

Statement of Accounts for the Financial Year

1st April 2014 to 31st March 2015

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Signed:

Date:

Chair of the Audit, Resources & Performance Committee

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

Peak District National Park Authority Annual Accounts for the Year Ended 31st March 2015

Statement of Responsibilities for the Statement of Accounts

The Authority's responsibilities

The Authority is required:

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

The Chief Finance Officer's responsibilities

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

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

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

The Chief Finance Officer has also:

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

Authorisation for Issue and Certificate of Chief Finance Officer

I certify that the accounts gives a true and fair view of the financial position of the National Park Authority as at 31st March 2015 and its income and expenditure for the year ended 31st March 2015.

Philip Naylor
Chief Finance Officer to the Authority
15th June 2015

Peak District National Park Authority

Annual Accounts for the Year Ended 31st March 2015

1. Explanatory Foreword

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

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

Movement in Reserves

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

Comprehensive Income & Expenditure Account

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

Balance Sheet

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

Cash Flow Statement

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

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

1.3 Each year the Department for Food and Rural Affairs (Defra) sets the level of funding for the National Park Authority. In 2014-15 the funding was set at £6,367,867 (£6,960,536 in 2013-14), including any supplementary allocations received in-year. An annual balanced budget is set by the Authority based on the National Park Grant, income from sales, fees and charges and internal financing measures such as interest on cash flow and use of reserves.

1.4 Overall, the Authority's usable reserves decreased by only £4,159, a figure which belies active movements between the underlying cash reserves, with a £952,383 transfer into specific reserves and a corresponding £828,662 use of those reserves; a £72,241 reduction in the General Reserve, and £90,290 funds from the Capital Reserve to support capital investments in the year.

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

1.6 The Authority continued its rolling programme of asset re-valuations, concentrating on toilets, cycle hire centres, visitor centres, and miscellaneous other properties.

1.7 In accordance with accounting practice, the Authority must show the present value surplus or deficit position on its share of the Pension Fund on the Balance Sheet. The net position as at 31st March 2015 shows an increased liability of £15.749m, an increase of £5.198m compared to the liability of £10.551m for the preceding year. The liability is assessed on an actuarial basis using a present value estimate of the pensions that will be payable in future years, over and above the assets within the Fund retained for this purpose. The level of employer and employee contributions into the Fund are assessed every three years with a view to ensuring that the assets within the Fund are capable of financing in full future pension commitments. Fluctuations often occur as the valuations made for the purpose of the accounts are based on prevailing economic conditions (e.g. bond yields, stock market values, inflation rates etc) at balance sheet date. Full details are explained in Note 33.

1.8 For the 2014-15 financial year the Authority set a borrowing limit (the "authorised" limit) of £1.8m. The Authority's borrowing as at 31st March 2015 was £657,067. The Authority's Capital Financing Requirement, i.e. its underlying need to borrow for capital purposes, was £829,638.

1.9 Explanation of Main Variances Between Years.

On February 7th 2014 the Authority approved the 2014/15 Budget and the variances from the previous year were mainly in line with budget expectation and allocations. A more detailed financial commentary on the 2014/15 results can be found in the outturn report which was reported to Audit, Resources and Performance Committee on the 5th June 2015; obtainable from the Authority's website (www.peakdistrict.gov.uk - under Committee meetings) or by request to the Head of Finance, Aldern House, Baslow Rd, Bakewell, Derbyshire tel 01629 816366. Many of the variances shown in the Comprehensive Income and Expenditure Statement arise from normal business and project related fluctuations; the main variances (above £50,000 and 10% of the previous year's net expenditure) are outlined below.

	Variance £,000	Comment
Comprehensive Income and Expenditure Statement (CIES)		
Estate Management	-105	Reduced expenditure on property staffing, consultancy expenditure and improvements in property income levels
Area projects	+50	Increased expenditure arising from the PDNPA contributions to cycling projects compared to the previous year

Environmental Education (New Learning Team)	-83	The one off effect of the unrealised impairment of bungalow premises occupied by the service charged to the CIES following downwards revaluation compared to the Net Book value, in 2013/14.
Community Development	-131	Principally reduction in grant expenditure as the Sustainable Development Fund draws to a conclusion.
Corporate Mgt & Core	-126	A reduction in employee redundancy costs in 2014/15
Balance Sheet		
Long Term Assets	+483	Capital additions of some £232k (mainly enhancement of tenanted farms, boiler and headquarters alterations, and IT expenditure); asset valuation increases of £890k; depreciation of £639k;
Current Assets	-456	Debtors' levels have increased by £1,160k mainly as a result of fluctuations in projects with claims outstanding at year end. Cash balances have decreased by £1,635k; stock levels at visitor centres increased by £19k at year end.
Current Liabilities	-416	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, and the accounting system's bank account "overdraft" was reduced.
Long Term Liabilities	+5,033	the impact of the actuarial estimates used to provide notional figures to comply with International Accounting Standard 19 – Retirement Benefits - (see Note 33) is the principal reason for the increase (£5,198k); there is also a small reduction in grants receipts in advance (£68k) as these projects have progressed and the income is accounted for as revenue income in the 2014/15 year (see Note 27). £98k of long term borrowing was also repaid during the year.
General Fund	-72	The General Fund has reduced by £72k mainly due to an allocation of £100,000 from this Reserve into the Re-structuring specific reserve; the overall level of cash reserves stayed approximately the same with only a small £4k reduction.
Economic Impact		The Authority's income sources largely continue to achieve their budget estimates, despite difficult economic times and stretched estimates required as part of the programme to achieve balanced budgets with a significantly reduced central grant figure. The number of Planning applications increased by 5%. Note 34 highlights the Authority's exposure to interest rate risk, which is now minimised in revenue budgets. Uncertainties remain over National Park Grant funding for future periods beyond 2015/16.

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

1.10 In December 2014 the Department of Environment, Food and Rural Affairs (DEFRA) confirmed National Park Grant figures which over the period from 2010-11 to 2015/16 comprised year on year cash reductions with a cumulative reduction by 2015-16 of 24.6% from its 2010/11 level, which represents approximately a 37% decrease in real terms after taking account of inflationary cost pressures. Concerns remain that overall government spending up to 2018/19, based on projections for "non-protected" government departments, will continue to fall at a similar rate. Meeting the challenge up to 2015/16 required the Authority to find ongoing revenue savings totalling £2.4m, in order to balance to the 2015-16 National Park Grant figure of £6,257,122 (2009-10 National Park Grant = £8,309,049). The Authority has to date approved

reductions achieving this £2.4m, including the approved budget for 2015/16. The focus turns now to how the Authority will cope with what the next Spending Review period brings.

1.11 The Authority has maintained a satisfactory financial position in 2014/15, 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 concerned a cautious approach to longer term commitments, ensuring the Authority was able to maintain a degree of flexibility in responding to future settlements, whilst retaining sufficient contingency reserves to cope with the lack of certainty over future National Park Grant provision. Whilst this caution remains very clearly necessary, any flexibility has effectively disappeared, and the Authority is therefore concentrating in its corporate planning on strategic thinking over what the Authority will give "certainty" to over the next four year period, and what will have to be financed differently, and with less certainty perhaps, from income sources other than National Park Grant. The Authority's temporary cash reserves remain absolutely critical in achieving a managed and orderly transition to this new financial baseline position.

2. Summary of Significant Accounting Policies

2.1 General Principles

2.1.1 The Statement of Accounts summarises the Authority's transactions for the 2014/15 financial year and its position at the year-end of March 2015. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2011, which require preparation in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the UK (2014/15) and the Service Reporting Code of Practice (2014/15), supported by International Financial Reporting Standards (IFRS).

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

2.1.3 The analysis of expenditure used in the Comprehensive Income and Expenditure Statement is based on the requirements contained in the Grant Memorandum issued by the Department for Environment, Food and Rural Affairs (DEFRA), which complies with CIPFA guidance on Accounting for Overheads in Local Government, and the National Parks' Service Expenditure Analysis.

2.2 Accruals of Income and Expenditure

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

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

2.3 Acquisitions and Discontinued Operations

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

2.4 Cash and Cash Equivalents

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

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

2.5 Exceptional Items

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

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

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

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

2.7 Charges to Revenue for Non-Current Assets

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

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

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

2.8 Employee Benefits

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

so that holiday benefits are actually charged to revenue in the financial year in which the holiday absence occurs.

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

2.9 Post - Employment Benefits

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

2.9.2 The liabilities of the pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc and projections of earnings for current employees. Liabilities are discounted to their value at current prices, using a discount rate of 3.2%.

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

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

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

2.9.5 Statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in

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

2.10 Events After the Balance Sheet Date

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

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

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

2.11 Financial Instruments

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

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

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

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

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

2.11.6 Where assets are identified as impaired because of a likelihood arising from a past

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

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

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

2.12 Foreign Currency Translation

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

2.13 Government Grants and Contributions

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

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

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

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

2.14 Heritage Assets

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

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

Notwithstanding its historical or other heritage qualities, any asset used by an organisation in its operations is still accounted for as an operational asset, and not as a heritage asset. It is therefore accounted for as set out in the Summary of Accounting policies note paragraph 2.19. The current approach to Heritage assets in this Statement of Accounts is summarised in Note 32.

