PEAK DISTRICT NATIONAL PARK

Statement of Accounts for the Financial Year

1st April 2018 to 31st March 2019

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Signed: **Date:**

<u>Chair of the Audit, Resources & Performance Committee</u>

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

Peak District National Park Authority
Annual Accounts for the Year Ended 31st March 2019

1. Statement of Responsibilities for the Statement of Accounts

The Authority's responsibilities

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that person is the Chief Finance Officer.

- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;

- to approve the statement of accounts.

The Chief Finance Officer's responsibilities

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

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

- selected suitable accounting policies and then applied them consistently;

- made judgements and estimates that were reasonable and prudent;

- complied with the Code.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date;

- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Authorisation for Issue and Certificate of Chief Finance Officer

I certify that the accounts give a true and fair view of the financial position of the National Park Authority as at 31st March 2019 and its income and expenditure for the year ended 31st March 2019.

Philip Naylor
Chief Finance Officer to the Authority
31st May 2019

Peak District National Park Authority
Annual Accounts for the Year Ended 31st March 2019

2 Narrative Report

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

2.2 Accompanying notes, cross referenced from the statements, explain in greater detail some of the calculations and reasoning behind the figures; these notes, on pages 24 – 55, form part of the financial statements. The figures are rounded up to the nearest pound. The accounts comprise the following principal statements:-

<u>Comprehensive Income & Expenditure Statement</u>
This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

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

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

<u>Cash Flow Statement</u>
The Cash Flow statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of National Park Grant, other grant income, or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority’s future service delivery. Cash flows arising from financing

activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2.3 Each year the Department for Food and Rural Affairs (Defra) sets the level of funding for the National Park Authority. In 2018-19 the funding was set at £6,585,575 (£6,474,218 in 2017-18). An annual balanced budget is set by the Authority based on the National Park Grant, income from sales, fees and charges and internal financing measures such as interest on cash flow and use of reserves.

2.4 Overall, the Authority's usable reserves increased by £147,775, with a £230,533 net transfer into earmarked reserves, and the sale of a number of assets during the year contributed to a £74,522 increase in the Capital Reserve, required to finance the forward Capital Programme. The General reserve decreased by £13,089 whilst the Restricted reserves decreased by £144,191.

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

2.6 The Authority continued its rolling programme of asset re-valuations, concentrating on a number of car parks.

2.7 In accordance with accounting practice, the Authority must show the present value surplus or deficit position on its share of the Pension Fund on the Balance Sheet. The net position as at 31st March 2019 shows a liability of £20.465m, an increase of £5.813m compared to the liability of £14.652m for the preceding year (representing a pension liability which is considered to be covered by pension scheme assets up to 72% rather than 78% the previous year). The liability is assessed on an actuarial basis using a present value estimate of the pensions that will be payable in future years, over and above the assets within the Fund retained for this purpose. The level of employer and employee contributions into the Fund are assessed every three years with a view to ensuring that the assets within the Fund are capable of financing in full future pension commitments. Fluctuations often occur as the valuations made for the purpose of the accounts are based on prevailing economic conditions (e.g. bond yields, stock market values, inflation rates etc) at balance sheet date. Full details are explained in Note 32.

2.8 For the 2018-19 financial year the Authority set a borrowing limit (the "authorised" limit) of £2.0m. The Authority's external borrowing as at 31st March 2019 was £446,937. The Authority's Capital Financing Requirement, i.e. its underlying need to borrow for capital purposes, was £1,143,308 at 31/03/2019 (£1,074,651 at 31/03/2018). The Authority did not enter into any financing transactions during the year, and relied upon internal cash resources.

2.9 <u>Analysis of amounts recognised in the financial statements.</u>

On February 2nd 2018 the Authority approved the 2018/19 Budget and the variances from the previous year were mainly in line with budget expectation and allocations. A more detailed financial commentary on the 2018/19 results can be found in the outturn report which was reported to Audit, Resources and Performance Committee on the 17th May 2019; 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 changes shown in the Comprehensive Income and Expenditure Statement arise from normal business and project related fluctuations; the main differences (above £50,000 and 10% of the previous year's net expenditure) are outlined below.

	Difference £,000	Comment
Comprehensive Income and Expenditure Statement (CIES)		
Estates Management	+51	Project costs at North Lees estate and maintenance of septic tanks and water supplies at Warslow Estate
Conservation & Environment Projects	+245	Higher core team costs for the Moors for the Future team (£79k) plus the restoration costs of Moss Rake East Quarry, financed by S.106 reserve monies.
Car Parks & Concessions	-143	A combination of higher income in 2018-19 and reduced expenditure arising from the one off effect of impairment / and downward revaluations in 2017/18
Visitor Centres	-586	The one off effect in 2017/18 of the downward revaluation of Castleton Visitor Centre
Outreach	-143	Engagement work is now carried out by the Rangers teams in 2018/19
Estates Workers	+96	The additional cost of the enhanced maintenance team
Development Planning	+58	Increased staff cost and reduced income compared to previous year
Planning Policy	+72	The one off effect of New burdens government grant in 2017/18
Headquarters Building	+218	The one off effect of reversal of a previous downward revaluation in 2007/8, caused by an upward revaluation in 2017/18
Information Mgt.	+62	Software licence purchases
Balance Sheet		
Long Term Assets	+1,489	Capital additions of some £524k (mainly enhancement of tenanted farms, vehicle purchases, headquarters alterations, and IT expenditure); a donated asset of £625k; asset valuation increases of £1,228k; disposals of £140k; depreciation of £587k;
Current Assets	-626	Current Assets have decreased, mainly a reduction in cash levels of £1,903k, offset by an increase in debtors of £1,069k, an increase in stock of £53k and an increase in assets held for sale of £154k.
Current Liabilities	+432	The level of creditors normally fluctuates between years because of one-off project expenditure variations; there were less outstanding invoices for these projects at year end.
Long Term Liabilities	-5,404	the impact of the actuarial estimates used to provide notional figures to comply with International Accounting Standard 19 – Retirement Benefits - (see Note 32) increased the long term liabilities by £5.813k, offset by a £369k reduction in Grant Receipts in Advance as the grants were accounted for during the 18/19 year to finance the underlying projects the grants were received for. Long term loan principal outstanding fell by £40k also.
Useable Reserves	+147	The Authority's useable reserves increased by £147k, with a £230k net transfer into earmarked reserves; the sale of a number of assets increased the Capital Reserve by £74k, required to finance the forward Capital Programme; the General reserve decreased slightly by £13k whilst the Restricted reserves decreased by £144k (Moss Rake East quarry restoration using S.106 funds).

Economic Impact		The Authority's income sources largely continue to achieve their budget estimates. Note 33 highlights the Authority's exposure to interest rate risk, which is now minimised in revenue budgets. The Authority relies on the government announcement to protect National Park Grant funding up to 2019/20, giving a degree of financial planning certainty not previously possible, albeit at much lower levels than in the recent past, as a result of the significant funding cuts in the last Spending Review period. The government has announced a second "Hobhouse" Review of National Parks as part of Defra's 25 year Environment Plan.

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

The Development and Performance of the Authority in the 2018-19 Financial Year

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

- The Annual Governance Statement
- The Performance and Business Plan 2018-19, with the Authority's Audit, Resources and Performance Committee receiving a quarterly performance monitoring report on progress in achieving year end performance targets, based on this plan.

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

- https://democracy.peakdistrict.gov.uk/documents/s29744/HW%20Quarter%204%20and%20Year%20End%202018-19%20Corporate%20Performance%20Report.pdf
- https://democracy.peakdistrict.gov.uk/documents/s29745/HW%20Q4%20Appendix%201%202018-19.pdf
- https://democracy.peakdistrict.gov.uk/documents/s29748/Appendix%202.pdf
- https://democracy.peakdistrict.gov.uk/documents/s29747/HW%20Q4%20Appendix%203%202018-19%20Q4%20Complaints%20and%20FOI.pdf

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

- https://democracy.peakdistrict.gov.uk/ecSDDisplayClassic.aspx?NAME=SD3174&ID=3174&RPID=503273897&sch=doc&cat=13582&path=13348%2c13582

The quarterly performance monitoring report summarises progress into three categories:- priorities achieved; priorities almost achieved, and priorities not achieved. The Chief Finance Officer has reviewed the above documents with a view to reporting any additional explanations which may help users of these accounts to understand what impact any significant departure from planned expectations has had on the reported financial statements. Where items are identified as not achieved, an explanation will be provided if this has a material financial impact on the Statement of Accounts. In relation to the 2018/19 year, the quarter 4 and final outturn monitoring report do not raise any such performance concerns in this category.

The Annual Governance Statement reviews the Authority's governance arrangements and identifies any issues relevant during the year which may have an affect on effectiveness. The Annual Governance Statement for 2018/19 identifies 9 issues for improvement action. The Chief Finance Officer has reviewed the statements on governance for the 2018/19 year, and these issues, alongside their impact on the reported financial statements. There are two issues identified which may have a future impact on the Authority's resources; the first is the impact of any recommendations in the Glover Review of National Parks which is anticipated to be published in late 2019, and the second is the impact of the next Spending Review period, starting in the 2020/21 financial year, with whatever National Park Grant funding horizon is decided from central government.

The Authority's Cashflow

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

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

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

Capital Expenditure and Commitments

2.12 The Authority approved a revised Capital Strategy in December 2015 which set out a forward Capital Programme up to March 2019. The strategy estimated potential capital expenditure in support of the corporate strategy of up to £3.59m, financed by borrowing of up to £2.49m and allocations from the Authority's Capital Reserve of up to £1.1m. Four principal business cases have been approved for capital expenditure since the Strategy was approved; the first is a £600,000 commitment from the Capital Reserve to support structural work on the Trails structures for high priority work (ARP Minute 51/16 16th September 2016); the second was approval of a £330,000 enhancement of Castleton Visitor Centre (ARP Minute 18/16 4th March 2016), which has been completed, the third was a £657,000 project for Stage 1 of Miller's Dale station (ARP Minute 21/18 16 March 2018), of which project the conversion of the station buildings into a café has been completed in 2018/19, and the fourth is approval of up to £450,000 of borrowing for replacement of the vehicle fleet. Two prior approvals are also in progress, a minor works programme (£213,000 original commitment Minute 58/11) and an environmental programme (£250,000 original commitment Minute 58/11); of which programme there are remaining commitments of £35,000 and £115,000 respectively from the Capital Reserve. A number of smaller projects have also been approved within the confines of the above Capital Strategy. All Capital expenditure is governed by the key principles and working assumptions outlined in the Capital Strategy which can be found on the Authority's website under the agenda and reports section of the Authority meeting for December 2015. The Capital Reserve reported in the Balance Sheet will be supplemented by a programme of future asset sales. The Capital Financing Requirement is estimated to increase based on the additional borrowing and this has been covered by a higher Authorised Limit as approved in the March 2019 Authority report, rising from £2m in 2018/19 to £3m in 2020/21. Debt repayments for the additional borrowing are either found within current revenue budgets (e.g. vehicle replacements) or are deemed to be prudent based on income generating proposals, with the risk covered by a combination of strong interest cover ratios and increased asset values, rather than underwritten by reliance on National Park Grant.

