
5,329,815	Cash and Cash Equivalents at the beginning of the Reporting Period (Note 15)	3,552,492
(1,777,323)	Net Increase (Decrease) in Cash and Cash equivalents as above	978,457
3,552,492	**Cash and Cash Equivalents at the end of the Reporting Period (Note 15)**	**4,530,949**

7. Notes to the Accounts

Note 1 Critical Judgements in applying Accounting Policies

In applying the accounting policies set out in Section 2, 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 2014/15 and 2015/16, although Defra have said that these allocations may be subject to revision in the event that Defra's budget is materially reduced. The current allocations mean a reduction from £6,960,536 in 2013-14 to £6,257,122 in 2015/16, a reduction of £703,414. A programme to achieve these savings is being worked on, in addition to the reductions achieved to date mentioned in the Foreward. The Authority has determined at this stage that there is no need to impair assets as a result of changes in service provision which might occur in response to this resource reduction. 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 33 contains more information on the assumptions made and the impact on the accounts. The estimated pensions liability as at 31/03/14 is £10,551,000, and estimates of the liability in the last five years have ranged between £7,483,000 and £13,927,000.

The Land & Buildings figure (within the Property, Plant & Equipment heading on the Balance Sheet) is determined by the accounting policies outlined in paragraph 2.193 and 2.19.4., 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 31/03/2014 was £17,709,751.

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

Note 3 Material Items of Income and Expenditure

There are no items of income and expenditure contained within the Comprehensive Income and Expenditure Statement totals which require specific disclosure or explanation in this note, although the explanatory foreward helps to explain a number of variances from the previous year where the figures are materially different.

Note 4 Events after the Balance Sheet Date

The Chief Finance Officer authorised the Statement of Accounts for issue on 27th June 2014 and the audited accounts were reported to the Audit, Resources and Performance Committee for approval on the 19th September 2014. Events taking place after this date are not reflected in the financial statements or notes. Events which have occurred since the Balance Sheet date (31/03/14) and up to the date of re-certification of the accounts (19th September 2014) 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).

Note 5 Other Comprehensive Expenditure & Income

2012-13 £		2013-14 £
1,356,456	Surplus (Deficit) arising on revaluation of non-current assets	1,988,283
(2,746,000)	Actuarial Gain (Loss) on pension fund assets and liabilities	4,235,000
12,458	Other – difference between actuarial and actual charge against government grant	(51,900)
(1,377,086)	**Total**	**6,171,383**

Note 6 Adjustments Between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to move from the basis of comprehensive income and expenditure recognised in accordance with proper accounting practice, to the basis specified for Local Authorities by statute.

2013/14	General Fund	Capital Receipts Reserve	Un-usable Reserves
Adjustments primarily involving the Capital Adjustment Account	£	£	£
Charges for depreciation and impairment of non-current assets	(699,910)		699,910
Revaluation losses on Property, Plant & Equipment	0		0
Amortisation of Intangible Assets	(47,312)		47,312
Capital grants and contributions applied	3,255		(3,255)
Revenue expenditure funded from capital under statute	0	0	
Non-current assets written off on disposal or sale as part of the gain /loss on disposal	(798,834)		798,834
Statutory provision for the financing of capital investment	111,165		(111,165)
Capital Expenditure charged against the General Fund Balances	152,744		(152,744)
Adjustments primarily involving the Capital Receipts Reserve			
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	294,849	(294,849)	
Use of the Capital Receipts reserve to finance capital expenditure		57,286	(57,286)
Adjustments primarily involving the Pensions reserve			
Reversal of items relating to retirement benefits' accruals under IAS 19	(1,786,000)		1,786,000
Employer's pensions contributions payable in the year	978,900		(978,900)
Adjustments primarily involving the Accumulated Absences Account			
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration paid in the year according to statutory requirements	5,693		(5,693)
Total Adjustments	**(1,785,450)**	**(237,563)**	**2,023,013**

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

2012/13	**General Fund**	**Capital Receipts Reserve**	**Un-usable Reserves**
Adjustments primarily involving the Capital Adjustment Account	**£**	**£**	**£**
Charges for depreciation and impairment of non-current assets	(767,923)		767,923
Revaluation losses on Property, Plant & Equipment	0		0
Amortisation of Intangible Assets	(37,966)		37,966
Capital grants and contributions applied	39,608		(39,608)
Revenue expenditure funded from capital under statute	0	0	
Non-current assets written off on disposal or sale as part of the gain/loss on disposal	(814)		814
Statutory provision for the financing of capital investment	88,190		(88,190)
Capital Expenditure charged against the General Fund Balances	333,718		(333,718)
Adjustments primarily involving the Capital Receipts Reserve			
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	130	(130)	
Use of the Capital Receipts reserve to finance capital expenditure		702,274	(702,274)
Adjustments primarily involving the Pensions reserve			
Reversal of items relating to retirement benefits' accruals under IAS 19	(1,480,000)		1,480,000
Employer's pensions contributions payable in the year	895,543		(895,543)
Adjustments primarily involving the Accumulated Absences Account			
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration paid in the year according to statutory requirements	(3,726)		3,726
Total Adjustments	**(933,240)**	**702,144**	**231,096**

Note 7 Earmarked Reserves and Transfers to and from the Reserves

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

£	Balance at 1st April 2012	Transfers Out 2012/13	Transfers In 2012/13	Balance at 31st March 2013	Transfers Out 2013/14	Transfers In 2013/14	Balance at 31st March 2014
Minerals Reserve	**353,459**			**353,459**			**353,459**
Reducing Resources / Restructuring Reserve	**279,009**	(64,961)		**214,048**	(59,391)		**154,657**
ICT Reserve	**50,000**			**50,000**			**50,000**
Warslow Reserve	**12,218**		5,242	**17,460**	(10,000)	8,506	**15,966**
North Lees Reserve	**0**			**0**		10,000	**10,000**
Minor Properties Reserve	**0**			**0**		10,000	**10,000**
Conservation Acquisitions Reserve	**0**			**0**		19,000	**19,000**
Visitor Centre Reserve	**94,446**		16,700	**111,146**			**111,146**
Aldern House Reserve	**30,197**	(30,197)		**0**		10,000	**10,000**
Design Reserve	**18,582**		4,000	**22,582**		3,300	**25,882**
Forestry Reserve	**3,140**		15,000	**18,140**			**18,140**
Trail Reserve	**28,704**	(10,000)		**18,704**		37,000	**55,704**
Vehicle Maintenance Reserve	**16,854**		1,155	**18,009**			**18,009**
Planned Maintenance Reserve	**18,845**			**18,845**			**18,845**
Car Park Reserve	**65,504**			**65,504**	(20,000)		**45,504**
Cycle Hire Reserve	**13,490**			**13,490**	(13,490)	20,000	**20,000**
Matched Funding Reserve	**1,233,409**	(481,634)	149,000	**900,775**	(383,888)	83,000	**599,887**
Slippage Reserve	**815,286**	(806,786)	764,752	**773,252**	(764,752)	796,229	**804,729**
Total Earmarked Reserves	**3,033,143**	**(1,393,578)**	**955,849**	**2,595,414**	**(1,251,521)**	**997,035**	**2,340,928**
Restricted Funds							
Cyril Bennett Bequest	**9,270**			**9,270**			**9,270**
Graham Attridge Bequest	**2,546**	(500)		**2,046**			**2,046**
Memorial Landscape Fund	**0**		867	**867**		665	**1,532**
Restoration Bond	**4,141**		18	**4,159**		11	**4,170**
Friends of Losehill Hall	**2,500**			**2,500**			**2,500**
Total Restricted Funds	**18,457**	**(500)**	**885**	**18,842**		**676**	**19,518**
Total Transfers		(1,394,078)	956,734		(1,251,521)	997,711	
Net Transfer as per Movement in Reserves Statement			**(437,344)**			**(253,810)**	

Note 8 Other Operating Expenditure

2012-13 £		2013-14 £
0	Write Down of carrying amount of asset to fair value as a result of transfer to asset held for sale category	0
684	(Gains) Losses - disposal of non-current assets	503,987
684	**Total**	**503,987**

The loss on disposal of £503,987 in 2013-14 related to the difference between book values, based on the estimated market value of assets sold (mainly the Roaches Estate but also a minor landholding), and the agreed purchase price; reductions arising from the imposition of conditions put in place to achieve lasting conservation objectives. Members approved these reductions, based on the business cases presented in the Committee reports.

