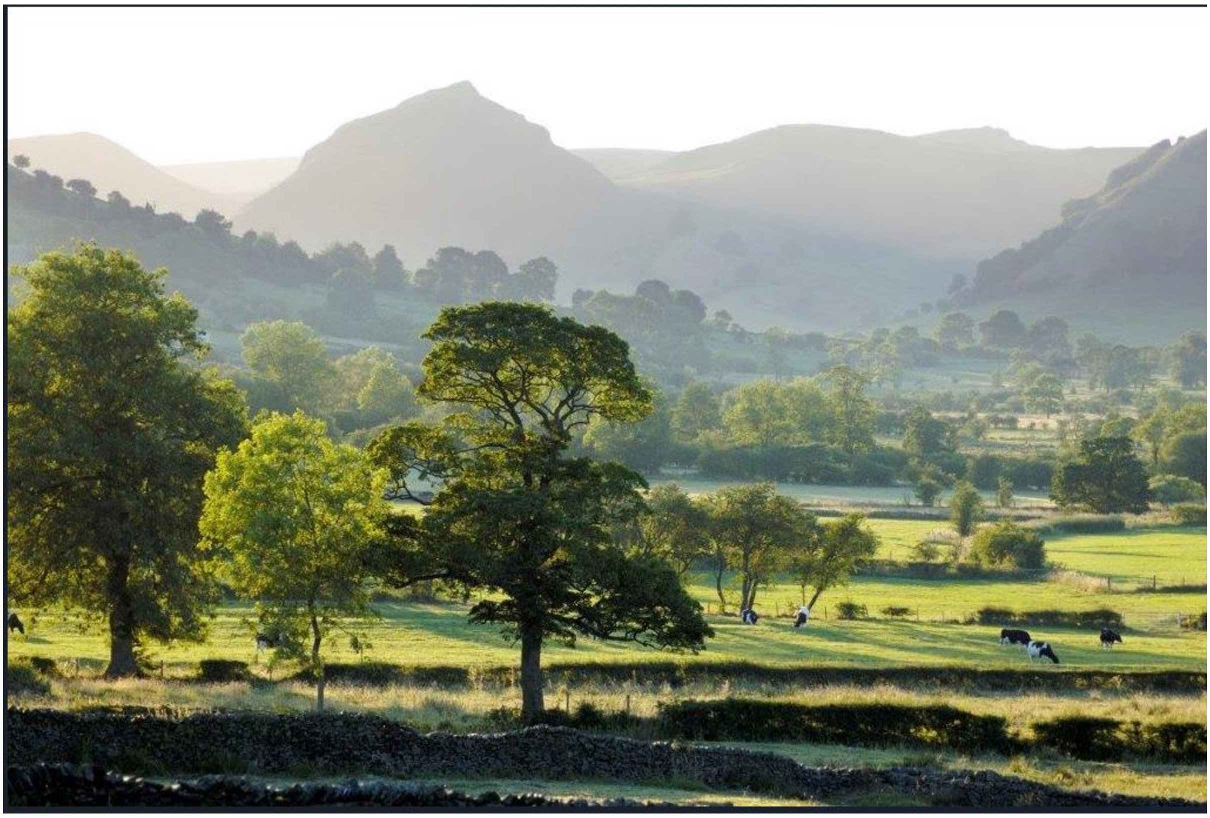
Statement of Accounts

2022/23



Statement of Accounts
for the Financial Year

1st April 2022 to 31st March 2023

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Signed: **Date:**

Chair of the Authority

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

Peak District National Park Authority
Annual Accounts for the Year Ended 31st March 2023

Statement of Responsibilities for the Statement of Accounts

The Authority's responsibilities

The Authority is required:

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

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

- to approve the statement of accounts.

The Chief Finance Officer's responsibilities

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

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

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

The Chief Finance Officer has also:

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

Authorisation for Issue and Certificate of Chief Finance Officer

I certify that the accounts give a true and fair view of the financial position of the National Park Authority as at 31st March 2023 and its income and expenditure for the year ended 31st March 2023.

Justine Wells CPFA
Finance Manager and Chief Finance Officer
2 February 2024

Peak District National Park Authority
Annual Accounts for the Year Ended 31st March 2023

Narrative Report

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

Accompanying notes, cross referenced from the statements, explain in greater detail some of the calculations and reasoning behind the figures; these notes, on pages 26 – 63, form part of the financial statements. The figures are rounded up to the nearest thousand pounds. The accounts comprise the following principal statements:

Comprehensive Income & Expenditure Statement

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

Movement in Reserves Statement

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

Balance Sheet

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

Cash Flow Statement

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

Each year the Department for Environment, Food and Rural Affairs (Defra) sets the level of funding for the National Park Authority. In 2022/23, the funding was again set at £6.699m (£6.699m in 2021/22). 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.

Overall, the Authority's usable reserves increased by £1.125m, with a £1.330m net transfer into earmarked reserves of which £735k is a transfer to the Revenue Grant Reserve for unspent grant income received in year and the remaining £595k is from underspends from across the Authority as a result of significant vacancies to be put towards future commitments. There was also a net reduction of £206k for the Capital Receipts Reserve, mainly as a result of the use of capital receipts to fund capital expenditure in the year.

The Service Expenditure Analysis recommended for all National Park Authorities has been retained, with income and expenditure being allocated across eight functional headings.

The Authority continued its rolling programme of asset re-valuations, concentrating this year on land and buildings that had not formed part previous year's revaluations.

The Authority is required to 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 2023 shows an asset of £3.098m, an increase in value of £18.005m compared to the liability of £14.907m for the previous year (representing a pension liability, which is now 105% funded, up from 82% at 31 March 2022). 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. Significant fluctuations in the valuations for pension assets and liabilities often occur as a result of the prevailing economic conditions (e.g. bond yields, stock market values, inflation rates etc), on which the valuations are based, at the balance sheet date. Full details are explained in Note 32.

For the 2022/23 financial year, the Authority set a borrowing limit (the authorised limit) of £2.5m. The Authority's external borrowing as at 31st March 2023 was £331k. The Authority's Capital Financing Requirement, i.e. its underlying need to borrow for capital purposes, was £1.240m at 31/03/2023 (£1.325m at 31/03/2022). The Authority did not enter into any financing transactions during the year, and relied upon internal cash resources.

Analysis of amounts recognised in the financial statements.

On 4 February 2022, the Authority approved the 2022/23 Budget and the variances from 2022/23 were mainly as a result pay underspends caused by vacancies as well as some areas of income greater than budgeted. A more detailed financial commentary on the 2022/23 results can be found in the outturn report (reported to the Authority meeting on 28 July 2023); 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 816344. Many of the changes shown in the Comprehensive Income and Expenditure Statement arise from normal business or project related fluctuations; the main differences (above £50k and 10% of the previous year's net expenditure) are outlined below.

	Difference £'000s	**Comment**
Comprehensive Income and Expenditure Statement (CIES)		
Conservation & Environment Projects	+337	Fluctuation in project costs between financial years
Cycle Hire	+94	Reduction in hire income and increases in pay costs
Access, Walking & Riding Routes	-305	£286k impairment cost for Millers Dale Café/ Goods Shed in 2021/22
Car Parks & Concessions	+96	Reduction in car park income as visitor numbers reduce to pre-covid levels
Recreation & Transport Projects	+292	Fluctuation in project costs between financial years
Visitor Centres	-406	£434k increase in asset values charged to the CIES for Castleton land and buildings
Promoting Understanding Projects	+67	Fluctuation in project costs between financial years
Countryside Volunteers	-64	£16k increased income, reduction in capital charges between 2021/22 and 2022/23
Property Team	-99	£38k reduction in pay due to vacancies and £40k reduction in building costs due to works on septic tanks being completed in 2021/22
Development Control	+191	Income from planning fees reduced in 2022/23 leading to greater net cost and under spent budget brought forward from 2021/22 for consultant support to the planning function
Planning Policy	-63	Reduction in pay budgets following Management Team restructure in 2021/22
Democratic Services & Members	+82	£60k one off expenditure for new recording and broadcasting equipment for the Boardroom
Corporate Management	+58	Increase in capital expenditure on vehicles
Balance Sheet		
Long Term Assets	+1,502	Capital additions of £788k (enhancement of trails facilities, tenanted farms, North Lees property, vehicles and IT expenditure), disposals of -£247k net asset revaluations of £1.582m, and depreciation of -£621k.
Current Assets	+1,273	Current assets have increased mainly due to an increase in cash and cash equivalents of £1.576m offset by disposals in assets held for sale £330k.
Current Liabilities	-82	The reduction is an increase in creditors of £386k (fluctuations in creditors is usual) offset by a £305k reduction in accruals for accumulated absences.
Long Term Liabilities	+18,038	The variance is largely the impact of the actuarial estimates used to provide notional figures to comply with International Accounting Standard 19 – Retirement Benefits - (see Note 32), with an reduction in the long term liability from £14.907m to an asset of £3.098m (movement of £18.005m). It also includes a reduction in long term borrowing of £33k.
Usable Reserves	+1,125	The variance in the usable reserves includes £735k grant income in advance added to the Revenue Grants Reserve (as per the CIPFA code), -£206k of capital receipts used to fund capital expenditure, £2.5k of bequests received to a restricted reserve plus £595k to earmarked reserves for future commitments.