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

2.13 There are no major changes in statutory functions. A number of baseline and one-off allocations have been approved which will be confirmed into budgets up to the 2019/20 financial year. These allocations are focussed on four programmes of work as below:-

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

The budget for the 2018/19 year was approved on the basis that the Authority would be able to balance its revenue budget with reasonable assurance up to March 2020, based on the current Spending Review period.

National Park Grant

2.14 On the 21st January 2016 DEFRA confirmed National Park Grant figures for the next Spending Review period from 2016/17 to 2019/20, following an announcement by the (former) Chancellor of the Exchequer that the funding for National Parks and Areas of Outstanding Natural Beauty would be protected in real terms. The announcement brought a degree of medium term financial stability, and our financial planning is based on this settlement letter. The Government has announced a “Hobhouse” review (the “Glover Review”) into the funding and status of National Parks (in the positive context of Defra’s 25 year plan) and the outcome of this review is awaited.

The European Union Referendum

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

Conclusion

2.16 The Authority has maintained a satisfactory financial position in 2018/19, and this strength stems from the operation of four principal aspects of our financial strategy. The first is achieving a balance between maximising funding sources, and ensuring that agreed budgets do not include speculative or imprudent assumptions. The second follows on as a consequence, ensuring that our budgetary control procedures remain robust, particularly in early monitoring of the risks implicit in our provision of demand-led services. The third is the need to ensure that the Authority’s fixed asset base is sustainable, with an approved Asset Management Plan in place and a matching capital strategy approved, with rationalisation of the Authority’s property portfolio reducing maintenance liabilities and providing possible capital receipts. The fourth concerns a cautious approach to longer term commitments, ensuring the Authority is able to maintain a degree of flexibility in responding to future settlements, whilst retaining sufficient contingency reserves.

3. Summary of Significant Accounting Policies

3.1 General Principles

3.1.1 The Statement of Accounts summarises the Authority's transactions for the 2018/19 financial year and its position at the year-end of March 2019. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require preparation in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the UK (2018/19), supported by International Financial Reporting Standards (IFRS).

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

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

3.2 Accruals of Income and Expenditure

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

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

3.3 Acquisitions and Discontinued Operations

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

3.4 Cash and Cash Equivalents

3.4.1 Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within 3 months or less from the date of acquisition and are readily convertible to known amounts of cash with no significant risk of a change in value.

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

3.5 Exceptional Items

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

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

3.6.1 Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for in the year affected by the change and do not give rise to a prior period adjustment.

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

3.7 Charges to Revenue for Non-Current Assets

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

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

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

3.8 Employee Benefits

3.8.1 Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, eg time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rate applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services in the CIES, but is then reversed out through the Movement in Reserves Statement so that holiday benefits are actually charged to revenue in the financial year in which the holiday absence occurs.

3.8.2 Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer’s employment before the normal retirement date or an officer’s decision to accept voluntary redundancy, and are charged on an accruals basis to the appropriate service in the CIES when the Authority is committed to the termination. Where termination before retirement involves additional cost to the pension fund, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are therefore required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

3.9 Post - Employment Benefits

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

3.9.2 The liabilities of the pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc and projections of earnings for current employees. Liabilities are discounted to their value at current prices, using a discount rate.

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

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

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the CIES to the services for which the employee worked.
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years –debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs.
- Net interest cost – the change during the period in the scheme's net liability arising from the passage of time - debited to the Financing and Investment Income & Expenditure line in the CIES.
- Re-measurements: – the return on scheme assets attributable to the Authority, excluding amounts included in the net interest cost above, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Re-measurements:- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions' Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense.

3.9.5 Statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are movements to and from the Pensions' Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid or payable to the pension fund. The negative balance that arises on the Pensions' Reserve therefore measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than when benefits are earned by employees.

3.10 Events After the Balance Sheet Date

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

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

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

3.11 Financial Instruments

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

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

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

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

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

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

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

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

3.12 Foreign Currency Translation

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

3.13 Government Grants and Contributions

3.13.1 Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that the Authority will comply with the conditions attached to the payments and that the grants or contributions will be received.

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

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

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

3.14 Heritage Assets

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

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

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

3.15 Intangible Assets

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

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

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

3.16 Inventories and Long Term Contracts

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

3.16.2 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.

3.16 Leases

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

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

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

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

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

3.16.5 The Authority as Lessor, Operating Leases where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the CIES. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the asset and charged as an expense over the lease term on the same basis as the rental income.

3.18 Overheads and Support Services

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

3.19 Property, Plant & Equipment

3.19.1 Assets that have physical substance, are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and that are expected to be used for more than one financial year, are classified as Property, Plant & Equipment. Assets below the de minimis value of £10,000 are not introduced into the balance sheet unless they are part of a pooled system of assets.

3.19.2 Recognition: expenditure on the acquisition, creation or enhancement of Property, Plant & Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure which maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

3.19.3 Measurement: Assets are initially measured at cost, comprising the purchase price, and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Authority does not capitalise borrowing costs incurred whilst assets are under construction. The cost of assets acquired other than by purchase is deemed to be fair value, unless the acquisition has no impact on cash flow, in which case, where an asset is exchanged, the cost of the acquisition is deemed to be the carrying amount of the asset given up in exchange. Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the CIES, unless the donation has been made conditionally, in which case until conditions are satisfied the gain is held in the Donated Assets Account. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves statement. Assets are carried into the Balance Sheet using the following measurement bases:-

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

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

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

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

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

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

Where an item of Property, Plant & Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

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

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

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

3.20 Provisions, Contingent Liabilities and Contingent Assets

3.20.1 Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation. When payments are eventually made they are charged to the provision carried in the Balance Sheet. If the provision proves not to be required, the provision is reversed and credited back to the CIES. Income potentially recoverable from a third party which would offset the provision is only recognised if it is virtually certain to be received.

3.20.2 A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts. Where the event might give rise to an asset (i.e. a contingent asset) these are not recognised in the Balance Sheet but are disclosed in a note to the accounts only where it is probably that there will be an inflow of economic benefits or service potential.

3.21 Reserves

3.21.1 The Authority sets aside specific amounts as reserves for future National Park purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance in the Movement in Reserves statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then transferred back in to the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against National Park Grant for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority.

3.22 Revenue Expenditure Funded from Capital Under Statute

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

3.23 VAT

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

4. Comprehensive Income and Expenditure Statement

2017/18				2018/19		
Gross Expenditure	Income	Net Expenditure		Gross Expenditure	Income	Net Expenditure
£	£	£	**Conservation of the Natural Environment**	£	£	£
574,037	(23,042)	550,995	Natural Environment & Rural Economy	557,139	(33,133)	524,006
43,551	(18,637)	24,914	Woodlands	70,346	(31,447)	38,899
563,366	(457,659)	105,707	Estates Management	637,200	(479,891)	157,309
3,436,155	(3,111,333)	324,822	Conservation & Environment Projects	4,848,944	(4,279,440)	569,504
4,617,109	(3,610,671)	1,006,438		6,113,629	(4,823,911)	1,289,718
			Conservation of Cultural Heritage			
173,778	(89)	173,689	Historic Buildings & Village Management	208,000	(10,729)	197,271
60,736	(11,768)	48,968	Archaeology	51,256	(5,263)	45,993
0	(0)	0	Cultural Heritage Projects	0	(0)	0
234,514	(11,857)	222,657		259,256	(15,992)	243,264
			Recreation Management & Transport			
257,737	(290,860)	(33,123)	Cycle Hire	268,903	(285,184)	(16,281)
470,552	(100,075)	370,477	Access, Walking & Riding Routes	486,166	(82,218)	403,948
363,001	(370,430)	(7,429)	Car Parks & Concessions	256,964	(407,342)	(150,378)
170,584	(29,038)	141,546	Toilets	198,181	(32,746)	165,435
102,592	(101,118)	1,474	Campsites, Hostels & Barns	98,591	(124,276)	(25,685)
81,722	(51,245)	30,477	Recreation & Transport Projects	62,786	(45)	62,741
1,446,188	(942,766)	503,422		1,371,591	(931,811)	439,780
			Promoting Understanding			
1,328,904	(439,167)	889,737	Visitor Centres	857,714	(554,260)	303,454
270,816	(1,190)	269,626	Communications and Design Services	263,757	(1,363)	262,394
249,945	(106,194)	143,751	Outreach	611	(0)	611
434,504	(388,113)	46,391	Promoting Understanding Projects	1,013,835	(936,220)	77,615
2,284,169	(934,664)	1,349,505		2,135,917	(1,491,843)	644,074
			Rangers, Estates Service & Volunteers			
953,898	(201,425)	752,473	Rangers	1,035,586	(291,190)	744,396
102,864	(43,384)	59,480	Countryside Volunteers	139,096	(49,728)	89,368
195,940	(75)	195,865	Property Team	193,793	(42)	193,751
58,090	(522)	57,568	Estates Workers	184,014	(30,147)	153,867
1,310,792	(245,406)	1,065,386		1,552,489	(371,107)	1,181,382