2.15 Intangible Assets

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

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

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

2.16 Inventories and Long Term Contracts

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

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

2.17 Leases

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

2.17.2 The Authority as Lessee, Finance Leases: property, plant and equipment held under finance leases is recognised on the Balance Sheet at the start of the lease at either its fair value measured at the lease's inception or if lower, the present value of the minimum lease payments. The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset, and any premia paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred. The lease payments are apportioned between a charge for the acquisition of the interest in the asset – which is used to write down the lease liability, and a finance charge which is debited to the Financing and Investment Income & Expenditure line in the CIES. Property, plant & equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life, assuming ownership of the asset does not

transfer to the Authority at the end of the lease period. The Authority is not required to account for depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with the Authority's Treasury Mgt Policy. Depreciation, revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

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

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

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

2.18 Overheads and Support Services

2.18.1 The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Accounting Code of Practice 2014/15 (SERCOP). The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:-

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

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

2.19 Property, Plant & Equipment

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

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

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

- infrastructure, community assets and assets under construction – depreciated historic cost.
- other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value = EUV).

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

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

2.19.5 Impairment: Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible

differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for this shortfall. Where decreases in value are identified, and there is a balance of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against that balance, up to the amount of the accumulated gains. Where impairment losses are identified, and there is no balance, or an insufficient balance, of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against the relevant service line in the CIES. Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

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

Type of Fixed Asset	Depreciation Period
Land	Nil
Community assets	Nil
Furniture & Equipment	over the life of the asset – 5-10 years ; computer hardware 3 years
Vehicles	over the life of the asset - 6-20 years
Car Parks	over the life of the asset - 15-20 years
Buildings	over the life of the asset - 60 years
Intangible Assets	Over the life of the asset – 5 years

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

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

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

to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

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

2.20 Provisions, Contingent Liabilities and Contingent Assets

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

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

2.21 Reserves

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

2.22 Revenue Expenditure Funded from Capital Under Statute

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

2.23 VAT

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

3. Movement in Reserves Statement 2014/15

	General Fund	Earmarked Reserves	Capital Receipts Reserve	<u>Total Usable Reserves</u>	Un-usable Reserves	<u>Total Authority Reserves</u>
	£	£	£	£	£	£
Balance at 31st March 2014	730,452	2,360,446	425,597	3,516,495	7,421,901	10,938,396
Surplus (Deficit) on provision of services (accounting basis)	(1,159,638)	0	0	(1,159,638)	0	(1,159,638)
Other Comprehensive (Expenditure) & Income (Note 5)	0	0	0	0	(3,431,270)	(3,431,270)
Total Comprehensive (Expenditure) & Income	(1,159,638)	0	0	(1,159,638)	(3,431,270)	(4,590,908)
Adjustments between accounting basis & funding basis under regulations (Note 6)	1,245,769	0	(90,290)	1,155,479	(1,155,479)	0
Net Increase (Decrease) before Transfers to Earmarked Reserves	86,131	0	(90,290)	(4,159)	(4,586,749)	(4,590,908)
Transfers (to) from earmarked Reserves (Note 7)	(158,372)	158,372	0	0	0	0
Increase (Decrease) in Year	(72,241)	158,372	(90,290)	(4,159)	(4,586,749)	(4,590,908)
Balance as at 31st March 2015	658,211	2,518,818	335,307	3,512,336	2,835,152	6,347,488

3. cont. Movement in Reserves Statement 2013/14

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

4. Comprehensive Income and Expenditure Statement

2013/14			2014/15		
Gross Expenditure	Income	Net Expenditure	Gross Expenditure	Income	Net Expenditure
£	£	£	£	£	£
Conservation of the Natural Environment					
73,954	(13,997)	59,957	63,448	(13,587)	49,861
634,553	(401,450)	233,103	545,978	(417,579)	128,399
855,631	(47,486)	808,145	793,919	(48,935)	744,984
3,819,755	(3,503,371)	316,384	3,779,464	(3,432,930)	346,534
319,244	(1,875)	317,369	293,597	(800)	292,797
5,703,137	(3,968,179)	1,734,958	5,476,406	(3,913,831)	1,562,575
Conservation of Cultural Heritage					
96,246	(0)	96,246	101,138	(0)	101,138
138,405	(1,382)	137,023	135,997	(1,141)	134,856
147,664	(39,670)	107,994	129,603	(37,130)	92,473
33,687	(33,423)	264	0	(0)	0
416,002	(74,475)	341,527	366,738	(38,271)	328,467
Recreation Management & Transport					
70,737	(64,420)	6,317	70,173	(62,231)	7,942
1,083,690	(219,247)	864,443	1,045,661	(201,885)	843,776
207,330	(130,584)	76,746	411,384	(283,968)	127,416
287,550	(299,828)	(12,278)	339,586	(350,304)	(10,718)
373,270	(265,155)	108,115	347,795	(282,456)	65,339
212,407	(14,210)	198,197	182,167	(14,035)	168,132
153,543	(7,850)	145,693	168,245	(5,952)	162,293
2,388,527	(1,001,294)	1,387,233	2,565,011	(1,200,831)	1,364,180
Promoting Understanding					
829,045	(456,457)	372,588	830,460	(461,231)	369,229
230,941	(4,582)	226,359	223,126	(6,881)	216,245
282,131	(53,176)	228,955	284,984	(65,829)	219,155
377,882	(95,017)	282,865	302,796	(102,891)	199,905
0	(0)	(0)	93	(0)	93
1,719,999	(609,232)	1,110,767	1,641,459	(636,832)	1,004,627

2013/14			Comprehensive Income & Expenditure Account (Continued)	2014/15		
Gross Expenditure	Income	Net Expenditure		Gross Expenditure	Income	Net Expenditure
409,089	(69,507)	339,582	Rangers, Estates Service & Volunteers	409,893	(69,911)	339,982
59,239	(16,479)	42,760	Rangers	74,973	(20,595)	54,378
286,187	(26)	286,161	Countryside Volunteers	287,790	(64)	287,726
44,298	(2,877)	41,421	Property Team	43,792	(2,522)	41,270
798,813	(88,889)	709,924	Estates Workers	816,448	(93,092)	723,356
			Development Control			
1,333,122	(262,975)	1,070,147	Development Control	1,338,226	(318,333)	1,019,893
1,333,122	(262,975)	1,070,147		1,338,226	(318,333)	1,019,893
			Forward Planning & Communities			
508,939	(3,175)	505,764	Policy Planning	539,890	(34,644)	505,246
299,258	(36,413)	262,845	Community Development	164,001	(31,829)	132,172
808,197	(39,588)	768,609		703,891	(66,473)	637,418
			Service Management & Support Services			
2,066,248	(215,514)	1,850,734	Corporate Management	1,781,554	(79,560)	1,701,994
436,420	(0)	436,420	Corporate & Democratic Core	441,197	(0)	441,197
115,491	(0)	115,491	Non-Distributed Costs	28,865	(0)	28,865
0	(0)	0	Past Service Cost (Gain)	0	(0)	0
(1,850,732)	(0)	(1,850,732)	Less Recharged Support Service Costs	(1,746,254)	(0)	(1,746,254)
767,427	(215,514)	551,913		505,362	(79,560)	425,802
13,935,224	(6,260,146)	7,675,078	Total Cost of Services	13,413,541	(6,347,223)	7,066,318
503,987	(0)	503,987	Other Operating Expenditure (Note 8)	0	(0)	0
622,726	(16,096)	606,630	Financing and Investment Income (Note 9)	492,114	(30,063)	462,051
0	(0)	0	Surplus or deficit on discontinued operations (Note 22)	0	(0)	0
0	(6,963,791)	(6,963,791)	National Park Grant, non-specific grant and capital income (Note 10)	0	(6,368,731)	(6,368,731)
15,061,937	(13,240,033)	1,821,904	(Surplus) or Deficit on Provision of Services	13,905,655	(12,746,017)	1,159,638
0	(1,988,283)	(1,988,283)	(Surplus) or deficit on revaluation of Property, Plant & Equipment assets	0	(856,701)	(856,701)
0	(4,183,100)	(4,183,100)	Actuarial (gains) losses on pension assets / liabilities	4,287,971	(0)	4,287,971
0	(6,171,383)	(6,171,383)	Other Comprehensive (Income) Expenditure (Note 5)	4,287,971	(856,701)	3,431,270
15,061,937	(19,411,416)	(4,349,479)	Total Comprehensive (Income) Expenditure	18,193,626	(13,602,718)	4,590,908

5. Balance Sheet as at 31st March 2015

2013-14 £	Notes	2014-15 £
	Property, Plant & Equipment	
17,709,751	- Land & Buildings 11	17,276,076
1,206,849	- Vehicles, Plant & Equipment 11	1,105,000
220,818	Intangible Assets 12	209,733
0	Assets held for Sale 16	1,029,383
0	Long Term Investments	0
0	Long Term Debtors 14	0
19,137,418	Total Long Term Assets	19,620,192
138,409	Inventories 13	156,902
1,574,259	Short Term Debtors 14	2,734,431
4,724,208	Cash & Cash Equivalents 15	3,089,193
6,436,876	Total Current Assets	5,980,526
(193,259)	Cash & Cash Equivalents 15	(66,353)
(95,202)	Short Term Borrowing 35 & 36	(97,897)
(2,090,314)	Short Term Creditors 17	(1,819,841)
(226,728)	Accruals 20	(206,401)
(2,605,503)	Total Current Liabilities	(2,190,492)
(657,067)	Long Term Borrowing 35 & 36	(559,170)
(10,551,000)	Other Long Term Liabilities 33	(15,749,000)
(822,328)	Grants Receipt in Advance 27	(754,568)
(12,030,395)	Total Long Term Liabilities	(17,062,738)
10,938,396	TOTAL NET ASSETS	6,347,488
Financed by:		
<u>Usable Reserves</u>		
730,452	General Reserve See p.17	658,211
425,597	Capital Receipts Reserve 19	335,307
2,340,928	Specific Reserves 7	2,464,649
19,518	Trust Funds 7	54,169
3,516,495		3,512,336
<u>Unusable Reserves</u>		
6,502,000	Revaluation Reserve 20	7,210,325
11,697,629	Capital Adjustment Account 20	11,580,228
(10,551,000)	Pensions' Reserve 20	(15,749,000)
(226,728)	Accumulated Absences Account 20	(206,401)
7,421,901		2,835,152
10,938,396	Total Reserves	6,347,488