The Development and Performance of the Authority in the 2022/23 Financial Year

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

- The Annual Governance Statement 2022/23
- The Performance and Business Plan 2022/23, with the Authority meeting receiving performance monitoring reports on progress in achieving year end performance targets, based on this plan.

The fourth quarter monitoring report and relevant appendices can be found on the website following these links:-

- 2022/23 Year End Performance Report, 2022/23 Performance and Business Plan and 2023/24 Corporate Risk Register COMMITTEE: (peakdistrict.gov.uk)
- Appendix 1a & 1b 2022-23 Q4 Performance Report and Commentaries Normal Document Template (peakdistrict.gov.uk) Normal Document Template (peakdistrict.gov.uk)
- Appendix 2a Performance and Business Plan 2023-24 draft content Normal Document Template (peakdistrict.gov.uk)
- Appendix 2b Authority Plan Programme Year 1 (2023-24) Normal Document Template (peakdistrict.gov.uk)
- Appendix 3 Corporate Risk Register 2022-23 Q4 EF Appendix 3 - Corporate Risk Register 2022-23 Q4.pdf (peakdistrict.gov.uk)

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

- Agenda Template (peakdistrict.gov.uk)

The performance monitoring report summarises progress into two categories:- priorities on target and priorities with performance issues. The Chief Finance Officer has reviewed the above documents with a view to reporting any additional explanations which may help users of these accounts to understand what impact any significant departure from planned expectations has had on the reported financial statements. Where items are identified as not achieved, an explanation will be provided if this has a material financial impact on the Statement of Accounts. In relation to the 2022/23 year, the quarter 4 and final performance monitoring report do not raise any such performance concerns in this category.

The Annual Governance Statement reviews the Authority's governance arrangements and identifies any issues relevant during the year which may have an effect on effectiveness. The Annual Governance Statement for 2022/23 identifies 13 issues for improvement action. The Chief Finance Officer has reviewed the statements on governance for the 2022/23 year, and these issues, alongside their impact on the reported financial statements. There are four issues identified which may have a future impact on the Authority's resources;

1. The impact of the recommendations in the Landscapes Review of National Parks, if implemented,
2. The non-inflationary level of the National Park Grant (NPG) 3-year settlement from 2022/23 onwards.

3. The ongoing social and economic impact of the Covid-19 pandemic with continuing uncertainty as to the long term impact on the Authority to deliver its statutory purposes.
4. The Authority's ability to achieve sustainable gross income targets.

The Authority's Cashflow

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

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

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

Capital Expenditure and Commitments

The Authority approved an updated Capital Strategy on 17 March 2023 which set out a forward Capital Programme to 2027/28, however it is expected that this will be reviewed annually. The strategy estimated potential capital expenditure in support of the corporate strategy of up to £2.98m, financed by borrowing of up to £651k, allocations from the Authority's Capital Reserve and other reserves of up to £2.005m and £325k from revenue resources. All Capital expenditure is governed by the key principles outlined in the Capital Strategy which can be found on the Authority's website under the agenda and reports section of the Authority meeting for 17 March 2023. The Capital Reserve reported in the Balance Sheet reduced in the year from £1.598m to £1.392m due to continued capital works. The Capital Financing Requirement is estimated to reduce as planned capital works are expected to be funded more from asset disposals rather than additional borrowing, however all estimated future borrowing is expected to be covered by the Authorised Limit as approved in the 17 March 2023 Authority report, remaining at £2.5m for 2023/24 and rising up to £3m in 2024/25 and 2025/26. Debt repayments for borrowing are either found within current revenue budgets or are funded by income, with the risk covered by a combination of strong interest cover ratios and increased asset values, rather than underwritten by reliance on National Park Grant.

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

There are no major changes in statutory functions. The budget for the 2022/23 year was approved on the basis that the Authority would be able to balance its revenue budget with reasonable assurance up to March 2023. However, looking forward the Authority is planning to undergo significant organisational change during 2023/24 to ensure the continued financial resilience of the Authority.

National Park Grant

The November 2021 Spending Review was a three year settlement and as a result in May 2022 the Authority was issued with a three year grant agreement from Defra. This confirmed that the grant level will remain fixed at £6.669m for 2022/23, 2023/24 and 2024/25 (although 2023/24 and 2024/25 figures are indicative only). Despite the publication of Landscapes Review in September 2019, which recommended inflation protection for National Park Grant as a minimum, this has yet to be implemented. The medium term financial stability of National Parks therefore remains uncertain.

Conclusion

The Authority has maintained a satisfactory financial position in 2022/23, however significant vacancies across the Authority have contributed to an underspend in various budgets this year. The Authority's underlying financial strategy continues to have four principal aspects. 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, although this is an area that could be improved upon. The Authority is actively looking to procure a new finance system which will assist in this and ensure that management data can be produced and accessed more easily and in a more user friendly manner for budget holders. The third is to continue to ensure that the Authority's fixed asset base is sustainable, in line with the approved Asset Management Plan and Capital Strategy, and that the rationalisation of the Authority's property portfolio continues which in turn will reduce maintenance liabilities and potentially provide capital receipts for further investment in the remaining portfolio. The fourth concerns a cautious approach to longer term commitments, ensuring the Authority is able to maintain a degree of flexibility in responding to future settlements, whilst retaining sufficient contingency reserves.

Summary of Significant Accounting Policies

1. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2022/23 financial year and its position at the year-end of March 2023. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require preparation in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the UK (2022/23), supported by International Financial Reporting Standards (IFRS).

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.

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

2. Accruals of Income and Expenditure

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

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

3. Acquisitions and Discontinued Operations

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, together with any outstanding liabilities arising from closure of a service.

4. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that

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

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information. 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.

7. Charges to Revenue for Non-Current Assets
Services, support services and trading accounts are debited with the following amounts to record the cost of holding 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.

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.

8. Employee Benefits
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, e.g. 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.

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.

9. Post - Employment Benefits

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

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.

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.

The change in the net pension's liability is analysed into six components:

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

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.

10. Events After the Balance Sheet Date

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.

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

11. Financial Instruments

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.

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.

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.

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.

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.

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

12. Foreign Currency Translation
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.

13. Government Grants and Contributions
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.

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.

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.

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.

14. 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 has been introduced in order to move these assets onto a valuation basis on the Balance Sheet, rather than as previously, a historic cost basis; the predominant reason for the introduction of the change is to ensure that items held within Local Authority museum and gallery collections are properly reflected in valuation terms on the Balance Sheet.

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

Notwithstanding its historical or other heritage qualities, any asset used by an organisation in its operations is still accounted for as an operational asset, and not as a heritage asset. It is therefore accounted for as set out in the Summary of Accounting policies note paragraph

3.19. The current approach to Heritage assets in this Statement of Accounts is summarised in Note 31.

15. Intangible Assets

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.

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.

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.

16. Inventories and Long-Term Contracts

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

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.

17. Leases

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.

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 Management 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.

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.

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

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.

18. Overheads and Support Services
The costs of overheads and support services are not recharged to those services that benefit from the supply or service, as this is how these services are reported in the internal management accounts, however the Authority does maintain an activity-based costing

model which helps to inform what these charges would be, which supports our budget setting and determination of financial objectives for services.

19. Property, Plant & Equipment

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.

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.

Measurement

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

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

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

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.

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.

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

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

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

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.
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.

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.

20. Provisions, Contingent Liabilities and Contingent Assets
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.

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 probable that there will be an inflow of economic benefits or service potential.

21. Reserves
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.

22. Revenue Expenditure Funded from Capital Under Statute

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.