Note 9 Financing and Investment Income and expenditure

2012-13 £		2013-14 £
35,257	Interest payable and similar charges	32,726
521,000	Pensions' interest cost and expected return on pensions' assets	590,000
(25,775)	Interest receivable and similar income	(16,096)
530,482	**Total**	**606,630**

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

2012-13 £		2013-14 £
7,406,630	National Park Grant (DEFRA)	**6,960,536**
0	Non-specific grant income	**0**
	Capital Grants	
10,000	Defra – Catchment Sensitive Farming Grant	0
25,248	SITA Landfill Grant, Species Rich Grasslands	0
4,360	Other Capital Grants each under £10,000	3,255
39,608	**Total Capital Grants**	**3,255**
7,446,238	**Total**	**6,963,791**

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.

2013/14	**Land & Buildings**	**Vehicles, plant, equipment**	**Community Assets**	**Infra-structure Assets**	**Surplus Assets**	**Total**
Cost or Valuation	**£**	**£**	**£**		**£**	**£**
Gross Book Value at 1st April 2013	15,090,759	2,519,661	1,337,949	1,641,432	867,631	**21,457,432**
Additions	135,093	149,606	15,000	0	0	**299,699**
Donations	0	0	0	0	0	**0**
Revaluation increases (decreases) recognised in the Revaluation Reserve	1,301,366	0	0	0	686,917	**1,988,283**
Revaluation increases (decreases) recognised in the Surplus/Deficit on the Provision of Services	(46,022)	0	0	0	(74,675)	**(120,697)**
De-recognition: disposals	(779,684)	(22,672)	0	0	0	**(802,356)**
De-recognition: other	0	(1)	0	0	0	**(1)**
Assets re-classified (to) from Held for Sale / surplus assets	(369,675)	0	0	0	369,675	**0**
Other Movements – accumulated depreciation w/o on revaluation	(337,598)	0	0	0	(18,700)	**(356,298)**
Gross Book Value at 31st March 2014	**14,994,239**	**2,646,594**	**1,352,949**	**1,641,432**	**1,830,848**	**22,466,062**
Accumulated depreciation and impairment At 1st April 2013	(1,634,810)	(1,255,919)	(42,803)	(212,904)	(183,633)	**(3,330,069)**
Depreciation Charge	(277,025)	(185,924)	(11,707)	(94,572)	(9,984)	**(579,212)**
Depreciation written out to the Revaluation Reserve	93,123	0	0	0	0	**93,123**
Depreciation written out to the Surplus/deficit on the Provision of Services	244,475	0	0	0	18,700	**263,175**
Impairments recognised in the Revaluation Reserve	0	0	0	0	0	**0**
Impairments recognised in the Surplus/deficit on the Provision of Services	0	0	0	0	0	**0**
De-recognition - disposals	1,423	2,098	0	0	0	**3,521**
Accumulated depreciation & impairment as at 31st March 2014	**(1,572,814)**	**(1,439,745)**	**(54,510)**	**(307,476)**	**(174,917)**	**(3,549,462)**
Net Book Value at 31st March 2013	*13,455,949*	*1,263,742*	*1,295,146*	*1,428,528*	*683,998*	***18,127,363***
Net Book Value at 31st March 2014	**13,421,425**	**1,206,849**	**1,298,439**	**1,333,956**	**1,655,931**	**18,916,600**

At Historical Cost						
As at 31/03/2014	7,854,704	-	-	-	952,523	
Fair Value Movement 2013/14	451,452	-	-	-	610,398	
Fair Value Movement 2012/13	1,169,922	-	-	-	93,305	
Fair Value Movement 2011/12	1,264,977	-	-	-	(295)	
Fair Value Movement 2010/11	(71,784)	-	-	-	0	
Fair Value Movement up to 2009/10	2,752,154					
Net Book Value at 31/03/2014	**13,421,425**	-	-	-	**1,655,931**	

Note 11 continued

2012/13	**Land & Buildings**	**Vehicles, plant, equipment**	**Community Assets**	**Infra-structure Assets**	**Surplus Assets**	**Total**
Cost or Valuation	**£**	**£**	**£**		**£**	**£**
Gross Book Value at 1st April 2012	14,203,895	2,127,425	1,303,981	1,641,432	93,498	**19,370,231**
Additions	0	393,213	33,968	0	681,786	**1,108,967**
Donations	0	0	0	0	0	**0**
Revaluation increases (decreases) recognised in the Revaluation Reserve	1,262,864	0	0	0	93,592	**1,356,456**
Revaluation increases (decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	**0**
De-recognition: disposals	0	(977)	0	0	0	**(977)**
De-recognition: other	0	0	0	0	0	**0**
Assets re-classified (to) from Held for Sale / surplus assets	0	0	0	0	0	**0**
Depreciation & Impairment written off on revaluation	(376,000)	0	0	0	(1,245)	**(377,245)**
Gross Book Value at 31st March 2013	**15,090,759**	**2,519,661**	**1,337,949**	**1,641,432**	**867,631**	**21,457,432**
Accumulated depreciation and impairment At 1st April 2012	(1,713,632)	(1,082,560)	(31,155)	(110,647)	(1,559)	**(2,939,553)**
Depreciation written out to the Revaluation Reserve	(92,941)	0	0	0	(288)	**(93,229)**
Depreciation written out to the Surplus/deficit on the Provision of Services	(182,547)	(173,522)	(11,648)	(102,257)	(1,245)	**(471,219)**
Impairments recognised in the Revaluation Reserve	0	0	0	0	0	**0**
Impairments recognised in the Surplus/deficit on the Provision of Services	(21,690)	0	0	0	(181,786)	**(203,476)**
Depreciation & Impairment written off on revaluation	376,000				1,245	**377,245**
De-recognition - disposals	0	163	0	0	0	**163**
Accumulated depreciation & impairment as at 31st March 2013	**(1,634,810)**	**(1,255,919)**	**(42,803)**	**(212,904)**	**(183,633)**	**(3,330,069)**
Net Book Value at 31st March 2012	*12,490,263*	*1,044,865*	*1,272,826*	*1,530,785*	*91,939*	***16,430,678***
Net Book Value at 31st March 2013	**13,455,949**	**1,263,742**	**1,295,146**	**1,428,528**	**683,998**	**18,127,363**

Capital Commitments
The Authority's Capital Strategy was approved by the Authority in October 2011. As part of the strategy capital expenditure of £213,000 was approved for minor and urgent improvement works and £250,000 was approved for environmental improvements on the Authority's property; £231,099 of this expenditure has been accounted for, financed from the Capital Reserve, with the remainder (£231,901) to be financed from the reserve in future years.

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 31st March 2014 by the Authority's Property Managers Michael Ingham MRICS and Julie Green MRICS. 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 North Lees estate and other miscellaneous properties.

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.

2012/13		**2013/14**
429,805	Gross carrying amounts at Start of Year	514,497
(239,973)	Accumulated amortisation to date	(277,939)
189,832	**Net Carrying Amount at Start of Year**	**236,558**
84,692	Additions	31,572
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
(37,966)	Amortisation for the period	(47,312)
0	Other changes	0
236,558	**Net carrying amount at end of year**	**220,818**
	Comprising:	
514,497	Gross carrying amounts	546,069
(277,939)	Accumulated amortisation	(325,251)
236,558		**220,818**

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:-

31 March 2013 £		**31 March 2014 £**
117,710	**Balance o/s at start of year**	**126,907**
220,402	Purchases	235,039
(209,656)	Recognised as an expense in the year	(223,080)
(1,549)	Written off balances / Reversals of write offs in previous years	(457)

126,907	**Balance o/s at year end**	**138,409**

Note 14 Debtors

Debtors can be analysed as follows:

31 March 2013 £		31 March 2014 £
773,369	Central Government Bodies	712,823
61,858	Other Local Authorities	154,868
0	NHS Bodies	0
21,806	Public Corporations and Trading Funds	50,252
1,358,189	Bodies external to general government	679,808
(23,492)	Less: Provision for Bad Debts	(23,492)
190	Car loans to staff less than 1 year	0
2,191,920		**1,574,259**
0	Car / Study Loans to Officers due after one year	0
2,191,920	**Total**	**1,574,259**

Note 15 Cash and Cash Equivalents

Cash and Bank can be analysed as follows:

31 March 2013 £		31 March 2014 £
(252,805)	Bank current accounts	(194,759)
1,500	Cash held by the Authority	1,500
3,803,797	Deposits with Derbyshire County Council	4,724,208
3,552,492	**Total**	**4,530,949**

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 Derbyshire 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 is shown below for non-current assets.