6. Cashflow Statement

2013-14		2014-15
£		£
	<u>Operating Activities</u>	
(227,719)	Rents	(252,745)
(1,309,992)	Charges for Goods and Services	(1,507,489)
(5,107,757)	Grants and Partnership Income	(3,326,598)
(6,960,536)	National Park Grant and Levies	(6,367,867)
(16,096)	Interest Received	(30,063)
(0)	Discontinued Operations	(0)
(13,622,100)	Cash Inflows	(11,484,762)
7,129,250	Employment Costs	6,918,808
4,884,627	Payments for Goods and Services	5,351,705
471,259	Other Costs	370,850
32,726	Interest Paid	30,114
0	Discontinued Operations	0
12,517,862	Cash Outflows	12,671,477
(1,104,238)	Operating Activities Net Cash Flow	1,186,715
	<u>Investing Activities</u>	
344,713	Purchase of Property, plant and equipment and intangible assets	227,056
0	Purchase of Investments	0
(294,849)	Sale of Property, plant and equipment and intangible assets	(0)
(16,674)	Capital Grants received	(864)
0	Discontinued Operations	0
33,190	Investing Activities Net Cash Flow	226,192
	<u>Financing Activities</u>	
92,591	Repayments of amounts borrowed	95,202
0	New Loans	0
0	Discontinued Operations	0
92,591	Financing Activities Net Cash Flow	95,202
978,457	Net (Increase) Decrease in Cash and Cash equivalents	1,508,109
3,552,492	Cash and Cash Equivalents at the beginning of the Reporting Period (Note 15)	4,530,949
978,457	Net Increase (Decrease) in Cash and Cash equivalents as above	(1,508,109)
4,530,949	Cash and Cash Equivalents at the end of the Reporting Period (Note 15)	3,022,840

7. Notes to the Accounts

Note 1 Critical Judgements in applying Accounting Policies

In applying the accounting policies set out in Section 2, the Authority has to make certain judgements about complex transactions or those involving uncertainty about future events, and their potential impact on the amounts recognised in the financial statements. The Authority believes there are no judgements made arising from its application of accounting policies which require disclosure.

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

The National Park Grant, the principal funding source for the Authority, has been confirmed for 2015/16, although Defra have said that these allocations may be subject to revision in the event that Defra's budget is materially reduced. The current allocations mean a further reduction from £6,367,867 in 2014-15 to £6,257,122 in 2015/16, a reduction of £110,745. Further reductions are possible if National Parks are not protected from the overall spending allocations suggested for "non protected" government departments. A programme to consider how and what further savings might be achieved is being worked on, in addition to the reductions achieved to date mentioned in the Foreward. The Authority has determined at this stage that there is no need to impair assets as a result of changes in service provision which might occur in response to this resource reduction. The Authority's net liability to pay pensions depends on a number of complex judgements, e.g. the discount rate used, the rate of wages' inflation, changes in retirement ages, mortality rates and the return on pension fund assets. These judgements are made by the actuaries engaged by Derbyshire County Council to advise on the Pension Fund, within statutory guidelines. Note 33 contains more information on the assumptions made and the impact on the accounts. The estimated pensions liability as at 31/03/15 is £15,749,000, and estimates of the liability in the last five years have ranged between £7,483,000 and this figure.

The Land & Buildings figure (within the Property, Plant & Equipment heading on the Balance Sheet) is determined by the accounting policies outlined in paragraph 2.193 and 2.19.4., and as such, any revaluations of assets within this category may be subject to variations arising from the nature of the valuation process. The carrying amount as at 31/03/2015 was £17,276,076.

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

Note 3 Material Items of Income and Expenditure

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

Note 4 Events after the Balance Sheet Date

The Chief Finance Officer authorised the Statement of Accounts for issue on 15th June 2015. Events taking place after this date are not reflected in the financial statements or notes. Events which have occurred since the Balance Sheet date (31/03/15) and up to the authorisation of the accounts (15th June 2015) by the Chief Finance Officer have been considered. These events are of two kinds:- either "adjusting events" (events arising relating to conditions which existed at the Balance Sheet date which materially affect the amounts included in the accounts) or "non-adjusting events" (events arising relating to conditions which arose after the Balance Sheet which are material, and for which disclosure is required for the purposes of fair presentation).

Note 5 Other Comprehensive Expenditure & Income

2013-14		2014-15
£		£
1,988,283	Surplus (Deficit) arising on revaluation of non-current assets	856,701
4,235,000	Actuarial Gain (Loss) on pension fund assets and liabilities	(4,318,000)
(51,900)	Other – difference between actuarial and actual charge against government grant	30,029
6,171,383	Total	(3,431,270)

Note 6 Adjustments between Accounting Basis and Funding Basis under Regulations

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

2014/15

	General Fund	Capital Receipts Reserve	Un-usable Reserves
	£	£	£
<u>Adjustments primarily involving the Capital Adjustment Account</u>			
Charges for depreciation and impairment of non-current assets	(595,507)		595,507
Revaluation gain (loss) on Property, Plant & Equipment	33,499		(33,499)
Amortisation of Intangible Assets	(44,164)		44,164
Capital grants and contributions applied	864		(864)
Revenue expenditure funded from capital under statute	0	0	0
Non-current assets written off on disposal or sale as part of the gain /loss on disposal	(0)		0
Statutory provision for the financing of capital investment	108,152		(108,152)
Capital Expenditure charged against the General Fund Balances	141,090		(141,090)
<u>Adjustments primarily involving the Capital Receipts Reserve</u>			
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	0	(0)	
Use of the Capital Receipts reserve to finance capital expenditure		90,290	(90,290)
<u>Adjustments primarily involving the Pensions reserve</u>			
Reversal of items relating to retirement benefits' accruals under IAS 19	(1,832,000)		1,832,000
Employer's pensions contributions payable in the year	921,970		(921,970)
<u>Adjustments primarily involving the Accumulated Absences Account</u>			
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration paid in the year according to statutory requirements	20,327		(20,327)
Total Adjustments	(1,245,769)	90,290	1,155,479

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

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

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 Reserve 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 1 st April 2013	Transfers Out 2013/14	Transfers In 2013/14	Balance at 31 st March 2014	Transfers Out 2014/15	Transfers In 2014/15	Balance at 31 st March 2015
Minerals Reserve	353,459			353,459		70,000	423,459
Reducing Resources / Restructuring Reserve	214,048	(59,391)		154,657		244,399	399,056
ICT Reserve	50,000			50,000		69,000	119,000
Warslow Reserve	17,460	(10,000)	8,506	15,966			15,966
North Lees Reserve	0		10,000	10,000			10,000
Minor Properties Reserve	0		10,000	10,000			10,000
Conservation Acquisitions Reserve	0		19,000	19,000			19,000
Visitor Centre Reserve	111,146			111,146			111,146
Aldern House Reserve	0		10,000	10,000		7,000	17,000
Design Reserve	22,582		3,300	25,882		7,500	33,382
Forestry Reserve	18,140			18,140			18,140
Trail Reserve	18,704		37,000	55,704		19,000	74,704
Vehicle Maintenance Reserve	18,009			18,009			18,009
Planned Maintenance Reserve	18,845			18,845			18,845
Car Park Reserve	65,504	(20,000)		45,504		16,500	62,004
Cycle Hire Reserve	13,490	(13,490)	20,000	20,000	(10,702)		9,298
Matched Funding Reserve	900,775	(383,888)	83,000	599,887	(131,123)		468,764
Slippage Reserve	773,252	(764,752)	796,229	804,729	(686,837)	518,984	636,876
Total Earmarked Reserves	2,595,414	(1,251,521)	997,035	2,340,928	(828,662)	952,383	2,464,649
Restricted Funds							
Cyril Bennett Bequest	9,270			9,270			9,270
Graham Attridge Bequest	2,046			2,046			2,046
Sheila Streek Bequest	0			0		30,000	30,000
Margaret Nicholls Bequest	0			0		3,000	3,000
Memorial Landscape Fund	867		665	1,532		1,623	3,155
Restoration Bond	4,159		11	4,170		28	4,198
Friends of Losehill Hall	2,500			2,500			2,500
Total Restricted Funds	18,842	0	676	19,518	0	34,651	54,169
Total Transfers		(1,251,521)	997,711		(828,662)	987,034	
Net Transfer as per Movement in Reserves Statement			(253,810)			158,372	

Note 8 Other Operating Expenditure

2013-14		2014-15
£		£
0	Write Down of carrying amount of asset to fair value as a result of transfer to asset held for sale category	0
<u>503,987</u>	(Gains) Losses - disposal of non-current assets	<u>0</u>
<u>503,987</u>	Total	<u>0</u>

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

Note 9 Financing and Investment Income and expenditure

2013-14		2014-15
£		£
32,726	Interest payable and similar charges	30,114
590,000	Pensions' interest cost and expected return on pensions' assets	462,000
<u>(16,096)</u>	Interest receivable and similar income	<u>(30,063)</u>
<u>606,630</u>	Total	<u>462,051</u>