23. VAT

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

Comprehensive Income and Expenditure Statement

	2021/22			2022/23		
	Gross Spend £'000s	Income £'000s	Net Spend £'000s	Gross Spend £'000s	Income £'000s	Net Spend £'000s
Conservation of the Natural Environment	5,783	(5,812)	(29)	5,990	(5,587)	403
Conservation of Cultural Heritage	328	(20)	308	353	(18)	335
Recreation Management & Transport	1,843	(1,234)	609	1,824	(1,099)	725
Promoting Understanding	1,328	(846)	482	899	(776)	123
Rangers, Estates Service & Volunteers	1,737	(301)	1,436	1,592	(346)	1,246
Development Planning	903	(302)	601	1,036	(245)	791
Forward Planning & Communities	718	(90)	628	569	(47)	522
Corporate Management & Support Services	2,845	(137)	2,708	3,073	(110)	2,963
Exceptional item - Grant Income Restatement	0	0	0	0	0	0
Total Cost of Services	**15,485**	**(8,742)**	**6,743**	**15,336**	**(8,228)**	**7,108**
Other Operating Expenditure (Note 8)			(123)			254
Financing and Investment Income (Note 9)			465			280
National Park Grant, non-specific grant and capital income (Note 10)			(6,765)			(7,220)
(Surplus)/ Deficit on Provision of Services			**320**			**422**
(Surplus)/ Deficit on revaluation of Property, Plant & Equipment assets			(535)			(1,255)
Actuarial (Gains)/ Losses on pension assets/ liabilities			(9,927)			(20,079)
Other Comprehensive (Income)/ Expenditure (Note 5)			**(10,462)**			**(21,334)**
Total Comprehensive (Income)/ Expenditure			**(10,142)**			**(20,912)**

Movement in Reserves Statement

	General Fund Balance £'000s	Capital Receipts Reserve £'000s	Total Usable Reserves £'000s	Un-usable Reserves £'000s	Total Authority Reserves £'000s
Balance at 1st April 2022	8,014	1,598	9,612	3,734	13,346
Movement in reserves during the 22/23 year					
Total comprehensive Income/ (Expenditure)	(422)		(422)	21,334	20,912
and funding basis under regulations (Note 6)	1,753	(206)	1,547	(1,547)	0
Net Increase/ (Decrease) in 22/23	1,331	(206)	1,125	19,787	20,912
Balance at 31st March 2023	9,345	1,392	10,737	23,521	34,258
Balance at 1st April 2021	5,727	877	6,604	(3,400)	3,204
Movement in reserves during the 21/22 year					
Total comprehensive Income/ (Expenditure)	(320)	0	(320)	10,462	10,142
Adjustments between accounting basis and funding basis under regulations (Note	2,607	721	3,328	(3,328)	0
Net Increase/ (Decrease) in 21/22	2,287	721	3,008	7,134	10,142
Balance at 31st March 2022	8,014	1,598	9,612	3,734	13,346

	Notes	2021/22 £'000s	2022/23 £'000s
Property, Plant & Equipment			
- Land & Buildings	11	18,838	20,546
- Vehicles, Plant & Equipment	11	1,137	1,107
Intangibles Assets	12	175	0
Other Long term Debtors	32	0	3,287
Long Term Assets		20,150	24,940
Inventories	13	211	208
Short Term Debtors	14	3,319	3,319
Assets held for Sale	16	300	0
Cash & Cash Equivalents	15	6,378	7,954
Total Current Assets		10,208	11,481
Short Term Borrowing	34	(31)	(33)
Short term Creditors	17	(1,259)	(1,653)
Accumulated Absences	20	(484)	(179)
Total Current Liabilities		(1,774)	(1,865)
Long Term Borrowing	34	(331)	(298)
Other Long Term Liabilities	32	(14,907)	0
Total Long term Liablities		(15,238)	(298)
Total Net Assets		**13,346**	**34,258**
Financed by:			
Usables Reserves			
- General Reserve		614	616
- Restricted Funds	7	123	125
- Specific Reserves	7	7,277	8,604
General Fund Balance	1	8,014	9,345
Capital Receipts Reserve	19	1,598	1,392
		9,612	10,737
Unusable Reserve			
- Revaluation Reserve	20	8,413	9,476
- Capital Adjustment Account	20	10,712	10,936
- Pensions' Reserve	20	(14,907)	3,287
- Accumulated Absences Account	20	(484)	(178)
		3,734	23,521
Total Reserves		**13,346**	**34,258**

Cashflow Statement

	2021/22 £'000s	2022/23 £'000s
Operating Activities		
Rents	(327)	(345)
Charged for goods and services	463	(2,328)
Grants and partnership income	(8,695)	(5,584)
National Park grant and levies	(6,699)	(7,139)
Interest received	(19)	(159)
Cash Inflows	**(15,277)**	**(15,555)**
Employment costs	7,371	7,838
Payment for goods and services	4,959	4,504
Other costs	267	1,172
Interest paid	18	17
Cash Outflows	**12,615**	**13,531**
Operating Activities Net Cash Flow	**(2,662)**	**(2,024)**
Investing Actvities		
Purchase of property, plant and equipment and intangible assets	580	790
Sale of property, plant and equipment and intangible assets	(737)	(292)
	(66)	(81)
	(223)	**417**
Financing Activities (Note 37)		
Repayment of amounts borrowed	30	31
Net (Increase)/ Decrease in Cash and cash equivalents	**(2,855)**	**(1,576)**
Cash and cash equivalents at the beginning of the reporting period (Note 15)	3,523	6,378
Net Increase/ (Decrease) in cash and cash equivalents as above	2,855	1,576
Cash and cash equivalents at the end of the reporting period (Note 15)	**6,378**	**7,954**

Notes to the Accounts

Note 1 Expenditure and Funding Analysis

2021/22				2022/23		
Net expenditure chargeable to the General Fund	Adjustments between Funding & Accounting Basis	Net Expenditure in the CIES		Net expenditure chargeable to the General Fund	Adjustments between Funding & Accounting Basis	Net Expenditure in the CIES
£'000s	£'000s	£'000s		£'000s	£'000s	£'000s
(574)	(545)	(29)	Conservation of the Natural Environment	192	211	403
242	(66)	308	Conservation of Cultural Heritage	283	52	335
277	(332)	609	Recreation Mgt & Transport	415	310	725
323	(159)	482	Promoting Understanding	455	(332)	123
1,121	(315)	1,436	Rangers, Estate Services & Volunteers	1,097	149	1,246
446	(155)	601	Development Control	580	116	696
498	(130)	628	Forward Planning & Communities	549	68	617
1,554	(1,154)	2,708	Corporate Management & Support Services	2,687	276	2,963
3,887	**(2,856)**	**6,743**	**Net Cost of Services**	**6,258**	**850**	**7,108**
(6,174)	248	(6,423)	Other Income and Expenditure	(7,590)	904	(6,686)
(2,287)	(2,608)	320	(Surplus)/ Deficit	(1,332)	1,754	422
(5,727)			Opening General Fund Balance	(8,014)		
(8,014)			Closing General Fund at 31st March	(9,346)		

The objective of the Expenditure and Funding Analysis is to demonstrate to tax and rent payers how the funding available to this Authority (i.e. government grants, rents, etc.) for the year has been used in providing services in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Authority's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Note 2 Critical Judgements in applying Accounting Policies & Assumptions

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

The National Park Grant, the principal funding source for the Authority, has now been confirmed for the 2023/24 financial year, with indicative figures for 2024/25.The settlement being the same in cash terms as the 2022/23 figure; nonetheless 2023/24 revenue budget has been approved by the Authority and is a balanced budget; but there remain concerns over the long term financial planning beyond this 2023/24, and what assumptions can be made in forward financial planning. The Authority’s net liability to pay pensions depends on a number of complex judgements, e.g. the discount rate used, the rate of wages’ inflation, changes in retirement ages, mortality rates and the return on pension fund assets. These judgements are made by the actuaries engaged by Derbyshire County Council to advise on the Pension Fund, within statutory guidelines. Note 32 contains more information on the assumptions made and the impact on the accounts. The estimated pensions’ liability as at 31/03/24 is £1.116m, and estimates of the (asset)/liability in the last five years have ranged between £(3.098)m and £22.645m.

Note 3 Material Items of Income and Expenditure

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

Note 4 Events after the Balance Sheet Date

The Chief Finance Officer authorised these Statement of Accounts for issue on 31 May 2023 and the audited accounts were reported to the Authority for approval on [Insert date]. Events taking place after this date will not be reflected in the financial statements or notes. Events which have occurred since the Balance Sheet date (31/03/23) and up to the authorisation of the accounts [insert date] have been considered. These events are of two kinds: either “adjusting events” (events arising relating to conditions which existed at the Balance Sheet date which materially affect the amounts included in the accounts) or “non-adjusting events” (events arising relating to conditions which arose after the Balance Sheet which are material, and for which disclosure is required for the purposes of fair presentation). There are no such events to report.