2012/13 £		2013/14 £
0	**Balance outstanding at start of year**	**0**
0	Property, Plant & Equipment newly identified as held for sale	0
0	Revaluation (losses) gains	0
0	Impairment losses	0
0	Property, Plant & Equipment declassified as held for sale	0
0	Assets sold	0
0	**Balance outstanding at year end**	**0**

Note 17 Creditors due within 12 months

Creditors can be analysed as follows:

31 March 2013 £		31 March 2014 £
106,924	Central Government Bodies	170,114
209,455	Other Local Authorities	229,103
0	NHS Bodies	0
0	Public Corporations and Trading Funds	0
1,254,089	Bodies external to general government	1,686,609
3,913	Provision for unpaid cheques	4,488
1,574,381	**Total**	**2,090,314**

Note 18 Provisions and Contingent Liabilities

No provisions or contingent liabilities have been disclosed in the 2013/14 accounts in accordance with the Code of Accounting Practice, however 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:-

2012-13 £		2013-14 £
890,177	Balance at 1 April	**188,034**
130	Receipts received in year	294,849
(702,273)	Receipts used to finance Capital Expenditure	(57,286)
188,034	**Balance at 31 March**	**425,597**

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.

2012-13 £	Revaluation Reserve	2013-14 £
4,056,224	**Balance at 1 April**	**5,319,451**
1,356,456	Upward revaluation of assets	2,410,542
(0)	Downward revaluation of assets & impairment losses not	(422,259)

	charged to the Surplus/Deficit on the Provision of Services	
1,356,456	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	**1,988,283**
(93,229)	Difference between fair value depreciation and historical cost depreciation	(102,301)
0	Accumulated gains on assets sold or scrapped	(703,433)
(93,229)	Amount written off to the Capital Adjustment Account	**(805,734)**
5,319,451	**Balance at 31 March**	**6,502,000**

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.

2012-13	**Capital Adjustment Account**	**2013-14**
£		**£**
11,663,185	**Balance at 1 April**	**12,113,501**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expenditure Statement (CIES)	
(564,447)	Charges for depreciation of non-current assets	(579,212)
(203,476)	Charges for impairment of non-current assets	0
0	Revaluation losses on Property, Plant & Equipment	(120,697)
(37,966)	Amortisation of intangible assets	(47,312)
0	Revenue expenditure funded from capital under statute	0
(814)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(798,835)
(806,703)		(1,546,056)
93,229	Adjusting amounts written out of the Revaluation Reserve	805,734
(713,474)	**Net written out amount of the cost of non-current assets consumed in the year**	**(740,322)**
	Capital financing applied in the year:-	
702,274	Use of the Capital Receipts Reserve to finance new capital expenditure	57,286
39,608	Capital grants and contributions credited to the CIES that have been applied to capital financing	3,255
88,190	Statutory provision for the financing of capital investment charged against the General Fund	111,165
333,718	Capital expenditure charged against the General Fund	152,744
1,163,790	**Total Capital Financing applied in year**	**324,450**
12,113,501	**Balance at 31 March**	**11,697,629**

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.

2012-13	**Pensions' Reserve**	**2013-14**
£		**£**
(10,609,000)	**Balance at 1 April**	**(13,927,000)**
(2,944,000)	Actuarial gains or (losses) on pensions assets and liabilities	4,235,000
(1,269,543)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(1,837,900)
895,543	Employer's pension contributions and direct payments to pensioners payable in the year	978,900
(13,927,000)	**Balance at 31st March**	**(10,551,000)**

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 31st March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2012-13	**Accumulated Absences Account**	**2013-14**
£		**£**
(228,695)	**Balance at 1 April**	**(232,421)**
228,695	Settlement or cancellation of accrual made at the end of the preceding year	232,421
(232,421)	Amounts accrued at the end of the current year	(226,728)
(3,726)	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	5,693
(232,421)	**Balance at 31st March**	**(226,728)**

Note 21 Amounts Reported for Resource Allocation Decisions (the Budget Reporting Analysis)

The analysis of income and expenditure by service on the face of the Comprehensive Income & Expenditure Statement is that specified by the Best Value Accounting Code of Practice. Decisions about resource allocation are taken by the Authority on the basis of budget reports analysed across the same headings, although these reports are prepared on a different basis from the accounting policies used in the financial statements, and monitoring of budgets is organised on a divisional basis for purposes of accountability. In particular:-

- No charges are made in relation to capital expenditure (whereas in the financial statements depreciation, revaluation and impairments are charged to the CIES)
- The cost of retirement benefits is based on cash flows (payment of employers' pension contributions) rather than the current service cost of benefits accrued in the year
- Expenditure on some support services is budgeted for centrally and is not charged to services

The income and expenditure of the Authority as recorded in the budget reports for the year is as follows:-

2013-14 £	Employee expenses	Service Expenses	**Total Expenditure**	Fees, charges and other income	Grants	**Total Income**	**Net Expenditure**
Conservation of the Natural Environment	1,574,445	3,637,331	**5,211,776**	(254,348)	(3,745,086)	**(3,999,434)**	**1,212,342**
Conservation of the Cultural Heritage	250,606	91,067	**341,673**	(3,990)	(70,485)	**(74,475)**	**267,198**
Recreation Mgt & Transport	1,040,613	731,135	**1,771,748**	(677,484)	(329,593)	**(1,007,077)**	**764,671**
Promoting Understanding	823,956	488,134	**1,312,090**	(493,703)	(118,354)	**(612,057)**	**700,033**
Rangers, Estates Services & Volunteers	570,667	154,475	**725,142**	(25,253)	(67,877)	**(93,130)**	**632,012**
Development Control	753,066	91,114	**844,180**	(261,987)	(988)	**(262,975)**	**581,205**
Forward Planning & Communities	479,355	178,090	**657,445**	5,060	(44,648)	**(39,588)**	**617,857**
Support Services	1,636,542	951,163	**2,587,705**	(347,086)	(122,429)	**(469,515)**	**2,118,190**
Total	**7,129,250**	**6,322,509**	**13,451,759**	**(2,058,791)**	**(4,499,460)**	**(6,558,251)**	**6,893,508**

2012-13 £	Employee expenses	Service Expenses	**Total Expenditure**	Fees, charges and other income	Grants	**Total Income**	**Net Expenditure**
Conservation of the Natural Environment	1,381,838	3,109,219	**4,491,057**	(303,649)	(3,041,091)	**(3,344,740)**	**1,146,317**
Conservation of the Cultural Heritage	254,309	116,897	**371,206**	(2,154)	(69,638)	**(71,792)**	**299,414**
Recreation Mgt & Transport	1,076,272	1,320,461	**2,396,733**	(617,578)	(243,570)	**(861,148)**	**1,535,585**
Promoting Understanding	814,590	483,388	**1,297,978**	(477,265)	(125,362)	**(602,627)**	**695,351**
Rangers, Estates Services & Volunteers	571,884	150,835	**722,719**	(9,189)	(62,665)	**(71,854)**	**650,865**
Development Control	746,173	147,369	**893,542**	(217,234)	(0)	**(217,234)**	**676,308**
Forward Planning & Communities	494,087	181,879	**675,966**	(290)	(51,475)	**(51,765)**	**624,201**
Support Services	1,591,359	1,229,670	**2,821,029**	(28,340)	(7,923)	**(36,263)**	**2,784,766**
Total	**6,930,512**	**6,739,718**	**13,670,230**	**(1,655,699)**	**(3,601,724)**	**(5,257,423)**	**8,412,807**

Note 21 Continued

Reconciliation of Budget reporting Income & Expenditure to Cost of Services in the Comprehensive Income & Expenditure Statement

This reconciliation shows how the figures in the above analysis relate to the amounts included in the Comprehensive Income & Expenditure Statement.