2017/18 Gross Expenditure	2017/18 Income	2017/18 Net Expenditure	Comprehensive Income & Expenditure Account (Continued)	2018/19 Gross Expenditure	2018/19 Income	2018/19 Net Expenditure
			Development Planning			
887,965	(379,271)	508,694	Development Planning	913,033	(345,918)	567,115
887,965	(379,271)	508,694		913,033	(345,918)	567,115
			Forward Planning & Communities			
151,076	(0)	151,076	Planning Policy	223,440	(0)	223,440
332,481	(0)	332,481	Strategy	342,177	(0)	342,177
154,891	(42,513)	112,378	Community Development	174,234	(50,435)	123,799
638,448	(42,513)	595,935		739,851	(50,435)	689,416
			Corporate Management & Support Services			
89,297	(53,647)	35,650	Headquarters Building	301,851	(47,934)	253,917
283,274	(9,834)	273,440	Legal Services	287,896	(11,488)	276,408
236,939	(62)	236,877	Democratic Services & Members	267,355	(62)	267,293
624,192	(11)	624,181	Information Management	698,441	(12,123)	686,318
439,053	(16,648)	422,405	Customer & Business Support Team	453,780	(16,154)	437,626
290,143	(4,485)	285,658	Finance	317,682	(1,842)	315,840
198,214	(1)	198,213	Corporate Management	250,326	(55,257)	195,069
264,208	(18,846)	245,362	Human Resources	269,917	(16,823)	253,094
25,477	(0)	25,477	Non-Distributed Costs	94,101	(0)	94,101
41,000	(0)	41,000	Past Service Cost (Gain)	315,000	(0)	315,000
2,491,797	(103,534)	2,388,263		3,256,349	(161,683)	3,094,666
13,910,982	**(6,270,682)**	**7,640,300**	**Total Cost of Services**	**16,342,115**	**(8,192,700)**	**8,149,415**
0	(14,511)	(14,511)	Other Operating Expenditure (Note 8)	0	(33,345)	(33,345)
423,088	(51,179)	371,909	Financing and Investment Income (Note 9)	447,287	(60,672)	386,615
0	(0)	0	Surplus or deficit on discontinued operations (Note 22)	0	(0)	0
0	(6,571,045)	(6,571,045)	National Park Grant, non-specific grant and capital income (Note 10)	0	(7,283,787)	(7,283,787)
14,334,070	**(12,907,417)**	**1,426,653**	**(Surplus) or Deficit on Provision of Services**	**16,789,402**	**(15,570,504)**	**1,218,898**
876,013	(0)	876,013	(Surplus) or deficit on revaluation of Property, Plant & Equipment assets	0	(1,191,897)	(1,191,897)
0	(1,697,104)	(1,697,104)	Actuarial (gains) losses on pension assets / liabilities	4,082,598	(0)	4,082,598
876,013	**(1,697,104)**	**(821,091)**	**Other Comprehensive (Income) Expenditure (Note 5)**	**4,082,598**	**(1,191,897)**	**2,890,701**
15,210,083	**(14,604,521)**	**605,562**	**Total Comprehensive (Income) Expenditure**	**20,872,000**	**(16,762,401)**	**4,109,599**

5. Movement in Reserves Statement 2018/19

	General Fund Balance £	Capital Receipts Reserve £	Total Usable Reserves £	Un-usable Reserves £	Total Authority Reserves £
Balance at 31st March 2018	**4,932,205**	**1,289,375**	**6,221,580**	**2,820,664**	**9,042,244**
Movement in reserves during 2018/19 year					
Total Comprehensive (Expenditure) & Income	**(1,218,898)**	**0**	**(1,218,898)**	(2,890,701)	**(4,109,599)**
Adjustments between accounting basis & funding basis under regulations (Note 6)	1,292,151	74,522	**1,366,673**	(1,366,673)	**0**
Net Increase (Decrease) in 2018/19	**73,253**	**74,522**	**147,775**	**(4,257,374)**	**(4,109,599)**
Balance at 31st March 2019	**5,005,458**	**1,363,897**	**6,369,355**	**(1,436,710)**	**4,932,645**

Previous Year 2017/18

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

6. Balance Sheet as at 31st March 2019

2017-18 £		Notes	2018-19 £
	Property, Plant & Equipment		
17,492,310	- Land & Buildings	11	18,969,474
1,126,029	- Vehicles, Plant & Equipment	11	1,071,985
169,290	Intangible Assets	12	235,028
0	Long Term Investments		0
0	Long Term Debtors		0
18,787,629	**Total Long Term Assets**		**20,276,487**
226,280	Inventories	13	280,913
2,441,685	Short Term Debtors	14	3,510,853
16,000	Assets held for Sale	16	169,500
7,108,739	Cash & Cash Equivalents	15	5,205,164
9,792,704	**Total Current Assets**		**9,166,430**
(259,758)	Cash & Cash Equivalents	15	(219,187)
(12,735)	Short Term Borrowing	35	(26,995)
(1,478,222)	Short Term Creditors	17	(1,054,554)
(256,312)	Accumulated Absences	20	(274,386)
(2,007,027)	**Total Current Liabilities**		**(1,575,122)**
(459,971)	Long Term Borrowing	35	(419,942)
(14,652,000)	Other Long Term Liabilities	32	(20,465,000)
(2,419,091)	Grants Receipt in Advance	26	(2,050,208)
(17,531,062)	**Total Long Term Liabilities**		**(22,935,150)**
9,042,244	**TOTAL NET ASSETS**		**4,932,645**
	Financed by:		
	Usable Reserves		
670,491	General Reserve		657,402
263,159	Restricted Funds	7	118,968
3,998,555	Specific Reserves	7	4,229,088
4,932,205	General Fund Balance	1	5,005,458
1,289,375	Capital Receipts Reserve	19	1,363,897
6,221,580			**6,369,355**
	Unusable Reserves		
7,100,997	Revaluation Reserve	20	8,099,851
10,627,979	Capital Adjustment Account	20	11,202,825
(14,652,000)	Pensions' Reserve	20	(20,465,000)
(256,312)	Accumulated Absences Account	20	(274,386)
2,820,664			**(1,436,710)**
9,042,244	**Total Reserves**		**4,932,645**

7. Cashflow Statement

2017-18 £		2018-19 £
	Operating Activities	
(295,398)	Rents	(311,482)
(1,389,795)	Charges for Goods and Services	(2,295,021)
(4,026,434)	Grants and Partnership Income	(3,542,902)
(6,474,218)	National Park Grant and Levies	(6,585,575)
(51,179)	Interest Received	(60,672)
(0)	Discontinued Operations	(0)
(12,237,024)	***Cash Inflows***	***(12,795,652)***
7,044,328	Employment Costs	7,703,363
4,803,807	Payments for Goods and Services	6,287,977
163,104	Other Costs	232,101
23,088	Interest Paid	33,287
0	Discontinued Operations	0
12,034,327	***Cash Outflows***	***14,256,728***
(202,697)	**Operating Activities Net Cash Flow**	**1,461,076**
	Investing Activities	
644,686	Purchase of Property, plant and equipment and intangible assets	593,328
0	Purchase of Investments	0
(132,907)	Sale of Property, plant and equipment and intangible assets	(143,957)
(96,827)	Capital Grants received	(73,212)
0	Discontinued Operations	0
414,952	**Investing Activities Net Cash Flow**	**376,159**
	Financing Activities (Note 38)	
24,600	Repayments of amounts borrowed	25,769
0	New Loans	0
0	Discontinued Operations	0
24,600	**Financing Activities Net Cash Flow**	**25,769**
236,855	**Net (Increase) Decrease in Cash and Cash equivalents**	**1,863,004**
7,085,836	Cash and Cash Equivalents at the beginning of the Reporting Period (Note 15)	6,848,981
(236,855)	Net Increase (Decrease) in Cash and Cash equivalents as above	(1,863,004)
6,848,981	**Cash and Cash Equivalents at the end of the Reporting Period (Note 15)**	**4,985,977**

8. Notes to the Accounts

Note 1. Expenditure and Funding Analysis

2017/18				2018/19		
Net Expenditure chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	**Net Expenditure in the Comprehensive Income and Expenditure Statement**		Net Expenditure chargeable to the General Fund	Adjustments between the Funding and Accounting Basis (See Note 21)	**Net Expenditure in the Comprehensive Income and Expenditure Statement**
715,972	290,466	**1,006,438**	Conservation of the Natural Environment	885,604	404,114	**1,289,718**
196,060	26,597	**222,657**	Conservation of the Cultural Heritage	216,527	26,737	**243,264**
23,390	480,032	**503,422**	Recreation Mgt & Transport	348,434	91,346	**439,780**
750,472	599,033	**1,349,505**	Promoting Understanding	557,767	86,307	**644,074**
907,409	157,977	**1,065,386**	Rangers, Estates Services & Volunteers	1,004,418	176,964	**1,181,382**
406,002	102,692	**508,694**	Development Control	475,169	91,946	**567,115**
522,103	73,832	**595,935**	Forward Planning & Communities	621,355	68,061	**689,416**
2,402,423	(14,160)	**2,388,263**	Corporate Management & Support Services	2,589,505	505,161	**3,094,666**
5,923,831	**1,716,469**	**7,640,300**	**Net Cost of Services**	**6,698,779**	**1,450,636**	**8,149,415**
(6,673,160)	459,513	**(6,213,647)**	Other Income and Expenditure	(6,772,032)	(158,485)	**(6,930,517)**
(749,329)	**2,175,982**	**1,426,653**	**(Surplus) or Deficit**	**(73,253)**	**1,292,151**	**1,218,898**
4,182,876			**Opening General Fund Balance**	**4,932,205**		
749,329			**Surplus (Deficit) on General Fund**	**73,253**		
4,932,205			**Closing General Fund Balance at 31st March**	**5,005,458**		

Note 2 Critical Judgements in applying Accounting Policies & Assumptions made about the future and other major sources of estimation uncertainty

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

The National Park Grant, the principal funding source for the Authority, has been confirmed for the next Spending Review period up to 2019/20, and the allocations allow for inflationary increases of 1.72% each year, allowing for financial stability during this period; the assumption made is that this is binding on the government as a statement of public investment intent. The Authority's net liability to pay pensions depends on a number of complex judgements, e.g. the discount rate used, the rate of wages' inflation, changes in retirement ages, mortality rates and the return on pension fund assets. These judgements are made by the actuaries engaged by Derbyshire County Council to advise on the Pension Fund,within statutory guidelines. Note 32 contains more information on the assumptions made and the impact on the accounts. The estimated pensions' liability as at 31/03/19 is £20,465,000, and estimates of the liability in the last five years have ranged between £12,190,000 and £20,465,000.

The Land & Buildings figure (within the Property, Plant & Equipment heading on the Balance Sheet) is determined by the accounting policies outlined in paragraph 3.19.3 and 3.19.4, and as such, any revaluations of assets within this category may be subject to variations arising from the nature of the valuation process. The carrying amount as at 31/03/2019 was £18,969,474. There are no other significant estimations or assumptions which require disclosure.