Note 5 Other Comprehensive Expenditure & Income

	2021/22 £'000s	2022/23 £'000s
(Surplus)/ Deficit arising on revaluation of non-current assets	(535)	(1,255)
Actuarial (gain)/ loss on pension fund assets and liabilities	(9,929)	(20,079)
Other - difference between actuarial and actual charge against	2	0
	(10,462)	**(21,334)**

Note 6 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments made for items included or not included in the Statement of

2022/23	General Fund £'000s	Capital Receipts Reserve £'000s	Unusable Reserves £'000s
Adjustments to Revenue Resources			
Pension costs - removal of accrual of full pension costs as reported on an actuarial basis under IAS 19	3,013	0	(3,013)
Pension costs - replacement by employers actual paid contributions in year	(1,128)	0	1,128
Holiday pay - removal of accrual for holiday pay costs leaving actual pay costs paid in year	(306)	0	306
Reversal of entries in relation to depreciation and impairment of non-current assets	720	0	(720)
Reversal of entries - revaluation gain (loss) on Property, Plant & Equipment	(426)	0	426
Reversal of entries - revenue expenditure funded from capital under statute	23	(23)	0
Reversal of entries for carrying value of non-current assets as part of gain/ loss on disposal	547	0	(547)
Total Adjustments to Revenue Resources	2,443	(23)	(2,420)
Adjustments between Revenue & Capital Resources			
Transfer of non-current asset sale proceeds to the Capital Receipts Reserve	(292)	292	0
Statutory provision for the repayment of debt	(170)	0	170
Capital expenditure financed from revenue balances	(146)	0	146
Total Adjustments between Revenue & Capital Resources	(608)	292	316
Adjustments to Captial Resources			
Use of the Capital Receipts Reserve to finance capital expenditure	0	(475)	475
Application of capital grants to finance capital expenditure	(81)	0	81
Total Adjustments to Capital Resources	(81)	(475)	556
Total Adjustments	**1,754**	**(206)**	**(1,548)**

Note 6 Adjustments between Accounting Basis & Funding Basis under Regulations Continued

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

2021/22	General Fund £'000s	Capital Receipts Reserve £'000s	Unusable Reserves £'000s
Adjustments to Revenue Resources			
Pension costs - removal of accrual of full pension costs as reported on an actuarial basis under IAS 19	3,283	0	(3,283)
Pension costs - replacement by employers actual paid contributions in year	(1,093)	0	1,093
Holiday pay - removal of accrual for holiday pay costs leaving actual pay costs paid in year	45	0	(45)
Reversal of entries in relation to depreciation and impairment of non-current assets	631	0	(631)
Reversal of entries - revaluation gain (loss) on Property, Plant & Equipment	307	0	(307)
Reversal of entries - amortisation of intangible assets	32	0	(32)
Reversal of entries for carrying value of non-current assets as part of gain/ loss on disposal	614	0	(614)
Total Adjustments to Revenue Resources	3,819	0	(3,819)
Adjustments between Revenue & Capital Resources			
Transfer of non-current asset sale proceeds to the Capital Receipts Reserve	(737)	737	0
Statutory provision for the repayment of debt	(158)	0	158
Capital expenditure financed from revenue balances	(250)	0	250
Total Adjustments between Revenue & Capital Resources	(1,145)	737	408
Adjustments to Captial Resources			
Use of the Capital Receipts Reserve to finance capital expenditure	0	(16)	16
Application of capital grants to finance capital expenditure	(66)	0	66
Total Adjustments to Capital Resources	(66)	(16)	82
Total Adjustments	**2,608**	**721**	**(3,329)**

Note 7 Earmarked Reserves and Transfers to and from the Reserves

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

Earmarked Reserves	Balance at 31st March 2021 £'000s	Transfers Out 2021/22 £'000s	Transfers In 2021/22 £'000s	Balance at 31st March 2022 £'000s	Transfers Out 2022/23 £'000s	Transfers In 2022/23 £'000s	Balance at 31st March 2023 £'000s
Minerals Reserve	(535)	0	(32)	(567)	0	0	(567)
Reducing Resources / Restructuring Reserve	(61)	0	(425)	(486)	0	(440)	(926)
ICT Reserve	(231)	0	(219)	(450)	0	(10)	(460)
Warslow Reserve	(16)	0	0	(16)	16	0	0
North Lees Reserve	(90)	0	(42)	(132)	71	(30)	(91)
Minor Properties Reserve	(18)	0	0	(18)	0	0	(18)
House	(95)	0	(24)	(119)	0	0	(119)
Maintenance Reserve	(22)	0	0	(22)	0	0	(22)
Vehicle Reserve	(5)	0	0	(5)	0	(22)	(27)
Forestry Reserve	(23)	23	0	0	0	0	0
Trail Reserve	(544)	55	(158)	(647)	42	0	(605)
Car Park Reserve	(32)	15	(9)	(26)	5	0	(21)
Cycle Hire Reserve	(50)	0	0	(50)	11	0	(39)
Covid Reserve	(1,087)	961	0	(126)	0	0	(126)
Matched Funding Reserve	(1,230)	46	0	(1,184)	336	0	(848)
Slippage Reserve	(1,187)	952	(939)	(1,174)	1,089	(315)	(400)
VAT Reserve	(60)	0	(60)	(120)	0	(100)	(220)
Resilience Reserve	(169)	0	0	(169)	0	(1,211)	(1,380)
Revenue Grant Reserve	0	0	(1,589)	(1,589)	413	(1,148)	(2,324)
CMPT Reserve	0	0	(17)	(17)	0	(15)	(32)
Local Plan Reserve	0	0	(110)	(110)	0	(19)	(129)
Authority Delivery Plan Reserve	0	0	(250)	(250)	0	0	(250)
Total	**(5,455)**	**2,052**	**(3,874)**	**(7,277)**	**1,983**	**(3,310)**	**(8,604)**

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

Restricted Funds	Balance at 31st March 2021 £'000s	Transfers Out 2021/22 £'000s	Transfers In 2021/22 £'000s	Balance at 31st March 2022 £'000s	Transfers Out 2022/23 £'000s	Transfers In 2022/23 £'000s	Balance at 31st March 2023 £'000s
Margaret Nicholls Bequest	(3)	0	0	(3)	0	0	(3)
Memorial Landscape Fund	(2)	0	0	(2)	0	0	(2)
Alan Beardsley Fund	(9)	0	0	(9)	0	0	(9)
J Disney Bequest	(33)	0	(23)	(56)	0	0	(56)
Friends of Losehill Hall	(3)	0	0	(3)	0	0	(3)
Margaret Egan Bequest	0	0	(50)	(50)	0	0	(50)
New Bequest - Margaret Vera Longhurst	0	0	0	0	0	(2)	(2)
Total Restricted Funds	**(50)**	**0**	**(73)**	**(123)**	**0**	**(2)**	**(125)**

Total Transfers		2,052	(3,947)		1,982	(3,312)	
Net Increase/ (Decrease) in Earmarked Reserves			(1,895)			(1,330)	

Note 8 Other Operating (Income)/ Expenditure

	2021/22 £'000s	2022/23 £'000s
(Gains)/ losses on the diposal of non current assets	(123)	254
	(123)	**254**

Note 9 Financing & Investment Income and Expenditure

	2021/22 £'000s	2022/23 £'000s
Interest payable and similar charges	18	17
Pension interest costs and expected return on pension assets	466	422
Interest receivable and similar assets	(19)	(159)
	465	**280**

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

	2021/22 £'000s	2022/23 £'000s
National Park Grant from Department for Environment, Food and Rural Affairs (DEFRA)	6,699	7,139
Capital grants		
Heritage Lottery Fund	66	0
Farming In Protected Landscapes	0	81
	6,765	**7,220**

Note 11 Property, Plant & Equipment – Movements on Balances

The Authority is a major landowner and its principal assets comprise woodlands, tenanted farms, car parks, toilets, cycle hire centres, visitor centres and a headquarters building. The Authority's Intangible assets comprise only purchased software. The Authority's network of trails along disused railway lines are regarded as infrastructure assets.

2022/23	Land & Buildings	Vehicles, plant and equipment	Community Assets	Infra-structure Assets	Surplus Assets	Total
Cost or Valuation	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Gross book value at 1 April	17,139	3,426	2,350	2,038	72	25,025
Additions	151	199	245	165	15	775
Revaluation increases	1,166	0	0	0	89	1,255
Revaluation increases	426	0	0	0	0	426
De-recognition: disposals	(17)	(589)	0	0	0	(606)
Other movements -	(375)	0	0	0	(10)	(385)
Prior year adjustments	(933)	0	0	0	5	(928)
Gross book value at 31 March 2023	**17,557**	**3,036**	**2,595**	**2,203**	**171**	**25,562**
Accumulated depreciation/ impairment at 1 April 2022	1,679	2,289	223	854	4	5,049
Depreciation charge	336	187	41	55	2	621
Impairment charge	99	0	0	0	0	99
Depreciation written out to the revaluation reserve	(136)	0	0	0	(1)	(137)
Depreciation written out to the surplus/ decifit on the provision of services	(239)	0	0	0	(9)	(248)
De-recognition - disposals	0	(547)	0	0	0	(547)
Prior year adjustments	(933)	0	0	0	5	(928)
Accumulated depreciation/ impairment at 31 March 2023	**806**	**1,929**	**264**	**909**	**1**	**3,909**
Net book value at 31 March 2022	15,460	1,137	2,127	1,184	68	19,976
Net book value at 31 March 2023	**16,751**	**1,107**	**2,331**	**1,294**	**170**	**21,653**