2012-13 £		2013-14 £
8,412,807	**Net Expenditure in the Budget Reporting Analysis**	**6,893,508**
(1,193,657)	Remove capital expenditure capitalised in the financial statements but included in the budget reporting	(331,271)
(895,543)	Remove employers' cash pension contributions included in budget reporting but removed from the financial statements	(978,900)
(35,257)	Remove interest charges included in the budget reporting but excluded from the Cost of Services in the CIES (interest charges as shown as part of the Surplus or Deficit on Provision of Services in the CIES instead)	(32,726)
(88,190)	Remove Statutory provision for the financing of capital investment included in the budget reporting but excluded from the Cost of Services in the CIES (provision is shown in the Movement in Reserves Statement instead)	(111,165)
39,738	Remove capital income included in the budget reporting but capitalised in the financial statements	298,104
0	Remove deficit or surplus on discontinued operations	0
959,000	Add employers' cash pension contributions included as an accrual in the financial statements but excluded from budget reporting	1,196,000
3,726	Add (subtract) impact of employee accrual for leave	(5,693)
602,413	Add depreciation charges included in the CIES but excluded in the budget reporting	626,524
203,476	Add impairment charges included in the CIES but excluded in the budget reporting	120,697
8,008,513	**Cost of Services in Comprehensive Income & Expenditure Statement**	**7,675,078**

Note 21 Continued

Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the budget reporting analysis relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income & Expenditure Statement.

2013-14 £	Budget Reporting Analysis	Amounts included in the Analysis but not in the Total Cost of Services in the CIES	Amounts included in the Total Cost of Services in the CIES but not in the Analysis	Allocation of Support Service Recharges	Amounts reported below the Total cost of Services in the CIES	**Total**
Fees, charges & other service income	(2,058,791)	294,849	-	-	-	**(1,763,942)**
Interest & Investment Income	-	-	-	-	(16,096)	**(16,096)**
National Park Grant	-	-	-	-	(6,960,536)	**(6,960,536)**
Discontinued operations	-	-	-	-	-	**0**
Government Grants and contributions	(4,499,460)	3,255	-	-	(3,255)	**(4,499,460)**
Gain on the disposal of fixed asset	-	-	-	-	-	**0**
Total Income	**(6,558,251)**	**298,104**	**0**	**0**	**(6,979,887)**	**(13,240,034)**
Employee Expenses	7,129,250	(978,900)	1,190,307	(1,320,115)	590,000	**6,610,542**
Other Service Expenses	6,289,782	(442,436)	-	(530,617)	-	**5,316,729**
Support Service Recharges	-	-	-	1,850,732	-	**1,850,732**
Depreciation, amortisation & impairment	-	-	747,221	-	-	**747,221**
Interest Payments	32,727	(32,727)	-	-	32,727	**32,727**
Discontinued operations	-	-	-		-	**0**
Loss on Disposal of Fixed Assets	-	-	-	-	503,987	**503,987**
Total Expenditure	**13,451,759**	**(1,454,063)**	**1,937,528**	**0**	**1,126,714**	**15,061,938**
		-	-	-	-	-
(Surplus) Deficit on the Provision of Services	**6,893,508**	**(1,155,959)**	**1,937,528**	**0**	**(5,853,173)**	**1,821,904**

Note 21 Continued

Reconciliation to Subjective Analysis

2012-13 £	Budget Reporting Analysis	Amounts included in the Analysis but not in the Total Cost of Services in the CIES	Amounts included in the Total Cost of Services in the CIES but not in the Analysis	Allocation of Support Service Recharges	Amounts reported below the Total cost of Services in the CIES	**Total**
Fees, charges & other service income	(1,655,699)	130	-	-	**-**	**(1,655,569)**
Interest & Investment Income	-	-	-	-	(25,775)	**(25,775)**
National Park Grant	-	-	-	-	(7,406,630)	**(7,406,630)**
Discontinued operations	-	-	-	-	-	**0**
Government Grants and contributions	(3,601,724)	39,608	-	-	(39,608)	**(3,601,724)**
Gain on the disposal of fixed asset	**-**	**-**	**-**	**-**	-	**0**
Total Income	**(5,257,423)**	**39,738**	**0**	**-**	**(7,472,013)**	**(12,689,698)**
Employee Expenses	6,930,512	(895,543)	962,726	(1,279,966)	521,000	**6,238,729**
Other Service Expenses	6,704,461	(1,281,847)	**-**	(691,358)	**-**	**4,731,256**
Support Service Recharges	-	-	**-**	1,971,324	**-**	**1,971,324**
Depreciation, amortisation & impairment	-	-	805,889	-	-	**805,889**
Interest Payments	35,257	(35,257)	**-**	-	35,257	**35,257**
Discontinued operations	-	-	-		-	**0**
Loss on Disposal of Fixed Assets	-	-	**-**	-	684	**684**
Total Expenditure	**13,670,230**	**(2,212,647)**	**1,768,615**	**0**	**556,941**	**13,783,139**
		-	**-**	**-**	**-**	**-**
(Surplus) Deficit on the Provision of Services	**8,412,807**	**(2,172,909)**	**1,768,615**	**0**	**(6,915,072)**	**1,093,441**

Note 22 Acquired and Discontinued Operations

There were no acquisitions or discontinuation of operations during the year, requiring disclosure in this note.

Note 23 Trading Operations

The Authority has two trading operations:-

2012-13			2013-14	
Turnover	(Surplus)/ Deficit £	Nature of Operation	Turnover £	(Surplus)/ Deficit £
(439,329)	414,136	Visitor Centres	(456,457)	372,588
(276,105)	103,031	Cycle Hire Centres	(265,155)	108,115

The deficit represents the full cost, including all support service recharges and depreciation of assets used. A financial objective for each operation is set in the budget and was met by Visitor Centres. The Cycle Hire Centre showed a shortfall against budget of £60,000.

Note 24 Members' Allowances

The following amounts were paid to the 30 Members of the Peak District National Park Authority as allowances in the year ended 31st March 2014.

2012-13 £		2013-14 £
50,028	Basic Allowance	51,038
16,172	Special Responsibility Allowance	16,344
14,362	Travel and Subsistence	16,026
80,562		**83,408**

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 25 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:

	Number of Employees	
Payment Range	2012-13	2013-14
£50,000 - £54,999	1	1
£55,000 - £59,999	0	0
£60,000 - £64,999	0	0
£64,999 - £69,999	0	0
£70,000 - £74,999	0	0
£75,000 - £79,999	1	1

The remuneration for individual senior employees in this category is shown in the table below – with 2012-13 comparator payments shown in brackets alongside. All posts are 1 Full Time Equivalent (FTE) except the Director of Land Use Policy who worked 0.6 FTE in 2013/14:-

Job Title	Salary	Benefits in Kind	Subtotal	Employers Pension contributions	Total Remuneration
Chief Executive	£75,435 *(£75,435)*	£0 *(£0)*	**£75,435** ***(£75,435)***	£12,884 *(£12,756)*	**£88,319** ***(£88,191)***
Director of Land Use Policy	£32,265 *(£43,359)*	£0 *(£0)*	**£32,265** ***(£43,359)***	£5,511 *(£7,332)*	**£37,776** ***(£50,691)***
Director of Planning	£49,352 *(£23,465)*	£0	**£49,352** ***(£23,465)***	£8,429 *(£3,968)*	**£57,781** ***(£27,433)***
Director of Operations	£0 *(£47,997)*	£0 *(£0)*	**£0** ***(£47,997)***	£0 *(£5,631)*	**£0** ***(£53,628)***
Director of Corporate Resources	£53,649 *(£53,649)*	£0 *(£0)*	**£53,649** ***(£53,649)***	£9,163 *(£9,072)*	**£62,812** ***(£62,721)***

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 £	
	2012/13	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**	**2012/13**	**2013/14**
£0-£20,000	1	0	2	1	3	1	16,614	18,563
£20,001-£40,000	0	0	1	2	1	2	39,250	47,527
£40,001 - £60,000	0	0	0	1	0	1	0	40,894
Total	**1**	**0**	**3**	**4**	**4**	**4**	**55,864**	**106,984**

A business case was prepared for each approval, and approvals were based on the Authority's Managing Change policy and the requirement that these costs were recoverable within three years through the disestablishment of the redundant or linked cascade post, resulting in the long term revenue savings required by the Authority in order to meet the challenges faced by the significant reductions in National Park Grant announced in Spending Reviews. All payments were calculated according to the statutory requirement with no enhancements.