Note 3 Material Items of Income and Expenditure

The Narrative Report helps to explain a number of variances from the previous year where the figures are materially different, but there are no significant items meriting specific disclosure in this note. The Authority did however receive a significant legacy in the form of a farm property and land which has been included in the Land & Buildings figure on the Balance Sheet (£625,000).

Note 4 Events after the Balance Sheet Date

The Chief Finance Officer authorised these draft Statement of Accounts for issue on 31st May 2019 and the audited accounts were reported to the Authority for approval on the 19th July 2019. Events taking place after this date will not be reflected in the financial statements or notes. Events which have occurred since the Balance Sheet date (31/03/19) and up to the authorisation of the accounts (19h July 2019) have been considered. These events are of two kinds:- either "adjusting events" (events arising relating to conditions which existed at the Balance Sheet date which materially affect the amounts included in the accounts) or "non-adjusting events" (events arising relating to conditions which arose after the Balance Sheet which are material, and for which disclosure is required for the purposes of fair presentation). There are no such events to report.

Note 5 Other Comprehensive Expenditure & Income

2017-18 £		2018-19 £
876,013	(Surplus) Deficit arising on revaluation of non-current assets	(1,191,897)
(1,684,000)	Actuarial (Gain) Loss on pension fund assets and liabilities	3,995,000
(13,104)	Other – difference between actuarial and actual charge against government grant	87,598
(821,091)	**Total**	**2,890,701**

Note 6 Adjustments between Accounting Basis and Funding Basis under Regulations

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

2018/19	General Fund	Capital Receipts Reserve	Un-usable Reserves
Adjustments to Revenue Resources	**£**	**£**	**£**
Pension costs – removal of accrual of full pension costs as reported on an actuarial basis under IAS19	2,870,000		(2,870,000)
Pension costs - replacement by employers actual paid contributions in year	(1,139,598)		1,139,598
Holiday Pay – removal of accrual for holiday pay costs leaving actual pay costs paid in year	18,074		(18,074)
Reversal of entries in relation to depreciation and impairment of non-current assets	553,486		(553,486)
Reversal of entries - revaluation gain (loss) on Property, Plant & Equipment	0		(0)
Reversal of entries - amortisation of Intangible assets	33,858		(33,858)
Reversal of entries for carrying value of non-current assets as part of gain / loss no disposal	110,613		(110,613)
Total Adjustments to Revenue Resources	**2,446,433**		**(2,446,433)**
Adjustments between Revenue & Capital Resources			
Transfer of non-current asset sale proceeds to the Capital Receipts Reserve	(143,957)	143,957	(0)
Statutory provision for the repayment of debt	(131,650)		131,650
Capital Expenditure financed from revenue balances	(180,463)		180,463
Total Adjustments between Revenue & Capital Resources	**(456,070)**	**143,957**	**312,113**
Adjustments to Capital Resources			
Use of the Capital Receipts Reserve to finance capital expenditure		(69,435)	69,435
Application of capital grants to finance capital expenditure	(698,212)		698,212
Total Adjustments to Capital Resources	**(698,212)**	**(69,435)**	**767,647**
Total Adjustments	**1,292,151**	**74,522**	**(1,366,673)**

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

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

Note 7 Earmarked Reserves and Transfers to and from the Reserves

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

£	Balance at 1st April 2017	Transfers Out 2017/18	Transfers In 2017/18	Balance at 31st March 2018	Transfers Out 2018/19	Transfers In 2018/19	Balance at 31st March 2019
Minerals Reserve	**480,959**		27,000	**507,959**		32,000	**539,959**
Reducing Resources / Restructuring Reserve	**146,693**			**146,693**	(85,641)		**61,052**
ICT Reserve	**196,816**		50,000	**246,816**	(47,000)		**199,816**
Warslow Reserve	**15,966**		24,500	**40,466**	(40,466)		**0**
North Lees Reserve	**40,329**		38,617	**78,946**		23,000	**101,946**
Minor Properties Reserve	**10,000**		6,164	**16,164**		1,881	**18,045**
Conservation Acquisitions Reserve	**19,000**			**19,000**			**19,000**
Visitor Centre Reserve	**29,146**	(29,146)		**0**			**0**
Aldern House Reserve	**33,800**		13,820	**47,620**		36,929	**84,549**
Design Reserve	**42,106**			**42,106**			**42,106**
Forestry Reserve	**18,140**			**18,140**		5,000	**23,140**
Trail Reserve	**226,910**		145,000	**371,910**		48,000	**419,910**
Vehicle Maintenance Reserve	**18,009**			**18,009**			**18,009**
Planned Maintenance Reserve	**21,545**			**21,545**			**21,545**
Car Park Reserve	**36,901**			**36,901**			**36,901**
Cycle Hire Reserve	**69,798**		20,973	**90,771**			**90,771**
Matched Funding Reserve	**1,018,686**		26,400	**1,045,086**	(123,745)	350,000	**1,271,341**
Slippage Reserve	**902,062**	(799,189)	1,147,550	**1,250,423**	(819,587)	850,162	**1,280,998**
Total Earmarked Reserves	**3,326,866**	**(828,335)**	**1,500,024**	**3,998,555**	**(1,116,439)**	**1,346,972**	**4,229,088**
Restricted Funds							
Cyril Bennett Bequest	**9,105**			**9,105**			**9,105**
Graham Attridge Bequest	**2,046**			**2,046**	(1,400)		**646**
Sheila Streek Bequest	**36,020**			**36,020**			**36,020**
Margaret Nicholls Bequest	**3,000**			**3,000**			**3,000**
Memorial Landscape Fund	**1,934**			**1,934**			**1,934**
Alan Beardsley Memorial Fund	**12,000**			**12,000**			**12,000**
Restoration Bond	**4,225**			**4,225**			**4,225**
Friends of Losehill Hall	**2,500**			**2,500**			**2,500**
Section 106 Funds	**0**		55,000	**55,000**	(55,000)	49,538	**49,538**
Moss Rake East Restoration Bond	**137,329**			**137,329**	(137,329)		**0**
Total Restricted Funds	**208,159**	**(0)**	**55,000**	**263,159**	**(193,729)**	**49,538**	**118,968**

Total Transfers	(828,335)	1,555,024	(1,310,168)	1,396,510
Net Increase (Decrease) in Earmarked Reserves		**726,689**		**86,342**

Note 8 Other Operating Expenditure

2017-18 £		2018-19 £
0	Write Down of carrying amount of asset to fair value as a result of transfer to asset held for sale category	0
(14,511)	(Gains) Losses - disposal of non-current assets	(33,345)
(14,511)	**Total**	**(33,345)**

Note 9 Financing and Investment Income and expenditure

2017-18 £		2018-19 £
23,088	Interest payable and similar charges	33,287
400,000	Pensions' interest cost and expected return on pensions' assets	414,000
(51,179)	Interest receivable and similar income	(60,672)
371,909	**Total**	**386,615**

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

2017-18 £		2018-19 £
6,474,218	National Park Grant (DEFRA)	**6,585,575**
0	Non-specific grant income	**0**
	Capital Grants	
85,464	European Life Grant Aid, Moorlife 2020	43,150
0	Heritage Lottery Fund	19,459
0	Donated Property	625,000
11,363	Other Capital Grants each under £10,000	10,603
96,827	**Total Capital Grants**	**698,212**
6,571,045	**Total**	**7,283,787**

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's Intangible assets comprise only purchased software. The Authority's network of trails along disused railway lines are regarded as infrastructure assets.

2018/19	**Land & Buildings**	**Vehicles, plant, equipment**	**Community Assets**	**Infra-structure Assets**	**Surplus Assets**	**Total**
Cost or Valuation	**£**	**£**	**£**		**£**	**£**
Gross Book Value at 1st April 2018	16,083,721	3,055,381	1,699,942	1,641,432	637,972	**23,118,448**
Additions	178,104	135,867	69,158	40,692	0	**423,821**
Donations	0	0	0	0	625,000	**625,000**
Revaluation increases (decreases) recognised in the Revaluation Reserve	1,227,797	0	0	0	0	**1,227,797**
Revaluation increases (decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0	0	0	**0**
De-recognition: disposals	(77,100)	(68,599)	(0)	(0)	(0)	**(145,699)**
De-recognition: other	(0)	(0)	(0)	(0)	(0)	**(0)**
Assets re-classified (to) from Held for Sale / surplus assets	(205,400)	0	0	0	0	**(205,400)**
Other Movements – accumulated depreciation w/o on revaluation	(511,464)	0	0	0	0	**(511,464)**
Gross Book Value at 31st March 2019	**16,695,658**	**3,122,649**	**1,769,100**	**1,682,124**	**1,262,972**	**24,532,503**
Accumulated depreciation and impairment At 1st April 2018	(1,665,373)	(1,929,352)	(102,318)	(620,913)	(182,153)	**(4,500,109)**
Depreciation Charge	(288,709)	(172,399)	(21,511)	(64,693)	(6,174)	**(553,486)**
Impairment Charge	0	0	0	0	0	**(0)**
Depreciation written out to the Revaluation Reserve	308,671	0	0	0	0	**308,671**
Depreciation written out to the Surplus/deficit on the Provision of Services	202,793	0	0	0	0	**202,793**
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**
Re-classifications	0	0	0	0	0	**0**
De-recognition - disposals	0	51,087	0	0	0	**51,087**
Accumulated depreciation & impairment at 31st March 2019	**(1,442,618)**	**(2,050,664)**	**(123,829)**	**(685,606)**	**(188,327)**	**(4,491,044)**
Net BookValue 31 March 2018	*14,418,348*	*1,126,029*	*1,597,624*	*1,020,519*	*455,819*	***18,618,339***
Net Book Value at 31st March 2019	**15,253,040**	**1,071,985**	**1,645,271**	**996,518**	**1,074,645**	**20,041,459**

At Historical Cost						
As at 31/03/2019	7,842,069	-	-	-	1,020,737	
Fair Value Movement 2018/19	916,604	-	-	-	(280)	
Fair Value Movement 2017/18	(1,414,769)	-	-	-	(93,575)	
Fair Value Movement 2016/17	268,961	-	-	-	(1,752)	
Fair Value Movement 2015/16	1,391,475	-	-	-	46,417	
Fair Value - up to 2014/15	6,248,700	-	-	-	103,098	
Net Book Value at 31/03/2019	**15,253,040**	-	-	-	**1,074,645**	