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

2013-14		2014-15
£		£
<u>6,960,536</u>	National Park Grant (DEFRA)	<u>6,367,867</u>
<u>0</u>	Non-specific grant income	<u>0</u>
	<i>Capital Grants</i>	
0	Defra – Catchment Sensitive Farming Grant	0
0	SITA Landfill Grant, Species Rich Grasslands	0
3,255	Other Capital Grants each under £10,000	864
<u>3,255</u>	Total Capital Grants	<u>864</u>
<u>6,963,791</u>	Total	<u>6,368,731</u>

Note 11 Property, plant & Equipment – Movements on Balances

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

2014/15	Land & Buildings	Vehicles, plant, equipment	Community Assets	Infra-structure Assets	Surplus Assets	Total
Cost or Valuation	£	£	£		£	£
Gross Book Value at 1 st April 2014 (NB see also Note 35)	14,764,719	2,585,999	1,352,949	1,641,432	1,855,176	22,200,275
Additions	100,789	70,356	28,020	0	0	199,165
Donations	0	0	0	0	0	0
Revaluation increases (decreases) recognised in the Revaluation Reserve	804,901	0	0	0	0	804,901
Revaluation increases (decreases) recognised in the Surplus/Deficit on the Provision of Services	28,999	0	0	0	0	28,999
De-recognition: disposals	(0)	(0)	(0)	(0)	(0)	(0)
De-recognition: other	(1)	(0)	(0)	(0)	(0)	(1)
Assets re-classified (to) from Held for Sale / surplus assets	(14,670)	0	0	0	(992,825)	(1,007,495)
Other Movements – accumulated depreciation w/o on revaluation	(593,551)	0	0	0	(0)	(593,551)
Gross Book Value at 31st March 2015	15,091,186	2,656,355	1,380,969	1,641,432	862,351	21,632,293
Accumulated depreciation and impairment						
At 1 st April 2014 (NB see also Note 35)	(1,343,295)	(1,379,150)	(54,510)	(307,476)	(199,243)	(3,283,674)
Depreciation Charge	(299,258)	(172,205)	(11,465)	(87,529)	(25,049)	(595,506)
Depreciation written out to the Revaluation Reserve	36,856	0	0	0	0	36,856
Depreciation written out to the Surplus/deficit on the Provision of Services	232,824	0	0	0	0	232,824
Impairments recognised in the Revaluation Reserve	0	0	0	0	0	0
Impairments recognised in the Surplus/deficit on the Provision of Services	323,871	0	0	0	0	323,871
Re-classifications	1,470	0	0	0	32,942	34,412
De-recognition - disposals	0	0	0	0	0	0
Accumulated depreciation & impairment as at 31st March 2015	(1,047,532)	(1,551,355)	(65,975)	(395,005)	(191,350)	(3,251,217)
<i>Net Book Value at 31st March 2014</i>	<i>13,421,424</i>	<i>1,206,849</i>	<i>1,298,439</i>	<i>1,333,956</i>	<i>1,655,933</i>	<i>18,916,601</i>
Net Book Value at 31st March 2015	14,043,654	1,105,000	1,314,994	1,246,427	671,001	18,381,076
At Historical Cost						
As at 31/03/2015	7,794,952	-	-	-	567,903	
Fair Value Movement 2014/15	699,539	-	-	-	(617,869)	
Fair Value Movement 2013/14	451,453	-	-	-	610,398	
Fair Value Movement 2012/13	1,169,922	-	-	-	93,305	
Fair Value Movement 2011/12	1,264,977	-	-	-	(293)	
Fair Value - up to 2010/11	2,662,811				17,557	

Net Book Value at 31/03/2015 14,043,654 - - - 671,001

Note 11 continued

2013/14	Land & Buildings	Vehicles, plant, equipment	Community Assets	Infra-structure Assets	Surplus Assets	Total
Cost or Valuation	£	£	£		£	£
Gross Book Value at 1 st April 2013 (NB see also Note 35)	14,910,055	2,474,727	1,337,949	1,641,432	874,133	21,238,296
Additions	135,093	149,606	15,000	0	0	299,699
Donations	0	0	0	0	0	0
Revaluation increases (decreases) recognised in the Revaluation Reserve	1,301,366	0	0	0	686,917	1,988,283
Revaluation increases (decreases) recognised in the Surplus/Deficit on the Provision of Services	(46,022)	0	0	0	(74,675)	(120,697)
De-recognition: disposals	(810,674)	(38,332)	0	0	0	(849,006)
De-recognition: other	0	(2)	0	0	1	(1)
Assets re-classified (to) from Held for Sale / surplus assets	(387,500)	0	0	0	387,500	0
Depreciation & Impairment written off on revaluation	(337,599)	0	0	0	(18,700)	(356,299)
Gross Book Value at 31st March 2014	14,764,719	2,585,999	1,352,949	1,641,432	1,855,176	22,200,275
Accumulated depreciation and impairment						
At 1 st April 2013 (NB see also Note 35)	(1,454,106)	(1,210,985)	(42,803)	(212,904)	(190,135)	(3,110,933)
Depreciation charge	(277,025)	(185,924)	(11,707)	(94,572)	(9,983)	(579,211)
Depreciation written out to the Revaluation Reserve	93,123	0	0	0	0	93,123
Depreciation written out to the Surplus / deficit on Provision of Services	244,475	0	0	0	18,700	263,175
Impairments recognised in the Revaluation Reserve	0	0	0	0	0	0
Impairments recognised in the Surplus/deficit on the Provision of Services	0	0	0	0	0	0
Depreciation & Impairment written off on revaluation	0	0	0	0	0	0
Re-classifications	17,825	0	0	0	(17,825)	0
De-recognition - disposals	32,413	17,759	0	0	0	50,172
Accumulated depreciation & impairment as at 31st March 2014	(1,343,295)	(1,379,150)	(54,510)	(307,476)	(199,243)	(3,283,674)
<i>Net Book Value at 31st March 2013</i>	<i>13,455,949</i>	<i>1,263,742</i>	<i>1,295,146</i>	<i>1,428,528</i>	<i>683,998</i>	<i>18,127,363</i>
Net Book Value at 31st March 2014	13,421,424	1,206,849	1,298,439	1,333,956	1,655,933	18,916,601

Capital Commitments

The Authority's Capital Strategy was approved by the Authority in October 2011. As part of the strategy capital expenditure of £213,000 was approved for minor and urgent improvement works and £250,000 was approved for environmental improvements on the Authority's property; £317,000 of this expenditure has been accounted for, financed from the Capital Reserve, with the remainder (£146,000) to be financed from the reserve in future years. A project for re-structuring Aldern House was approved for expenditure of £147,000, financed from the Capital Reserve, and £75,221 of this was incurred in 2014-15 with the remaining expenditure (£75,074) to be financed from the reserve in future. £60,000 of improvements to North Lees campsite was also approved in the 2014-15 year, financed from borrowing in 2015/16, with repayments to be recovered from the campsite business.

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 2015 by the Authority's Property Managers Michael Ingham MRICS and Julie Green MRICS. The valuations are in accordance with the CIPFA Code of Practice and the relevant sections of the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The Authority values these assets over a five-year rolling programme, concentrating this year on toilets, cycle hire centres, visitor centres, and other minor properties.

Note 12 Intangible Assets

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

2013/14		2014/15
514,497	Gross carrying amounts at Start of Year	546,069
<u>(277,939)</u>	Accumulated amortisation to date	<u>(325,251)</u>
236,558	Net Carrying Amount at Start of Year	220,818
31,572	Additions	33,079
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
(47,312)	Amortisation for the period	(44,164)
<u>0</u>	Other changes	<u>0</u>
220,818	Net carrying amount at end of year	209,733
	<u>Comprising:</u>	
546,069	Gross carrying amounts	579,148
<u>(325,251)</u>	Accumulated amortisation	<u>(369,415)</u>
220,818		209,733

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 2014		31 March 2015
£		£
126,907	Balance o/s at start of year	138,409
235,039	Purchases	251,348

(223,080)	Recognised as an expense in the year	(238,229)
(457)	Written off balances / Reversals of write offs in previous years	5,374
138,409	Balance o/s at year end	156,902

Note 14 Debtors

Debtors can be analysed as follows:

31 March 2014		31 March 2015
£		£
712,823	Central Government Bodies	1,039,908
154,868	Other Local Authorities	39,730
0	NHS Bodies	0
50,252	Public Corporations and Trading Funds	9,000
679,808	Bodies external to general government	1,669,285
(23,492)	Less: Provision for Bad Debts	(23,492)
0	Car loans to staff less than 1 year	0
1,574,259		2,734,431
0	Car / Study Loans to Officers due after one year	0
1,574,259	Total	2,734,431

Note 15 Cash and Cash Equivalents

Cash and Bank can be analysed as follows:

31 March 2014		31 March 2015
£		£
(194,759)	Bank current accounts	(67,656)
1,500	Cash held by the Authority	1,303
4,724,208	Deposits with North Yorks. County Council	3,089,193
4,530,949	Total	3,022,840

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 is shown below for non-current assets.

2013/14		2014/15
£		£
0	Balance outstanding at start of year	0
0	Property, Plant & Equipment newly identified	973,083
0	Revaluation (losses) gains	56,300
0	Impairment losses	0
0	Property, Plant & Equipment declassified as held for sale	0
0	Assets sold	0
0	Balance outstanding at year end	1,029,383

Two minor properties have been identified as held for sale and are expected to be sold during the 2015/16 financial year.