Note 11 Continued

2021/22	Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Infra-structure Assets	Surplus Assets	Total
Cost or Valuation	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Gross book value at 1 April	17,034	3,341	2,239	1,974	72	24,660
Additions	203	85	111	64	0	463
Revaluation increases	590	0	0	0	0	590
Revaluation increases	(192)	0	0	0	0	(192)
De-recognition: disposals	0	0	0	0	0	0
Other movements -	(495)	0	0	0	0	(495)
Prior year adjustments	0	0	0	0	0	0
Gross book value at 31 March 2022	**17,140**	**3,426**	**2,350**	**2,038**	**72**	**25,026**
Accumulated depreciation/ impairment at 1 April 2022	1,746	2,084	181	802	2	4,815
Depreciation charge	330	205	42	52	2	631
Impairment charge	99	0	0	0	0	99
Depreciation written out to the revaluation reservse	(283)	0	0	0	0	(283)
Depreciation written out to the surplus/ decifit on the provision of services	(212)	0	0	0	0	(212)
De-recognition - disposals	0	0	0	0	0	0
Prior year adjustments	0	0	0	0	0	0
Accumulated depreciation/ impairment at 31 March 2022	**1,680**	**2,289**	**223**	**854**	**4**	**5,050**
Net book value at 31 March 2021	15,288	1,257	2,058	1,172	70	19,845
Net book value at 31 March 2022	**15,460**	**1,137**	**2,127**	**1,184**	**68**	**19,976**

Effects of Changes in Estimates

There are no material effects arising from changes in accounting estimates for residual values,

Revaluations

The Authority's property shown in the Land & Buildings column has been valued as at 31st March 2023 by the District Valuer. The valuations are in accordance with the CIPFA Code of Practice and the relevant sections of the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The Authority values these assets over a five-year rolling programme, concentrating this year on land and buildings that had not formed part of the previous four years revaluations.

Impairments

There were no impairments this year.

Note 12 Intangible Assets

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

	2021/22 £'000s	**2022/23 £'000s**
Gross carrying amount at start of year	768	816
Additions	48	0
Disposals	0	(816)
Gross carrying amount at end of year	**816**	**0**
Accumulated amortisation at start of year	609	641
Amortisation for the year	32	0
De-recognition: Disposals	0	(641)
Accumulated amortisation at end of year	**641**	**0**
Net carrying amount at start of year	159	175
Net carrying amount at end of year	**175**	**0**

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 and other items for resale are:

	2021/22 £'000s	**2022/23 £'000s**
Opening stock	248	211
Purchases	199	275
Recognised as an expense in the year	(242)	(273)
Written off balances/ Reversal of write offs in previous years	6	(5)
Closing stock	**211**	**208**

Note 14 Debtors

Debtors can be analysed as follows:

	31-Mar-22 £'000s	31-Mar-23 £'000s
Central Government Bodies	1,393	1,196
Other Local Authorities	166	14
Public Coporations and Trading Funds		
Bodies external to general government	1,802	2,139
Study loans to staff		
Less: Provision for bad debts	(42)	(30)
	3,319	**3,319**

Note 15 Cash and Cash Equivalents

Cash and bank can be anlysed as follows:

	31-Mar-22 £'000s	31-Mar-23 £'000s
Bank current accounts	(271)	494
Cash held by the Authority	2	2
Deposits with North Yorkshire County Council	6,647	7,458
	6,378	**7,954**

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

Note 16 Assets Held for Sale

An analysis of the assets held for sale category within current assets is shown below:

	31-Mar-22 £'000s	31-Mar-23 £'000s
Balance outstanding at start of the year	986	300
Property, plant and equipment newly identified	0	13
Revaluation (losses)/ gains	(55)	0
Impairment losses	(16)	0
Assets sold	(615)	(313)
Balance outstanding at the end of the year	**300**	**0**

Note 17 Creditors due within 12 months

Creditors can be analysed as follows:

	31-Mar-22 £'000s	31-Mar-23 £'000s
Central Government Bodies	161	133
Other Local Authorities	17	27
Public Corporations and Trading Funds	1	0
Bodies external to general government	1,080	1,493
	1,259	**1,653**

Note 18 Provisions and Contingent Liabilities

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

Note 19 Capital Receipts Reserve

Movements in the Authority’s usable reserves are detailed in the Movement in Reserves

	31-Mar-22 £'000s	31-Mar-23 £'000s
Balance at start of the year	877	1,598
Receipts received in the year	737	292
Receipts used to finance capital expenditure	(16)	(498)
	1,598	**1,392**

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.

	31-Mar-22 £'000s	31-Mar-23 £'000s
Revaluation Reserve		
Balance at start of the year	8,041	8,413
Upward revaluation of assets	535	1,255
Surplus/ Deficit on revaluation of non-current assets not posted to the Surplus/ Deficit on the Provision of Services	8,576	9,668
Accumulated gains on assets disposed of	0	(17)
Difference between fair value depreciation and historical cost depreciation	(163)	(175)
Amounts written off to the Capital Adjustment Account	(163)	(192)
Balance at the end of the year	**8,413**	**9,476**

Note 20 Unusable Reserves Continued

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.

	31-Mar-22 £'000s	31-Mar-23 £'000s
Capital Adjustment Account		
Balance at start of the year	11,644	10,712
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expendiutre Statement (CIES)		
Charges for depreciation of non-current assets	(631)	(621)
Revenue expenditure funded from capital under statute		(24)
Revaluation gains/ (losses) on Property, Plant & Equipment	(307)	327
Amortisation of intangible assets	(32)	0
Amount of non-current assets written off on disposal as part of the gain/loss on disposal to the CIES	(615)	(546)
	(1,585)	(864)
Adjusting amounts written out of the Revaluation Reserve	163	192
Net written out amount of the cost of non-current assets consumed in the year	(1,422)	(672)
Capital financing applied in the year		
Use of the Capital Receipts Reserve to finance new capital expenditure	16	498
Capital grants and contributions credited to the CIES that have been applied to capital financing	66	81
Statutory provision for the financing of capital investment charged against the General Fund	158	170
Capital expenditure charged against the General Fund	250	147
Total Capital Financing applied in the year	490	896
Balance at the end of the year	**10,712**	**10,936**

Note 20 Unusable Reserves Continued

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.

	31-Mar-22 £'000s	31-Mar-23 £'000s
Pensions Reserve		
Balance at the start of the year	(22,645)	(14,907)
Actuarial gains or (losses) on pension assets and liabilities	9,929	20,079
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CEIS	(3,284)	(3,013)
Employers' pension contributions and direct payments to pensioners payable in the year	1,093	1,128
Balance at the end of the year	**(14,907)**	**3,287**

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

	31-Mar-22 £'000s	31-Mar-23 £'000s
Accumulated Absences Reserve		
Balance at the start of the year	(439)	(484)
Settlement or cancellation of accrual made at the end of the preceding year	439	484
Amounts accrued at the end of the current year	(484)	(178)
on an accruals basis is different from renumeration chargeable on a salary basis in accordance with statutory requirements	(45)	306
Balance at the end of the year	**(484)**	**(178)**

Note 21 Note to the Expenditure and Funding Analysis

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

	2021/22				2022/23			
	Adjustments for Capital Purposes (Footnote 1)	**Net change for the Pension Adjustments (Footnote 2)**	**Other Differences (Footnote 3)**	**Total Adjustments**	**Adjustments for Capital Purposes (Footnote 1)**	**Net change for the Pension Adjustments (Footnote 2)**	**Other Differences (Footnote 3)**	**Total Adjustments**
	£'000s	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Conservation of the Natural Environment	74	461	10	545	(85)	379	(83)	211
Conservation of the Cultural Heritage	0	64	2	66	0	61	(10)	51
Recreation Mgt & Transport	208	116	8	332	239	93	(22)	310
Promoting Understanding	(3)	153	9	159	(429)	125	(27)	(331)
Rangers, Estates Services & Volunteers	30	278	7	315	(54)	251	(47)	150
Development Control	0	152	3	155	0	141	(25)	116
Forward Planning & Communities	0	127	3	130	0	90	(22)	68
Support Services	781	371	2	1,154	21	323	(69)	275
Net cost of Services	**1,090**	**1,722**	**44**	**2,856**	**(308)**	**1,463**	**(305)**	**850**
Expenditure and Funding Analysis	(714)	466		(248)	482	422		904
Surplus/Deficit and Comprehensive	**376**	**2,188**	**44**	**2,608**	**174**	**1,885**	**(305)**	**1,754**

Note 21 Note to the Expenditure and Funding Analysis Continued

Footnote 1

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

Footnote 2

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

Footnote 3

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

Expenditure and Income analysed by Nature

	2021/22 £'000s	2022/23 £'000s
Expenditure		
Employee expenses	9,139	8,995
Other services expenses	5,533	6,216
Capital accounting transactions	822	123
Interest Payments	484	439
Loss on the disposal of fixed assets	0	255
Total Expenditure	**15,978**	**16,028**
Income		
Fees, charges and other service income	(2,401)	(2,384)
Grants	(4,294)	(2,748)
Government grants	(8,728)	(10,244)
Donations	(83)	(70)
Interest & Investment Income	(19)	(159)
Gain on the disposal of fixed assets	(123)	0
Total Income	**(15,648)**	**(15,605)**
Surplus/ Deficit on the Provision of Services	**330**	**423**

Note 22 Acquired and Discontinued Operations

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

Note 23 Members' Allowances

The following amounts were paid to the 32 Members of the Peak District National Park Authority as allowances in the year ended 31st March 2023.