Note 26 External Audit Cost

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

	2012-13 £	2013-14 £
External audit services as appointed auditor (Section 5 Audit Commission Act 1998)	13,258	13,259
Fees in respect of statutory inspection (Section 10 LGA Act 1999)	0	0
Fees payable for certification of grant claims and returns (Section 28 Audit Commission Act 1998)	0	0
Fees payable in respect of any other services provided by the appointed auditor	0	0
Total	**13,258**	**13,259**

Note 27 Grant Income

The Authority credited the following grants, contributions and donated assets to the Comprehensive Income & Expenditure Statement in 2013/14, with amounts over £10,000 only shown:-

2012-13 £		2013-14 £
	Revenue Grants Credited to Services	
248,760	DEFRA – Environmental Stewardships	185,047
30,147	DEFRA – Modernisation Fund	27,853
0	DCLG – Neighbourhood Planning Grants	16,000
21,221	Forestry Commission – Danebridge Woodlands	0
0	Forestry Commission – Moors for the Future / MoorLIFE Projects	30,000
0	Forestry Commission – Higher Minnend Fm	28,401
27,518	English Heritage – Archaeology Projects	40,748
125,441	Environment Agency – Moors for the Future / MoorLIFE Project	155,280
34,931	Natural England - Pennine Way Ranger	36,010
17,305	Natural England – Farm Advisors	0
83,193	Natural England – Wader Recovery Project	32,500
528,007	Natural England – Moors for the Future / MoorLIFE work	437,470
25,030	Heritage Lottery Fund – MFF Moor Memories /Community Science Projects	93,276
0	Heritage Lottery Fund – Dane Valley Woodlands	34,052
23,459	Derbys County Council – Rights of Way	36,029
20,000	Derbys County Council – Moors for the Future	0
0	Derbys County Council – Green Lanes	14,917
15,000	Staffs County Council – Rights of Way	11,788
17,103	Derbys Dales DC - Operating Costs at Bakewell Visitor Centre	14,880
15,000	High Peak BC - Operating Costs at Castleton Visitor Centre	12,500
0	Staffs Moorlands DC – Village and Communities Officer	11,000
29,556	SITA – Calaminarian Grassland Project	0
3,419	SITA –Species Rich Grassland Project	0
12,020	SITA – Dane Valley Woodlands Project	17,667
32,361	Calver Weir Restoration Group	33,423
16,336	RSPB – Nature Improvement Area	29,314
	RSPB - Moors for the Future / MoorLIFE work	22,600
100,500	United Utilities – Joint Ranger Costs	101,014
163,235	United Utilities – Moors for the Future / MoorLIFE Project	161,615
45,500	Severn Trent Water - Joint Ranger Costs	46,365
28,015	Severn Trent Water – MFF/MoorLIFE	10,354

	Project	
50,000	Severn Trent Water – Car Park	50,000
15,471	Severn Trent Water - Operating Costs at Upper Derwent Visitor Centre	14,752
34,915	Yorkshire Water - Joint Ranger Costs	32,265
207,153	Yorkshire Water - Moors for the Future / MoorLIFE Project	312,281
14,250	National Trust – Moorland Discovery Project	14,395
491,909	National Trust - Moors for the Future / MoorLIFE Project	1,141,063
0	Turisticka Zajedni – Project Kazan	40,381
900,064	European Life Funding – MoorLIFE Project	993,486
0	OFGEM – Aldern House Biomass Boiler	26,813
185,297	Other Revenue Grants each under £10,000	230,449
3,562,116	**Total**	**4,496,202**

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:-

2012-13 £		2013-14 £
	Grants Received in Advance	
10,000	DCLG – Neighbourhood Planning	0
93,751	English Heritage – Ecton Mine Project	76,741
26,899	HLF – Dane Valley Woodlands	19,286
0	National Trust – Moors for the Future Project / MoorLIFE Project	93,697
117,985	Environment Agency – Moors for the Future Project / MoorLIFE Project	114,010
70,944	Heritage Lottery Fund – Moors for the Future Project / MoorLIFE Project	41,527
153,979	Natural England - Moors for the Future Project / MoorLIFE Project	96,007
29,615	Yorkshire Wildlife Trust - Moors for the Future Project / MoorLIFE Project	26,568
27,857	Sheffield City Council - Moors for the Future Project / MoorLIFE Project	27,857
24,038	Derbys County Council – Vehicular Routes	0
15,000	High Peak BC – Rural Housing Enablement Work	13,384
0	Severn Trent Water - Moors for the Future Project / MoorLIFE Project	36,522
76,348	Yorkshire Water - Moors for the Future Project / MoorLIFE Project	45,276
165,616	United Utilities – Moors for the Future / MoorLIFE Project	120,908
142,668	Other Revenue Grants received in advance each under £10,000	110,545
1,067,661	**Total**	**822,328**

Note 28 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 Department of Communities & Local Government (DCLG) 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, nor does it have any material interest in other separate legally constituted bodies; there are therefore no 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. In respect of this, one Member is a Business Development Manager at Bakewell & Eyam Community Transport with which organisation the Authority contracted for bus services of £4,329; and one Member was in receipt of an Environmental Enhancement Scheme Grant of £1,159. A number of Members act in a senior capacity as advisors to government agencies or other bodies. One Member is a Chair of a regional committee of the Environment Agency. The transactions with this Agency in the 2013/14 year were £155,280 of income and £342 of expenditure. One Member was a Chair of the Heritage Lottery Fund's East Midlands Committee; the transactions in the 2013/14 year with this body are shown below. One Member is President of Bakewell St John Ambulance with which organisation the Authority contracted (regionally) a total of £4,657 for first aid training and supplies; one Member acted as an (unpaid) director of National Parks England and the UK Association of National Park Authorities, not-for-profit companies limited by guarantee, representing the interests of the National Parks; the transactions in the 2013/14 year with these bodies is shown below.

In summary during the normal course of business the following significant transactions were made between the Authority and other related parties:

	Income		**Expenditure**	
		Outstanding		***Outstanding***
	£	**£**	**£**	**£**
Government Bodies – other	1,015,917	*595,093*	6,000	4,805
Dept of Transport	63,770	*63,770*		
Other Local Authorities	132,446	*73,652*	318,157	*106,631*
Other National Parks	36,279	*6,949*	5,694	393
National Park Associations	6,639	-	17,910	1,332
Rural Development Funds	6,845	-	-	-
European Funds	1,034,197	*199,038*	-	-
Water companies	899,373	*180,854*	168,517	*31,109*
Heritage Lottery	128,949	-	-	-
Landfill Tax	21,200	-	-	-
OFGEM	26,913	*7,611*		
RSPB	54,415	*20,556*	-	-
National Trust	1,173,083	*140,244*	5,663	-
Total	**4,600,026**	***1,287,767***	**521,941**	***144,270***

Note 29 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.

2012-13 £		2013-14 £
901,100	**Opening Capital Financing Requirement**	**930,969**
	Capital Investment	
681,786	Land & Buildings	135,093
393,213	Vehicles, Plant & Equipment	149,606
33,968	Community Assets	15,000
0	Infrastructure Assets	0
84,692	Intangible Assets	31,572
0	Revenue Expenditure Funded from Capital under Statute	0
1,193,659	**Total**	**331,271**
	Sources of Finance	
(702,274)	Capital Receipts	(57,286)
(39,608)	Government Grants and other contributions	(3,255)
	Sums set aside from Revenue	
(333,718)	Direct Revenue Contributions	(152,744)
(88,190)	Minimum Revenue Provision for repayment of principal	(111,165)
930,969	**Closing Capital Financing Requirement**	**937,790**
	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
118,059	Expenditure not supported by government financial assistance financed from internal funds	117,986
0	Use of Capital Receipts to reduce CFR	0
(88,190)	Minimum Revenue Provision	(111,165)
0	Assets acquired under finance leases	0
29,869	**Increase (Decrease) in Capital Financing Requirement**	**6,821**

Note 30 Statement of Capital Charges charged to Revenue

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

2012-13 £		£	2012-13 £
	Conservation of the Natural Environment		
1,422	Forestry & Tree Mgt	1,364	
11,367	Moors Project	13,886	
28,450	Estates Management	45,077	
41,239			60,327

	Recreation Management		
184,931	Campsites, Hostels & Barns	10,812	
136,869	Access, Walking and Riding Routes	120,885	
179,323	Car Parks & Concessions	167,741	
5,861	Cycle Hire	6,084	
17,530	Toilets	17,238	
524,514			322,760
	Promoting Understanding		
35,447	Visitor Centres	34,108	
22,863	Environmental Education	93,468	
58,310			127,576
	Rangers, Estate Service & Volunteers		
25,383	District Rangers	17,444	
13,861	Conservation Volunteers	13,088	
377	Estate Workers	358	
39,621			30,890
	Development Control		
1,206	Development Control	964	
			964
	Service Management and Support Services		
4,407	Vehicles	4,895	
23,294	Headquarters Premises	87,209	
113,298	Capitalised IT Expenditure	112,600	
140,999			204,704
805,889	**Total**		**747,221**

Note 31 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 31st March 2014 the Authority made the following payments for operating leases, as lessee, which were charged to revenue:

	2012-13	**2013-14**
	£	**£**
Vehicles	5,850	0
Premises	25,490	28,542
Total	**31,340**	**28,542**

Future rental obligations are as follows:-

	2014-15	**2nd – 5th year**	**6th year onwards**	**Total**
	£	**£**	**£**	**£**
Vehicles	0	0	0	0
Premises	20,174	69,098	16,567	105,838
Total	**20,174**	**69,098**	**16,567**	**105,838**

Vehicles – 2013/14 was the first full year since the current fleet management policy was implemented that the authority had no vehicle leases in operation. The final vehicle lease expired in 2012-13 and the vehicle was returned to the leaseholder.