Note 11 continued

2017/18	Land & Buildings	Vehicles, plant, equipment	Community Assets	Infra-structure Assets	Surplus Assets	Total
Cost or Valuation	**£**	**£**	**£**		**£**	**£**
Gross Book Value at 1st April 2017	17,344,425	2,806,291	1,516,800	1,641,432	749,851	**24,058,799**
Additions	101,663	294,267	183,142	0	0	**579,072**
Donations	0	0	0	0	0	**0**
Revaluation increases (decreases) recognised in the Revaluation Reserve	(673,612)	0	0	0	(90,621)	**(764,233)**
Revaluation increases (decreases) recognised in the Surplus/Deficit on the Provision of Services	(391,032)	0	0	0	0	**(391,032)**
De-recognition: disposals	(60,300)	(45,177)	(0)	(0)	(0)	**(105,477)**
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**
Other Movements – accumulated depreciation w/o on revaluation	(237,423)	0	0	0	(21,258)	**(258,681)**
Gross Book Value at 31st March 2018	**16,083,721**	**3,055,381**	**1,699,942**	**1,641,432**	**637,972**	**23,118,448**
Accumulated depreciation and impairment At 1st April 2017	(1,298,598)	(1,818,320)	(89,509)	(551,216)	(194,440)	**(3,952,083)**
Depreciation Charge	(367,609)	(144,113)	(12,809)	(69,697)	(8,972)	**(603,200)**
Impairment Charge	(236,589)	0	0	0	0	**(236,589)**
Depreciation written out to the Revaluation Reserve	41,128	0	0	0	8,693	**49,821**
Depreciation written out to the Surplus/deficit on the Provision of Services	146,235	0	0	0	12,566	**158,801**
Impairments recognised in the Revaluation Reserve	0	0	0	0	0	**0**
Impairments recognised in the Surplus/deficit on the Provision of Services	50,060	0	0	0	0	**50,060**
Re-classifications	0	0	0	0	0	**0**
De-recognition - disposals	0	33,081	0	0	0	**33,081**
Accumulated depreciation & impairment at 31st March 2018	**(1,665,373)**	**(1,929,352)**	**(102,318)**	**(620,913)**	**(182,153)**	**(4,500,109)**
Net BookValue 31 March 2017	*16,045,827*	*987,971*	*1,427,291*	*1,090,216*	*555,411*	***20,106,716***
Net Book Value at 31st March 2018	**14,418,348**	**1,126,029**	**1,597,624**	**1,020,519**	**455,819**	**18,618,339**

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 2019 by the District Valuer. The valuations are in accordance with the CIPFA Code of Practice and the relevant sections of the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The Authority values these assets over a five-year rolling programme, concentrating this year on car parks.

Impairments

There were no impairments this year.

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.

2017/18 £		2018/19 £
638,348	Gross carrying amounts at Start of Year	657,874
(451,144)	Accumulated amortisation to date	(488,584)
187,204	**Net Carrying Amount at Start of Year**	**169,290**
19,527	Additions	99,596
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
(37,441)	Amortisation for the period	(33,858)
0	Other changes	0
169,290	**Net carrying amount at end of year**	**235,028**
	Comprising:	
657,874	Gross carrying amounts	757,470
(488,584)	Accumulated amortisation	(522,442)
169,290		**235,028**

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 2018 £		31 March 2019 £
174,895	**Balance o/s at start of year**	**226,280**
262,007	Purchases	299,495
(197,733)	Recognised as an expense in the year	(245,958)
(12,889)	Written off balances / Reversals of write offs in previous years	1,096
226,280	**Balance o/s at year end**	**280,913**

Note 14 Debtors

Debtors can be analysed as follows:

31 March 2018 £		31 March 2019 £
1,289,243	Central Government Bodies	1,598,153
52,333	Other Local Authorities	24,345
0	NHS Bodies	0
0	Public Corporations and Trading Funds	0
1,127,166	Bodies external to general government	1,920,343
(27,057)	Less: Provision for Bad Debts	(31,988)
2,441,685	**Total**	**3,510,853**

Note 15 Cash and Cash Equivalents

Cash and Bank can be analysed as follows:

31 March 2018 £		31 March 2019 £
(261,247)	Bank current accounts	(221,349)
1,489	Cash held by the Authority	2,162
7,108,739	Deposits with North Yorks. County Council	5,205,164
6,848,981	**Total**	**4,985,977**

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

Note 16 Assets Held for Sale

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

2017/18 £		2018/19 £
62,000	**Balance outstanding at start of year**	**16,000**
0	Property, Plant & Equipment newly identified	205,400
0	Revaluation (losses) gains	(35,900)
0	Impairment losses	0
0	Property, Plant & Equipment declassified as held for sale	0
(46,000)	Assets sold	(16,000)
16,000	**Balance outstanding at year end**	**169,500**

One woodland property in this category was sold in the year.

Note 17 Creditors due within 12 months

Creditors can be analysed as follows:

31 March 2018 £		31 March 2019 £
115,934	Central Government Bodies	183,528
66,924	Other Local Authorities	29,201
0	NHS Bodies	0
0	Public Corporations and Trading Funds	0
1,290,206	Bodies external to general government	841,825
5,158	Provision for unpaid cheques	0
1,478,222	**Total**	**1,054,554**

Note 18 Provisions and Contingent Liabilities

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

Note 19 Capital Receipts Reserve

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:-

2017-18 £		2018-19 £
1,188,163	Balance at 1 April	**1,289,375**
132,907	Receipts received in year	143,957
(31,695)	Receipts used to finance Capital Expenditure	(69,435)
1,289,375	**Balance at 31 March**	**1,363,897**

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.

2017-18 £	Revaluation Reserve	2018-19 £
8,239,009	**Balance at 1 April**	**7,100,997**
0	Upward revaluation of assets	1,191,897
(876,014)	Downward revaluation of assets & impairment losses not charged to the Surplus/Deficit on the Provision of Services	(0)
7,362,995	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	**8,292,894**
(187,298)	Difference between fair value depreciation and historical cost depreciation	(140,897)
(74,700)	Accumulated gains on assets sold or scrapped / Other	(52,146)
(261,998)	Amount written off to the Capital Adjustment Account	**(193,043)**
7,100,997	**Balance at 31 March**	**8,099,851**

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.

2017-18 £	Capital Adjustment Account	2018-19 £
11,149,738	**Balance at 1 April**	**10,627,979**
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expenditure Statement (CIES)	
(603,199)	Charges for depreciation of non-current assets	(553,486)
(124,808)	Charges for impairment of non-current assets	(0)
(391,032)	Revaluation (losses) gains on Property, Plant & Equipment	(0)
(37,441)	Amortisation of intangible assets	(33,858)
0	Revenue expenditure funded from capital under statute	0
(118,396)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(110,613)
(1,274,876)		(697,957)
261,998	Adjusting amounts written out of the Revaluation Reserve	193,043
(1,012,878)	**Net written out amount of the cost of non-current assets consumed in the year**	**(504,914)**
	Capital financing applied in the year:-	
31,695	Use of the Capital Receipts Reserve to finance new capital expenditure	69,435
96,827	Capital grants and contributions credited to the CIES that have been applied to capital financing	698,212
141,495	Statutory provision for the financing of capital investment charged against the General Fund	131,650
221,102	Capital expenditure charged against the General Fund	180,463
491,119	**Total Capital Financing applied in year**	**1,079,760**
10,627,979	**Balance at 31 March**	**11,202,825**

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.

2017-18	**Pensions' Reserve**	**2018-19**
£		**£**
(14,888,000)	**Balance at 1 April**	**(14,652,000)**
1,684,000	Actuarial gains or (losses) on pensions assets and liabilities	(3,995,000)
(2,449,895)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(2,957,598)
1,001,895	Employer's pension contributions and direct payments to pensioners payable in the year	1,139,598
(14,652,000)	**Balance at 31st March**	**(20,465,000)**

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.

2017-18	**Accumulated Absences Account**	**2018-19**
£		**£**
(223,980)	**Balance at 1 April**	**(256,312)**
223,980	Settlement or cancellation of accrual made at the end of the preceding year	256,312
(256,312)	Amounts accrued at the end of the current year	(274,386)
(32,332)	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	(18,074)
(256,312)	**Balance at 31st March**	**(274,386)**

Note 21 Note to the Expenditure and Funding Analysis

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

2018-19 £	Adjustments for Capital Purposes (Footnote 1)	Net change for the Pensions Adjustments (Footnote 2)	Other Differences (Footnote 3)	**Total Adjustments**
Conservation of the Natural Environment	162,751	236,960	4,403	**404,114**
Conservation of the Cultural Heritage	0	26,280	457	**26,737**
Recreation Mgt & Transport	30,345	59,633	1,368	**91,346**
Promoting Understanding	(11,478)	96,008	1,777	**86,307**
Rangers, Estates Services & Volunteers	36,101	138,229	2,634	**176,964**
Development Control	316	89,913	1,717	**91,946**
Forward Planning & Communities	0	66,930	1,131	**68,061**
Support Services	(101,877)	602,450	4,588	**505,161**
Net Cost of Services	**116,158**	**1,316,403**	**18,075**	**1,450,636**
Other Income & Expenditure: Expenditure and Funding Analysis	(572,485)	414,000	0	(162,485)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	**(456,327)**	**1,730,403**	**18,075**	**1,292,151**

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

Footnote 1
Adjustments for Capital purposes: for the Net Cost of Services, this column adds in depreciation and impairment, and any revaluation gains and losses chargeable to the CIES. In respect of Other Income & Expenditure, this comprises adjustments not allowable under generally accepted accounting principles, either operating expenditure (See Note 8) – an adjustment for the gain or loss on the disposal of a non-current asset compared to its net book value; or a fair value adjustment; Financing & investment (see Note 9) – deductions for the statutory charges for capital financing (minimum revenue provision and other revenue contributions); and Taxation and non-specific grant income – the removal of capital grants.

Footnote 2
Adjustments for the removal of employers' pension cash contributions and the addition of employee benefit pensions' related expenditure and income: for the Net Cost of Services, this column removes the employer pension cash contributions made by the Authority as required by statute, and replaces with a current and past service cost figure assessed by the actuary. In respect of Other Income & Expenditure, this comprises the net interest cost of the defined benefit liability

Footnote 3
Other differences , in this case the adjustment reflecting the difference between staff salaries paid in cash during the year, and the adjustment required to reflect unused leave and flexi-hours carried forward by staff.