Note 17 Creditors due within 12 months

Creditors can be analysed as follows:

31 March 2014		31 March 2015
£		£
170,114	Central Government Bodies	101,685
229,103	Other Local Authorities	314,266
0	NHS Bodies	0
0	Public Corporations and Trading Funds	0
1,686,609	Bodies external to general government	1,399,395
4,488	Provision for unpaid cheques	4,495
<u>2,090,314</u>	Total	<u>1,819,841</u>

Note 18 Provisions and Contingent Liabilities

No provisions or contingent liabilities have been disclosed in the 2014/15 accounts in accordance with the Code of Accounting Practice, however the Authority considers that it has made sufficient financial arrangements to cover estimates of potential liabilities which may arise not covered by the accounting definition. Financing for these potential liabilities is achieved within the usable earmarked reserves (Note 7).

Note 19 Usable Reserves

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

2013-14		2014-15
£		£
188,034	Balance at 1 April	425,597
294,849	Receipts received in year	0
(57,286)	Receipts used to finance Capital Expenditure	(90,290)
<u>425,597</u>	Balance at 31 March	<u>335,307</u>

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.

2013-14 £	Revaluation Reserve	2014-15 £
5,319,451	Balance at 1 April	6,502,000
2,410,542	Upward revaluation of assets	866,223
(422,259)	Downward revaluation of assets & impairment losses not charged to the Surplus/Deficit on the Provision of Services	(9,522)
1,988,283	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	7,358,701
(102,301)	Difference between fair value depreciation and historical cost depreciation	(148,375)
(703,433)	Accumulated gains on assets sold or scrapped / Other	(1)
(805,734)	Amount written off to the Capital Adjustment Account	(148,376)
6,502,000	Balance at 31 March	7,210,325

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.

2013-14 £	Capital Adjustment Account	2014-15 £
12,113,501	Balance at 1 April	11,697,629
	<i><u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expenditure Statement (CIES)</u></i>	
(579,212)	Charges for depreciation of non-current assets	(595,507)
0	Charges for impairment of non-current assets	0
(120,697)	Revaluation (losses) gains on Property, Plant & Equipment	33,499
(47,312)	Amortisation of intangible assets	(44,164)
0	Revenue expenditure funded from capital under statute	0
(798,835)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(0)
(1,546,056)		(606,172)
805,734	Adjusting amounts written out of the Revaluation Reserve	148,375
(740,322)	Net written out amount of the cost of non-current assets consumed in the year	(457,797)
	<i><u>Capital financing applied in the year:-</u></i>	
57,286	Use of the Capital Receipts Reserve to finance new capital expenditure	90,290
3,255	Capital grants and contributions credited to the CIES that have been applied to capital financing	864
111,165	Statutory provision for the financing of capital investment charged against the General Fund	108,152
152,744	Capital expenditure charged against the General Fund	141,090
324,450	Total Capital Financing applied in year	340,396
11,697,629	Balance at 31 March	11,580,228

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.

2013-14	Pensions' Reserve	2014-15
£		£
(13,927,000)	Balance at 1 April	(10,551,000)
4,235,000	Actuarial gains or (losses) on pensions assets and liabilities	(4,318,000)
(1,837,900)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(1,801,970)
978,900	Employer's pension contributions and direct payments to pensioners payable in the year	921,970
(10,551,000)	Balance at 31st March	(15,749,000)

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.

2013-14	Accumulated Absences Account	2014-15
£		£
(232,421)	Balance at 1 April	(226,728)
232,421	Settlement or cancellation of accrual made at the end of the preceding year	226,728
(226,728)	Amounts accrued at the end of the current year	(206,401)
5,693	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	20,327
(226,728)	Balance at 31st March	(206,401)

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

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

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

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

2014-15 £	Employee expenses	Service Expenses	Total Expenditure	Fees, charges and other income	Grants	Total Income	Net Expenditure
Conservation of the Natural Environment	1,636,062	3,254,951	4,891,013	(296,137)	(3,617,694)	(3,913,831)	977,182
Conservation of the Cultural Heritage	240,195	49,464	289,659	(3,906)	(34,365)	(38,271)	251,388
Recreation Mgt & Transport	1,070,633	857,514	1,928,147	(716,853)	(483,978)	(1,200,831)	727,316
Promoting Understanding	836,980	470,265	1,307,245	(533,153)	(103,680)	(636,833)	670,412
Rangers, Estates Services & Volunteers	561,551	163,532	725,083	(23,642)	(69,450)	(93,092)	631,991
Development Control	716,816	92,423	809,239	(316,398)	(1,936)	(318,334)	490,905
Forward Planning & Communities	443,145	106,658	549,803	(33,490)	(32,983)	(66,473)	483,330
Support Services	1,413,425	836,565	2,249,990	(41,271)	(39,153)	(80,424)	2,169,566
Total	6,918,807	5,831,372	12,750,179	(1,964,850)	(4,383,239)	(6,348,089)	6,402,090

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

Note 21 Continued

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

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

2013-14		2014-15
£		£
6,893,508	Net Expenditure in the Budget Reporting Analysis	6,402,090
(331,271)	Remove capital expenditure capitalised in the financial statements but included in the budget reporting	(232,244)
(978,900)	Remove employers' cash pension contributions included in budget reporting but removed from the financial statements	(921,970)
(32,726)	Remove interest charges included in the budget reporting but excluded from the Cost of Services in the CIES (interest charges as shown as part of the Surplus or Deficit on Provision of Services in the CIES instead)	(30,114)
(111,165)	Remove Statutory provision for the financing of capital investment included in the budget reporting but excluded from the Cost of Services in the CIES (provision is shown in the Movement in Reserves Statement instead)	(108,152)
298,104	Remove capital income included in the budget reporting but capitalised in the financial statements	864
0	Remove deficit or surplus on discontinued operations	0
1,196,000	Add employers' cash pension contributions included as an accrual in the financial statements but excluded from budget reporting	1,370,000
(5,693)	Add (subtract) impact of employee accrual for leave	(20,327)
626,524	Add depreciation charges included in the CIES but excluded in the budget reporting	639,671
120,697	Add impairment charges (reversals) included in the CIES but excluded in the budget reporting	(33,499)
0	Other Adjustment	(1)
7,675,078	Cost of Services in Comprehensive Income & Expenditure Statement	7,066,318

Note 21 Continued

Reconciliation to Subjective Analysis

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

2014-15 £	Budget Reporting Analysis	Amounts included in the Analysis but not in the Total Cost of Services in the CIES	Amounts included in the Total Cost of Services in the CIES but not in the Analysis	Allocation of Support Service Recharges	Amounts reported below the Total cost of Services in the CIES	Total
Fees, charges & other service income	(1,964,850)	2	-	-	-	(1,964,848)
Interest & Investment Income	-	-	-	-	(30,063)	(30,063)
National Park Grant	-	-	-	-	(6,367,867)	(6,367,867)
Discontinued operations	-	-	-	-	-	0
Government Grants and contributions	(4,383,239)	864	-	-	(864)	(4,383,239)
Gain on the disposal of fixed asset	-	-	-	-	-	0
Total Income	(6,348,089)	866	0	0	(6,398,794)	(12,746,017)
Employee Expenses	6,918,807	(921,970)	1,349,673	(1,256,563)	462,000	6,551,947
Other Service Expenses	5,801,258	(340,399)	-	(489,691)	-	4,971,168
Support Service Recharges	-	-	-	1,746,254	-	1,746,254
Depreciation, amortisation & impairment	-	-	606,172	-	-	606,172
Interest Payments	30,114	(30,114)	-	-	30,114	30,114
Discontinued operations	-	-	-	-	-	0
Loss on Disposal of Fixed Assets	-	-	-	-	-	0
Total Expenditure	12,750,179	(1,292,483)	1,955,845	0	492,114	13,905,655
		-	-	-	-	-
(Surplus) Deficit on the Provision of Services	6,402,090	(1,291,617)	1,955,845	0	(5,906,680)	1,159,638

Note 21 Continued

Reconciliation to Subjective Analysis

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

Note 22 Acquired and Discontinued Operations

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

Note 23 Trading Operations

The Authority has two trading operations:-

2013-14		Nature of Operation	2014-15	
Turnover	(Surplus)/ Deficit £		Turnover £	(Surplus)/ Deficit £
(456,457)	372,588	Visitor Centres	(461,231)	369,229
(265,155)	108,115	Cycle Hire Centres	(282,456)	65,339

The deficit represents the full cost, including all support service recharges and depreciation of assets used. A financial objective for each operation is set in the budget and was met by Visitor Centres. The Cycle Hire Centre showed a shortfall against budget of £10,702.

Note 24 Members' Allowances

The following amounts were paid to the 30 Members of the Peak District National Park Authority as allowances in the year ended 31st March 2015.