	2021/22 £'000s	2022/23 £'000s
Basic Allowance	72	72
Special Responsibility Allowance	22	23
Travel and subsistence	3	5
	97	**100**

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

Note 24 Employee Remuneration

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

	Number of Employees	
Payment Range	**2021/22**	**2022/23**
£50,000 - £54,999	1	4
£55,000 - £59,999	0	0
£60,000 - £64,999	0	0
£64,999 - £69,999	0	0
£70,000 - £74,999	0	1
£75,000 - £79,999	0	0
£80,000 - £84,999	0	0
£85,000 - £89,999	0	0
£90,000 - £94,999	1	0
£95,000 - £99,999	0	0

Note 24 Employee Remuneration Continued

2022/23 Remuneration for senior employees

Job Title	Salary	Benefits in Kind	Subtotal	Employers Pension Contributions	Total Remuneration
Chief Executive *1	52,784	0	52,784	10,330	63,114
Head of Legal & Interim Chief Executive *2	74,454	0	74,454	14,570	89,024
Head of Finance *3	54,401	0	54,401	10,646	65,047
Head of Information & Performance M'ment *3	51,436	0	51,436	10,063	61,499
Director of Corporate Resources *3	50,140	0	50,140	9,812	59,952

2021/22 Remuneration for senior employees

Job Title	Salary	Benefits in Kind	Subtotal	Employers Pension Contributions	Total Remuneration
Chief Executive	93,020	0	93,020	17,518	110,538
Head of Legal	55,329	0	55,329	10,828	66,157

Note 1: Employment started 5th September 2022
Note 2: Interim Chief Executive 1st April to 4th September 2022
Note 3: No previous years comparison as under £50,000

Note 24 Employee Remuneration Continued

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

2022/23	Exit package cost band	Number of compulosry redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £
	£0 - £20,000	0	3	3	17,053
	£20,001 - £40,000	0	0	0	0
	£40,001 - £60,000	0	0	0	0
	£60,001 - £80,000	0	0	0	0
	Total	**0**	**3**	**3**	17,053

2021/22	Exit package cost band	Number of compulosry redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £
	£0 - £20,000	2	1	3	10,219
	£20,001 - £40,000	0	0	0	0
	£40,001 - £60,000	0	0	0	0
	£60,001 - £80,000	0	0	0	0
	Total	**2**	**1**	**3**	**10,219**

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

Note 25 Grant Income

The Authority credited the following grants, contributions and donated assets to the Comprehensive Income & Expenditure Statement in 2022/23, with amounts over £10,000 only shown:

	2021/22 £'000s	2022/23 £'000s
Revenue Grants Credited to Services		
Rural Development Programme for England – South West Peak Projects	67	0
Local Restrictions Support Grant	16	0
MOD – Warslow Moors Restoration Work	30	0
Dept of Culture, Media & Sport - Discover England Project	32	0
DEFRA – Environmental Stewardships / Moors for the Future Projects/FiPL	891	1,541

Note 25 Grant Income Continued

	2021/22 £'000s	2022/23 £'000s
Revenue Grants Credited to Services		
Historic England – Cultural Heritage Projects	35	0
Environment Agency – Moors for the Future / MoorLIFE Project	218	811
Environment Agency – Warslow Moors Estate Restoration work	29	0
Natural England - Pennine Way Ranger	37	38
Natural England - Pennine Bridleway	45	0
Natural England/DEFRA – Swallowmoss Rewetting Project	198	74
Natural England – Moors for the Future / MoorLIFE work	486	480
Peak District National Park Foundation – Conservation Projects	141	43
Heritage Lottery Fund – South West Peak Project	539	76
RSPB - Moors for the Future / MoorLIFE work	28	31
Leader EU – Moors for the Future Project	45	0
Derbys County Council – Rights of Way	20	20
City of Bradford MDC – Moors for the Future work	76	0
Calderdale Council - Moors for the Future work	0	68
South Downs NP – Generation Green Project	105	36
Tarmac Ltd – Conservation Volunteers Project	23	23
The Woodland Trust – Small Woodlands Creation Scheme	10	61
The Woodland Trust – Moors for the Future Work	25	25
Friends of the Trans Pennine Trail - Longdendale Landscape Enhancements	0	10
National Grid – Longdendale Landscape Enhancements	326	0
Esme Fairburn Foundation – South West Peak Project	51	0
Esme Fairburn Foundation – Moors for the Future work	96	174
United Utilities – Joint Ranger Costs	97	92
United Utilities – Moors for the Future / MoorLIFE Project	184	0
Severn Trent Water - Joint Ranger Costs	58	60
Severn Trent Water – MFF/MoorLIFE Project	567	202
Severn Trent Water – Car Park	50	50
Severn Trent Water - Operating Costs at Upper Derwent Visitor Centre	0	11
Yorkshire Water - Joint Ranger Costs	34	17
Yorkshire Water - Moors for the Future / MoorLIFE Project	783	1,397
BMC - Moors for the future/ MoorLIFE Project	0	70
WORLEY Foundation - Moors for the Future	0	20
Yorkshire Wildlife Trust – Moors for the Future	11	0
Derbyshire Environment Trust – South West Peak Project	23	0
Alan Turing Network - Internship	0	17
MOSAIC - Championing National Parks Project	0	15
National Trust - Moors for the Future/ MoorLIFE Project	0	13
National Trust - Moors for the Future / MoorLIFE Project	17	0
European Life Funding – MoorLIFE Project	763	258
OFGEM – Aldern House / Other Biomass Boilers	30	32
Other Revenue Grants each under £10,000	58	28
	6,244	**5,793**

Note 26 External Audit Cost

Fees paid to Mazars LLP for audit services were as follows

	2021/22 £'000s	2022/23 £'000s
External audit services as appointed auditor (note 1 and 2)	20	20
	20	**20**

Note 27 Related Parties

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 for Levelling Up, Housing and Communities (DLUHC), has significant influence over the general operations of the Authority and is responsible for providing the statutory framework within which the Authority operates, provides the majority of funding in the form of grants, and prescribes the terms of many of the transactions that the Authority has with other parties.

The Authority engages in a variety of formal and informal partnerships, and may contribute to those organisations financially to help further National Park purposes. It does not have control of those bodies. The Authority is a Member of National Parks Partnerships LLP, a body constituted to further the sponsorship ambitions of National Parks, and the Chair of the Authority is the Member representative. The Chair of the Authority is also a Director of National Parks England Ltd, which is a company limited by guarantee furthering the interests of the English National Parks; the Authority has joint ownership with the other National Parks of this company. Three Authority Members are Trustees of the Peak District Foundation charity, which is an independent registered charity with the principal aim being to raise funds for the Peak District National Park. The Authority has no other involvement with related parties with joint control or significant influence, subsidiaries, associates, or joint ventures.

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. These exclude those received as part of normal conditions of employment or approved duties. Any qualifying financial transactions must be disclosed in the Members' Register of Financial and Other Interests which is open to public inspection. During the course of the 2022/23-year Cllr RPH Brady disclosed being a recipient of a Farming in Protected Landscapes grant to the value of £2,675. Cllr Brady is not on the FiPL grant panel. At the time of publication (31 May 2023) 1 Member, Cllr W Armitage has not returned their declaration form for 2022/23.

This disclosure note also applies to the involvement of Officers and Members with entities which they may have significant influence over. In summary, during the normal course of business, the following transactions were made between the Authority and other related parties:

Note 27 Related Parties Continued

Local Authorities	Income £'000s	Outstanding £'000s	Expenditure £'000s	Outstanding £'000s	NNDR £'000s
Bamford with Thornhill PC	0	0	1	1	0
Barnsley Met Borough Council	2	0	3	0	3
Derbyshire County Council	28	5	92	12	0
Derbys Dales District Council	10	0	5	0	96
High Peak Borough Council	5	3	5	0	36
Kirklees Council	0	0	0	0	0
Sheffield City Council	0	0	2	0	1
Staffs County Council	11	0	0	0	0
Staffs Moorlands District Council	1	0	2	0	15
Taddington & Priestcliffe Parish Council	2	0	1	1	0
Charities & Other					
Hadfield Infant School	1	0	0	0	0
Hope Valley Climate Action	0	0	33	32	0
National Parks Parts LLP	6	0	10	0	0
National Trust	13	0	46	5	0
Peak District MOSAIC	0	0	5	5	0
Peak District NP Foundation	43	0	2	2	0
Woodland Trust	79	0	0	0	0
Total	**201**	**8**	**207**	**58**	**151**

The figures for Local Authorities do not include statutory charges for Council Tax, Search Charges or Planning related fees (S106).