Expenditure and Income analysed by Nature

Expenditure	**2017-18**	**2018-19**
Employee expenses	8,137,764	9,037,838
Other service expenses	4,758,234	6,848,581
Capital accounting transactions	1,014,984	455,693
Interest Payments	423,088	443,287
Loss on the disposal of fixed asset	0	0
Total Expenditure	**14,334,070**	**16,789,399**
Income		
Fees, charges, and other service income	(2,089,147)	(2,309,580)
Grants	(2,715,256)	(3,531,174)
Government Grants	(8,015,556)	(9,605,860)
Donations	(21,768)	(29,870)
Interest & Investment Income	(51,179)	(60,672)
Gain on the disposal of fixed asset	(14,511)	(33,345)
Total Income	**(12,907,417)**	**(15,570,501)**
(Surplus) Deficit on the Provision of Services	**1,426,653**	**1,218,898**

Note 22 Acquired and Discontinued Operations

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

Note 23 Members' Allowances

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

2017-18		2018-19
£		£
49,636	Basic Allowance	60,099
17,798	Special Responsibility Allowance	19,818
9,891	Travel and Subsistence	8,907
77,325		**88,824**

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

Note 24 Employee Remuneration

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

	Number of Employees	
Payment Range	**2017-18**	**2018-19**
£50,000 - £54,999	1	0
£55,000 - £59,999	1	0
£60,000 - £64,999	1	2
£64,999 - £69,999	0	0
£70,000 - £74,999	0	0
£75,000 - £79,999	0	0
£80,000 - £84,999	0	0
£85,000 - £89,999	1	0
£90,000 - £94,999	0	1

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

Job Title	Salary	Benefits in Kind	Subtotal	Employers Pension contributions	Total Remuneration
Chief Executive	£90,212 *(£84,443)*	£0 *(£0)*	**£90,212** ***(£84,443)***	£16,752 *(£16,424)*	**£106,964** ***(£104,867)***
Director of Commercial Development & Outreach (incoming)	£17,852 *(£0)*	£0 *(£0)*	**£17,852** ***(£0)***	£3,315 *(£0)*	**£21,167** ***(£0)***
Director of Commercial Development & Outreach (outgoing)	£31,813 *(£61,716)*	£0 *(£0)*	**£31,813** ***(£61,716)***	£5,908 *(£11,461)*	**£37,721** ***(£73,177)***
Director of Conservation & Planning	£61,215 *(£58,316)*	£0	**£61,215** ***(£58,316)***	£11,368 *(£10,829)*	**£72,583** ***(£69,145)***
Director of Corporate Strategy & Development	£61,215 *(£52,359)*	£0 *(£0)*	**£61,215** ***(£52,359)***	£11,368 *(£9,723)*	**£72,583** ***(£62,082)***

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 £	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
£0-£20,000	2	0	1	2	3	2	36,621	18,956
£20,001-£40,000	0	0	0	0	0	0	0	0
£40,001 - £60,000	0	0	0	0	0	0	0	0
£60,001 - £80,000	0	1	0	0	0	1	0	71,173
Total	**2**	**1**	**1**	**2**	**3**	**3**	**36,621**	**90,129**

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

Note 25 External Audit Cost

Fees paid to KPMG LLP (2017-18) and Mazars LLP (2018-19) for audit services were as follows:-

	2017-18 £	2018-19 £
External audit services as appointed auditor	13,259	10,208
Fees in respect of statutory inspection	0	0
Fees payable for certification of grant claims and returns	0	0
Fees payable in respect of any other services provided by the appointed auditor	0	0
Total	**13,259**	**10,208**

Note 26 Grant Income

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

2017-18 £		2018-19 £
	Revenue Grants Credited to Services	
41,458	Visit Peak District – Pedal Peak Business Initiative	133,547
257,476	Dept of Culture, Media & Sport - Discover England Project	569,685
205,004	DEFRA – Environmental Stewardships	875,543

35,485	MHCLG – Neighbourhood Planning Grants	38,687
24,612	MHCLG – Communities Fund Grant	-
26,398	English Heritage – Archaeology Projects	-
114,996	Environment Agency – Moors for the Future / MoorLIFE Project	119,639
30,579	Natural England - Pennine Way Ranger	35,702
687,569	Natural England – Moors for the Future / MoorLIFE work	518,444
174,215	Heritage Lottery Fund – MFF Community Science Project	110,524
-	Heritage Lottery Fund – MFF Moor Business Project	11,408
214,742	Heritage Lottery Fund – South West Peak Project	382,224
37,140	RSPB - Moors for the Future / MoorLIFE work	27,863
20,000	Derbys County Council – Rights of Way	20,000
15,000	Derbys County Council – Rights of Way Moors for the Future / MoorLIFE work	-
12,152	Derbys Dales DC – Pedal Peak Business Initiative	17,848
45,000	9 Other National Parks – Discover England Project	90,600
20,000	Tarmac Ltd – Conservation Volunteers Project	20,000
-	The Woodland Trust – Clough Woodlands	-
95,309	Private Landowners - Moors for the Future / MoorLIFE work	93,219
88,882	United Utilities – Joint Ranger Costs	93,900
158,877	United Utilities – Moors for the Future / MoorLIFE Project	249,406
48,147	Severn Trent Water - Joint Ranger Costs	49,189
160,928	Severn Trent Water – MFF/MoorLIFE Project	238,768
50,000	Severn Trent Water – Car Park	50,000
14,094	Severn Trent Water - Operating Costs at Upper Derwent Visitor Centre	14,751
36,360	Yorkshire Water - Joint Ranger Costs	36,724
372,233	Yorkshire Water - Moors for the Future / MoorLIFE Project	238,534
15,959	National Trust – Moorland Discovery Project	16,279
41,646	National Trust - Moors for the Future / MoorLIFE Project	31,446
960,037	European Life Funding – MoorLIFE Project	1,556,849
21,182	OFGEM – Aldern House / North Lees Farmhouse Biomass Boilers	20,705
209,665	Other Revenue Grants each under £10,000	183,898
4,235,145	**Total**	**5,845,382**

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:-

2017-18 £		2018-19 £
	Grants Received in Advance	
15,715	English Heritage – Ecton Mine Project	15,724
-	European Outdoor Conservation Award - MFF	13,049
-	National Grid - Longdendale Landscape Enhancements	40,160
38,518	National Trust – Moors for the Future Project / MoorLIFE Project	24,286
13,609	Environment Agency – Moors for the Future Project / MoorLIFE Project	36,081
20,884	RSPB – Moors for the Future Project / MoorLIFE Project	-
20,684	Natural England – Moors for the Future Project / MoorLIFE Project	42,366
18,595	Yorkshire Wildlife Trust - Moors for the Future Project / MoorLIFE Project	17,560
27,857	Sheffield City Council – Moors for the Future Project / MoorLIFE Project	27,857
455,133	Severn Trent Water – Moors for the Future Project / MoorLIFE Project	677,380
581,955	Yorkshire Water – Moors for the Future Project / MoorLIFE Project	564,108
432,579	United Utilities – Moors for the Future / MoorLIFE Project	410,991
-	HLF – Moors for the Future Project / MoorLIFE Project	16,192
-	Visit England – Discover England Project	60,841
722,905	European Life Grant – MoorLIFE2020	-
70,657	Other Revenue Grants received in advance each under £10,000	72,567
2,419,091	**Total**	**2,050,208**

Note 27 Related Party Transactions

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

The Authority engages in a variety of formal and informal partnerships, and may contribute to those organisations financially to help further National Park purposes. It does not have control of those bodies. The Authority is a Member of National Parks

Partnerships LLP, a body constituted to further the sponsorship ambitions of National Parks, and the Chair of the Authority is the Member representative. The Chair of the Authority is also a Director of National Parks UK Ltd and National Parks England Ltd, which are companies limited by guarantee furthering the interests of the UK National Parks and English National Parks respectively; the Authority has joint ownership with the other National Parks of these companies. Three Authority Members are Trustees of the new Peak District Foundation charity, which is an independent registered charity with the principal aim being to raise funds for the Peak District National Park. There are no other related parties with joint control or significant influence, subsidiaries, associates, or joint ventures in which the Authority is a venturer. All Members and Chief Officers of the Authority are deemed to be key management personnel and are required to disclose any financial transactions with the Authority, other than those received as part of normal conditions of employment or approved duties, in the Members' Register of Financial and Other Interests which is open to public inspection; this disclosure also applies to their involvement with entities which they may have significant influence over. FOne Member was paid £1,944 during the year for an ecological survey. The spouse of one Member was paid a grant of £6,166 for construction of a cycle store at her holiday cottage. One Member provided land for temporary use at a cost of £2,736 and whose spouse also charged the Authority for Health & Safety training totalling £4,056 during the year. One Member has a writing business to which the Authority paid £100 for publications during the year. One Member received a farm grant of £2,218 during the year. In summary during the normal course of business the following significant transactions were made between the Authority and other related parties:

	Income **£**	***Outstanding*** **£**	**Expenditure** **£**	***Outstanding*** **£**
Government Bodies – other	2,188,527	*1,335,653*	-	-
Other Local Authorities	26,908	*22,023*	232,478	*31,191*
Other National Parks	142,366	-	123,098	-
National Parks UK Ltd	1,363	-	20,904	-
National Parks Partnership LLP	-	-	10,000	-
National Parks England	-	-	21,378	-
Rural Development Funds	133,547	-	-	-
European Funds	1,599,999	*877,094*	-	-
Water companies	993,324	*350,813*	272,562	*13,948*
Lottery	528,514	*108,551*	-	-
OFGEM	20,705	*5,988*	-	-
Tarmac PLC	20,000	*10,000*	-	-
Support Staffordshire	9,859	-	-	-
The Wildlife Trusts	13,466	*8,710*	75,981	*20,420*
RSPB	49,946	*0*	67,124	*4,503*
National Trust	52,364	*2,197*	7,285	-
Total	**5,780,888**	***2,721,029***	**916,791**	***90,466***

Note 28 Capital Expenditure

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

2017-18 **£**		**2018-19** **£**

967,171	**Opening Capital Financing Requirement**	**1,074,651**
	Capital Investment	
101,663	Land & Buildings	803,104
294,267	Vehicles, Plant & Equipment	135,867
183,142	Community Assets	69,158
0	Infrastructure Assets	40,692
19,527	Intangible Assets	99,596
0	Revenue Expenditure Funded from Capital under Statute	0
598,599	**Total**	**1,148,417**
	Sources of Finance	
(31,695)	Capital Receipts	(69,435)
(96,827)	Government Grants and other contributions	(698,212)
	Sums set aside from Revenue	
(221,102)	Direct Revenue Contributions	(180,463)
(141,495)	Minimum Revenue Provision for repayment of principal	(131,650)
1,074,651	**Closing Capital Financing Requirement**	**1,143,308**
	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
248,975	Expenditure not supported by government financial assistance financed from internal funds	200,307
0	Use of Capital Receipts to reduce CFR	0
(141,495)	Minimum Revenue Provision	(131,650)
0	Assets acquired under finance leases	0
107,480	**Increase (Decrease) in Capital Financing Requirement**	**68,657**