2013-14		2014-15
£		£
51,038	Basic Allowance	49,759
16,344	Special Responsibility Allowance	16,858
16,026	Travel and Subsistence	16,114
83,408		82,731

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

Note 25 Employee Remuneration

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

Payment Range	Number of Employees	
	2013-14	2014-15
£50,000 - £54,999	1	3
£55,000 - £59,999	0	0
£60,000 - £64,999	0	0
£64,999 - £69,999	0	0
£70,000 - £74,999	0	0
£75,000 - £79,999	1	0

The remuneration for individual senior employees in this category is shown in the table below – with 2013-14 comparator payments shown in brackets alongside. All posts are 1 Full Time Equivalent (FTE). There was a new Chief Executive appointment in January 2015; the information below relates to 9 months of salary for the former postholder:-

Job Title	Salary	Benefits in Kind	Subtotal	Employers Pension contributions	Total Remuneration
Chief Executive	£53,088 (£75,435)	£0 (£0)	£53,088 (£75,435)	£9,460 (£12,884)	£62,548 (£88,319)
Director of Planning	£50,830 (£49,352)	£0	£50,830 (£49,352)	£9,058 (£8,429)	£59,888 (£57,781)
Director of Corporate Resources	£53,917 (£53,649)	£0 (£0)	£53,917 (£53,649)	£9,608 (£9,163)	£63,525 (£62,812)

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 £	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
£0-£20,000	0	0	1	1	1	1	18,563	7,527
£20,001-£40,000	0	0	2	0	2	0	47,527	0
£40,001 - £60,000	0	0	1	0	1	0	40,894	0
Total	0	0	4	0	4	0	106,984	7,527

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

Note 26 External Audit Cost

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

	2013-14	2014-15
	£	£
External audit services as appointed auditor (Section 5 Audit Commission Act 1998)	13,259	15,259
Fees in respect of statutory inspection (Section 10 LGA Act 1999)	0	0
Fees payable for certification of grant claims and returns (Section 28 Audit Commission Act 1998)	0	0
Fees payable in respect of any other services provided by the appointed auditor	0	0
Total	13,259	15,259

Note 27 Grant Income

The Authority credited the following grants, contributions and donated assets to the Comprehensive Income & Expenditure Statement in 2014/15, with amounts over £10,000 only shown:-

2013-14		2014-15
£		£
	<u>Revenue Grants Credited to Services</u>	
185,047	DEFRA – Environmental Stewardships	161,617
27,853	DEFRA – Modernisation Fund	0
16,000	DCLG – Neighbourhood Planning Grants	0
30,000	Forestry Commission – Moors for the Future / MoorLIFE Projects	0
28,401	Forestry Commission – Higher Minnend Fm	18,114
40,748	English Heritage – Archaeology Projects	35,536
155,280	Environment Agency – Moors for the Future / MoorLIFE Project	221,955
36,010	Natural England - Pennine Way Ranger	35,399
32,500	Natural England – Wader Recovery Project	0
437,470	Natural England – Moors for the Future / MoorLIFE work	868,261
63,770	Dept of Transport – Pedal Peak 2	232,783
93,276	Heritage Lottery Fund – MFF Moor Memories /Community Science Projects	58,138
34,052	Heritage Lottery Fund – Dane Valley Woodlands	22,983
36,029	Derbys County Council – Rights of Way	26,648
14,917	Derbys County Council – Green Lanes	0
11,788	Staffs County Council – Rights of Way	11,947
14,880	Derbys Dales DC - Operating Costs at Bakewell Visitor Centre	0
12,500	High Peak BC - Operating Costs at Castleton Visitor Centre	10,000
11,000	Staffs Moorlands DC – Village and Communities Officer	11,000
0	Rural Enabling Project	13,384
17,667	SITA – Dane Valley Woodlands Project	23,714
33,423	Calver Weir Restoration Group	0
29,314	RSPB – Nature Improvement Area	42,218
22,600	RSPB - Moors for the Future / MoorLIFE work	20,532
0	Private Landowners - Moors for the Future / MoorLIFE work	251,434
101,014	United Utilities – Joint Ranger Costs	101,014
161,615	United Utilities – Moors for the Future / MoorLIFE Project	141,419
46,365	Severn Trent Water - Joint Ranger Costs	47,200
10,354	Severn Trent Water – MFF/MoorLIFE Project	35,192
50,000	Severn Trent Water – Car Park	50,000

14,752	Severn Trent Water - Operating Costs at Upper Derwent Visitor Centre	13,831
32,265	Yorkshire Water - Joint Ranger Costs	34,915
312,281	Yorkshire Water - Moors for the Future / MoorLIFE Project	295,371
14,395	National Trust – Moorland Discovery Project	15,054
1,141,063	National Trust - Moors for the Future / MoorLIFE Project	616,100
40,381	Turisticka Zajedni – Project Kazan	0
993,486	European Life Funding – MoorLIFE Project	791,377
26,813	OFGEM – Aldern House / North Lees Farmhouse Biomass Boilers	23,303
166,893	Other Revenue Grants each under £10,000	151,324
4,496,202	Total	4,382,375

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:-

2013-14		2014-15
£		£
	<u>Grants Received in Advance</u>	
76,741	English Heritage – Ecton Mine Project	66,730
0	English Heritage – Peak Farmsteads Project	18,884
19,286	HLF – Dane Valley Woodlands	0
93,697	National Trust – Moors for the Future Project / MoorLIFE Project	179,118
114,010	Environment Agency – Moors for the Future Project / MoorLIFE Project	64,609
41,527	Heritage Lottery Fund – Moors for the Future Project / MoorLIFE Project	0
96,007	Natural England - Moors for the Future Project / MoorLIFE Project	89,642
26,568	Yorkshire Wildlife Trust - Moors for the Future Project / MoorLIFE Project	22,394
27,857	Sheffield City Council - Moors for the Future Project / MoorLIFE Project	27,857
13,384	High Peak BC – Rural Housing Enablement Work	0
36,522	Severn Trent Water - Moors for the Future Project / MoorLIFE Project	12,934
45,276	Yorkshire Water - Moors for the Future Project / MoorLIFE Project	79,805
120,908	United Utilities – Moors for the Future / MoorLIFE Project	54,072
110,545	Other Revenue Grants received in advance each under £10,000	138,523
822,328	Total	754,568

Note 28 Related Party Transactions

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

The Authority engages in a variety of formal and informal partnerships, and may contribute to those organisations financially to help further National Park purposes. It does not have control of those bodies, nor does it have any material interest in other separate legally constituted bodies; there are therefore no related parties with joint control or significant influence, subsidiaries, associates, or joint ventures in which the Authority is a venturer.

All Members and Chief Officers of the Authority are deemed to be key management personnel and are required to disclose any financial transactions with the Authority, other than those received as part of normal conditions of employment or approved duties, in the Members' Register of Financial and Other Interests which is open to public inspection; this disclosure also applies to their involvement with entities which they may have significant influence over. In respect of this, one Member was in receipt of an Environmental Enhancement Scheme Grant of £986; one Member acted as an (unpaid) director of National Parks England and the UK Association of National Park Authorities, not-for-profit companies limited by guarantee, representing the interests of the National Parks; the transactions in the 2014/15 year with these bodies is shown below. The current Chief Executive is a board member of Derbyshire Wildlife Trust, with which body the Authority, acting as landlord, has a longstanding peppercorn rental income of £1 for a small quarry leased by the Trust.

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

	Income		Expenditure	
	<i>Outstanding</i>		<i>Outstanding</i>	
	£	£	£	£
Government Bodies – other	1,381,935	847,952	6,000	-
Dept of Transport	232,783	167,617	-	-
Other Local Authorities	128,955	13,825	403,617	27,338
Other National Parks	20,249	7,866	6,662	-
National Park Associations	8,169	-	58,757	-
Rural Development Funds	-	-	-	-
European Funds	791,377	990,415	-	-
Water companies	870,855	50,000	164,714	-
Lottery	89,206	8,084	-	-
Landfill Tax	32,987	26,274	-	-
OFGEM	23,303	9,490	-	-
RSPB	64,951	19,882	427	-
National Trust	632,459	101,345	3,922	-
Total	4,277,229	2,242,750	644,099	27,338

Note 29 Capital Expenditure

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

2013-14		2014-15
£		£
930,969	Opening Capital Financing Requirement	937,790
	<u>Capital Investment</u>	
135,093	Land & Buildings	100,789
149,606	Vehicles, Plant & Equipment	70,356
15,000	Community Assets	28,020
0	Infrastructure Assets	0
31,572	Intangible Assets	33,079
0	Revenue Expenditure Funded from Capital under Statute	0
331,271	Total	232,244
	<u>Sources of Finance</u>	
(57,286)	Capital Receipts	(90,290)
(3,255)	Government Grants and other contributions	(864)
	<u>Sums set aside from Revenue</u>	
(152,744)	Direct Revenue Contributions	(141,090)
(111,165)	Minimum Revenue Provision for repayment of principal	(108,152)
937,790	Closing Capital Financing Requirement	829,638
	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
117,986	Expenditure not supported by government financial assistance financed from internal funds	0
0	Use of Capital Receipts to reduce CFR	0
(111,165)	Minimum Revenue Provision	(108,152)
0	Assets acquired under finance leases	0
6,821	Increase (Decrease) in Capital Financing Requirement	(108,152)

Note 30 Statement of Capital Charges charged to Revenue

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

2013-14		2014-15
£		£
	Conservation of the Natural Environment	
1,364	Forestry & Tree Mgt	1,314
13,886	Moors Project	13,147
45,077	Estates Management	42,766

60,327		57,227
	Recreation Management	
10,812	Campsites, Hostels & Barns	10,747
120,885	Access, Walking and Riding Routes	104,863
167,741	Car Parks & Concessions	197,430
6,084	Cycle Hire	4,999
17,238	Toilets	7,508
322,760		325,547
	Promoting Understanding	
34,108	Visitor Centres	30,469
93,468	Environmental Education	12,995
127,576		43,464
	Rangers, Estate Service & Volunteers	
17,444	District Rangers	11,045
13,088	Conservation Volunteers	12,406
358	Estate Workers	340
30,890		23,791
	Development Control	
964	Development Control	772
		772
	Service Management and Support Services	
4,895	Vehicles	3,698
87,209	Headquarters Premises	44,266
112,600	Capitalised IT Expenditure	107,407
204,704		155,371
747,221	Total	606,172

Note 31 Leases

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

During the year ended 31st March 2015 the Authority made the following payments for operating leases, as lessee, which were charged to revenue:

	2013-14	2014-15
	£	£
Vehicles	0	0
Premises	28,542	27,336
Total	28,542	27,336

Future rental obligations are as follows:-

	2015-16	2 nd – 5 th year	6 th year onwards	Total
	£	£	£	£
Vehicles	0	0	0	0
Premises	28,373	102,722	25,184	156,279
Total	28,373	102,722	25,184	156,279

Vehicles – 2014/15 was the second full year since the current fleet management policy was implemented that the Authority had no vehicle leases in operation.