Note 28 Capital Expenditure

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

	2021/22 £'000s	**2022/23 £'000s**
Opening Capital Financing Requirement	1,306	1,326
Capital Investment		
Land & Buildings	203	179
Vehicles, Plant & Equipment	84	198
Community Assets	111	245
Infrastructure Assets	64	165
Intangible Assets	48	0
Revenue Expenditure Funded from Capital under Statute	0	24
	510	811
Sources of Finance		
Capital Receipts	(16)	(498)
Givernment Grants and other contributions	(66)	(81)
Sums set aside from Revenue		
Direct Revenue Contributions	(250)	(146)
Minimum Revenue Provision for repayment of principal	(158)	(170)
Closing Capital Financing Requirement	1,326	1,242
Explanation of Movement in year		
Expenditure not supported by goverment financial assistance financed from internal funds	177	85
Minimum Revenue Provision	(157)	(170)
Increase/ (Decrease) in Capital Financing Requirement	**20**	**(85)**

Note 29 Statement of Capital Charges charged to Revenue

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

	2021/22 £'000s	2022/23 £'000s
Conservation of the Natural Environment		
Forestry & Tree Mgt	3	102
Conservation Projects	58	40
Estates Management	90	100
	151	242
Recreation Management		
Campsites, hostels and barns	11	14
Access, walking and riding routes	364	74
Car parks & Concessions	138	111
Cycle hire	50	57
Toilets	32	31
	595	287
Promoting Understanding		
Visitor Centres	19	(408)
Environmental education	0	0
	19	(408)
Rangers, Estate Services & Volunteers		
Rangers	36	
Conservation Volunteers	18	16
Vehicle Fleet	0	29
Field Services	3	6
Estate Workers	9	8
	66	59
Development Control		
Development Control	0	0
	0	0
Service Management and Support Services		
Vehicles	7	6
Headquarters Premises	48	54
Capitalised IT Expenditure	93	54
	148	114
	979	**294**

Note 30 Leases

Authority as Lessee

Finance Leases

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

Operating Leases

Vehicles

The fleet management policy was unchanged during 2022/23 and again had no vehicle leases in operation. Two vehicles were sold during the year and one new vehicles was purchased.

Equipment

The Authority utilities a dedicated private cloud solution to deliver core ICT infrastructure (this includes servers and storage). The infrastructure as a Service contract expires December 2026.

Property

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

During the year ended 31st March 2023 the Authority made the following payments for operating leases charged to revenue:

	2021/22 £'000s	2022/23 £'000s
Equipment	112	121
Land & Buildings	76	72
	188	**193**

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

	2021/22 £'000s	2022/23 £'000s
Not later than one year	196	212
Later than one year and not later than five years	799	661
Later than five years	26	17
	1,021	**890**

Note 30 Leases Continued

Authority as Lessor

Finance Leases

The Authority has not issued any finance leases.

Operating Leases

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

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

The Authority collected the following rents in 2022/23 from its assets as lessor:

	2021/22 £'000s	2022/23 £'000s
General Rents	2	20
Agricultural Rents	114	105
Residential Rents	104	122
Business Rents	66	76
Agricultutral Licences	16	16
Business Licences	17	6
Eastern Moors Lease	24	28
Refreshment Concession	153	177
	496	**550**

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

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

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

Note 30 Leases Continued

	2021/22 £'000s	2022/23 £'000s
Not later than one year	226	214
Later than one year and not later than five years	960	907
Later than five years	254	241
	1,440	**1,362**

Note 31 Heritage Asets

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 14.

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

Note 32 Defined Benefit Pension Scheme

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

Comprehensive Income and Expenditure Account

The cost of retirement benefits is recognised in the Total Cost of Services when they are earned by employees, rather than when the Authority makes its statutory payments to the Pension Fund, which are determined by the Scheme's Actuary. The charge which needs to be accounted for against government grant 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:

Note 32 Defined Benefit Pension Scheme Continued

		2021/22 £'000s	2022/23 £'000s
Cost of Services			
Current Service Cost		2,816	2,585
Past Service Cost		0	6
		2,816	2,591
Financing & Investment Income & Expenditure			
Net interest expense	Note 9	466	422
Total chargeable to Surplus/Deficit on the Provision of Services		3,282	3,013
Other amount chargeable to the CIES (Re-measurement of plan liabilities)	Note 5		
Return on plan assets excluding amount included in net interest expense above		(3,426)	(3,680)
Actuarial (gains)/losses arising on changes in demographic assumptions		(503)	674
Actuarial (gains)/losses arising on changes in financial assumptions		(5,642)	30,057
Other experience		127	(6,972)
Total re-measurements		(9,444)	20,079
Total Charged to the Comprehensive		**(9,444)**	**20,079**
Movement in Reserves Statement			
Reversal of net charges made to the Surplus/ Deficit for the Provision of Services		(3,282)	(3,013)
Employers' Contributions Payable			
Actual amount charged against the General Fund balance for pensions in the year		1,093	1,128

<u>Balance Sheet</u>

The underlying assets and liabilities for retirement benefits attributable to the Authority as at 31 March 2023 are as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23
Estimated liabilities in scheme	(75,238)	(65,336)	(84,547)	(81,355)	(60,667)
Estimated assets in scheme	54,773	51,529	61,902	66,448	63,954
Net Asset (Liability)	(20,465)	(13,807)	(22,645)	(14,907)	3,287
% Funded	73%	79%	73%	82%	105%

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The total liability of £15.2m 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	**£'000s**
Opening balance 1 April 2022	81,355
Current service cost	2,585
Past service cost	6
Interest cost	2,204
Contributions from scheme participants	357
Re-measurement (gains) and losses	
- changes in demongraphic assumptions	(674)
- changes in financial assumptions	(30,057)
- other	7,152
Past service gain	
Curtailment (gains)/ losses	
Benefits paid	(2,261)
Closing balance 31 March 2023	60,667

Analysis of Present Value of Scheme Assets	**£'000s**
Opening balance 1 April 2022	
Opening balance adjustment	66,448
Interest income	1,782
Re-measurement gain (loss)	
Return on plan assets excluding amount in net interest expense charged to CIES	(3,680)
Other	180
Contributions from employer	1,083
Contributions from employees into the scheme	357
Benefits paid	(2,216)
Closing fair value 31 March 2023	63,954

Note 32 Defined Benefit Pension Scheme Continued

Analysis of Pension Fund Assets

Asset Category	Perioed ended 31 March 2022				Period ended 31st March 2023			
	Quoted in active markets	Not quoted in active markets	Total	% of total assets	Quoted in active markets	Not quoted in active markets	Total	% of total assets
	£'000s	£'000s	£'000s		£'000s	£'000s	£'000s	
Equity Securities:								
Consumer	263	0	263	0.4%	201	0	201	0.3%
Manufacturing	169	0	169	0.3%	80	0	80	0.1%
Energy/ utilities	84	0	84	0.1%	59	0	59	0.1%
Financial	127	0	127	0.2%	80	0	80	0.1%
Health & Care	174	0	174	0.3%	111	0	111	0.2%
Information	238	0	238	0.4%	133	0	133	0.2%
Other	2,326	0	2,326	3.5%	1,872	0	1,872	2.9%
Debt Securities:								
Corporate Bonds	4,115	4,533	8,648	13.0%	3,644	4,552	8,196	12.8%
Corporate bonds	0	0	0	0.0%	0	0	0	0.0%
UK Government	5,576	0	5,576	8.4%	5,171	0	5,171	8.1%
Other	1,180	0	1,180	1.8%	1,064	0	1,064	1.7%
Private Equity:								
All	1,242	1,948	3,190	4.8%	974	2,136	3,110	4.9%
Real Estate:								
UK Property	357	4,881	5,238	7.9%	151	4,897	5,048	7.9%
Overseas Property	0	0	0	0.0%	0	0	0	0.0%
Investment Funds								
Equities	19,769	11,006	30,775	46.3%	10,872	19,192	30,064	47.0%
Bonds	0	0	0	0.0%	0	0	0	0.0%
Hedge Funds	0	0	0	0.0%	0	0	0	0.0%
Commodities	0	0	0	0.0%	0	0	0	0.0%
Infrastructure	1,389	4,087	5,475	8.2%	1,284	5,602	6,886	10.8%
Other	0	0	0	0.0%	0	0	0	0.0%
Derivatives:								
Inflation	0	0	0	0.0%	0	0	0	0.0%
Interest Rate	0	0	0	0.0%	0	0	0	0.0%
Foreign Exchange	0	0	0	0.0%	0	0	0	0.0%
Other	0	0	0	0.0%	0	0	0	0.0%
Cash & Cash								
All	0	2,986	2,986	4.5%	0	1,881	1,881	2.9%
Totals	37,007	29,441	66,448		25,695	38,259	63,954	

Note 32 Defined Benefit Pension Scheme Continued

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been estimated by Hyman Robertson LLP, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31 March 2022.