Any additions to the fleet in 2013-14 have been purchased in line with the fleet management policy, which is to purchase vehicles rather than lease them.

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 2013/14 from its assets as lessor.

	2012-13	**2013-14**
	£	**£**
General Rents	5,535	8,082
Agricultural Rents	101,054	91,881
Residential Rents	58,918	52,448
Business Rents	59,861	54,486
Agricultural Licences	4,793	9,972
Business Licences	8,034	10,851
Total	**238,195**	**227,720**

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.

As last year the projected lease income excludes possible changes to the property portfolio as per the asset management strategy, nor does it include any changes expected from any new initiatives under the Authority's enterprise policy.

The year on year increases have been calculated according to expected returns as advised by the Authority's Property Service. There have been no changes to the method of calculation from that used for 2012-2013.

	1st Year 2014-15	**2nd to 5th year 2015-2019**	**5+yrs 2020+**	**Total**
General Rents	8,162	33,474	8,579	**50,215**
Agricultural Rents	92,800	380,572	97,533	**570,905**
Residential Rents	N/A	N/A	N/A	**N/A**
Business Rents	54,486	217,943	54,486	**326,915**
Agricultural Licences	N/A	N/A	N/A	**N/A**
Business Licences	10,851	43,404	10,851	**65,106**
Total	**166,299**	**675,393**	**171,449**	**1,013,141**

Note 32 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 33 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 held by the scheme (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:-

Restated 2012-13 £			2013-14 £
	Cost of Services		
926,000	Current Service cost		1,196,000
33,000	Curtailments / Settlements		0
0	Past Service cost (gain)		0
959,000			1,196,000
	Financing & Investment Income & Expenditure		
521,000	Net Interest Expense	Note 9	590,000
1,480,000	Total Chargeable to Surplus or Deficit on the Provision of Services		1,786,000
	Other amount chargeable to the CIES (Re-measurement of plan liabilities)	Note 5	
(2,829,000)	Return on plan assets excluding amount included in net interest expense above)		21,000
513,000	Actuarial (gains) and losses arising on changes in demographic assumptions		(506,000)
5,062,000	Actuarial (gains) and losses arising on changes in financial assumptions		195,000
	Other Experience		(3,945,000)
2,746,000	Total Re-measurements		(4,235,000)
4,226,000	**Total Charged to the Comprehensive Income & Expenditure Account**		**(2,449,000)**
	Movement in Reserves Statement		
(1,480,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services		(1,786,000)
	Employers' Contributions payable		
895,543	Actual amount charged against the General Fund balance for pensions in the year		978,900

Balance Sheet

The underlying assets and liabilities for retirement benefits attributable to the Authority as at 31st March 2014 are as follows:

2009-10 £	2010-11 £	2011-12 £	2012-13 £		2013-14 £
(41,043,000)	(39,733,000)	(43,368,000)	(50,900,000)	Estimated Liabilities in scheme	(49,002,000)
28,789,000	32,250,000	32,759,000	36,973,000	Estimated Assets in scheme	38,451,000
(12,254,000)	**(7,483,000)**	**(10,609,000)**	**(13,927,000)**	**Net Asset (Liability)**	**(10,551,000)**
69%	81%	76%	73%	% Funded	78%

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The total liability of £10.551m 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

	£
Opening Balance 1st April 2013	**50,900,000**
Current Service cost	1,196,000
Interest Cost	2,141,000
Contributions from scheme participants	335,000
Re-measurement (Gains) and losses:-	
-changes in demographic assumptions	(506,000)
-changes in financial assumptions	195,000
-Other	(3,945,000)
Past Service Cost	0
Curtailment (gains) losses	0
Benefits paid	(1,314,000)
Closing Balance 31st March 2014	**49,002,000**

Analysis of Value of Scheme Assets

	£
Opening fair value 1st April 2013	**36,973,000**
Interest income	1,551,000
Re-measurement gain (loss):-	
Return on plan assets excluding amount in net interest expense charged to CIES	(21,000)
Other	0
Contributions from employer	927,000
Contributions from employees into the scheme	335,000
Benefits paid	(1,314,000)
Closing fair value 31st March 2014	**38,451,000**

Analysis of Pension Fund Assets

Asset Category	**Period Ended 31st March 2014**				**Period Ended 31st March 2013**			
	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
Equity Securities:								
Consumer	3,315.6	0	3,315.6	9	2,891.7	0	2,891.7	8
Manufacturing	5,446.9	0	5,446.9	14	5,346.3	0	5,346.3	14
Energy/Utilities	3,431.4	0	3,431.4	9	3,185.8	0	3,185.8	9
Financial institutions	6,682.2	0	6,682.2	17	6,028.3	0	6,028.3	16
Health & Care	2,044.6	0	2,044.6	5	1,887.3	0	1,887.3	5
Information Technology	1,071.5	0	1,071.5	3	1,040.5	0	1,040.5	3
Other	564.3	0	564.3	1	460.2	0	460.2	1
Debt Securities:								
Corporate Bonds (Investment Grade)	190.8	0	190.8	0	202.1	0	202.1	1
Corporate Bonds (non-	0	0	0	0	0	0	0	0

Investment Grade)								
UK Government	4,775.4	0	4,775.4	13	5,111.9	0	5,111.9	13
Other	1,118.6	0	1,118.6	3	971.5	0	971.5	3
Private Equity:								
All	188.8	107.8	296.6	1	198.2	108.7	306.9	1
Real Estate:								
UK property	1,138.4	668.7	1807.1	5	1,150.2	608.4	1,758.6	5
Overseas Property	0	0	0	0	0	0	0	0
Investment Funds & Unit Trusts:								
Equities	4,188.5	78.4	4,267	11	4,091.9	72.9	4,164.8	11
Bonds	0	1,135.9	1,135.9	3	0	1,023.6	1,023.6	3
Hedge Funds	0	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0	0
Infrastructure	0	169	169	0	0	165.6	165.6	0
Other	0	0	0	0	0	0	0	0
Derivatives:								
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
Cash & Cash Equivalents:								
All	2,133.9	0	2,133.9	6	2,428.0	0	2,428.0	7
Totals	**36,291**	**2,160**	**38,451**	**100**	**34,994**	**1,979**	**36,973**	**100**

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 31st March 2013. 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 2010 model published by the Continuous Mortality Investigation (CMI):-

	Illustrative example: life expectancy currently aged 65	**April 2013 assumption**	**March 2014 assumption**
Current Pensioners	Males normal health	22.2	22.0
	Females normal health	24.8	24.2
Future Pensioners	Males normal health	24	24.1
	Females normal health	26.8	26.6

The main assumptions used in their calculations have been

2012-13		**2013-14**
%		%
4.15	Rate of increase in salaries	3.6
2.4	Rate of increase in pensions	2.8
4.2	Discount rate for scheme liabilities	4.3

The expected rate of return on all the scheme assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation:-

Expected Rate of Return – Beginning of Year (%)	**Expected Rate of Return – End of Year (%)**
5.47	5.8

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.

Change in assumption at March 2014	Approximate % increase to Employer liability	Approximate monetary amount £,000
0.5% decrease in Real Discount Rate	10	4,829
1 year increase in member life expectancy	3	1,470
0.5% increase in the Salary increase Rate	3	1,398
0.5% increase in the Pension increase Rate	7	3,387

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 2014/15 are expected to be in the region of £875,000. The projected current service cost for 2014/15 is estimated to be £1,292,000.