There were no additions to the fleet in 2014-15 but any new vehicles would have been purchased in line with the fleet management policy, which is to purchase rather than lease.

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

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

The Authority collected the following rentals in 2014/15 from its assets as lessor:-

	2013-14	2014-15
	£	£
General Rents	8,082	4,358
Agricultural	91,881	108,616
Residential	52,448	59,196
Rents		
Business	54,486	52,630
Rents		
Agricultural	9,972	15,020
Licences		
Business	10,851	12,925
Licences		
Total	227,720	252,745

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

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

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

	1st Year	2nd to 5th	5+yrs	Total
	2015-16	year	2021+	
		2016-2020		
General Rents	4,402	18,051	4,626	27,079
Agricultural Rents	109,702	449,890	115,298	674,890
Residential Rents	0	0	0	0
Business Rents	52,630	210,519	52,630	315,779
Agricultural Licences	0	0	0	0
Business Licences	12,925	51,701	12,925	77,551
Total	179,659	730,161	185,479	1,095,299

Note 32 Heritage Assets

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

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

Note 33 Defined Benefit Pension Scheme

All entries made in the Comprehensive Income & Expenditure Account and Balance Sheet relating to pensions are shown together in this note. As part of the terms and conditions of employment the Authority offers retirement benefits. Although these benefits will not actually be payable until the employees retire, the Authority has a commitment to make these payments, which needs to be disclosed at the time that the employees earn this entitlement. The Authority operates only one pension scheme, the Local Government Pension Scheme administered by Derbyshire County Council; this is a funded scheme, with the Authority and employees paying contributions calculated at a level intended to balance the pensions' liabilities with investment assets.

The principal risks to the Authority of the scheme are the longevity assumptions of members, statutory or structural changes to the scheme, changes to inflation, bond yields (used to measure the value of future liabilities) and the performance of investments held by the scheme (predominantly equity based.)

Comprehensive Income and Expenditure Account

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

2013-14 £			2014-15 £
	<u>Cost of Services</u>		
1,196,000	Current Service cost		1,357,000
0	Curtailments / Settlements		0
0	Past Service cost (gain)		13,000
1,196,000			1,370,000
	<u>Financing & Investment Income & Expenditure</u>		
590,000	Net Interest Expense	Note 9	462,000
1,786,000	Total Chargeable to Surplus or Deficit on the Provision of Services		1,832,000
	<u>Other amount chargeable to the CIES (Re-measurement of plan liabilities)</u>	Note 5	
21,000	Return on plan assets excluding amount included in net interest expense above		(2,919,000)
(506,000)	Actuarial (gains) and losses arising on changes in demographic assumptions		0
195,000	Actuarial (gains) and losses arising on changes in financial assumptions		7,650,000
(3,945,000)	Other Experience		(413,000)
(4,235,000)	Total Re-measurements		4,318,000
(2,449,000)	Total Charged to the Comprehensive Income & Expenditure Account		4,318,000
	<u>Movement in Reserves Statement</u>		
(1,786,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services		(1,832,000)
	<u>Employers' Contributions payable</u>		
978,900	Actual amount charged against the General Fund balance for pensions in the year		921,970

Balance Sheet

The underlying assets and liabilities for retirement benefits attributable to the Authority as at 31st March 2015 are as follows:

2010-11 £	2011-12 £	2012-13 £	2013-14 £		2014-15 £
(39,733,000)	(43,368,000)	(50,900,000)	(49,002,000)	Estimated Liabilities in scheme	(58,268,000)
32,250,000	32,759,000	36,973,000	38,451,000	Estimated Assets in scheme	42,519,000
(7,483,000)	(10,609,000)	(13,927,000)	(10,551,000)	Net Asset (Liability)	(15,749,000)
81%	76%	73%	78%	% Funded	73%

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The total liability of £15.749m 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 2014	49,002,000
Current Service cost	1,357,000
Interest Cost	2,104,000
Contributions from scheme participants	341,000
<u>Re-measurement (Gains) and losses:-</u>	
-changes in demographic assumptions	0
-changes in financial assumptions	7,650,000
-Other	(413,000)
Past Service Cost	13,000
Curtailment (gains) losses	0
Benefits paid	(1,786,000)
Closing Balance 31st March 2015	<u>58,268,000</u>

Analysis of Value of Scheme Assets

	£
Opening fair value 1st April 2014	38,451,000
Interest income	1,642,000
Re-measurement gain (loss):-	
Return on plan assets excluding amount in net interest expense charged to CIES	2,919,000
Other	0
Contributions from employer	952,000
Contributions from employees into the scheme	341,000
Benefits paid	(1,786,000)
Closing fair value 31st March 2015	<u>42,519,000</u>

Analysis of Pension Fund Assets

Asset Category	Period Ended 31 st March 2015				Period Ended 31 st March 2014			
	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	3,367.3	0	3,367.3	8	3,315.6	0	3,315.6	9
Manufacturing	4,261.3	0	4,261.3	10	5,446.9	0	5,446.9	14
Energy/Utilities	3,104.2	0	3,104.2	7	3,431.4	0	3,431.4	9
Financial institutions	3,303.8	0	3,303.8	8	6,682.2	0	6,682.2	17
Health & Care	1,901.5	0	1,901.5	4	2,044.6	0	2,044.6	5
Information Technology	855.1	0	855.1	2	1,071.5	0	1,071.5	3
Other	4,253.6	0	4,253.6	10	564.3	0	564.3	1
Debt Securities:								
Corporate Bonds (Investment Grade)	0	2,053.7	2,053.7	5	190.8	0	190.8	0
Corporate Bonds (non-Investment Grade)	0	0	0	0	0	0	0	0
UK Government	5,187.5	0	5,187.5	12	4,775.4	0	4,775.4	13
Other	1,125.7	0	1,125.7	3	1,118.6	0	1,118.6	3
Private Equity:								
All	207.7	108.4	316.1	1	188.8	107.8	296.6	1
Real Estate:								
UK property	-	2,062.3	2,062.3	5	1,138.4	668.7	1807.1	5
Overseas Property	0	0	0	0	0	0	0	0
Investment Funds & Unit Trusts:								
Equities	7,431.5	257.4	7,688.9	18	4,188.5	78.4	4,267	11
Bonds	0	0	0	0	0	1,135.9	1,135.9	3
Hedge Funds	0	0	0	0	0	0	0	0
Commodities	0	0	0	0	0	0	0	0
Infrastructure	118.1	222.0	340.1	1	0	169	169	0
Other	0	0	0	0	0	0	0	0
Derivatives:								
Inflation	0	0	0	0	0	0	0	0
Interest Rate	0	0	0	0	0	0	0	0
Foreign Exchange	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Cash & Cash Equivalents:								
All	0	2,697.9	2,697.9	6	2,133.9	0	2,133.9	6
Totals	35,117	7,402	42,519	100	36,291	2,160	38,451	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 2015. The actuaries have relied upon mortality assumptions based on a bespoke set of "VitaCurves" specifically tailored to fit the membership profile of the Fund, in line with the 2010 model published by the Continuous Mortality Investigation (CMI):-

	Illustrative example: life expectancy currently aged 65	April 2014 assumption	March 2015 assumption
<u>Current Pensioners</u>	Males normal health	22.0	22.0
	Females normal health	24.2	24.2
<u>Future Pensioners</u>	Males normal health	24.1	24.1
	Females normal health	26.6	26.6

The main assumptions used in their calculations have been

2013-14		2014-15
%		%
3.6	Rate of increase in salaries	3.3
2.8	Rate of increase in pensions	2.4
4.3	Discount rate for scheme liabilities	3.2

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

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

**Expected Rate of Return –
End of Year (%)**
11.9

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 2015/16 are expected to be in the region of £905,000. The projected current service cost for 2015/16 is estimated to be £1,732,000.

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 2015	Approximate % increase to Employer liability	Approximate monetary amount £,000
0.5% decrease in Real Discount Rate	10	6,035
1 year increase in member life expectancy	3	1,748
0.5% increase in the Salary increase Rate	3	1,829
0.5% increase in the Pension increase Rate	7	4,102

Note 34 Risks Arising from Financial Instruments

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

£	Long Term			Current		
	31 st March 2013	31 st March 2014	31 st March 2015	31 st March 2013	31 st March 2014	31 st March 2015
Investments						
Loans and receivables	0	0	0	3,552,492	4,530,949	3,022,840
Debtors						
Financial assets carried at contract amounts	0	0	0	2,022,929	1,384,246	2,638,067
Total Debtors & Investments	0	0	0	5,575,421	5,915,195	5,660,907
Borrowings						
Financial liabilities at amortised cost	(752,269)	(657,067)	(559,170)	(92,591)	(95,202)	(97,897)
Total Borrowings	(752,269)	(657,067)	(559,170)	(92,591)	(95,202)	(97,897)
Creditors						
Financial liabilities at amortised cost	0	0	0	(1,371,568)	(1,798,743)	(1,573,345)
Total Creditors	0	0	0	(1,371,568)	(1,798,743)	(1,573,345)

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments. The fair values of loans, provided by PWLB, are reported in Note 36. Short term debtors and creditors are carried at cost as this is a fair approximation of their value. The risks and mitigating actions are described below.