The accounts have been prepared on the basis of the actuary's updated IAS 19 valuation report dated 19 April 2023. No further adjustment has been made within this year's results for the McCloud judgement.

The significant assumptions used by the actuary have been:

Long-term expected rate of return on assets in the scheme	**2021/22**	**2022/23**
Overall expected return	7.50%	8.00%
Mortality assumptions		
Longevity at 65 for current pensioners:		
Men	21.1 Yrs	21.0 Yrs
Women	23.8 Yrs	24.0 Yrs
Longevity at 65 for future pensioners:		
Men	22.2 Yrs	21.8 Yrs
Women	25.6 Yrs	25.5 Yrs
Financial assumptions		
Rate of CPI inflation	3.20%	2.95%
Rates of increase in salaries	3.90%	3.95%
Rate of increase in pensions	3.20%	2.95%
Rate for discounting scheme liabilities	2.70%	4.75%

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. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not changed from those used in the previous period.

Note 32 Defined Benefit Pension Scheme Continued

Impact on the defined benefit obligation in the scheme	Approx % increase to defined benefit obligation	Approx monetary amount (£000s)
0.1% decrease in Real Discount Rate	2%	1,026
1 year increase in member life expectancy	4%	2,427
0.1% increase in the Salary Increase rate	0%	111
0.1% increase in the Pension Increase Rate (CPI)	2%	930

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 19 years. Funding levels are monitored on an annual basis. A triennial valuation was completed as at 31 March 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service pension schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The authority is anticipated to pay £1.064m expected contributions to the scheme in 2023/24.

McCloud Judgement

As a result of the McCloud judgement ,the Accounts included a past service gain of £126k in 2019/20 which reflected the revision by the actuaries of their previous estimate. No additional adjustment has been added to the current service cost for 2022/23 or the projected cost for 2023/24 on the basis that the previous adjustment is has been rolled forward and is included in the balance sheet position.

Guaranteed Minimum Pension (GMP) Equalisation

The Fund's actuary carried out calculations in 2019/20 in order to estimate the impact that the GMP indexation changes will have on the liabilities of the Authority for financial reporting purposes. The estimate assumes that the permanent solution eventually agreed will be equivalent in cost to extending the interim solution to all members reaching state pension age from 6 April 2016 onwards. An allowance for full GMP indexation was included in the closing balance sheet position as at 31 March 2020, therefore no further allowances are required.

Note 33 Risks Arising from Financial Instruments

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

£'000s	Long term			Current		
	31st March 2021	31st March 2022	31st March 2023	31st March 2021	31st March 2022	31st March 2023
Investments						
Loans and receivables	0	0	0	3,523	6,378	7,954
Debtors						
Financial assets carried at contract	0	0	0	4,493	3,185	3,298
Total debtors & investments	**0**	**0**	**0**	**8,016**	**9,563**	**11,252**
Borrowing						
Financial liabilities at amortised cost	(362)	(331)	(298)	(30)	(31)	(33)
Total borrowings	**(362)**	**(331)**	**(298)**	**(30)**	**(31)**	**(33)**
Creditors						
Financial liabilities at amortised cost	0	0	0	(918)	(1,029)	(1,439)
Total creditors	**0**	**0**	**0**	**(918)**	**(1,029)**	**(1,439)**

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 34. 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 £1.121m 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 2022/23. The Debtors figure of £2.139m relating to bodies external to government arises from a combination of normal business activity and one-off projects. The bad debts provision of £30k is regarded as reasonable mitigation of the risks of general debts not being paid, representing 0.12% of all outstanding debt outstanding. The provision is reviewed annually and the Authority has a history of negligible bad debt writes offs (c.£900 in the last 5 years). All Short Term investments, in accordance with the Authority's Treasury Management 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 2023 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. North Yorkshire County Council became North Yorkshire Unitary Council from April 2023, however a new SLA has been taken out with the new Authority and the level of risk remains low.

Note 33 Risks Arising from Financial Instruments Continued

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 Management 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.

Foreign exchange rate risk

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

The exposure relates to the Moorlife 2020 project, which was a five year project with 75% grant aid from the European Commission of €11.9m, starting in 2016/17, which has now been extended to 2023. The final claim was submitted in May 2023 but final amounts will not be confirmed until July or August 2023. The project therefore has an element of exchange rate risk depending upon the exchange rate of the euro against sterling, at key points in the project. The grant was planned to be drawn down in four stages, and the date on which the euro grant is drawn down and paid over determines the value of sterling income received. Three stages totalling €8.4m have been paid to date leaving a total grant balance of €3.5 left to claim.

A contingency of £500k has been allocated to an earmarked reserve to take account of any further exchange rate and grant draw down risks to the completion of the project. The project risks are now significantly reduced and the contingency is now considered sufficient mitigation. A further risk was identified as a result of “Brexit” and specific assurances were sought that the project would be covered by the Chief Secretary to the Treasury’s guarantee that such projects would be underwritten by the UK government. A letter from Defra’s Permanent Secretary was received on the 9th February 2016, to this effect.

Interest rate risk

The authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movement in interest rates have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the surplus or deficit on the provision of services will rise
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- investments at variable rates – the interest income credited to the surplus or deficit on the provision of services will rise
- investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the surplus of deficit on the provision of services or other comprehensive income and expenditure.

Note 33 Risks Arising from Financial Instruments Continued

However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the General Fund balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in other comprehensive income and expenditure.

There is not 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 investment receipts. The Authority's long term borrowings are at a fixed rate of interest, and it is the Authority's policy to manage these risks by monitoring prevailing long term interest rates, ensuring that exposure to uncompetitive interest rate payments is minimised where possible. The timing of capital investment and raising of loan finance is also reviewed and forecast, in order to take advantage of interest rates which compare favourably against long term averages; the Capital Financing Requirement (CFR) is also managed in the short term with internal use of funds. Of the £1.240m CFR, £331k is financed from external fixed rate debt, with £909k at risk of interest rate fluctuations, and it is considered that there is a reasonable risk in continuing to finance this from internal funds while the markets are still pricing medium term interest rates at low levels.

Note 34 Loans

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

	2021/22 £'000s	2022/23 £'000s
Short Term Analysis by Type of Loan		
Public Works Loan Board	31	33
	31	**33**

	2021/22 £'000s	2022/23 £'000s	Average Interest Rate %
Long Term Analysis by Type of Loan			
Public Works Loan Board	331	298	4.70%
	331	**298**	

The CIPFA Code requires disclosure of the fair value of the loan, which is calculated by the PWLB

	2021/22 £'000s	2022/23 £'000s
PWLB Fair Value	424	
Balance Sheet Carrying Value		
Under 1 year	31	33
Between 1 - 30 years	331	298
	362	**331**

Note 34 Loans Continued

The Fair Value is more than the carrying amount at 31 March 2023 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 only one long term loan:

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 October 2006 at a fixed rate of 4.7% with a final payment 30 September 2031.

Note 35 Impact of Accounting Changes

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

The principal accounting change that will affect this Authority's accounts will arise from the introduction of IFRS 16 – Leases. This standard is now anticipated to apply from 1 April 2024, and establishes a new model for accounting for leases of substantial long term leased assets. The likely impact is that leases classified as operating leases may need to be re-classified and dealt with as a balance sheet asset, in a similar way to finance leases currently. The precise impact on the Authority has not yet been calculated as the application of the standard to Local Authorities is still being discussed, but it is expected that a number of property leases will be affected by the change. The balance sheet values affected may not be a material sum, depending on the accounting treatment required under the new standard, especially for peppercorn or nil consideration leases.

Note 36 Reconciliation of Operating Activites in Cashflow Statement to Revenue

	2021/22 £'000s	2022/23 £'000s
(Surplus)/ Deficit on Income & Expenditure Account	330	422
Adjustments between accounting basis and funding basis (Note 6)	(2,617)	(1,754)
Transfers to/ (from) earmarked reserves (Note 7)	1,894	1,330
(Increase)/ Decrease in General Reserve Balance for the year	(393)	(2)
Minimum/ Voluntary Revenue Provision	(158)	(170)
Contributions (to)/ from Reserves	(1,821)	(1,330)
Contributions (to)/ from Restricted Funds	(73)	0
(Increase)/ Decrease in Creditors	(111)	(342)
(Increase)/ Decrease in Advanced Income	1,585	(12)
Increase/ (decrease) in Debtors	(1,402)	(19)
Increase/ (decrease) in Stock	(38)	(3)
Revenue Contribution to Capital Expenditure	(250)	(146)
	(2,268)	(2,022)
Net Cash Flow Operating Activities	**(2,661)**	**(2,024)**

Note 37 Reconciliation of Liabilities Arising from Financing Activities

	1st April 2022 £'000s	Financing Cashflows £'000s	31st March 2023 £'000s
Long term borrowings	(331)	33	(298)
Short term borrowings	(31)	(2)	(33)
	(362)	**31**	**(331)**