Note 29 Statement of Capital Charges charged to Revenue

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

2017-18 £		**2018-19 £**
	Conservation of the Natural Environment	
(9,582)	Forestry & Tree Mgt	1,285
19,618	Conservation Projects	32,145
91,512	Estates Management	70,798
101,548		104,228
	Recreation Management	
48,242	Campsites, Hostels & Barns	16,073
71,353	Access, Walking and Riding Routes	66,184
262,583	Car Parks & Concessions	127,489
6,972	Cycle Hire	6,627
20,174	Toilets	19,838
409,324		236,211
	Promoting Understanding	
608,642	Visitor Centres	38,300
713	Environmental Education	611
609,355		38,911

	Rangers, Estate Service & Volunteers	
57,624	Rangers	26,544
15,661	Conservation Volunteers	14,766
292	Estate Workers	277
73,577		41,587
	Development Control	
395	Development Control	317
	Service Management and Support Services	
2,520	Vehicles	5,852
(138,033)	Headquarters Premises	56,952
97,794	Capitalised IT Expenditure	103,286
(37,719)		166,090
1,156,480	**Total**	**587,344**

Note 30 Leases

Authority as Lessee

Finance Leases
The Authority does not have any finance leases. As such the liability for future rentals, or any asset value, is not shown in the balance sheet.

Operating Leases

Vehicles
The fleet management policy was unchanged during 2018/19 and again had no vehicle leases in operation.

Equipment
The Authority has acquired its ICT services (namely networking servers including processing power, memory (RAM) and storage capacity) by entering into an operating lease, with the current contract running until January 2022. This is a new arrangement replacing the previous in-house system.

Property
The revenue charge reports the total lease payments made in year (including arrears payments where specified).

During the year ended 31st March 2019 the Authority made the following payments for operating leases charged to revenue:

	31 March 2019	31 March 2018
	£	**£**
Vehicles	0	0
Equipment	80,684	70,012
Property	77,125	85,775
Total	**157,809**	**155,787**

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

	31 March 2019	31 March 2018
	£	**£**

Not later than one year	173,667	168,174
Later than one year and not later than five years	545,721	677,812
Later than five years	86,855	96,596
Total	**806,243**	**942,582**

The figures for 31 March 2018 have been restated to include the IT equipment charges and the Eastern Moors management payment that were omitted from the note last year.

Authority as Lessor

Finance Leases
The Authority has not issued any finance leases.

Operating Leases
The Authority leases out property under operating leases primarily for the following purposes:

- For the provision of Farm Business Tenancies on Authority owned land and Agricultural Grazing of livestock for private working farms
- The lease of office accommodation to private businesses
- The provision of local market rents on the Warslow Estate
- The lease of the Eastern Moors to the EM Partnership for moor management and sustainability

The figure for 31 March 2018 for the Eastern Moors lease has been restated as it was omitted from the note last year.

The Authority collected the following rents in 2018/19 from its assets as lessor:

	31 March 2019 £	31 March 2018 £
General Rents	1,973	2,558
Agricultural Rents	120,574	117,463
Residential Rents	91,522	83,318
Business Rents	26,947	40,106
Agricultural Licences	16,916	14,916
Business Licences	53,551	37,038
Eastern Moors Lease	22,083	21,398
Total	**333,566**	**316,797**

The table below shows in aggregate the future minimum lease payments receivable for non-cancellable leases in future years. 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 retained and calculated according to expected returns as advised by the Authority's Property Service. There have been no changes to the method of calculation.

	31 March 2019	31 March 2018

	£	£
Not later than one year	229,631	206,172
Later than one year and not later than five years	965,376	866,754
Later than five years	253,531	227,630
Total	**1,448,538**	**1,300,556**

Note 31 Heritage Assets

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

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

Note 32 Defined Benefit Pension Scheme

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

<u>Comprehensive Income and Expenditure Account</u>

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:-

2017-18 £			2018-19 £
	Cost of Services		
2,022,000	Current Service cost		2,141,000
0	Curtailments / Settlements		0
41,000	Past Service cost (gain)		315,000
2,063,000			2,456,000
	Financing & Investment Income & Expenditure		
400,000	Net Interest Expense	Note 9	414,000
2,463,000	Total Chargeable to Surplus or Deficit on the Provision of Services		2,870,000
	Other amount chargeable to the CIES (Re-measurement of plan liabilities)	Note 5	
(435,000)	Return on plan assets excluding amount included in net interest expense above		(1,549,000)
(0)	Actuarial (gains) and losses arising on changes in demographic assumptions		(0)
(1,260,000)	Actuarial (gains) and losses arising on changes in financial assumptions		5,527,000
11,000	Other Experience		17,000
(1,684,000)	Total Re-measurements		3,995,000
(1,684,000)	**Total Charged to the Comprehensive Income & Expenditure Account**		**3,995,000**
	Movement in Reserves Statement		
(2,463,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services		(2,870,000)
	Employers' Contributions payable		
1,001,895	Actual amount charged against the General Fund balance for pensions in the year		1,139,598

Balance Sheet

The underlying assets and liabilities for retirement benefits attributable to the Authority as at 31st March 2019 are as follows:

2014-15 £	2015-16 £	2016-17 £	2017-18 £		2018-19 £
(58,268,000)	(54,366,000)	(65,737,000)	(66,819,000)	Estimated Liabilities in scheme	(75,238,000)
42,519,000	42,176,000	50,849,000	52,167,000	Estimated Assets in scheme	54,773,000
(15,749,000)	**(12,190,000)**	**(14,888,000)**	**(14,652,000)**	**Net Asset (Liability)**	**(20,465,000)**
73%	78%	77%	78%	% Funded	72%

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The total liability of £20.465m 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 2018	**66,819,000**
Current Service cost	2,141,000
Interest Cost	1,817,000
Contributions from scheme participants	361,000
Re-measurement (Gains) and losses:-	
-changes in demographic assumptions	0
-changes in financial assumptions	5,527,000
-Other	17,000
Past Service Cost	315,000
Curtailment (gains) losses	0
Benefits paid	(1,759,000)
Closing Balance 31st March 2019	**75,238,000**

Analysis of Value of Scheme Assets

	£
Opening fair value 1st April 2018	**52,167,000**
Interest income	1,403,000
Re-measurement gain (loss):-	
Return on plan assets excluding amount in net interest expense charged to CIES	1,549,000
Other	0
Contributions from employer	1,052,000
Contributions from employees into the scheme	361,000
Benefits paid	(1,759,000)
Closing fair value 31st March 2018	**54,773,000**

Analysis of Pension Fund Assets

Asset Category	Period Ended 31st March 2019				Period Ended 31st March 2018			
	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	3,327.3	0	3,327.3	6	3,353.3	0	3,353.3	6
Manufacturing	3,456.7	0	3,456.7	6	4,581.2	0	4,581.2	9

Energy/Utilities	2,421.1	0	2,421.1	4	2,854.7	0	2,854.7	5
Financial institutions	2,667.2	0	2,667.2	5	3,611.5	0	3,611.5	7
Health & Care	1,735.4	0	1,735.4	3	1,799.4	0	1,799.4	3
Information Technology	1,308.4	0	1,308.4	2	1,550.6	0	1,550.6	3
Other	5,854.2	0	5,854.2	11	5,944.1	0	5,944.1	11
Debt Securities:								
Corporate Bonds (Investment Grade)	0	5,776.8	5,776.8	11	0	4,109.5	4,109.5	8
Corporate Bonds (non-Investment Grade)	0	0	0	0	0	0	0	0
UK Government	5,103.0	0	5,103.0	9	4,931.6	0	4,931.6	9
Other	1,066.4	0	1,066.4	2	812.9	0	812.9	2
Private Equity:								
All	763.7	731.6	1,495.3	3	709.0	345.8	1,054.8	2
Real Estate:								
UK property	0	4,369.1	4,369.1	8	0	3,432.0	3,432.0	7
Overseas Property	0	0	0	0	0	0	0	0
Investment Funds & Unit Trusts:								
Equities	9,647.8	0	9,647.8	18	9,927.9	0	9,927.9	20
Bonds	0	0	0	0	0	0	0	0
Hedge Funds	0	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0	0
Infrastructure	863.6	1,329.6	2,193.2	4	800.7	896.4	1,697.1	3
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	0	4,351.1	4,351.1	8	0	2,506.4	2,506.4	5
Totals	**38,215**	**16,558**	**54,773**	**100**	**40,876.9**	**11,290.1**	**52,167.0**	**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 2018. The actuaries have relied upon mortality assumptions based on a bespoke set of "VitaCurves" specifically tailored to fit the membership profile of the Fund, in line with the 2013 model published by the Continuous Mortality Investigation (CMI):-

	Illustrative example: life expectancy currently aged 65	**April 2017 assumption**	**March 2018 assumption**
Current Pensioners	Males normal health	21.9	21.9
	Females normal health	24.4	24.4

Future	Males normal health	23.9	23.9
Pensioners	Females normal health	26.5	26.5

The main assumptions used in their calculations have been

2017-18 %		2018-19 %
2.9	Rate of increase in salaries	3.0
2.4	Rate of increase in pensions	2.5
2.7	Discount rate for scheme liabilities	2.4

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 2019/20 are expected to be in the region of £1,003,000. The projected current service cost for 2019/20 is estimated to be £2,441,000.

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

Change in assumption at March 2019	Approximate % increase to Employer liability	Approximate monetary amount £,000
0.5% decrease in Real Discount Rate	10	7,634
1 year increase in member life expectancy	3-5	-
0.5% increase in the Salary increase Rate	1	823
0.5% increase in the Pension increase Rate	9	6,699

McCloud Judgement

When the Local Government Pension Scheme (LGPS) benefit structure was reformed in 2014, transitional protections were applied to certain older members close to normal retirement age. The benefits accrued from 1 April 2014 by these members are subject to an 'underpin' which means that they cannot be lower than the benefits they would have received under the previous structure. The underpin ensures that these members do not lose out from the introduction of the new scheme, by effectively giving them the better of the benefits from the old and new schemes.