Credit Risk

This is defined as the possibility that one party to a financial instrument will fail to meet its contractual obligations causing a loss for the other party. The Balance Sheet contains two items of this nature, Debtors (Note 14) and Cash and Cash Equivalents (Note 15). The Debtors figure contains £1,088,638 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 2014-15. The Debtors figure of £1,669,285 relating to bodies external to government arises from a combination of normal business activity and approximately £1m of external funding owed for the Moorlife and Conservation Plans projects at year end. The majority of the debt relates to European grant aid and the risk of non - payment, based on performance reports and feedback from the European grant aid team, is low. The other outstanding debts (in the region of £200,000) are with major landowners and are subject to specific timed payment agreements. The bad debts provision of £23,492 is regarded as sufficient mitigation of the risks of general debts not being paid, representing 96% of debt outstanding over 4 months in age. The provision is reviewed annually and an increase is not considered to be required. All Short Term investments, in accordance with the Authority's Treasury Mgt Policy, are invested with North Yorkshire County Council under a Service Level Agreement. The risk of North Yorkshire County Council failing to meet its contractual obligations under this agreement is judged to be low. The Authority has adopted North Yorkshire County Council's Treasury Management Policy at its March 2015 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 one externally funded project, Moorlife, which is a five year project which started 1st April 2010 and ends September 2015. This project committed the Authority, as the accountable body for the project, to expenditure of €6,690,856 over five years, with 75% grant aid from the European Commission of €5,018,142. The project therefore had an element of exchange rate risk depending upon the exchange rate of the euro against sterling, at key points in the five year project. Sterling expenditure on the project is converted annually by the Commission at the exchange rate on the first working day of the calendar year, which then represents the project expenditure for the year denominated in euros, from which the appropriate % of grant aid is derived in euros. The grant is drawn down in three stages, and the date on which the euro grant is drawn down and paid over determines the value of sterling income received. The Services committee in November 2009 (Minute 49/09) approved the method by which the Authority would monitor and manage the exchange rate risk in the project. Short term weakness of sterling against the euro in 2009 helped reduce the overall risk as 40% of the grant was paid in advance in October 2009.

A financial risk to the Authority was identified if sterling strengthened significantly against the euro in the remaining three years of the project. Because of this, and because of strengthening Sterling exchange rate at the time, in July 2012 a forward contract with the Co-operative Bank was agreed, for sale of €1,505,442 Euros between 2nd April 2013 and 31st December 2013 at an exchange rate of 1.28; this contract covered the second tranche of grant. The forward contract rate unfortunately with hindsight locked the Authority into an unfavourable rate for the second payment, because of the significant weakening of Sterling since 2012; but the purpose of the transaction was always to reduce risk rather than speculate on exchange rate movements. Following significant strengthening of sterling against the euro early in 2015 a further forward contract was agreed for the final grant payment expected in January 2016. The forward contract was agreed with Barclays for the sale of €1,350,000 Euros on the 29th January 2016 at an exchange rate of 1.3051. It is expected that the final euro grant, converted at this rate, will match the final sterling expenditure outstanding and the exchange rate risk is considered to have been mitigated.

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 £829,638 CFR £657,067 is financed from external fixed rate debt, with only £172,571 at risk of interest rate fluctuations, and it is considered that there is little risk in continuing to finance this from internal funds while the markets are still pricing medium term interest rates at low levels.

Note 35 Prior Year Adjustments

The Authority's Gross Book Value and accumulated depreciation and impairment balances carried forward as at 1st April 2014 have been amended following correction of errors in the above entries in the fixed asset register. These errors had no impact on the Authority's net asset value shown in the Balance Sheet. The errors resulted in an overstatement of gross book values and an overstatement of accumulated depreciation and impairment as at 1st April 2014. The corrected opening balances are shown below:-

2013/14 Cost or Valuation	Land & Buildings £	Vehicles, plant, equipment £	Surplus Assets £
Previously reported Gross Book Value at 1 st April 2013	15,090,759	2,519,661	867,631
Re-stated Gross Book Value at 1 st April 2013	14,910,055	2,474,727	874,133
Difference	(180,704)	(44,934)	6,502

2013/14 Accumulated depreciation & impairment	Land & Buildings £	Vehicles, plant, equipment £	Surplus Assets £
Previously reported accumulated depreciation and impairment at 1 st April 2013	(1,634,810)	(1,255,919)	(183,633)
Re-stated accumulated depreciation and impairment at 1 st April 2013	(1,454,106)	(1,210,985)	(190,135)
Difference	180,704	44,934	6,502

Note 36 Long Term Loans

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

31 March 2014	Analysis by Type of Loan	31 March 2015
£		£
95,202	Public Works Loan Board	97,897
95,202	Total	97,897

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

31 March 2014	Analysis by Type of Loan	31 March 2015	Ave. Interest Rate
£		£	%
657,067	Public Works Loan Board	559,170	4.1
657,067	Total	559,170	

Analysis by maturity			
97,897	Between 1 and 2 years	61,864	3.2
112,233	Between 2 and 5 years	77,364	4.7
148,436	Between 5 and 10 years	155,494	4.7
187,248	Between 10 and 15 years	196,152	4.7
111,253	Between 15 and 20 years	68,296	4.7
0	Between 20 and 25 years	0	-
657,067		559,170	4.3

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 2014		31 March 2015
857,687	PWLB Fair Value	816,050
	Balance Sheet Carrying Value	
95,202	Under 1 year	97,897
657,067	Between 1 and 30 years	559,170
752,269		657,067

The Fair Value is more than the carrying amount at 31st March 2015 because the fixed rate loan interest payable on existing loans is higher than the rates available for similar loans at that date. This Fair Value is derived by discounting the current fixed repayments remaining on the loan using the interest rates available at Balance Sheet date, with the result that if the Authority requested an early repayment of the loan, the lower interest rates prevailing at Balance Sheet date would result in the PWLB requesting a higher current value for the repayment than the amount outstanding shown in the Balance Sheet. The Authority has two long term loans only:-

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

2) a 7 year PWLB loan, repayable using the annuity method of repayment, with fixed half-yearly payments including principal and interest. The loan was taken out on 19/10/09 at a fixed rate of 2.26% with a final payment 30/09/2016.

Note 37 Impact of Accounting Changes

Disclosure of the impact of accounting changes arising from new accounting standards is required for standards which have been issued but not yet adopted by the Code. The only standard in this category which is expected to have an impact is the introduction of IFRS 13 Fair Value Measurement, which introduces a universal definition of fair value based on exit price. The assets which will be affected, in terms of a change in approach, are the Surplus assets, where the valuation will need to change from an existing use valuation to an open market valuation. The Authority has a small number of surplus assets, and based on the assets currently within this category, the effect of this standard is likely to be small.

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

2013-14		2014-15	
£		£	£
1,821,904	(Surplus) Deficit on Income & Expenditure Account		1,159,638
(1,785,450)	Adjustments between accounting basis and funding basis (Note 6)	(1,245,769)	
(253,810)	Transfers to (from) earmarked reserves (Note 7)	158,372	(1,087,397)
(217,356)	(Increase)/Decrease in General Fund Balance for the year		72,241
(111,165)	Minimum / Voluntary Revenue Provision	(108,152)	
254,486	Contributions (to)/from Reserves	(123,721)	
(677)	Contributions (to)/from Restricted Funds	(34,650)	
(502,962)	(Increase)/Decrease in Creditors	243,203	
243,978	(Increase)/Decrease in Advance Income	67,891	
(629,300)	Increase/(Decrease) in Debtors	1,192,500	
11,502	Increase/(Decrease) in Stock	18,493	
(152,744)	Revenue Contribution to Capital Expenditure	(141,090)	
886,882			1,114,474
(1,104,238)	Net Cash Flow Operating Activities		1,186,715

Independent auditor's report to the members of Peak District National Park Authority

We have audited the financial statements of Peak District National Park Authority for the year ended 31 March 2015 on pages 7 to 56. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

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

Respective responsibilities of the Chief Finance Officer and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Financial Officer; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2015 and of the Authority's expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

Matters on which we are required to report by exception

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

- the annual governance statement which accompanies the financial statements does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or
- the information given in the explanatory foreword for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- any matters have been reported in the public interest under section 8 of Audit Commission Act 1998 in the course of, or at the conclusion of, the audit; or
- any recommendations have been made under section 11 of the Audit Commission Act 1998; or
- any other special powers of the auditor have been exercised under the Audit Commission Act 1998.

We have nothing to report in respect of these matters

Other matters on which we are required to conclude

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

We have undertaken our audit in accordance with the Code of Audit Practice and, having regard to the guidance issued by the Audit Commission in October 2014, we have considered the results of the following:

- our review of the annual governance statement; and
- the work of other relevant regulatory bodies or inspectorates, to the extent the results of the work have an impact on our responsibilities

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

Certificate

We certify that we have completed the audit of the financial statements of Peak District National Park Authority in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for Local Government Bodies issued by the Audit Commission.

Sue Sunderland
for and on behalf of KPMG LLP, Appointed Auditor
Chartered Accountants
 St Nicholas House
 31 Park Row
 Nottingham NG1 6FQ

21 September 2015