Note 34 Risks Arising from Financial Instruments

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

£	Long Term				Current		
	31st March 2012	31st March 2013	31st March 2014		31st March 2012	31st March 2013	31st March 2014
Investments							
Loans and receivables	0	0	0		5,329,815	3,552,492	4,530,949
Debtors							
Financial assets carried at contract amounts	0	0	0		2,084,148	2,022,929	1,384,246
Total Debtors & Investments	**0**	**0**	**0**		**7,413,963**	**5,575,421**	**5,915,195**
Borrowings							
Financial liabilities at amortised cost	(844,860)	(752,269)	(657,067)		(90,060)	(92,591)	(95,202)
Total Borrowings	**(844,860)**	**(752,269)**	**(657,067)**		**(90,060)**	**(92,591)**	**(95,202)**
Creditors							
Financial liabilities at amortised cost	0	0	0		(1,762,439)	(1,371,568)	(1,798,743)
Total Creditors	**0**	**0**	**0**		**(1,762,439)**	**(1,371,568)**	**(1,798,743)**

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 36. 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 £917,943 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 2013-14. The Debtors figure of £679,808 relating to bodies external to government arises from normal business activity (last year the higher figure was because of outstanding European Grant and Moors for the Future contracted works) and the bad debts provision of £23,492 is regarded as sufficient mitigation of the risks of any of this debt not being paid, representing 53% of debt outstanding over 4 months in age. The provision is reviewed annually. All Short Term investments, in accordance with the Authority's Treasury Mgt Policy, are invested with Derbyshire County Council under a Service Level Agreement. The risk of Derbyshire County Council failing to meet its contractual obligations under this agreement is judged to be low. From June 2014 the Authority's short term investments moved to North Yorkshire County Council, sharing the investment risks with the pooled funds of North Yorkshire County Council, and the Authority has adopted North Yorkshire County Council's Treasury Management Policy. 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 one externally funded project, Moorlife, which is a five year project starting 1st April 2010. This project committed the Authority, as the accountable body for the project, to expenditure of €6,690,856 over five years, with 75% grant aid from the European Commission of €5,018,142. The project therefore had 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 annually by the Commission at the exchange rate on the first working day of the calendar year, 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 three stages, and the date on which the euro grant is drawn down and paid over determines the value of sterling income received. The Services committee in November 2009 (Minute 49/09) approved the method by which the Authority would monitor and manage the exchange rate risk in the project. Short term weakness of sterling against the euro in 2009 helped reduce the overall risk as 40% of the grant was paid in advance in October 2009.

A financial risk to the Authority was identified if sterling strengthened significantly against the euro in the remaining three years of the project. Because of this, and because of strengthening Sterling exchange rate at the time, in July 2012 a forward contract with the Co-operative Bank was agreed, for sale of €1,505,442 Euros between 2nd April 2013 and 31st December 2013 at an exchange rate of 1.28; this contract covered the second tranche of grant. The forward contract rate unfortunately with hindsight locked the Authority into an unfavourable rate for the second payment, because of the significant weakening of Sterling since 2012; but the purpose of the transaction was always to reduce risk rather than speculate on exchange rate movements. Given sterling's recent strengthening further hedging may need to be considered although there is reasonable headroom currently to balance the project budget up to a sterling euro rate of approximately 1.32.

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 £937,790 CFR £752,269 is financed from external fixed rate debt, with only £185,520 at risk of interest rate fluctuations , and it is considered that there is little risk in continuing to finance this from internal funds while the markets are still pricing medium term interest rates at low levels despite their being some upward movement in these rates recently.

Note 35 Prior Year Adjustments

There were changes to the International Accounting Standard IAS 19 (Employee benefits) which applied in the 2013/14 year. This has meant that figures prepared under the previous IAS 19 standard for 2012-13 have to be re-stated so that the figures used for comparison against this year's figures are presented on the same basis.

- The "expected return on assets" figure is replaced with "interest on assets". This is the interest on assets held at the start of the period and cashflows occurring during the period, calculated using the discount rate at the start of the year.
- Similarly, the pension cost under the revised standard sees the "interest cost and expected return on assets" figure replaced with a "net interest cost". This is calculated as interest on pension liabilities (substantially the old interest cost) less the interest on assets.
- All actuarial gains and losses are recognised in the year of occurrence via "Other Comprehensive Income", with alternative arrangements which deferred recognition no longer being available. Actuarial gains and losses on liabilities are split further into the effect of changes in financial assumptions, and changes in demographic assumptions.
- Administration expenses are treated as a reduction in investment return achieved over the period.
- Interest on the current service cost is no longer regarded as an interest cost on liabilities, but is treated as part of the current service cost itself.

The difference in treatment affects the figures in Notes 5 and 9 and the corresponding sub-totals at the foot of the CIES for 2012-13, but does not affect the Total Comprehensive Income & Expenditure in the Statement, as set out below:-

£	2012-13 Accounts Comprehensive Income & Expenditure Account (Below Total Cost of Services				Re-stated 2012-13		
	Gross Expenditure	**Income**	**Net Expenditure 2014**		**Gross Expenditure**	**Income**	**Net Expenditure 2014**
Other Operating Expenditure (Note 8)	684	(0)	684		684	(0)	684
Financing and Investment Income (Note 9)	358,257	(25,775)	332,482		556,257	(25,775)	530,482
National Park Grant, non-specific grant and capital income (Note 10)		(7,446,238)	(7,446,238)			(7,446,238)	(7,446,238)
(Surplus) or Deficit on Provision of Services	**13,585,139**	**(12,689,698)**	**895,441**		**13,783,139**	**(12,689,698)**	**1,093,441**
(Surplus) or deficit on revaluation of Property, Plant & Equipment assets	0	(1,356,456)	(1,356,456)		0	(1,356,456)	(1,356,456)
Actuarial (gains) losses on pension assets / liabilities	2,931,542	0	2,931,542		2,733,542	0	2,733,542
Other Comprehensive (Income) Expenditure Note 5	**2,931,542**	**(1,356,456)**	**1,575,086**		**2,733,542**	**(1,356,456)**	**1,377,086**
Total Comprehensive (Income) Expenditure	**16,516,681**	**(14,046,154)**	**2,470,527**		**16,516,681**	**(14,046,154)**	**2,470,527**

Note 5 Other Comprehensive Expenditure & Income	Amount under old IAS 19 for 2012/13 £,000	Amount under revised IAS 19 for 2012/13 £,000	Difference £,000
Surplus (Deficit) arising on revaluation of non-current assets	1,356,456	1,356,456	0
Actuarial Gain (Loss) on pension fund assets and liabilities	(2,944,000)	(2,746,000)	(198,000)
Other – difference between actuarial and actual charge against government grant	12,458	12,458	0
	(1,575,086)	**(1,377,086)**	**(198,000)**

Note 9 Financing and Investment Income and Expenditure	Amount under old IAS 19 for 2012/13 £,000	Amount under revised IAS 19 for 2012/13 £,000	Difference £,000
Interest payable and similar charges	35,257	35,257	0
Pensions' interest cost and expected return on pensions' assets	323,000	0	(323,000)
Net interest on the pension scheme net liability		521,000	521,000
Interest receivable and similar income	(25,775)	(25,775)	
	332,482	**530,482**	**198,000**

Although the net difference is zero the £198,000 intermediate difference affects these other Statements and Notes: The Movement in Reserves Statement, Note 6, Note 21 and Note 38:- where the 2012-13 figures need to be amended for this difference as follows:-

Note 6 Adjustments between Accounting Basis and Funding Basis under Regulations

2012/13	**General Fund**	**Capital Receipts Reserve**	**Un-usable Reserves**
Adjustments primarily involving the Pensions reserve			
Reversal of items relating to retirement benefits' accruals under IAS 19	~~(1,282,000)~~ (1,480,000)		~~1,282,000~~ 1,480,000
Total Adjustments	**~~(735,240)~~ (933,240)**	**702,144**	**~~33,096~~ 231,096**