In December 2018 the Court of Appeal upheld a ruling ("McCloud/Sargeant") that similar transitional protections in the Judges' and Firefighters' Pension Schemes were unlawful on the grounds of age discrimination. The implications of the ruling are expected to apply to the LGPS (and other public service schemes) as well. The UK Government requested leave to appeal to the Supreme Court but this was denied at the end of June 2019. LGPS benefits accrued from 2014 may therefore need to be enhanced so that all members, regardless of age, will benefit from the underpin. Alternatively, restitution may be achieved in a different way, for example by paying compensation. In either case, the clear expectation is that many more members would see an enhanced benefit rather than just those currently subject to these protections. There will therefore be a retrospective increase in members' benefits, which in turn will give rise to a past service cost for the

Fund employers. The Accounts include the Fund Actuary's assessment of the impact of the judgement which is:-

Adjustment to total liabilities	0.3%
Adjustment to total liabilities	£250,000

Guaranteed Minimum Pension (GMP) Equalisation

Guaranteed minimum pension (GMP) was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number or reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men and women's benefits.

As an interim solution to avoid this problem, GMP rules were changed so that the responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes themselves for members reaching state pension age between 6 April 2016 and 5 April 2021. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers.

The Fund's actuary has carried out calculations in order to estimate the impact that the GMP indexation changes will have on the liabilities of the Authority for financial reporting purposes. The estimate assumes that the permanent solution eventually agreed will be equivalent in cost to extending the interim solution to all members reaching state pension age from 6 April 2016 onwards. The estimate as it applies to the Peak District National Park Authority is that total liabilities could be 0.1% higher as at 31 March 2019, an increase in total liabilities of approximately £70,000. These numbers are approximate estimates based on employer data as at 31 March 2016 and will be revised at the upcoming valuation.

Note 33 Risks Arising from Financial Instruments

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

£	Long Term				Current		
	31st March 2017	31st March 2018	31st March 2019		31st March 2017	31st March 2018	31st March 2019
Investments							
Loans and receivables	0	0	0		7,085,836	6,848,981	4,985,977
Debtors							
Financial assets carried at contract	0	0	0		2,323,680	2,307,049	3,319,196

amounts							
Total Debtors & Investments	**0**	**0**	**0**		**9,409,516**	**9,156,030**	**8,305,173**
Borrowings							
Financial liabilities at amortised cost	(472,706)	(459,971)	(419,942)		(24,600)	(12,735)	(26,995)
Total Borrowings	**(472,706)**	**(459,971)**	**(419,942)**		**(24,600)**	**(12,735)**	**(26,995)**
Creditors							
Financial liabilities at amortised cost	0	0	0		(1,519,585)	(1,133,106)	(803,267)
Total Creditors	**0**	**0**	**0**		**(1,519,585)**	**(1,133,106)**	**(803,267)**

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

Credit Risk

This is defined as the possibility that one party to a financial instrument will fail to meet its contractual obligations causing a loss for the other party. The Balance Sheet contains two items of this nature, Debtors (Note 14) and Cash and Cash Equivalents (Note 15). The Debtors figure contains £1,622,498 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 2018-19. The Debtors figure of £1,920,343 relating to bodies external to government arises from a combination of normal business activity and one-off projects. The bad debts provision of £31,988 is regarded as sufficient mitigation of the risks of general debts not being paid, representing 15% of debt outstanding over 4 months in age. The provision is reviewed annually. All Short Term investments, in accordance with the Authority's Treasury Mgt Policy, are invested with North Yorkshire County Council under a Service Level Agreement. The risk of North Yorkshire County Council failing to meet its contractual obligations under this agreement is judged to be low. The Authority has adopted North Yorkshire County Council's Treasury Management Policy at its March 2019 meeting. The Authority's Treasury Management Policy emphasises that the security of its cash resources is the primary objective of its Treasury Management, over and above the need to obtain a reasonable investment return.

Liquidity Risk

This is defined as the possibility that the Authority might not have the funds available to meet its commitment to make payments. The Balance Sheet shows that the Authority has sufficient cash to finance its current liabilities, and the Treasury Mgt Policy allows the Authority to borrow to finance its working capital needs if necessary. In practice this has not been needed as Defra allow National Park Grant to be drawn down quarterly based on cashflow forecasts, and these forecasts include prudent contingencies for working capital. For its capital resources the Authority is able to draw on long term loans from the Public Works Loan Board.

Market Risk

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

The Authority does not have any investment in equity shares.

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

The exposure relates to the Moorlife 2020 project, which is a five year project with 75% grant aid from the European Commission of €11,984,887, starting in 2016/17. The project therefore has an element of exchange rate risk depending upon the exchange rate of the euro against sterling, at key points in the five year project. Sterling expenditure on the project is converted monthly by the Commission at the exchange rate on the first working day of the calendar month, which then represents the project expenditure for the year denominated in euros, from which the appropriate % of grant aid is derived in euros. The grant is drawn down in four stages, and the date on which the euro grant is drawn down and paid over determines the value of sterling income received. The first tranche (40%) of the grant, €3,595,466, was paid in advance in October 2015, and the second tranche (30%) of €2397,176 was paid in May 2019.

A financial risk to the Authority was identified if sterling strengthened significantly against the euro during the project, considered to be in the region of £1.5m at its maximum. The risk was therefore be mitigated by adjusting the overall sterling budget of the project (downwards by up to £1.5m), and also by considering how forward exchange contracts might be used to give greater certainty over future transaction exchange rates. A contingency of £500,000 has been allocated to an earmarked reserve to take account of any further exchange rate and grant draw down risks to the completion of the project, and this is considered to be sufficient based on current analysis of the project. A further risk was identified as a result of “Brexit” and specific assurances have been sought that the project would be covered by the Chief Secretary to the Treasury’s guarantee that such projects would be underwritten by the UK government. A letter from Defra’s Permanent Secretary was received on the 9th February 2016, to this effect.

In terms of interest rate risk, the unprecedented reduction in variable interest rates during the 2008-09 year and continuing very low base rates has had a large impact on the rate of interest earned on surplus funds during the year. Budgetary assumptions have been adjusted assuming these low variable interest rates would prevail. There is not therefore considered to be a significant risk in the Authority’s financial position arising from changes in variable interest rates, other than continuing pressure on budgets because of the depressed receipts. The Authority’s long term borrowings are at a fixed rate of interest, and it is the Authority’s policy to manage these risks by monitoring prevailing long term interest rates, ensuring that exposure to uncompetitive interest rate payments is minimised where possible. The timing of capital investment and raising of loan finance is also reviewed and forecast, in order to take advantage of interest rates which compare favourably against long term averages; the Capital Financing Requirement (CFR) is also managed in the short term with internal use of funds. Of the £1,143,308 CFR £446,937 is financed from external fixed rate debt, with £696,371 at risk of interest rate fluctuations, and it is considered that there is a reasonable risk in continuing to finance this from internal funds while the markets are still pricing medium term interest rates at low levels.

Note 34 Prior Year Adjustments

There have been no prior year adjustments.

Note 35 Loans

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

31 March 2018 £	Analysis by Type of Loan	31 March 2019 £
12,735	Public Works Loan Board	26,995
12,735	**Total**	**26,995**

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

31 March 2018	Analysis by Type of Loan	31 March 2019	Ave. Interest Rate
£		£	%
459,971	Public Works Loan Board	419,942	4.7
459,971	**Total**	**419,942**	
	Analysis by maturity		
40,029	Between 1 and 2 years	28,278	4.7
88,933	Between 2 and 5 years	76,720	4.7
178,748	Between 5 and 10 years	182,948	4.7
152,261	Between 10 and 15 years	131,996	4.7
0	Between 15 and 20 years	0	-
0	Between 20 and 25 years	0	-
459,971		**419,942**	**4.7**

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 2018		31 March 2019
597,550	**PWLB Fair Value**	**569,803**
	Balance Sheet Carrying Value	
12,735	Under 1 year	26,995
459,971	Between 1 and 30 years	419,942
472,706		**446,937**

The Fair Value is more than the carrying amount at 31st March 2019 because the fixed rate loan interest payable on existing loans is higher than the rates available for similar loans at that date. This Fair Value is derived by discounting the current fixed repayments remaining on the loan using the interest rates available at Balance Sheet date, with the result that if the Authority requested an early repayment of the loan, the lower interest rates prevailing at Balance Sheet date would result in the PWLB requesting a higher current value for the repayment than the amount outstanding shown in the Balance Sheet. The Authority has one long term loan only:-

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

Note 36 Impact of Accounting Changes

Under the Code, the Authority is required to disclose details on the impact of an accounting change required by a new accounting standard that has been issued but not yet adopted by the Code.

The principal accounting change that will affect this Authority's accounts will arise from the introduction of IFRS 16 – Leases. This standard is anticipated to apply from 1st April 2020, and establishes a new model for accounting for leases of substantial long term leased assets. The likely impact is that leases classified as operating leases may need to be re-classified in a similar way to finance leases currently.

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

2017-18 £		£	2018-19 £
1,426,653	**(Surplus) Deficit on Income & Expenditure Account**		**902,898**
(2,175,982)	Adjustments between accounting basis and funding basis (Note 6)	(976,151)	
(1,449,293)	Transfers to (from) earmarked reserves (Note 7)	86,342	(889,809)
(22,640)	**(Increase)/Decrease in General Reserve Balance for the year**		**13,089**
(141,495)	Minimum / Voluntary Revenue Provision	(131,650)	
(671,689)	Contributions (to)/from Reserves	(230,533)	
(55,000)	Contributions (to)/from Restricted Funds	144,191	
298,789	(Increase)/Decrease in Creditors	373,518	
656,153	(Increase)/Decrease in Advance Income	359,790	
(97,098)	Increase/(Decrease) in Debtors	1,058,501	
51,385	Increase/(Decrease) in Stock	54,633	
(221,102)	Revenue Contribution to Capital Expenditure	(180,463)	
(180,057)			**1,447,987**
(202,697)	**Net Cash Flow Operating Activities**		**1,461,076**

Note 38 Reconciliation of Liabilities Arising from Financing Activities

	1st April 2018 £	Financing cashflows £	1st March 2019 £
Long Term Borrowings	(459,971)	40,029	**(419,942)**
Short Term Borrowings	(12,735)	(14,260)	**(26,995)**
Total Liabilities from Financing activities	**(472,706)**	**25,769**	**(446,937)**