The Movement in Reserves Statement

	General Fund £	**Total Usable Reserves £**	**Un-usable Reserves £**	**Total Authority Reserves £**
Balance at 31st March 2012	**235,953**	**4,177,730**	**4,881,714**	**9,059,444**
Surplus (Deficit) on provision of services (accounting basis)	~~(895,441)~~ (1,093,441)	**~~(895,441)~~ (1,093,441)**	0	**~~(895,441)~~ (1,093,441)**
Other Comprehensive (Expenditure) & Income (Note 5)	0	**0**	~~(1,575,086)~~ (1,377,086)	**~~(1,575,086)~~ (1,377,086)**
Total Comprehensive (Expenditure) & Income	**~~(895,441)~~ (1,093,441)**	**~~(895,441)~~ (1,093,441)**	**~~(1,575,086)~~ (1,377,086)**	**(2,470,527)**
Adjustments between accounting basis & funding basis under regulations (Note 6)	~~735,240~~ 933,240	**~~33,097~~ 231,097**	~~(33,097)~~ (231,097)	**0**
Net Increase (Decrease) before Transfers to Earmarked Reserves	**(160,201)**	**(862,344)**	**(1,608,183)**	**(2,470,527)**

Note21 reconciliation

2012-13 £	Amounts reported below the Total cost of Services in the CIES	**Total**
Fees, charges & other service income	**-**	**(1,655,569)**
Interest & Investment Income	(25,775)	**(25,775)**
National Park Grant	(7,406,630)	**(7,406,630)**
Discontinued operations	-	**0**
Government Grants and contributions	(39,608)	**(3,601,724)**
Gain on the disposal of fixed asset	-	**0**
Total Income	**(7,472,013)**	**(12,689,698)**
Employee Expenses	~~323,000~~ 521,000	**~~6,040,729~~ 6,238,729**
Other Service Expenses	**-**	**4,731,256**
Support Service Recharges	**-**	**1,971,324**
Depreciation, amortisation & impairment	-	**805,889**

Interest Payments	35,257	**35,257**
Discontinued operations	-	**0**
Loss on Disposal of Fixed Assets	684	**684**
Total Expenditure	**~~358,941~~ 556,941**	**~~13,585,139~~ 13,783,139**
	-	**-**
(Surplus) Deficit on the Provision of Services	**~~(7,113,072)~~ (6,915,072)**	**~~895,441~~ 1,093,441**

Note 38 Reconciliation of Operating Activities in Cash Flow Statement to Revenue Expenditure

2012-13 £	
~~895,441~~ 1,093,441	**(Surplus) Deficit on Income & Expenditure Account**
~~(735,240)~~ (933,240)	Adjustments between accounting basis and funding basis (Note 6)
(437,344)	Transfers to (from) earmarked reserves (Note 7)
(277,143)	**(Increase)/Decrease in General Fund Balance for the year**

A service re-organisation has led to the merging of Litter Collection services and the Estates Workers team. Therefore the Litter Collection heading shown in the 2012-13 CIES under the Recreation Management and Transport heading has been subsumed within the Estates Workers line shown under the Rangers, Estates Services and Volunteers heading. The figures for 2012-13 in the CIES have been re-stated as follows:-

2012-13 CIES	**Gross Expenditure**	**Income**	**Net Expenditure**
Litter Collection	14,669	(2,478)	12,191
Total Recreation Management & Transport	**2,514,342**	**(861,148)**	**1,653,194**
Estates Workers	34,787	(0)	34,787
Total Rangers, Estates Service & Volunteers	**801,095**	**(71,854)**	**729,241**

Re-stated 2012-13 CIES	**Gross Expenditure**	**Income**	**Net Expenditure**
Litter Collection (line removed)	0	0	0
Total Recreation Management & Transport	**2,499,673**	**(858,670)**	**1,641,003**
Estates Workers	49,456	(2,478)	46,978
Total Rangers, Estates Service & Volunteers	**815,764**	**(74,332)**	**741,432**

Note 36 Long Term Loans

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

31 March 2013 £	Analysis by Type of Loan	31 March 2014 £
92,591	Public Works Loan Board	95,202
92,591	**Total**	**95,202**

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

31 March 2013 £	Analysis by Type of Loan	31 March 2014 £	Ave. Interest Rate %
752,269	Public Works Loan Board	657,067	4.1
752,269	**Total**	**657,067**	
	Analysis by maturity		
95,202	Between 1 and 2 years	97,897	2.8
184,361	Between 2 and 5 years	112,233	3.9
141,698	Between 5 and 10 years	148,436	4.7
178,748	Between 10 and 15 years	187,248	4.7
152,260	Between 15 and 20 years	111,253	4.7
0	Between 20 and 25 years	0	-
752,269		**657,067**	**4.1**

The average interest rate for all Local Authorities and other bodies using the PWLB for loans is 4.99%. 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.

31 March 2013		31 March 2014
1,027,581	**PWLB Fair Value**	**857,687**
	Balance Sheet Carrying Value	
92,591	Under 1 year	95,202
752,269	Between 1 and 30 years	657,067
844,860		**752,269**

The Fair Value is more than the carrying amount at 31st March 2014 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 two long term loans only:-

1) 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.

2) a 7 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 19/10/09 at a fixed rate of 2.26% with a final payment 30/09/2016.

Note 37 Impact of Accounting Changes

Disclosure of the impact of accounting changes arising from new accounting standards is required for standards which have been issued but not yet adopted by the Code. There are a number of standards relevant to this requirement but at this stage the implications of any new disclosure requirements are not fully understood and guidance is awaited. The relevant standards are:-

- *IFRS 13 Fair Value Measurement*
- *IFRS 10 Consolidated Financial Statements (May 2011)*
- *IFRS 11 Joint Arrangements (May 2011)*
- *IFRS 12 Disclosures of Interests in Other Entities (May 2011)*
- *IAS 27 Separate Financial Statements (as amended in May 2011)*
- *IAS 28 Investments in Associates and Joint Ventures (amended May2011)*
- *IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets*
- *and Financial Liabilities (as amended in December 2011)*
- *IAS 1 Presentation of Financial Statements— (as amended in May 2011*

The majority of the standards concern joint arrangements and group accounting considerations and would not, under current operating structures, have an impact on this Authority’s statements.

Note 38 Reconciliation of Operating Activities in Cash Flow Statement to Revenue Expenditure

2012-13 £		£	2013-14 £
1,093,441	**(Surplus) Deficit on Income & Expenditure Account**		**1,821,904**
(933,240)	Adjustments between accounting basis and funding basis (Note 6)	(1,785,450)	
(437,344)	Transfers to (from) earmarked reserves (Note 7)	(253,810)	(2,039,260)
(277,143)	**(Increase)/Decrease in General Fund Balance for the year**		**(217,356)**
(88,190)	Minimum / Voluntary Revenue Provision	(111,165)	
437,729	Contributions (to)/from Reserves	254,486	
(385)	Contributions (to)/from Restricted Funds	(677)	
417,243	(Increase)/Decrease in Creditors	(502,962)	
507,634	(Increase)/Decrease in Advance Income	243,978	
(136,626)	Increase/(Decrease) in Debtors	(629,300)	
9,197	Increase/(Decrease) in Stock	11,502	
(333,718)	Revenue Contribution to Capital Expenditure	(152,744)	
812,884			**(886,882)**
535,741	**Net Cash Flow Operating Activities**		**(1,104,238)**

Independent auditors' report to the Members of Peak District National Park Authority

We have audited the financial statements of Peak District National Park Authority for the year ended 31 March 2014 on pages 7 to 58. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

This report is made solely to the Members of the Authority, as a body, in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Members of the Authority, as a body, those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Accounting Officer and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

• give a true and fair view of the financial position of the Authority as at 31 March 2014 and of the Authority's expenditure and income for the year then ended;

• have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

Matters on which we are required to report by exception

The Code of Audit Practice 2010 for Local Government Bodies requires us to report to you if:

• the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or

• the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is not consistent with the financial statements; or

• any matters have been reported in the public interest under section 8 of Audit Commission Act 1998 in the course of, or at the conclusion of, the audit; or

• any recommendations have been made under section 11 of the Audit Commission Act 1998; or

• any other special powers of the auditor have been exercised under the Audit Commission Act 1998.

We have nothing to report in respect of these matters

Other matters on which we are required to conclude

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are also required by the Audit Commission's Code of Audit Practice to report any matters that prevent us being satisfied that the audited body has put in place such arrangements.

We have undertaken our audit in accordance with the Code of Audit Practice and, having regard to the guidance issued by the Audit Commission in October 2013, we have considered the results of the following:

• our review of the annual governance statement; and

• the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities.

As a result, we have concluded that there are no matters to report.

Certificate

We certify that we have completed the audit of the financial statements of Peak District National Park Authority in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Sue Sunderland for and on behalf of KPMG LLP, Appointed Auditor

Chartered Accountants

St Nicholas House

31 Park Row

Nottingham

NG1 6FQ

September 2014